

# TA ASIA HIGH CONVICTION FUND

(formerly known as  
TA Asia High Conviction Mandate)

## INFORMATION MEMORANDUM

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

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

This Information Memorandum is dated 1 December 2025.

The date of constitution of the TA Asia High Conviction Fund is 1 October 2019.

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.

THIS IS A REPLACEMENT INFORMATION MEMORANDUM THAT REPLACES AND SUPERCEDES THE INFORMATION MEMORANDUM DATED 1 NOVEMBER 2022 AS AMENDED BY THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 28 FEBRUARY 2024 IN RESPECT OF THE FUND.

## **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 has not authorised or recognised the TA Asia High Conviction Fund ("Fund") and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia.**

**The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum.**

**The Securities Commission Malaysia is not liable for any non-disclosure on the part of TA Investment Management Berhad 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 U.S., 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 U.S. Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

## Information Memorandum in respect of the TA Asia High Conviction Fund

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### **Additional Disclosures on Personal Information**

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

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## DEFINITION

2010 Law	In relation to the Target Fund, means the Luxembourg law of 17 December 2010 on undertakings for collective investment as amended or supplemented from time to time.
Act	Capital Markets and Services Act 2007, which reference shall include all amendments, modifications, alterations, consolidations or re-enactment made thereto or for the time being in force and all statutory instruments, regulations or orders made pursuant thereto or for the time being in force.
AUD	Australian Dollar, the lawful currency of Australia.
AUD Class A	The Class issued by the Fund denominated in AUD.
Base Currency	The base currency of the Fund, i.e. USD.
Bursa Malaysia	The stock exchange managed and operated by Bursa Malaysia Securities Berhad and includes any changes to the name or the operator of the Malaysian stock exchange.
Business Day	<p>A day on which Bursa Malaysia is open for trading or banks in Kuala Lumpur are open for business. The Manager may declare certain business days to be a non-business day although Bursa Malaysia or the banks in Kuala Lumpur are open for business.</p> <p><i>Note: We may declare certain Business Days to be a non-Business Day if the jurisdiction of the Target Fund declares a non-business day and/or if the Target Fund's manager declares a non-dealing day.</i></p>
Class A	Collectively refers to USD Class A, AUD Class A, SGD Class A and MYR Hedged Class A.
Class(es)	Any class of Units representing similar interest in the assets of the Fund.
Deed	The deed dated 1 October 2019 entered into between the Manager and the Trustee in respect of the Fund as may be modified or varied by a supplemental deed from time to time.
Eligible Market	<p>An exchange, government securities market or an over-the-counter ("OTC") market:</p> <ul style="list-style-type: none"><li>(a) that is regulated by a regulatory authority of that jurisdiction;</li><li>(b) that is open to the public or to a substantial number of market participants; and</li><li>(c) on which financial instruments are regularly traded.</li></ul>
Fund	TA Asia High Conviction Fund ( <i>formerly known as TA Asia High Conviction Mandate</i> ).
Guidelines	The Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework and other relevant guidelines issued by the SC as may be amended from time to time.
Information Memorandum	The information memorandum in relation to the Fund as may be amended by the supplementary information memorandum or replacement information memorandum from time to time.

## Information Memorandum in respect of the TA Asia High Conviction Fund

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Invesco Group	In relation to the Target Fund, means Invesco Limited together with its wholly owned subsidiaries and related corporate bodies.
Investment Date	The day when the Manager received and processed the application for Units based on the NAV per Unit calculated at the end of the Business Day.
Investment Manager	Invesco Asset Management Limited.
IUTA / Institutional UTS Advisers	A corporation registered with the Federation of Investment Managers Malaysia ("FIMM") and authorised to market and distribute unit trust schemes of another party.
Last Practicable Date	31 October 2025.
Liquid Assets	Means: <ul style="list-style-type: none"><li>• placement in short-term deposits; or</li><li>• money market instruments that are dealt in or under the rules of an Eligible Market and whose residual maturity does not exceed twelve (12) months.</li></ul>
Management Company	Invesco Management S.A.
MCR	Multi-class ratio, being the apportionment of the NAV of each Class over the total NAV of the Fund 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	In relation to the Target Fund, means any member state of the European Union ("EU"). The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU are considered equivalent to the member states of the EU.
MYR Hedged Class A	The Class issued by the Fund denominated in RM that aims to minimise the effect of exchange rate fluctuations between the Base Currency and RM.
NAV	Net asset value.
NAV of the Class	The value of the assets of the Fund attributable to a Class less the value of the liabilities of the Fund attributable to such Class at a valuation point.
NAV of the Fund	The value of all the Fund's assets less the value of all the Fund's liabilities at a valuation point.
NAV per Unit	The NAV of the Class divided by the number of Units in circulation of that Class at the same valuation point.
Regulated Market(s)	In relation to the Target Fund, means a market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and any other market in any state which is regulated, operates regularly and is recognised and open to the public.
Reinvestment Date	The distribution reinvestment date which shall be within three (3) Business Days after the date of declaration of any distribution.
RM / MYR	Ringgit Malaysia, the lawful currency of Malaysia.



## Information Memorandum in respect of the TA Asia High Conviction Fund

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SC / Securities Commission Malaysia	The Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
SFDR	In relation to the Target Fund, means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
SFTR	In relation to the Target Fund, means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
SGD	Singapore Dollar, the lawful currency of Singapore.
SGD Class A	The Class issued by the Fund denominated in SGD.
SICAV	In relation to the Target Fund, means Invesco Funds, an open-ended investment company organised as a société anonyme under the laws of Luxembourg and qualified as a société d'investissement à capital variable (SICAV), also referred to as "Invesco Funds".
Sophisticated Investor(s)	<p>Any person who:</p> <ul style="list-style-type: none"><li>(a) is determined to be a sophisticated investor under the Guidelines on Categories of Sophisticated Investors, as amended from time to time; or</li><li>(b) acquires any capital market product specified under the Guidelines where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or</li><li>(c) fall under any other category(ies) of investors as may be permitted by the SC from time to time.</li></ul> <p>Note: For more information and/or updates on the definition of "Sophisticated Investor(s)", please refer to our website at <a href="http://www.tainvest.com.my">www.tainvest.com.my</a>.</p>
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 (3/4) of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy" means three-fourths (3/4) of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy; for the purposes of terminating the Fund or a Class, "Special Resolution" means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths (3/4) of the value of the Units held by the Unit Holders in the Fund or in that Class, as the case may be, present and voting at the meeting in person or by proxy.
Stock Connect	In relation to the Target Fund, means the mutual market access programme through which investors such as the Target Fund can deal in permitted securities listed on the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE") through the Hong Kong Stock Exchange ("SEHK") and clearing house in Hong Kong (Northbound Trading) and Chinese domestic investors can deal in select securities listed on the SEHK through the SSE or the SZSE or other Stock Exchanges in the future as permitted by the regulators and their respective clearing house (Southbound Trading).
Target Fund	Invesco Funds – Invesco Asian Equity Fund.

## Information Memorandum in respect of the TA Asia High Conviction Fund

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Target Prospectus	Fund's	The prospectus for the Target Fund dated 30 October 2025 and as may be amended and/or supplemented from time to time.
Trustee		CIMB Commerce Trustee Berhad (Registration Number: 199401027349 (313031-A)).
UCI		In relation to the Target Fund, means an undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS		In relation to the Target Fund, means an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive.
UCITS Directive		In relation to the Target Fund, means the EU Council Directive 2009/65/EC of 13 July 2009 on the Coordination of Laws, Regulations and Administrative Provisions relating to UCITS, as amended by Directive 2014/91/EU of the European Parliament and Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions as may be further amended, supplemented or consolidated.
Unit / 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) investor(s) / you	/	Sophisticated Investor(s) registered for the time being as the holder or holders of Units of the Fund including persons jointly registered.
U.S.		United States of America.
USD		United States Dollar, the lawful currency of U.S.
USD Class A		The Class issued by the Fund denominated in USD.
Valuation Day		A Business Day on which the price of the Fund is calculated.
We / our / us / the Manager / TAIM		TA Investment Management Berhad (Registration Number: 199501011387 (340588-T)).

## CORPORATE DIRECTORY

### Manager

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

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

Telephone number: 03-2072 1277

Head office / Business address: 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](mailto:investor.taim@ta.com.my)  
Website: [www.tainvest.com.my](http://www.tainvest.com.my)

### Trustee

Name: CIMB Commerce Trustee Berhad (Registration Number: 199401027349 (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

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 9894  
Email address: [ss.corptrust@cimb.com](mailto:ss.corptrust@cimb.com)  
Website: [www.cimb.com](http://www.cimb.com)

## CHAPTER 1: THE FUND

The Fund was launched as an equity fund and was subsequently restructured to a feeder fund (equity) on 1 December 2025 following the approval obtained from Unit Holders at the Unit Holders' adjourned meeting.

FUND INFORMATION				
<b>Fund Name</b>	TA Asia High Conviction Fund			
<b>Fund Category</b>	Feeder fund (wholesale equity)			
<b>Base Currency</b>	USD			
<b>Class(es) of Units</b>	<ul style="list-style-type: none"> <li>• USD Class A</li> <li>• AUD Class A</li> <li>• SGD Class A</li> <li>• MYR Hedged Class A</li> </ul>			
<b>Launch Date</b>	<b>USD Class A</b>	<b>AUD Class A</b>	<b>SGD Class A</b>	<b>MYR Hedged Class A</b>
	7 October 2019			
	<i>Note: All Units issued to the Unit Holders of the Fund prior to the date of this Information Memorandum shall be designated as "Class A".</i>			
<b>Investment Objective</b>	<p>The Fund aims to achieve long-term capital growth by investing in a collective investment scheme that invests primarily in Asian equities.</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 85% of the Fund's NAV in the Target Fund and the remainder of the Fund's NAV will be invested in Liquid Assets.</p> <p>The Fund may employ currency hedging strategies to hedge the foreign currency exposure to manage the currency risk of the Classes which are not denominated in the Base Currency. If and when the Manager considers the investment in the Target Fund is unable to meet the investment objective of the Fund or the Target Fund is no longer in the best interests of the Unit Holders, the Manager may replace the Target Fund with another collective investment scheme of a similar objective.</p> <p>As this is a feeder fund, the Manager will stay invested in the Target Fund as long as the Target Fund's investment objective and strategies will enable the Fund to meet its investment objective. Nevertheless, during adverse market conditions, the Manager may take a temporary defensive position which may be inconsistent with the Fund's strategy by reducing its investment in the Target Fund and increase the Fund's liquidity level by investing in Liquid Assets to safeguard the Unit Holders' interests.</p> <p>The Fund may change its investments in one (1) class of the Target Fund into another class of the Target Fund (which must be denominated in the same currency) if the Manager is of the opinion that the change is in the interests of the Unit Holders. If the Manager wishes to effect such change, the Manager will seek concurrence from the Trustee and the Unit Holders will be notified before implementation of such change. Please refer to Chapter 3: The</p>			

## Information Memorandum in respect of the TA Asia High Conviction Fund

	Information on Invesco Funds – Invesco Asian Equity Fund (“Target Fund”) for more details.
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• A minimum of 85% of the Fund’s NAV will be invested in the Target Fund; and</li> <li>• A maximum of 15% of the Fund’s NAV will be invested in Liquid Assets.</li> </ul>
<b>Specific Risks Associated with the Fund</b>	<ul style="list-style-type: none"> <li>• Concentration Risk</li> <li>• Currency Risk</li> <li>• Counterparty Risk</li> <li>• Country Risk</li> <li>• Temporary Suspension of the Collective Investment Scheme Risk</li> <li>• Fund Management of the Target Fund Risk</li> </ul>
<b>Performance Benchmark</b>	<p>MSCI AC Asia ex Japan Index (Net Total Return)</p> <p>The Fund adheres to the benchmark of the Target Fund for performance comparison. The Target Fund is actively managed and is not constrained by its benchmark, which is used for comparison purposes. However, the majority of the Target Fund’s holdings are likely to be components of the benchmark. As an actively managed fund, this overlap will change and this statement may be updated from time to time. The Investment Manager has broad discretion over portfolio construction and therefore securities, weightings and risk characteristics will differ. As a result, it is expected that over time the risk return characteristics of the Target Fund and the Fund may diverge materially to the benchmark.</p> <p>Any change of the Fund’s benchmark will be updated on our website and/or the Fund’s product highlights sheet.</p>
<b>Investor’s Profile</b>	<p>The Fund is suitable for Sophisticated Investors who:</p> <ul style="list-style-type: none"> <li>• are seeking a return over the long-term via exposure to Asian equities and are willing to accept high volatility;</li> <li>• are willing to tolerate the risks associated with investing in the Target Fund.</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 to invest in the following:</p> <ol style="list-style-type: none"> <li>1. units and/or shares of a collective investment scheme;</li> <li>2. money market instruments;</li> <li>3. deposits placed with financial institutions;</li> <li>4. financial derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps; 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 restrictions or limits.
<b>FEES AND CHARGES RELATED TO THE FUND</b>	
<p><i>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 <u>exclusive</u> of any payable taxes and/or duties which may be imposed by the government or relevant authority unless otherwise specified.</i></p>	

## Information Memorandum in respect of the TA Asia High Conviction Fund

<b>Sales Charge</b>	<p>Up to 2.00% of the NAV per Unit imposed either by IUTAs, unit trust consultants or the Manager.</p> <p><i>All sales charge is to be rounded to two (2) decimal points. The Manager reserves 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; alternatively, Sophisticated Investors may negotiate with their preferred distribution channel for a lower sales charge. Investment through the distribution channel shall be subjected to their respective terms and conditions.</i></p> <table><tr><th colspan="3">Illustration on how the sales charge is calculated</th></tr><tr><td colspan="3">Assuming an investor decided to invest RM100,000.00 in the Fund for MYR Hedged Class A. The NAV per Unit is RM1.0000 and the sales charge is 2.00% of the NAV per Unit. The sales charge is calculated based on his investment amount and is illustrated as follows:</td></tr><tr><td>Investment amount</td><td>RM</td><td>100,000.00</td></tr><tr><td>Number of Units allocated (RM100,000.00 / RM1.0000)</td><td></td><td>100,000.00</td></tr><tr><td>Add sales charge 2.00% of investment amount (2.00% x RM100,000.00)</td><td>RM</td><td>2,000.00</td></tr><tr><td>Total amount payable by investor</td><td>RM</td><td>102,000.00</td></tr></table> <p><i>Please note that the calculation set out above is for illustration purposes and exclusive of any payable taxes and/or duties.</i></p>	Illustration on how the sales charge is calculated			Assuming an investor decided to invest RM100,000.00 in the Fund for MYR Hedged Class A. The NAV per Unit is RM1.0000 and the sales charge is 2.00% of the NAV per Unit. The sales charge is calculated based on his investment amount and is illustrated as follows:			Investment amount	RM	100,000.00	Number of Units allocated (RM100,000.00 / RM1.0000)		100,000.00	Add sales charge 2.00% of investment amount (2.00% x RM100,000.00)	RM	2,000.00	Total amount payable by investor	RM	102,000.00															
Illustration on how the sales charge is calculated																																		
Assuming an investor decided to invest RM100,000.00 in the Fund for MYR Hedged Class A. The NAV per Unit is RM1.0000 and the sales charge is 2.00% of the NAV per Unit. The sales charge is calculated based on his investment amount and is illustrated as follows:																																		
Investment amount	RM	100,000.00																																
Number of Units allocated (RM100,000.00 / RM1.0000)		100,000.00																																
Add sales charge 2.00% of investment amount (2.00% x RM100,000.00)	RM	2,000.00																																
Total amount payable by investor	RM	102,000.00																																
<b>Redemption Charge</b>	<p>Up to 1.00% of the NAV per Unit if a redemption request is made within six (6) months from the Investment Date of the Fund. The redemption charge will be retained by the Fund for the benefit of the remaining Unit Holders.</p> <p><i>Note: We reserve the right to waive/reduce the redemption charge from time to time at our absolute discretion.</i></p> <p><b><u>Illustrations on how the redemption charge is calculated</u></b></p> <p><b>A. If redemption request is made within six (6) months from the Investment Date of the Fund MYR Hedged Class A:</b></p> <table><tr><th colspan="3">Application date for sale of Units = 15 December 2025 Request date for redemption of Units = 13 January 2026</th></tr><tr><td>Number of Units to be redeemed</td><td></td><td>20,000.00</td></tr><tr><td colspan="3"><i>If, for example, the NAV per Unit calculated at the next valuation point is RM1.1000, the redemption value, would be:</i></td></tr><tr><td>Multiply by NAV per Unit</td><td>RM</td><td>1.1000</td></tr><tr><td>Redemption value payable to investor</td><td>RM</td><td>22,000.00</td></tr><tr><td>Less: redemption charge 1.00% of redemption value (1.00% x RM22,000.00)</td><td>RM</td><td>220.00</td></tr><tr><td>Net amount payable to investor</td><td>RM</td><td>21,780.00</td></tr></table> <p><b>B. If redemption request is made after six (6) months from the Investment Date of the Fund MYR Hedged Class A:</b></p> <table><tr><th colspan="3">Application date for sale of Units = 15 December 2025 Request date for redemption of Units = 15 July 2026</th></tr><tr><td>Number of Units to be redeemed</td><td></td><td>20,000.00</td></tr><tr><td colspan="3"><i>If, for example, the NAV per Unit calculated at the next valuation point is RM1.1000, the redemption value, would be:</i></td></tr><tr><td>Multiply by NAV per Unit</td><td>RM</td><td>1.1000</td></tr></table>	Application date for sale of Units = 15 December 2025 Request date for redemption of Units = 13 January 2026			Number of Units to be redeemed		20,000.00	<i>If, for example, the NAV per Unit calculated at the next valuation point is RM1.1000, the redemption value, would be:</i>			Multiply by NAV per Unit	RM	1.1000	Redemption value payable to investor	RM	22,000.00	Less: redemption charge 1.00% of redemption value (1.00% x RM22,000.00)	RM	220.00	Net amount payable to investor	RM	21,780.00	Application date for sale of Units = 15 December 2025 Request date for redemption of Units = 15 July 2026			Number of Units to be redeemed		20,000.00	<i>If, for example, the NAV per Unit calculated at the next valuation point is RM1.1000, the redemption value, would be:</i>			Multiply by NAV per Unit	RM	1.1000
Application date for sale of Units = 15 December 2025 Request date for redemption of Units = 13 January 2026																																		
Number of Units to be redeemed		20,000.00																																
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Multiply by NAV per Unit	RM	1.1000																																

## Information Memorandum in respect of the TA Asia High Conviction Fund

	<table><tr><td>Redemption value payable to investor</td><td>RM</td><td>22,000.00</td></tr><tr><td>Less: redemption charge 0.00% of redemption value (0.00% x RM22,000.00)</td><td>RM</td><td>0.00</td></tr><tr><td>Net amount payable to investor</td><td>RM</td><td>22,000.00</td></tr></table> <p>Please note that the calculation set out above is for illustration purposes and exclusive of any payable taxes and/or duties.</p>	Redemption value payable to investor	RM	22,000.00	Less: redemption charge 0.00% of redemption value (0.00% x RM22,000.00)	RM	0.00	Net amount payable to investor	RM	22,000.00
Redemption value payable to investor	RM	22,000.00								
Less: redemption charge 0.00% of redemption value (0.00% x RM22,000.00)	RM	0.00								
Net amount payable to investor	RM	22,000.00								
<b>Switching Fee</b>	<p>No switching fee will be imposed for each switch.</p> <p>However, switching is treated as a redemption from a Class or Fund and an investment into another Class or TAIM's fund (or its classes of units). Hence:</p> <p>(i) Unit Holders will be charged the difference between the sales charge of the Class or Fund and the sales charge of the Class or TAIM's fund (or its classes of units) to be switched into when switching from a Class or Fund with a lower sales charge to a Class or TAIM's fund (or its classes of units) with a higher sales charge; and</p> <p>(ii) Unit Holders will not be charged the difference between the sales charge of the Class or Fund and the sales charge of the Class or TAIM's fund (or its classes of units) to be switched into when switching from a Class or Fund with a higher sales charge to a Class or TAIM's fund (or its classes of units) with a lower sales charge.</p> <p>The Manager reserves the right to vary the terms and conditions of switching from time to time and the Unit Holders will be notified accordingly.</p>									
<b>Transfer Fee</b>	No transfer fee will be imposed for each transfer.									
<b>Other Charges Payable Directly by an Investor When Purchasing or Redeeming the Units</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>The table below describes the fees and charges indirectly incurred by you when you invest in the Fund which may impact the performance of the Fund. All fees and charges quoted below are <u>exclusive</u> of any payable taxes and/or duties which may be imposed by the government or relevant authority unless otherwise specified.</p>										
<b>Annual Management Fee</b>	<p>Up to 1.20% per annum of the NAV of the Fund, calculated and accrued on a daily basis.</p> <p>For information on the current annual management fee charged, please refer to our website at <a href="https://www.tainvest.com.my/taim-annual-management-fee-trustee-fee/">https://www.tainvest.com.my/taim-annual-management-fee-trustee-fee/</a>. Please refer to section 4.1 Computation of NAV and NAV per Unit on how the annual management fee is calculated.</p>									
<b>Annual Trustee Fee</b>	<p>Up to 0.04% per annum of the NAV of the Fund, subject to a minimum fee of RM12,000 per annum of the Fund (excluding foreign custodian fees and charges).</p> <p>For information on the current annual trustee fee charged, please refer to our website at <a href="https://www.tainvest.com.my/taim-annual-management-fee-trustee-fee/">https://www.tainvest.com.my/taim-annual-management-fee-trustee-fee/</a>. Please refer to section 4.1 Computation of NAV and NAV per Unit on how the annual trustee fee is calculated.</p>									

## Information Memorandum in respect of the TA Asia High Conviction Fund

<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 respectively. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>(i) 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 or difference accounts (if any);</li> <li>(ii) remuneration and out of pocket expenses of the person(s) undertaking the oversight functions of the Fund and/or the members of advisers (if any) of the Fund, unless the Manager decides to bear the same;</li> <li>(iii) (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;</li> <li>(iv) taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>(v) costs, fees and expenses properly incurred by the auditor of the Fund;</li> <li>(vi) fees for the valuation of any investment of the Fund;</li> <li>(vii) 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>(viii) 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>(ix) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealings of any asset of the Fund;</li> <li>(x) 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>(xi) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;</li> <li>(xii) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;</li> <li>(xiii) costs, fees and expenses incurred in the termination of the Fund or Class and the retirement or removal of the Trustee or the Manager and the appointment of a new trustee or management company;</li> <li>(xiv) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund, Class or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund or Class (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> <li>(xv) 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, ministry, agency or department;</li> </ul>
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## Information Memorandum in respect of the TA Asia High Conviction Fund

	<p>(xvi) 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;</p> <p>(xvii) 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>(xviii) the expenses and charges relating to the preparation, printing, posting, registration and/or lodgement of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law;</p> <p>(xix) fees in relation to fund accounting;</p> <p>(xx) costs, fees and expenses incurred in relation to the subscription, renewal and/or licensing of the benchmark for the Fund; and</p> <p>(xxi) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under subparagraphs (i) to (xx) above.</p>
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### Notes:

- The Manager may for any reason and at any time, waive or reduce: (a) any fees (except the annual trustee fee<sup>1</sup>); (b) other charges payable by you in respect of the Fund; and/or (c) transactional values including but not limited to the Units or amount, for any Unit Holder and/or investments made via any distribution channels or platform. The Manager reserves the right to enter into a separate agreement with the Unit Holders for a lower annual management fee. The reduction in the annual management fee will be calculated and reimbursed to the Unit Holders by the Manager accordingly.***
- Unit Holders and/or the Fund, shall be responsible for any taxes and/or duties chargeable in respect of all applicable fees, charges and expenses which may be imposed by the government or other authorities from time to time as provided in this Information Memorandum.***

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

TRANSACTION INFORMATION				
Minimum Initial Investment	USD Class A	AUD Class A	SGD Class A	MYR Hedged Class A
	USD100,000	AUD100,000	SGD100,000	RM100,000
<i>or such other lower amount as we may decide from time to time.</i>				
Minimum Additional Investment	USD Class A	AUD Class A	SGD Class A	MYR Hedged Class A
	USD1,000	AUD1,000	SGD1,000	RM1,000
<i>or such other lower amount as we may decide from time to time.</i>				
Minimum Redemption	USD Class A	AUD Class A	SGD Class A	MYR Hedged Class A
	1,000 Units	1,000 Units	1,000 Units	1,000 Units
<i>or such other lesser number of Units as we may decide from time to time.</i>				

<sup>1</sup> Any waiver and/or reduction of the annual trustee fee will be at the discretion of the Trustee.

## Information Memorandum in respect of the TA Asia High Conviction Fund

	<p><i>Note: Unit Holders must hold the minimum holding of Units in their account for each Class 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 for each Class and we will pay the redemption proceeds to the Unit Holders.</i></p>			
Minimum Transfer of Units	USD Class A	AUD Class A	SGD Class A	MYR Hedged Class A
	1,000 Units	1,000 Units	1,000 Units	1,000 Units
	<p><i>or such other lesser number of Units as we may decide from time to time.</i></p>			
Minimum Holding of Units	USD Class A	AUD Class A	SGD Class A	MYR Hedged Class A
	50,000 Units	50,000 Units	50,000 Units	50,000 Units
	<p><i>or such other lesser number of Units as we may decide from time to time.</i></p>			
Frequency of Redemption	<p>There is no restriction on the frequency of redemption.</p> <p>A duly completed redemption request must be received by us on or before 4.00 p.m. on a Business Day. Any redemption requests received by us after 4.00 p.m. will be deemed to have been received on the next Business Day.</p>			
Redemption Payment Period	<p>Redemption proceeds will be paid to you within ten (10) Business Days from the day the redemption request is received by us based on the selected payment method stated in the transaction form received by our head office or any of our business centres.</p> <p><i>Please refer to section 4.4 Redemption of Units for further details.</i></p>			
Switching Facility	<p>Switching is available between the Classes of the Fund and between a Class and any other TAIM's funds (or its class of units), which are denominated in the same currency.</p> <p>(a) for switching out of the Class:</p> <ul style="list-style-type: none"> <li>the minimum switching of Units is 1,000 Units; and</li> <li>the minimum holding of Units is 50,000 Units (after the switch) of the respective Class, unless you are redeeming from the Class entirely.</li> </ul> <p>(b) for switching into the Class:</p> <ul style="list-style-type: none"> <li>the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class that you intend to switch into will be applicable to you.</li> </ul> <p><i>Note: The Manager has the discretion to lower the minimum Units for switching from time to time.</i></p> <p>Switching will be made at the prevailing NAV per Unit of the Class to be switched from on a Business Day when the switching request is received and accepted by us on or before the cut off time of 4.00 p.m., subject to any terms and conditions imposed by the intended fund to be switched into, if any. If we receive your switching request after 4.00 p.m., we will process your request on the next Business Day.</p> <p>Please note that the NAV per unit of a fund (or its class of units) to be switched out and the NAV per unit of the fund to be switched into may be of different Business Days. The table below sets as a guide when the Unit Holder switches out of a fund into another fund managed by us. All switches will be transacted based on the NAV per unit of the fund on the same day except for the following:</p>			

## Information Memorandum in respect of the TA Asia High Conviction Fund

	Switch Out	Switch In	Pricing Day (NAV)	
			Switch Out	Switch In
	Non-money market fund*	Non-money market fund**	T Day	T+1 Day
	Non-money market fund	Money market fund	T Day	At the next valuation point, subject to clearance of payment and money received by the intended fund.
	Money market fund	Money market fund	T Day	At the next valuation point, subject to clearance of payment and money received by the intended fund.
<p><b>Notes:</b></p> <p>* For certain funds with foreign investment exposure, the valuation point may be after the close of Bursa Malaysia but before 5.00 p.m. on the following day in which the Manager is open for business. As a result of having a valuation point on the following day (T+1 day), the NAV of those funds with foreign investment exposure will not be published on the next Business Day but instead will be published the next following Business Day i.e.: two (2) Business Days later (T+2 day).</p> <p>** For funds where the valuation point is on the same day, the NAV of the funds will be published on the following Business Day (T+1 day).</p> <p>Currently, there is no restriction on the frequency to switch. However, we have the discretion to allow or reject any switching into (or out of) the Class, either generally (for all investors) or specifically (for any particular investor or a group of investors). However, switching from an Islamic fund to this Fund is not encouraged especially for Muslim unit holders.</p> <p>The Manager reserves the right to vary the terms and conditions of switching from time to time and the Unit Holders will be notified accordingly.</p>				
<b>Transfer Policy</b>	<p>Unit Holders may transfer all or part of their Units to another person by completing a transfer form signed by both the transferor and transferee in the presence of a witness.</p> <p>For partial transfer of Units, Unit Holders must maintain the minimum holding of Units of the Class or such other lesser number of Units as we may from time to time decide, and be subject to any other terms and conditions which may be applicable to the Class.</p> <p>We may, at our absolute discretion, allow or reject Unit Holders' applications to transfer their Units subject to such terms and conditions as may be stipulated by us from time to time.</p> <p>The person who is in receipt of the Units must be a Sophisticated Investor as well.</p>			
<b>Cooling-off Policy</b>	A cooling-off right is not available for the Fund.			
<b>Eligibility to Subscribe</b>	<p>The Fund is only offered for sale to Sophisticated Investors.</p> <p>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.</p>			

## Information Memorandum in respect of the TA Asia High Conviction Fund

<b>Policy on Gearing</b>	<p>The Fund may borrow cash for the purpose of meeting redemption requests for Units and for short-term bridging requirements. However, the Manager should ensure that:</p> <ul style="list-style-type: none"> <li>(i) the Fund's cash borrowing is only on a temporary basis and that the borrowings are not persistent;</li> <li>(ii) the borrowing period should not exceed one (1) month;</li> <li>(iii) the aggregate borrowings of the Fund should not exceed 10% of the Fund's NAV at the time the borrowing is incurred; and</li> <li>(iv) the Fund may only borrow from financial institutions.</li> </ul> <p>Except as otherwise provided under the Guidelines, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.</p>
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**Note:**

***We may, at our absolute and sole discretion at any time and without having to assign any reason, allow for a lower amount or number of Units in any purchasing of Units (or additional Units) or withdrawing of Units or switching of Units and/or transferring of Units, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you. We may also, at our absolute and sole discretion at any time and without having to assign any reason, reduce the minimum holding, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you.***

ADDITIONAL INFORMATION		
<b>Distribution Policy</b>	<p>Subject to availability of income, distribution is incidental. Distribution of income will only be made from realised gains or realised income.</p> <p>For the avoidance of doubt, any distribution will be rounded to two (2) decimal points (sen per Unit) based on the policy on rounding adjusting of the NAV per Unit of the Class.</p>	
<b>Financial Year End</b>	31 October.	
<b>Deed</b>	Principal Deed	1 October 2019
	Supplementary Deed(s)	First Supplemental Deed – 18 November 2025
<b>Avenue for Advice</b>	You may contact our Customer Service at 1-800-38-7147.	
<b>Trustee</b>	CIMB Commerce Trustee Berhad (Registration Number: 199401027349 (313031-A)).	
<b>Establishment of other Classes</b>	<p>Under the Deed, the Manager has the sole and absolute right to issue and/or establish other, different or new Classes in the Fund with different and/or similar features including but not limited to fees, charges, currency and/or distribution policy without the need to seek Unit Holders' prior approval provided the issuance of such other Classes and the imposition of the terms will not in the opinion of the Manager and the Trustee prejudice the rights of the Unit Holders of the existing Classes. Where a new Class is established or issued, Units in the Fund or any existing Class may be re-designated so long as there is no prejudice to the existing Unit Holders of the Fund as a whole or of such Classes. As at the date of this Information Memorandum, there are four (4) Classes in the Fund, i.e. USD Class A, AUD Class A, SGD Class A and MYR Hedged Class A.</p>	

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) Manager Risk

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

#### c) Inflation Risk

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

#### d) Non-compliance Risk

This risk arises from non-compliance with laws, rules, regulations, prescribed practices and internal policies and procedures by the Manager. For example, the Manager 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. The Manager has put in place internal controls to ensure that comprehensive and timely compliance monitoring is undertaken.

#### e) Loan Financing Risk

This risk occurs when investors take a loan or financing to finance their investment. The inherent risk of investing with borrowed or financed money includes investors being unable to service the loan or financing repayments. In the event Units are used as collateral, investors may be required to top-up the investors' existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan or financing.

#### f) 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 Fund. The Manager has 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, the Manager in consultation with the Trustee will take appropriate measures to safeguard the Unit Holders' interests.

### **g) Suspension Risk**

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the redemption of Units where it is impractical for the Manager to calculate the NAV of the Fund due to the Manager being unable to determine the market value or fair value of a material portion of the Fund's investments. Upon suspension, the Fund will not be able to pay Unit Holders' redemption proceeds in a timely manner and Unit Holders will be required to remain invested in the Fund for a longer period. In such a scenario, Unit Holder's investments will continue to be subjected to risk factors inherent to the Fund.

## **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) Concentration Risk**

The Fund is exposed to concentration risk as it is investing a minimum of 85% of its NAV in the Target Fund. Hence, this 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 and the Fund's performance is fully dependent on the performance of the Target Fund.

### **b) Currency Risk**

The Fund may offer Units in multiple currency Classes, which will expose the Unit Holder to currency risk in respect to the currency of Units of a Class other than the Base Currency.

#### **(i) Currency risk at the hedged Class level**

Investors in the hedged Classes may be subjected to currency risk due to imperfect hedging by the Manager when the Manager hedges the respective currency of the hedged Classes against the Base Currency. However, investors should note that hedging is subject to a minimum investment size of entering into a forward contract and the unhedged portion of the respective hedged Classes may still be affected by the exchange rate movement which may result in fluctuation of NAV of the respective hedged Classes. In addition, investors in the hedged Classes should note that by employing this hedging, investors would not be able to enjoy the additional currency gains when the Base Currency moves favourably against the currency of the hedged Classes. Additional transaction costs of hedging will also have to be borne by the investors in these hedged Classes.

Investors in the hedged Classes should also note that in the event if the size of the hedged Classes is relatively small, the Manager may not hedge the respective currency of the hedged Classes against the Base Currency if it is of the view that the hedging is not in the interests of the Fund and/or Unit Holders.

#### **(ii) Currency risk at the non-hedged Class level**

For investors in the non-hedged Classes, the impact of the exchange rate movement between the Base Currency and the currency of the respective non-hedged Classes (other than USD Class A) may result in a depreciation of the investor's holdings as expressed in the Base Currency.

### **c) Counterparty Risk**

Investors in the hedged Classes of the Fund are subject to counterparty risk on the derivatives contract that may be entered into with the financial institutions for the purpose of hedging strategy. Hence, any default or downgrade in rating by the counterparty may affect the NAV of the Fund. In mitigating this risk, the Manager will carry out stringent selection process on the counterparty prior to entering into derivatives contract with the counterparty.

### d) Country Risk

The Fund invests in the Target Fund which is domiciled in Luxembourg. Any adverse changes in the 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.

### e) Temporary Suspension of the Collective Investment Scheme Risk

The Management Company has the right to suspend calculation of NAV or transaction of the Target Fund. Please refer to section 3.11 Temporary Suspension of the Determination of NAV of the Target Fund for more details.

If the right of the Fund to redeem its shares of the Target Fund is temporarily suspended, the Fund may also be affected if the Fund does not have sufficient liquidity to meet redemption requests from the Unit Holders.

To avoid suspension of the Fund, the Fund will hold adequate Liquid Assets (up to 15% of the Fund's NAV) and if the Liquid Assets are insufficient to meet redemption requests, the Manager may seek temporary financing if this is in the best interests of Unit Holders. If the Manager has exhausted all possible avenues to avoid a suspension of the Fund, the Manager may as a last resort, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the redemption of Units where it is impractical for the Manager to calculate the NAV of the Fund due to market value or fair value of the investment in the Target Fund cannot be determined.

Please note that during the suspension period, there will be no NAV per Unit available and hence, any application for subscription, redemption or switching of Units received by the Manager during the suspension period will only be accepted and processed on the next Business Day after the cessation of the suspension. Unit Holders will be notified of the suspension and when the suspension is lifted.

### f) Fund Management of the Target Fund Risk

The Manager has exercised due skill and care in selecting the Target Fund. However, the Manager does 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 investment objective which may become inconsistent with the investment objective of the Fund. In such instances, the Manager will replace the Target Fund with another collective investment scheme which it considers to be more appropriate in meeting the investment 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

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

### a) General Risk

#### General Investment Risk

As the value of the shares of the Target Fund depends on the performance of the underlying investments which are subject to market fluctuations, no assurance can be given that the investment objective of the Target Fund will be achieved and the amounts invested can be returned to the shareholder of the Target Fund upon redemption of the shares of the Target Fund. The value of shares of the Target Fund may fall as well as rise.

Investments on an international basis involve certain risks, including:

- The value of the assets of the Target Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, natural disasters, political, economic or other developments in the law or regulations of the countries in which the Target Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the countries in which the Target Fund may invest.
- Auditing and financial reporting standards, practices and disclosure requirements applicable to some countries in which the Target Fund may invest may differ from those applicable in Luxembourg in that less information is available to investors and such information may be out of date.
- To the extent that the shareholder of the Target Fund's reference currency differs from the currency of the share class of the Target Fund, the base currency of the Target Fund or the currency of the securities the Target Fund invests in, the shareholder of the Target Fund may be impacted by changes between those currencies.

### **Termination Risk**

The SICAV, the Target Fund and/or certain classes of shares of the Target Fund may be terminated under certain conditions and in the manner specified in section 9.2.6 Liquidation and Merger of the Target Fund's Prospectus. It is possible that at the time of such termination, certain investments may be worth less than their acquisition cost, resulting in shareholders of the Target Fund having to realise an investment loss and/or being unable to recover an amount equal to their original capital invested.

### **Custody Risk**

The assets owned by the SICAV are held in custody for account of the SICAV by a depositary that is also regulated by the Commission de Surveillance du Secteur Financier ("CSSF").

The depositary of the Target Fund may entrust the safekeeping of the SICAV's assets to sub-custodians in the markets where the SICAV invests. Luxembourg law provides that the depositary of the Target Fund's liability shall not be affected by the fact that it has entrusted the assets of the SICAV to third parties. The CSSF requires that the depositary of the Target Fund ensures that there is legal separation of non-cash assets held under custody and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. Where the depositary of the Target Fund engages a sub-custodian, the CSSF requires that the depositary of the Target Fund ensures that the sub-custodian maintains these standards and the liability of the depositary of the Target Fund will not be affected by the fact that it has entrusted to a sub-custodian some or all of the assets of the SICAV. However, certain jurisdictions have different rules regarding the ownership and custody of assets generally and the recognition of the interests of a beneficial owner such as the Target Fund. Before delegating the safekeeping functions to a third party located outside the EU, the depositary of the Target Fund must receive an independent legal opinion to ensure that the contractual arrangement is enforceable in the case of insolvency of the third party. The Target Fund may suffer a delay in recovering its assets in the event of insolvency proceedings against the relevant sub-custodian in such countries.

The depositary of the Target Fund must, on an ongoing basis, assess the custody risk of the country where the SICAV's assets are held for safekeeping. The depositary of the Target Fund may from time to time identify a custody risk in a jurisdiction and suggest to or compel the Investment Manager to promptly realise certain investments. In such circumstances, the price at which such assets will be sold may be lower than the price the SICAV would have received under normal conditions, impacting the performance of the Target Fund.

Similarly, the Investment Manager may seek to invest in securities listed in countries where the depositary of the Target Fund has no correspondent, requiring the depositary of the Target Fund to identify and appoint a local custodian. This process may take time and deprive the Target Fund of investment opportunities.

In respect of cash assets, the general position is that any cash accounts will be designated to the order of the depositary of the Target Fund for the benefit of the Target Fund. However, due to the



fungible nature of cash, it will be held on the balance sheet of the bank with whom such cash accounts are held (whether a sub-custodian or a third party bank), and will not be protected from the bankruptcy of such bank. The Target Fund will therefore have counterparty exposure risk to such bank. Subject to any applicable government guarantee or insurance arrangements in respect of bank deposits or cash deposits, where a sub-custodian or third party bank holds cash assets and subsequently becomes insolvent, the Target Fund would be required to prove the debt along with other unsecured creditors. The Target Fund will monitor its exposure in respect of such cash assets on an ongoing basis.

### **Cyber Security Risk**

Invesco Group has developed and implemented policies aligned with industry guidelines in order to protect the privacy, confidentiality, integrity and availability of information assets and the systems that process those assets. Invesco Group has in place administrative, physical, and technical safeguards to protect information assets against accidental, unlawful or unauthorised access and prevent the damage, destruction, unauthorised disclosure, distribution, loss, manipulation, modification, and/or transmission of those assets. In addition, all delegates and service providers receive a robust security due diligence questionnaire at the point of on boarding and are reviewed on an ongoing basis.

However, such measures cannot provide absolute security. The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the SICAV's delegates may be susceptible to compromise, leading to a breach of the SICAV's delegates' networks. The systems or facilities of the SICAV's delegates may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by the SICAV's delegates to shareholders of the Target Fund may also be susceptible to compromise. Breach of the SICAV's delegates' information systems may cause information relating to the transactions of the SICAV and the Target Fund and personally identifiable information of the shareholders of the Target Fund or other persons to be lost or improperly accessed, used or disclosed. The SICAV's delegates' service providers may be subject to the same electronic information security threats as the SICAV's delegates. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the SICAV, the Target Fund and personally identifiable information of the shareholders of the Target Fund or other persons may be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of the SICAV's delegates' proprietary information may cause the SICAV and the Target Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Target Fund and shareholders of the Target Fund's investments therein.

### **European Union and Eurozone Breakup Risk**

The Greek crisis as well as concerns with Ireland, Italy, Portugal and Spain and most recently the United Kingdom's referendum and resulting "Brexit" have raised a number of doubts regarding the stability of the Eurozone and EU. The risk of departure from the Euro by one or more Eurozone countries could lead, among other things, to the deterioration of the sovereign debt of several countries, together with the risk of contagion to other countries (possibly at the global level) and their financial markets. It could also lead to a deterioration in the stability of the banking sector in general, the possible reintroduction of national currencies in one or more Eurozone countries or, in a more severe situation, the possible disbanding of the Euro entirely. These potential developments, or market views about these, and related issues such as potential currency and sovereign debt volatility, could negatively affect the value of the Target Fund's investments. Shareholders of the Target Fund should carefully consider how changes to the Eurozone and EU may affect the value of their investment in the Target Fund.

### **Foreign Account Tax Compliance Act (“FATCA”) Risk**

The SICAV and the Target Fund will attempt to satisfy any obligations imposed on them to avoid the imposition of any FATCA withholding tax, however no assurance can be given that the SICAV and the Target Fund will be able to satisfy the relevant FATCA obligations. If the SICAV and the Target Fund become subject to a FATCA withholding tax as a result of the FATCA regime, the value of the shares of the Target Fund held by shareholders of the Target Fund may suffer material losses.

### **Market and Target Fund Suspension Risk**

The Target Fund may invest in securities listed on a Regulated Market. Trading on a Regulated Market may be halted or suspended due to market conditions, technical malfunctions which prevent trades from being processed or otherwise pursuant to the Regulated Market's rules. If trading on a Regulated Market is halted or suspended, the Target Fund will not be able to buy or sell the securities traded on that Regulated Market until trading resumes.

Further, trading of the securities of a specific issuer may be suspended by a Regulated Market due to circumstances relating to the issuer. If trading of a particular security is halted or suspended, the Target Fund will not be able to sell that security until trading resumes.

The SICAV may also temporarily suspend the calculation of the NAV per share for the Target Fund. For further details, please refer to section 6.5 Temporary suspension of the determination of NAV of the Target Fund's Prospectus.

### **Settlement Risk**

The Target Fund will be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Shareholders of the Target Fund should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Target Fund in respect to investments in emerging markets. The Target Fund will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, it deals, whether it engages in exchange traded or off-exchange transactions. The Target Fund may be subject to the risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Target Fund, or the bankruptcy of an exchange clearing house. In any case the depositary of the Target Fund will have to exercise its supervisory duties as determined by applicable regulation over the aforementioned parties.

### **Counterparty Risk**

The SICAV will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts (including foreign exchange currency contracts), notes or other instruments that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance of guarantee of an exchange clearing house and therefore the Target Fund will bear the risk of the counterparty's insolvency, bankruptcy or default or a delay in settlement due to a credit or liquidity problem affecting the counterparty. It may prove difficult to locate replacement counterparties to implement the hedging or efficient portfolio strategy behind the original contract and the Target Fund may suffer a loss due to adverse market movements while replacement contracts are executed. A downgrade in a counterparty's credit rating may oblige the Target Fund to terminate the relevant contract in order to ensure compliance with its investment policy and/or the applicable regulations.

The taking of collateral may reduce counterparty risk but it does not eliminate it entirely. There is a risk that the value of collateral held by the Target Fund may not be sufficient to cover the Target Fund's exposure to an insolvent counterparty. This could for example be due to the issuer of the collateral itself defaulting (or, in the case of cash collateral, the bank with whom such cash is placed

becoming insolvent), lack of liquidity in the relevant collateral meaning that it cannot be sold in a timely manner following the failure of the collateral giver, or price volatility due to market events. In the event that the Target Fund attempts to realise collateral following the default by a counterparty, there may be no or limited liquidity or other restrictions in respect of the relevant collateral and any realisation proceeds may not be sufficient to off-set the Target Fund's exposure to the counterparty and the Target Fund may not recover any shortfall.

Collateral management is also subject to a number of operational risks, which can result in a failure to request collateral to cover the exposure of the Target Fund or failure to demand the return of collateral from a counterparty when due. There is the risk that the legal arrangements entered into by the SICAV for the account of the Target Fund are held not to be enforceable in the courts of the relevant jurisdiction, meaning that the Target Fund is unable to enforce its rights over the collateral received in the case of a counterparty failure.

Where collateral is delivered by way of title transfer, the Target Fund will be exposed to the creditworthiness of the counterparty and, in the event of insolvency, the Target Fund will rank as an unsecured creditor in relation to any amounts transferred as collateral in excess of the Target Fund's exposure to the counterparty.

Where the counterparty exercises a right of use in respect of financial instruments (e.g. shares or bonds) provided to it by the Target Fund as collateral under a security interest arrangement, the Target Fund's ownership rights over such instruments will be replaced by an unsecured contractual claim for delivery of equivalent financial instruments subject to the terms of the relevant arrangement. The relevant financial instruments will not be held by the counterparty in accordance with client asset rules or similar rights and so will not be segregated from the counterparty's own assets or held on trust for the Target Fund. As such, on the default or insolvency of the counterparty, the Target Fund may not receive such equivalent financial instruments or recover the full value of the financial instruments.

In the event that a resolution authority exercises its powers under any relevant resolution regime in relation to a counterparty, any rights the Target Fund may have to take any action against the counterparty, such as to terminate the relevant agreement, may be subject to a stay by the relevant resolution authority and/or the Target Fund's claim for delivery of equivalent financial instruments may be reduced (in part or in full) or converted into equity and/or a transfer of assets or liabilities may result in the Target Fund's claim being transferred to different entities.

### **Securities Lending Risk**

Where the Target Fund engages in stock lending transactions, it might be exposed to operational, liquidity, counterparty, custody legal and cash reinvestment risk.

The Target Fund could still be exposed to a risk of loss should a borrower default on its obligation to return the borrowed securities and the value of the collateral received fall below the daily marked to market value of the stocks on loan. This risk can be mitigated by contractual indemnification provided by the stock lending agent. This could also affect the Target Fund's ability to sell securities on loan in a timely manner in order to meet redemption requests. The Target Fund is also exposed to counterparty risk from the lending agent.

The Target Fund could be exposed to recall risk, in the event a delay is observed in the return of securities on loan. Such a delay might result in a loss to the Target Fund or in liquidity issues.

Settlement issues could also lead to some securities remaining uncollateralised for a short period of time.

Where collateral is reinvested there is a risk to the Target Fund that the value of the assets in which the collateral is reinvested falls below the value of the securities on loan.

The Target Fund could also be exposed to a Custody Risk as described further in this section.

### **Sustainability Risks**

The SICAV may be exposed to Sustainability Risks, which may adversely affect the value of the investments in which the Target Fund invests. The SICAV seeks to mitigate the likely impacts of Sustainability Risks on the Target Fund's returns, by taking these risks into account in its investment decisions, based on the likelihood of each risk occurring and the probable impact if it did. The SICAV considers that its process for integration of Sustainability Risks into investment decisions should limit the potential financial impacts of sustainability risks on the overall financial returns of the Target Fund. The choice of monitored Sustainability Risks is based on the judgement of the Investment Manager and is not an exhaustive monitoring of all risks related to the environment, society or governance which could have a negative impact (whether or not material) on the value of an investment. The assessment of the likely impact of Sustainability Risks on the financial returns of the Target Fund also relies on the judgement of the Investment Manager and on the availability of reliable data. There can be no guarantee that the actual impact of the Sustainability Risks on the Target Fund's returns will be correctly predicted, as the exposure to and materiality of Sustainability Risks changes over time and is difficult to predict, detect and quantify.

### **Financial Derivative Instruments Risk**

The Target Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments or, if disclosed in relation to the Target Fund in Appendix A of the Target Fund's Prospectus, financial derivative instruments may be used as part of the principal investment policies and strategies. Such strategies might be unsuccessful and incur losses for the Target Fund, due to market conditions. The Target Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Investments in financial derivative instruments are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of financial derivative instruments involves special risks, including:

1. dependence on the Investment Manager's ability to accurately predict movements in the price of the underlying security;
2. imperfect correlation between the movements in securities, rates, indices, or currencies on which a financial derivative instruments contract is based and movements in the securities or currencies in the Target Fund;
3. the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of the Target Fund to liquidate a financial derivative instrument at an advantageous price. This is particularly the case for financial derivatives instruments traded OTC, for which standardised contracts may not be available. Moreover, under certain conditions it may be difficult or impossible to liquidate positions;
4. the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading) means that futures trading may be highly leveraged. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Target Fund; a similar situation can occur also for other financial derivative instruments, where high leverage can result in the possible amplification of losses;
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Target Fund's assets may be segregated to cover its obligations;
6. the use of financial derivative instruments for hedging purposes may result in missed opportunities, which in turn may result in a lower performance than what could have otherwise been obtained if hedging was not in place; and
7. where the Target Fund's return is provided partly or exclusively by the cash flows received on a total return swap, any early termination of that total return swap, for example as a result of a default by the Target Fund or the counterparty, may have a negative impact on the performance of the Target Fund. The Target Fund may suffer similar negative impact when its return is provided partly or exclusively by the cash flows received on any other type of derivative instruments.

Upon request by any shareholder of the Target Fund, information relating to the risk management methods employed for the Target Fund, including the quantitative limits that are applied and any recent developments in risk and yield characteristics of the main categories of investments may be provided to such shareholder of the Target Fund.

### **Benchmark Risk**

Where the Target Fund's investments calculate interest by reference to a benchmark interest rate (a "Benchmark"), a discontinuance or a change in the method of calculation of that Benchmark could have a negative impact on the value of any such investments. It is expected that the Target Fund's investments will reference benchmark interest rates.

In Europe, the "Benchmarks Regulation" and since 2021 the corresponding U.K. version, the "U.K. Benchmarks Regulation" have, and will further, affect how Benchmarks are calculated and administered. These changes and any further changes to the way any Benchmark is calculated may adversely affect the value of the Target Fund's investments.

### **b) Liquidity Risk**

The Target Fund may be adversely affected by a decrease in market liquidity for the securities in which it invests which may impair the Target Fund's ability to execute transactions. In such circumstances, the Target Fund's securities may become illiquid which may mean that the Target Fund may experience difficulties in selling securities at a fair price within a timely manner.

The Target Fund that invests in bonds or other fixed income instruments may also be exposed to risks in the event of sudden asset price shocks. In case of low trading volume on bond markets, any buy or sell trade on these markets may lead to significant market variations/fluctuations that may impact your portfolio valuation. In such circumstances, the Target Fund may be unable to unwind positions readily due to insufficient buyers or sellers.

In order to ensure that the Target Fund is able to comply at all times with the 2010 Law and UCITS regulations and meets its redemption obligations, the Target Fund is subject to liquidity monitoring in both normal and stress test conditions. The Target Fund is tested as and when required, but at least on a weekly basis, to check whether it has sufficient liquid assets to cover the estimated largest possible outflow.

If the Target Fund would not be able to cover its redemption requests timeously by the sale of securities in the market, the following options can be considered by the SICAV in the shareholder of the Target Fund's interest:

- The Target Fund may temporarily borrow up to 10% of its value to cover liquidity constraints,
- The Target Fund may use swing pricing to recoup transaction and trading costs as a result of excessive outflows (referred to section 6.2 Calculation of assets and liabilities of the Target Fund's Prospectus),
- As disclosed in section 5.4.2 Possible restrictions on redemptions of the Target Fund's Prospectus, the SICAV may limit the total number of shares of the Target Fund which may be redeemed on any business day of the Target Fund to a number representing 10% of the NAV under management of the Target Fund,
- Lastly, the SICAV may suspend trading in exceptional circumstances (as defined in section 6.5 Temporary suspension of the determination of NAV of the Target Fund's Prospectus).

However, there is no guarantee that the mitigation of the liquidity risk can be achieved.

### **c) Currency Exchange Risk**

The Target Fund's assets may be invested in securities denominated in currencies other than the base currency of the Target Fund. The Target Fund may be adversely impacted by changes in exchange rates between such securities and the base currency of the Target Fund. Changes in exchange rates may also adversely impact any income earned on these investments which may be subject to the same exchange rate risk.

### **d) Volatility Risk**

Investors should note that volatility may result in large fluctuations in the NAV of the Target Fund which may adversely affect the NAV per share of the Target Fund and investors may as a result suffer losses.

### e) Equities Risk

The Target Fund may invest in equity securities. The prices of and the income generated by equity securities may decline in response to certain events, including the activities and results of the issuer, general economic and market conditions, regional or global economic instability and currency and interest rate fluctuations. There can be no guarantee that the value of any equity securities held by the Target Fund will increase in value or that any income will be derived from such securities. The value of, and income derived from, equity securities held may fall as well as rise and the Target Fund may not recoup the original amount invested in such securities.

### f) Emerging Markets Risk

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets. The following is a brief summary of some of the more common risks associated with emerging markets investment:

*Lack of Liquidity* – The acquisition and disposal of securities may be more expensive, time consuming and generally more difficult than in more developed markets. Many emerging markets are small, have low trading volumes, low liquidity and significant price volatility;

*Settlement and Custody Risks* – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be a risk that settlement could be delayed and that cash or securities could be disadvantaged;

*Investment and Remittance Restrictions* – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to the Target Fund because the maximum permitted number of or investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval and there can be no guarantee that additional restrictions will not be imposed; and

*Accounting* – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

Although the board of directors of the SICAV consider that a truly diversified global portfolio should include a certain level of exposure to the emerging market countries, they recommend that an investment in any one emerging market fund should not constitute a substantial portion of any investor's portfolio and may not be appropriate for all investors.

### g) Stock Connect Risks

#### ***Risks 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 relatively 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.

The scope of the Shanghai-Hong Kong Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index and all SSE listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on SEHK.

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The scope of the Shenzhen-Hong Kong Stock Connect includes all constituent stocks of the SZSE component Index, SZSE Small/Mid Cap Innovation Index which have a market capitalisation of Renminbi (“RMB”) 6 billion or above and all SZSE-listed shares of companies which have issued both China A-Shares and H Shares.

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.

### ***Pre-trade check***

People’s Republic of China (“PRC”) law provides that SSE or SZSE may reject a sell order if an investor does not have sufficient available China A Shares in its account. SEHK will apply a similar check on all sell orders of Stock Connect securities on the Northbound Trading link at the level of SEHK’s registered exchange participants (“Exchange Participants”) to ensure there is no overselling by any individual exchange participant (“Pre-Trade Checking”). In addition, Stock Connect investors will be required to comply with any requirements relating to Pre-Trade Checking imposed by the applicable regulator, agency or authority with jurisdiction, authority or responsibility in respect of Stock Connect (“Stock Connect Authorities”).

This Pre-Trade Checking requirement may require a pre-trade delivery of the Stock Connect securities from a Stock Connect investor’s domestic custodian or sub-custodian to the Exchange Participant which will hold and safekeep such securities so as to ensure that they can be traded on a particular trading day. There is a risk that creditors of the Exchange Participant may seek to assert that such securities are owned by the Exchange Participant and not the Stock Connect investor, if it is not made clear that the Exchange Participant acts as a custodian in respect of such securities for the benefit of the Stock Connect investor.

When the SICAV trades China A Shares listed on the SSE (“SSE Shares”) and/or China A Shares listed on the SZSE (“SZSE Shares”) through a broker affiliated to the SICAV’s sub-custodian, who is an Exchange Participant and a clearing agent of its affiliated broker, no pre-trade delivery of securities is required and the above risk is mitigated.

Alternatively, if the Target Fund maintains its China A Shares with a custodian which is a custodian participant or general clearing participant participating in the Hong Kong Central Clearing and Settlement System (“CCASS”), the Target Fund may request such custodian to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in China A Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating the Stock Connects system to verify the holdings of an investor such as the Target Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Target Fund’s sell order, the Target Fund will only need to transfer China A Shares from its SPSA to its broker’s account after execution and not before placing the sell order and the Target Fund will not be subject to the risk of being unable to dispose of its holdings of China A Shares in a timely manner due to failure to transfer China A Shares to its brokers in a timely manner.

### ***Beneficial owner of the SSE/SZSE Shares***

Stock Connect comprises the Northbound link, through which Hong Kong and overseas investors like the Target Fund may purchase and hold SSE Shares and SZSE Shares (“Northbound Trading”), and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the SEHK (“Southbound Trading”). These SSE and SZSE Shares will be held following settlement by brokers or custodians as clearing participants in accounts CCASS maintained by the Hong Kong Securities and Clearing Corporation Limited (“HKSCC”) as central securities depositary in Hong Kong and nominee holder. HKSCC in turn holds SSE and/or SZSE Shares of all its participants through a “single nominee omnibus securities account” in its name registered with ChinaClear, the central securities depositary in Mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of SSE Shares and SZSE Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that SSE and SZSE 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

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investors in SSE and SZSE Shares in Mainland China. Foreign investors like the Target Fund, which is investing through Stock Connect and holding SSE Shares and SZSE Shares through HKSCC is the beneficial owner of the assets and is therefore eligible to exercise its rights through the nominee only.

### ***Not protected by Investor Protection Fund***

Investors should note that since the Target Fund carries out Northbound Trading through securities brokers in Hong Kong, but no brokers in Mainland China, it is not protected by the China Securities Investor Protection Fund in Mainland China and thus investors will not benefit from compensation under such scheme.

### ***Restriction on day trading***

Save with a few exceptions, day (turnaround) trading is generally not permitted on the China A Share market. If the Target Fund buys Stock Connect securities on a dealing day (T), the Target Fund may not be able to sell the Stock Connect securities until on or after T+1 day.

### ***Quotas used up***

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. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.

### ***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 between (i) the SSE and SZSE markets and (ii) SEHK. Stock Connect will only operate on days when these markets are open for trading and when banks in these markets 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 China A 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 China A 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 SSE, SZSE and SEHK.

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

### ***Trading costs***

In addition to paying trading fees and stamp duties in connection with China A Shares trading, the Target Fund carrying out Northbound Trading 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



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is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in China A Shares.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the SSE or on the SZSE, the investor is required to disclose his interest within three working days during which he cannot trade the shares of that company. Furthermore, according to PRC Securities Law a shareholder of 5% or more of the total issued shares of a PRC listed company (“major shareholder”) has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that the Target Fund becomes a major shareholder of a PRC listed company by investing in China A-Shares via Stock Connect, the profits that the Target Fund may derive from such investments may be limited, and thus the performance of the Target Fund may be adversely affected.

According to existing Mainland China practices, the SICAV as beneficial owners of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders’ meetings on its behalf.

### ***Clearing, settlement and custody risks***

HKSCC and ChinaClear have established the clearing links between the two exchanges and each will become a participant of the other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Hong Kong and overseas investors which have acquired Stock Connect securities through Northbound Trading should maintain such securities with their brokers’ or custodians’ stock accounts with CCASS (operated by HKSCC).

### ***No manual trade or block trade***

Currently there is no manual trade facility or block trade facility for Stock Connect securities transactions under Northbound Trading. The Target Fund’s investment options may become limited as a result.

### ***Order priority***

Trade orders are entered into China Stock Connect System (“CSC”) based on time order. Trade orders cannot be amended, but may be cancelled and re-entered into the CSC as new orders at the back of the queue. Due to quota restrictions or other market intervention events, there can be no assurance that trades executed through a broker will be completed.

### ***Execution issues***

Stock Connect trades may, pursuant to the Stock Connect rules, be executed through one or multiple brokers that may be appointed by the SICAV for Northbound Trading. Given the Pre-Trade Checking requirements and hence the pre-trade delivery of Stock Connect securities to an Exchange Participant, the Investment Manager may determine that it is in the interest of the Target Fund that it only executes Stock Connect trades through a broker who is affiliated to the SICAV’s sub-custodian that is an Exchange Participant. In that situation, whilst the Investment Manager will be cognisant of its best execution obligations it will not have the ability to trade through multiple brokers and any switch to a new broker will not be possible without a commensurate change to the SICAV’s sub-custody arrangements.

### ***No off-exchange trading and transfers***

Market participants must match, execute or arrange the execution of any sale and buy orders or any transfer instructions from investors in respect of any Stock Connect securities in accordance with the Stock Connect rules. This rule against off-exchange trading and transfers for trading of Stock Connect securities under Northbound Trading may delay or disrupt reconciliation of orders by market participants. However, to facilitate market players in conducting Northbound Trading and the normal course of business operation, off-exchange or “non-trade” transfer of Stock Connect securities for the purposes of post-trade allocation to different funds/sub-funds by fund managers have been specifically allowed.

### ***Currency risks***

Northbound investments by the Target Fund in SSE Shares or SZSE 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

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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.

### ***Risk of ChinaClear default***

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

HKSCC will in turn distribute the Stock Connect securities 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 SICAV nor the Investment Manager shall be responsible or liable for any such losses.

### ***Ownership of Stock Connect securities***

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

The Target Fund's title or interests in, and entitlements to Stock Connect securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. In China, Stock Connect securities are held on behalf of ultimate investors (such as the Target Fund) by the HKSCC as nominee. HKSCC in turn holds SSE Shares or SZSE Shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. While Chinese regulators have affirmed that the ultimate investors hold a beneficial interest in Stock Connect securities, the law surrounding such rights is in its early stages and the mechanisms that beneficial owners may use to enforce their rights are untested and therefore pose uncertain risks.

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

This is a complex area of law and investors should seek independent professional advice.

### ***Risk associated with ChiNext market and/or the Science and Technology Innovation (STAR) board***

The Target Fund may invest in the ChiNext market and/or the STAR board. Such investments may result in significant losses for the Target Fund and its investors. The following additional risks apply:

***Higher fluctuation in stock prices:*** Listed companies on the ChiNext market and/or the STAR board are usually of an emerging nature with smaller operating scale. In particular, listed companies on ChiNext market and STAR board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, they are subject to higher fluctuation in stock prices and liquidity. They also have higher risks and turnover ratios than companies listed on the main board.

***Over-valuation risk:*** Stocks listed on the ChiNext and/or the STAR board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

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*Differences in regulations:* The rules and regulations regarding companies listed on the ChiNext market and the STAR board are less stringent in terms of profitability and share capital than those on the main board.

*Delisting risk:* Listed companies on the ChiNext market and/or the STAR board may be more susceptible to being delisted and such delisting may happen at a faster rate than companies listed on the main board. In particular, ChiNext market and STAR board have stricter criteria for delisting compared to other boards. This may have an adverse impact on the Target Fund if the companies that it invests in are delisted.

*Concentration risk:* STAR board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR board may be concentrated in a small number of stocks and subject the Target Fund to higher concentration risk.

### **Stamp Duty**

Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of China A-Shares and China B-Shares traded on the PRC stock exchanges, at the rate of 0.1%. In the case of contracts for sale of China A-Shares and China B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser.

### **Stock Connect Tax Considerations**

The Chinese tax authorities have clarified that:

- an exemption from value added tax and income tax on capital gains applies to trading on Stock Connect pursuant to the tax circulars Caishui [2014] No. 81, Caishui [2016] No. 127, and Caishui [2016] No.36 (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 (subject to applicable tax treaty or arrangement) will be applied. The entity distributing such dividend is required to withhold such tax on behalf of the recipients.

Investors should seek their own tax advice on their position with regard to their investment in the Target Fund.

## **h) Environmental, social, and governance (“ESG”) Investment Risk**

Sustainable finance is a relatively new field of finance. Currently, there is no universally accepted framework or list of factors to consider to ensure that investments are compliant with ESG criteria. Also, the legal and regulatory framework governing sustainable finance is still under development.

The lack of common standards may result in different approaches to setting and achieving ESG objectives. ESG factors may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is by nature and in many instances, based on a qualitative and judgemental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to ESG criteria. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG criteria. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from that of a sub-fund of the SICAV.

The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

Applying ESG criteria to the investment process may exclude securities of certain issuers for non-financial reasons and, therefore, may forgo some market opportunities available to funds that do not use ESG or sustainability criteria.

The securities held by the Target Fund may be subject to style drift which no longer meet the Target Fund's ESG criteria after investment. The Investment Manager may need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the value of the Target Fund. The

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use of ESG criteria may also result in the Target Fund being concentrated in companies with ESG focus and its value may be more volatile than that of a fund having a more diverse portfolio of investments.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security. ESG data providers are private undertakings providing ESG data for a variety of issuers. The ESG data providers may change the evaluation of issuers or instruments, at their discretion and from time to time, due to ESG or other factors.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision-making processes to address ESG factors and risks, and because of legal and regulatory developments.

### 2.4 RISK MITIGATION

As this is a feeder fund, we do not employ risk management strategy on the portfolio of the Target Fund. 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. The Manager will regularly monitor, review and report investment matters of the Fund to the person(s) or members of a committee undertaking the oversight function of the Fund.

The Manager will stay invested in the Target Fund as long as the Target Fund's investment objective and strategies will enable the Fund to meet its investment objective. Nevertheless, during adverse market conditions, the Manager may take a temporary defensive position which may be inconsistent with the Fund's strategy by reducing its investment in the Target Fund and increase the Fund's liquidity level by investing in Liquid Assets to safeguard the Unit Holders' interests.

To avoid suspension of the Fund, the Fund will hold adequate Liquid Assets (up to 15% of the Fund's NAV) and if the Liquid Assets are insufficient to meet redemption requests, the Manager may seek temporary financing, considering the best interests of Unit Holders. If the Manager is of the view that it has exhausted all possible avenues to avoid a suspension of the Fund, the Manager may as a last resort, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the redemption of Units where it is impractical for the Manager to calculate the NAV of the Fund due to the Manager being unable to determine the market value or fair value of the Fund's investment in the Target Fund. Please note that during the suspension period, there will be no NAV per Unit available and hence, any application for subscription, redemption or switching of Units received by the Manager during the suspension period will only be accepted and processed on the next Business Day after the cessation of the suspension. Unit Holders will be notified of the suspension and when the suspension is lifted.

**THE ABOVE SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST OF THE RISKS WHICH POTENTIAL SOPHISTICATED 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 INVESCO FUNDS – INVESCO ASIAN EQUITY FUND (“TARGET FUND”)**

This section of the Information Memorandum provides you with information regarding the Target Fund as extracted from the Target Fund’s Prospectus save for certain additional information included by the Investment Manager. All capitalized terms and expressions used in this section in reference to the Target Fund shall, unless the context otherwise requires, have the same meanings ascribed to them in the Target Fund’s Prospectus.

The Manager intends to invest in Invesco Funds – Invesco Asian Equity Fund.

Investors may obtain a copy of the Target Fund’s Prospectus from the Manager upon request.

### **3.1 STRUCTURE OF THE SICAV**

The SICAV, also referred to as “Invesco Funds”, is incorporated under the laws of the Grand-Duchy of Luxembourg and qualifies as an open-ended société d’investissement à capital variable. The SICAV is registered as a UCITS under the UCITS Directive. The SICAV was incorporated in Luxembourg on 31 July 1990.

The board of directors of the SICAV are responsible for the management and administration of the SICAV and for its overall investment policy.

### **3.2 REGULATORY AUTHORITY WHICH REGULATES THE TARGET FUND**

CSSF

### **3.3 COUNTRY OF DOMICILE OF THE TARGET FUND**

Luxembourg

### **3.4 FUND LEGISLATION APPLICABLE TO THE TARGET FUND**

2010 Law

### **3.5 THE MANAGEMENT COMPANY OF THE TARGET FUND**

The board of directors of the SICAV have appointed Invesco Management S.A. as management company of the Target Fund to be responsible on a day to day basis under the supervision of the board of directors of the SICAV, for providing administration, marketing, investment management and advice services in respect of the Target Fund.

The Management Company was incorporated as a “société anonyme” under the laws of the Grand Duchy of Luxembourg on 19 September 1991 and its articles of incorporation are deposited with the Luxembourg Registre de Commerce et des Sociétés. The Management Company is approved as a management company regulated by chapter 15 of the 2010 Law and is subject to any implementing regulations, circulars or positions issued by the CSSF.

The Management Company is part of the Invesco Group. The mother company of the Invesco Group is Invesco Ltd, incorporated in Bermuda, with headquarters in Atlanta, U.S. and with subsidiaries or sister companies located throughout the world. Invesco Ltd. is listed on the New York Stock Exchange under the symbol “IVZ”.

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The Management Company shall ensure compliance of the SICAV with the investment restrictions and oversee the implementation of the SICAV's strategies and investment policies. The Management Company shall send reports to the board of directors of the SICAV on a quarterly basis and inform each board of director of the SICAV without delay of any non-compliance of the SICAV with the investment restrictions.

The Management Company will receive periodic reports from the Investment Manager detailing the Target Fund's performance and analysing its investments. The Management Company will receive similar reports from the other service providers in relation to the services which they provide.

### **3.6 THE INVESTMENT MANAGER OF THE TARGET FUND**

The Investment Manager and other companies within the Invesco Group may from time to time act as investment manager or adviser to other funds/clients and may act in other capacities in respect of the Target Fund or other clients.

The Management Company has delegated the investment management services to Invesco Asset Management Limited, investment manager for the Target Fund.

The Investment Manager has discretionary investment management powers in respect of the Target Fund for which they provide investment management services.

The Investment Manager is part of the Invesco Group and the lists of the investment manager(s) responsible for managing each sub-fund of the SICAV is available at [www.invescomanagementcompany.lu](http://www.invescomanagementcompany.lu). The Management Company may also act as investment manager through its branches.

If there is a change to the Investment Manager, the shareholders of the Target Fund may receive at least one month's prior written notification, as the case may be (depending on the materiality of such change).

The Investment Manager may be assisted by investment sub-manager(s) which may provide investment management services to the Target Fund.

Each of the investment sub-manager(s) appointed in respect of the Target Fund are part of the Invesco Group and are listed in section 3 Directory of the Target Fund's Prospectus and on the website of the Management Company, which lists, where relevant, the investment sub-manager(s) responsible for managing the Target Fund ([www.invescomanagementcompany.lu](http://www.invescomanagementcompany.lu)).

### **3.7 INVESTMENT OBJECTIVE OF THE TARGET FUND**

The Target Fund aims to achieve long-term capital growth.

### **3.8 INVESTMENT POLICY OF THE TARGET FUND**

The Target Fund seeks to achieve its objective by investing primarily in equity or equity related securities of (i) companies and other entities with their registered office in an Asian country, (ii) companies and other entities with their registered office outside of Asia but carrying out their business activities predominantly in one or more Asian countries or (iii) holding companies, the interests of which are predominantly invested in companies with their registered office in an Asian country.

For the purposes of the Target Fund, the Investment Manager has defined Asian countries as all countries in Asia excluding Japan, Australia and New Zealand.

Up to 20% of the NAV of the Target Fund may be exposed to China A shares listed on the Shanghai or Shenzhen Stock Exchanges, via Stock Connect.

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Up to 30% of NAV of the Target Fund may be invested in money market instruments, equity and equity related securities, issued by companies and other entities not meeting the above requirements or debt securities (including convertibles) of Asian issuers.

The Target Fund will not invest in units of UCITS and/or other UCIs (including exchange traded funds), with the exception of possible investment in money market funds for liquidity management purposes which will not exceed 10% of the NAV of the Target Fund.

***For more information on the Target Fund's ESG criteria, please refer to Appendix B of the Target Fund's Prospectus where the Target Fund's pre-contractual information pursuant to Article 8 of SFDR is available.***

### ***Use of financial derivative instruments***

The Target Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.

### ***Securities lending transactions***

The Target Fund will engage in securities lending, however, the proportion lent out at any time will be dependent on dynamics including, but not limited to, ensuring a reasonable rate of return for the lending Target Fund and borrowing demand in the market. As a result of such requirements, it is possible that no securities are lent out at certain times. The expected proportion of the NAV of the Target Fund subject to securities lending is 20%. Under normal circumstances, the maximum proportion of the NAV of the Target Fund subject to securities lending is 29%.

### **Benchmark**

Benchmark name: MSCI AC Asia ex Japan Index (Net Total Return)

Benchmark usage: The Target Fund is actively managed and is not constrained by its benchmark, which is used for comparison purposes. However, the majority of the Target Fund's holdings are likely to be components of the benchmark. As an actively managed fund, this overlap will change and this statement may be updated from time to time. The Investment Manager has broad discretion over portfolio construction and therefore securities, weightings and risk characteristics will differ. As a result, it is expected that over time the risk return characteristics of the Target Fund may diverge materially to the benchmark.

## **3.9 INVESTMENT RESTRICTIONS OF THE TARGET FUND**

### **3.9.1 General Restrictions of the Target Fund**

The board of directors of the SICAV shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the SICAV in respect of the Target Fund subject to the following restrictions.

- I. (1) The Target Fund may invest in:
  - a) Transferable securities and money market instruments admitted to or dealt in on a regulated market in Member States,
  - b) Transferable securities and money market instruments dealt in on other markets in Member States, which are regulated, are operating regularly, are recognised and are open to the public,
  - c) Transferable securities and money market instruments admitted to official listings on stock exchanges in any other country in Eastern and Western Europe, the American continent, Asia, Oceania and Africa,
  - d) Transferable securities and money market instruments dealt in on other markets, which are regulated, are operating regularly, are recognised and open to the public of any other country in Eastern and Western Europe, the American continent, Asia, Oceania and Africa,

- e) Recently issued transferable securities and money market instruments provided that the terms of the issue include an undertaking that application will be made for admission to the official listing on one of the stock exchanges as specified in a) and c) or regulated markets that are operating regularly, are recognised and open to the public as specified in b) and d) and that such admission is secured within a year of issue,
- f) Units of UCITS and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, as amended, whether they are situated in a Member State or not, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders 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 Directive 2009/65/EC, as amended;
  - the business of other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the UCITS' or other UCIs' assets (or of the assets of any sub-fund thereof, provided that the principle of segregation of liabilities of the different sub-funds is ensured in relation to third parties) whose acquisition is contemplated can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- g) 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 non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law ("Relevant Institutions");
- h) Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market; and/or financial derivative instruments dealt in OTC ("OTC derivatives"), provided that:
  - the underlying consists of instruments described in sub-paragraphs (a) to (g) above, financial indices, interest rates, foreign exchange rates or currencies, in which the SICAV may invest according to its investment objectives;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF 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 SICAV's initiative;
- i) Money market instruments other than those dealt in on a Regulated Market, which fall under Article 1 of the 2010 Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they 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 non-Member State or, in the 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 markets referred to in subparagraphs (a), (b), (c) or (d) above, or; issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or;
  - issued by other bodies belonging to the categories approved by the CSSF 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 and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC (1), 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.
- (2) In addition, the SICAV may invest a maximum of 10% of NAV of the Target Fund in transferable securities and money market instruments other than those referred to under (1) above.
- (3) The SICAV may acquire movable and immovable property which is essential for the direct pursuit of its business.
- II. The Target Fund may hold ancillary liquid assets up to 20% of its NAV. Ancillary assets are limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavourable market conditions. The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors, for instance in highly serious circumstances such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008. In the case of the Target Fund following an investment policy through the extensive use of financial derivatives and for which important levels of liquid assets are required, the portion of such liquid assets are not included in the above mentioned 20% limit.
- III. a) (i) The Target Fund will invest no more than 10% of its NAV in transferable securities and money market instruments issued by the same body (and in case of credit linked securities, both the issuer of the credit linked securities and the issuer of the underlying securities).
- (ii) The Target Fund may not invest more than 20% of its NAV in deposits made with the same body when the body is a credit institution referred to in I. (g) above or the depositary of the Target Fund or 10% of its NAV in other cases.
- (iii) The risk exposure of the Target Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its NAV when the counterparty is a credit institution referred to in I. g) above or 5% of its NAV in other cases.
- b) Where the Target Fund holds investments in transferable securities and money market instruments of bodies which individually exceed 5% of the NAV of the Target Fund, the

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total of all such investments must not account for more than 40% of the NAV of the Target Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Target Fund may not combine:

- investments in transferable securities or money market instruments issued by a single body,
  - deposits made with a single body, and/or
  - exposures arising from OTC derivative transactions and efficient portfolio management techniques undertaken with a single body in excess of 20% of its NAV.
- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities, or any other state or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If the Target Fund invests more than 5% of its NAV in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the NAV of the Target Fund.

Notwithstanding the above provisions, the Target Fund is authorised to invest up to 100% of its NAV, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by a non-Member State accepted by the CSSF, or by public international bodies of which one or more Member States of the EU are members, provided that the Target Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the NAV of the Target Fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same body, in deposits or in OTC derivative transactions effected with the same body may not, in any event, exceed a total of 35% of the Target Fund's NAV.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC as amended from time to time or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

However a limit of 20% of the NAV of the Target Fund may be applied to investments in transferable securities and money market instruments within the same group.

- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of the Target Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the Target Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on 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.
- V. The SICAV may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

The Target Fund may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the money market instruments of the same issuer.

These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other state, or issued by public international bodies of which one or more Member States are members.

These provisions are also waived as regards shares held by the Target Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Target Fund can invest in the securities of bodies in that state provided that the investment policy of the company from the non-Member State complies with the limits laid down in paragraph III., V. and VI. a), b), c) and d).

- VI. a) Unless otherwise disclosed in Appendix A of the Target Fund's Prospectus, the Target Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) f), provided that no more than 10% of its NAV be invested, in aggregate, in the units of UCITS or other UCI or in one single such UCITS or other UCI. In case this restriction is not applicable to the Target Fund, as provided in its investment policy and objectives in Appendix A of the Target Fund's Prospectus, the Target Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) f), provided that no more than 20% of its NAV be invested in the units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the NAV of the Target Fund.
- b) The underlying investments held by the UCITS or other UCIs in which the Target Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the SICAV invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the management company or by any other company to which the management company is linked by common management or control, or by a substantial direct or indirect holding (i.e. more than 10% of the capital or voting rights), the management company or other company cannot charge subscription or redemption fees on account of its investment in the units of such UCITS and/or other UCIs.

In respect of the Target Fund's investments in other UCITS and other UCIs referred to in the preceding paragraph, the total management fees (excluding any performance fee, if any) that may be charged to the Target Fund and each of the other UCITS or other UCIs concerned shall not be higher than the maximum annual management fee specified for the relevant class of shares of the Target Fund in Appendix A of the Target Fund's Prospectus. In such circumstances, the SICAV will indicate in its annual report the total management fees charged both to the Target Fund and to the other UCITS and UCIs in which the Target Fund has invested during the relevant period.

- d) The Target Fund may acquire no more than 25% (i) of the units of the same UCITS or other UCI and (ii) in case of a UCITS or other UCI with multiple sub-fund(s), of the units of each sub-fund. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.

VII. Notwithstanding the above restrictions, the Target Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more funds (each, a "target fund") without the SICAV being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

- the target fund does not, in turn, invest in the investing fund invested in this target fund; and
- no more than 10% of the assets that the target fund whose acquisition is contemplated, may, according to its investment policy, be invested in units of other UCITS or other UCIs; and
- the investing fund may not invest more than 20% of its NAV in shares of a single target fund; and
- voting rights, if any, attaching to the shares of the target fund are suspended for as long as they are held by the investing fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- for as long as these securities are held by the investing fund, their value will not be taken into consideration for the calculation of the NAV of the SICAV for the purposes of verifying the minimum threshold of the NAV imposed by the 2010 Law; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the investing fund having invested in the target fund, and this target fund.
- Notwithstanding the above restrictions, any sub-fund of the SICAV may, to the widest extent permitted by applicable Luxembourg laws and regulations and as disclosed in Appendix A of the Target Fund's Prospectus with respect to the Target Fund, be considered as a master fund or a feeder fund within the meaning of the 2010 Law. In such case, the relevant sub-fund of the SICAV shall comply with the provisions of the 2010 Law.

- VIII. a) The Target Fund may not borrow for the account of any sub-fund of the SICAV amounts in excess of 10% of the NAV of the Target Fund, any such borrowings to be effected only on a temporary basis, provided that the SICAV may acquire foreign currencies by means of "back-to-back" loans.
- b) The SICAV may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the SICAV from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.

- c) The SICAV may not carry out uncovered sales of transferable securities, money market instruments, units of UCITS or other UCI's or other financial instruments.
  - d) The Target Fund may not acquire either precious metals or certificates representing them.
- IX.
- a) The Target Fund need not comply with the limits laid down in the investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
  - b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the SICAV or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders of the Target Fund.
  - c) To the extent that an issuer is a legal entity with multiple sub-funds where the assets of the sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

The SICAV need not comply with the investment limit percentages when exercising subscription rights attaching to securities which form part of its assets. If, as a result of the exercise of subscription rights or for reasons beyond the control of the SICAV, such as subsequent fluctuation in value of the Target Fund's assets, the above investment limit percentages are infringed, priority will be given, when sales of securities are made, to correcting the situation, having due regard to the interests of shareholders of the Target Fund.

X. Risk Spreading

The assets of the Target Fund are invested according to the principle of risk spreading (i.e. for the purposes of the requirements of the German Investment Tax Act, the Target Fund will invest in or be exposed to more than three assets with a different risk profile).

### 3.9.2 Financial Derivative Instruments Restrictions of the Target Fund

As further described in Appendix A of the Target Fund's Prospectus and subject to the restrictions set out in the investment policy of the Target Fund and in section 7.1 General Restrictions of the Target Fund's Prospectus, the Target Fund may enter into financial derivative instruments either for efficient portfolio management and hedging purposes only, or for investment purposes as described in more details below. The use of financial derivative instruments may be either for efficient portfolio management and hedging purposes only (in which case however the Target Fund may use such instruments merely in the circumstances described below) or for investment purposes. Shareholders of the Target Fund should note the specific risk warnings contained in section 8 Risk Warnings of the Target Fund's Prospectus under the headings "Investing in Financial Derivative Instruments for Efficient Portfolio Management and Hedging Purposes", "Investing in Financial Derivatives Instruments for Investment Purposes" and "Counterparty Risk".

Financial derivative instruments may include (but are not limited to) futures (including currency futures, stock index futures, interest rate futures), forwards, non-deliverable forwards, swaps such as interest rate swaps and credit default swaps and complex options structures (such as straddles and ratio spreads). In addition, financial derivative instruments may incorporate derivatives on derivatives (i.e. forward dated swaps, swap options).

The Target Fund may enter into swap transactions on eligible investments in pursuit of its objective. Such swap transactions can be entered into without limitation but will at all times adhere to the investment and borrowing powers as laid down in section 7.1 of the Target Fund's Prospectus. The

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Target Fund will enter into a swap transaction where, this is in line with its investment policy. For further information on the investment remit of the Target Fund please refer to the investment objective and policy of the Target Fund as described in the Appendix A of the Target Fund's Prospectus.

Certain sub-fund of the SICAV, non-authorised by the Securities and Futures Commission in Hong Kong ("SFC"), may use derivatives on indices, including commodity and loan indices where one component of that index will always be lower than 35%, in accordance with section 7 IV. A) and b). At all times only one component of that index will be allowed to be above the 20% limit with such investment only occurring if all other requirements of the relevant section have been satisfied.

Index weightings may be based on a set criteria such as primary products or market capitalisation and there may be cases where one component will be greater than 20% for a short or extended period of time, due to market conditions as may be determined by the rules of the relevant index.

When the Target Fund uses derivatives on indices, the frequency of the review and rebalancing of the composition of the underlying index of such financial derivative instruments varies per index and could be weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the Target Fund.

Further information relating to such indices is available from the Management Company on request.

### **Hedging and Efficient Portfolio Management**

Efficient portfolio management allows derivative instruments to be used for the purpose of reducing relevant risks and/or costs and/or increasing capital or income returns, subject to any such transactions complying with the overall investment restrictions of the Target Fund and that any potential exposure arising from the transaction must be fully covered by cash or other property sufficient to meet any obligation to pay or deliver that could arise. When using such derivative instruments for efficient portfolio management, the risks of using these instruments are adequately captured by the risk management process of the SICAV, and using such instruments cannot result in a change to the investment objective of the Target Fund or add substantial supplementary risks to the Target Fund in comparison to the general risk policy as described herein.

### **Investment purposes**

The Target Fund may enter into financial derivative instruments on eligible investments in pursuit of its objective (so called investment purposes). Such financial derivative instrument transactions can be entered into without limitation but will at all times adhere to the investment and borrowing powers as laid down in section 7.1 General Restrictions of the Target Fund's Prospectus and global exposure limits with respect to the Value-at-Risk ("VaR") as described in section 7.6 Risk Management Process of the Target Fund's Prospectus. The Target Fund will only enter into a financial derivative instrument transaction where this is in line with its investment objective and policy. For further information on the investment remit of the Target Fund, please refer to the investment objective and policy of the Target Fund as described in the Appendix A of the Target Fund's Prospectus.

### **Total Return Swaps**

Where the Target Fund is permitted to use financial derivative instruments, these may include total return swaps, a form of OTC financial derivative instrument. In summary, a total return swap is an agreement in which one party (the "total return payer") transfers the total economic performance of a reference asset, which may for example be a share, bond or index, to the other party (the "total return receiver"). The total return receiver must in turn pay the total return payer any reduction in the value of the reference asset and possibly certain other cash flows.

Unless otherwise stated in Appendix A of the Target Fund's Prospectus, the counterparty to such total return swaps will not assume any discretion over the composition or management of the Target Fund or over the underlying of the financial derivatives instruments. No approval of the counterparty will be required in relation to the Target Fund's investment portfolio transaction.

Total return swaps entered into by the Target Fund may be in the form of funded and/or unfunded swaps. "Unfunded swap" means a swap where no upfront payment is made by the total return receiver at inception. "Funded swap" means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement.

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Total economic performance includes income and fees, gains or losses from market movement, and credit losses.

The Target Fund may use a total return swap to gain a positive or a negative exposure to an asset (or other reference asset), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss.

The use of total return swap may result in increased counterparty risk and potential conflicts of interest (examples include but are not limited to where the counterparty is a related party).

If the Target Fund may use total return swaps according to its investment objective and policy, the expected proportion and maximum proportion of the NAV of the Target Fund that will be subject to total return swaps are disclosed in Appendix A of the Target Fund's Prospectus. The proportions shall be understood as a gross notional value. The proportions (including the maximum proportions) are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions.

When the Target Fund may use total return swaps or other financial derivative instruments with similar characteristics, such instruments will be used to gain exposure on a total return basis to any asset that the Target Fund is otherwise permitted to gain exposure to, in accordance with its investment objective and policy as disclosed in Appendix A of the Target Fund's Prospectus. Unless otherwise provided in Appendix A of the Target Fund's Prospectus, the expected proportion and the maximum proportion of the Target Fund's NAV that could be subject to total return swaps is 0%. If the Target Fund starts using total return swaps in accordance with its investment objective and policy, the Target Fund's Prospectus will be updated to include the expected proportion and maximum proportion subject to these instruments.

If the Target Fund has an expected proportion of the NAV subject to total return swaps of 0% then it is expected that total return swap use will be on a temporary basis to gain a positive or a negative exposure to an asset (or other reference asset), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss. Such exposure may be taken in circumstances including but not limited to market dynamics at the time the trade is executed, including cost, efficiency and ease of replication.

If the Target Fund has an expected proportion of the NAV subject to total return swaps of >0% then it is expected that total return swap use will be on a continuous basis. The Target Fund may use a total return swap to gain a positive or a negative exposure to an asset (or other reference asset), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss and in particular will refer to scenarios where market access to such asset class is systematic to the Target Fund's investment strategy and total return swaps offers to best access route for such asset class exposure.

All the revenues arising from total return swaps shall be returned to the Target Fund following the deduction of any direct and indirect costs and fees arising. Such direct and indirect costs and fees shall include sums payable to the total return payer. Such costs and fees will be at normal commercial rates, if any, and will be borne by the Target Fund in respect of which the relevant party has been engaged. In principle, the total return payer is not a related party to the SICAV.

### **3.9.3 Efficient Portfolio Management Techniques: Securities Lending Transactions of the Target Fund**

Only if specified in the Appendix A of the Target Fund's Prospectus, the Target Fund may lend portfolio investments to the extent allowed by, and within the limits set forth in, the 2010 Law, as well as present or future related Luxembourg laws, implementing regulations (including SFTR), circulars or CSSF positions and in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the 2010 Law and of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments (as these may be amended or replaced from time to time).

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**For the avoidance of doubt the SICAV or the Target Fund will not enter into repurchase/reverse repurchase transactions, nor into buy-sell back transactions, sell-buy back transactions or margin lending transactions.**

A securities lending transaction is a transaction by which a lender transfers securities subject to a commitment that a borrower will return equivalent securities on a stated future date or on request by the lender.

Securities lending transactions may only be effected in accordance with normal market practice and may be used for efficient portfolio management purposes.

The SICAV, for the Target Fund if specified in Appendix A of the Target Fund's Prospectus, will, for the purpose of generating additional income engage in securities lending transactions.

Only if specified in Appendix A of the Target Fund's Prospectus, the Target Fund uses securities lending on a continuous basis, however, the proportion lent out at any time will be dependent on dynamics including, but not limited to, ensuring a reasonable rate of return for the lending Target Fund and borrowing demand in the market. As a result of such requirements, it is possible that no securities are lent out at certain times.

While the use of efficient portfolio management techniques will be in line with the best interests of the Target Fund, individual techniques may result in increased counterparty risk and potential conflicts of interest (examples include but are not limited to where the counterparty is a related party). Details of the proposed efficient portfolio management techniques and policies adopted by the Target Fund in relation to its use by the SICAV are set out below. Details of the relevant risks are set out in section 8 Risk Warnings of the Target Fund's Prospectus.

To the extent that any such stock lending transactions are with the appointed Investment Manager or investment adviser of the SICAV or any connected person of either of them, such transactions will be at arm's length and will be executed as if effected on normal commercial terms. In particular, cash collateral invested in money market funds in this manner may be subject to a pro rata portion of such money market fund's expenses, including management fees. Investors should note that such expenses would be in addition to the management fees charged by the SICAV and disclosed in section 9.3 Fees and expenses of the SICAV of the Target Fund's Prospectus.

The SICAV has the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within five (5) business days of the Target Fund or other period as normal market practice dictates.

The SICAV will ensure that all of the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs (which do not include hidden revenue), will be returned to the SICAV.

To the extent that the SICAV engages in securities lending in respect of the Target Fund it will appoint a securities lending agent which will receive a fee in relation to its securities lending activities. At the date of the Target Fund's Prospectus, the Bank of New York Mellon SA/NV acts as securities lending agent for any sub-fund of the SICAV (including the Target Fund) entering into securities lending transactions. The securities lending services provided by the Bank of New York SA/NV include the allocation of the custody of the collateral received. Any operational costs arising from such securities lending activities shall be borne by the securities lending agent out of its fee. Unless otherwise stated in Appendix A of the Target Fund's Prospectus, 90% of the gross revenues arising from securities lending will be returned to the Target Fund and the remainder (being 10% of the gross revenues, representing the attendant direct and indirect operational costs and fees of the securities lending agent) will be retained by the securities lending agent.

The SICAV will ensure, at all times, that the terms of efficient portfolio management techniques, including any investment of cash collateral, will not impact on its ability to meet with its redemption obligations.



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Any interest or dividends paid on securities which are the subject of such stock lending arrangements shall accrue to the benefit of the Target Fund.

### **3.9.4 Management of collateral for OTC derivatives and efficient portfolio management techniques of the Target Fund**

As security for any efficient portfolio management technique (including securities financing transactions) and OTC derivative (including total return swaps), the Target Fund will obtain collateral in the manner set out below.

In the case of securities lending transactions, the Target Fund will obtain collateral that will at all times be at least 100% of the market value of the securities lent.

In the case of OTC derivatives, the Target Fund will receive/pay collateral based on the terms outlined in the relevant Credit Support Annex (CSA), subject to the applicable Minimum Transfer Amount (MTA).

Collateral must be obtained for each securities financing transaction or OTC derivative (including total return swaps) and will comply with the following criteria:

- (i) Liquidity – collateral (other than cash) will be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral will comply with the section 7.1 (V) of the Target Fund's Prospectus.
- (ii) Valuation – collateral will be valued on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) Issuer credit quality – collateral will be of high quality.
- (iv) Correlation – collateral will be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (v) Diversification – collateral will be sufficiently diversified in terms of country, markets and issuers. With respect to diversification by issuers, the maximum exposure to a given issuer will not exceed 20% of the NAV of the Target Fund. When the Target Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, the Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Target Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Target Fund's NAV.

There is no minimum remaining maturity requirement for any securities received as collateral.

All assets received in respect of the Target Fund in the context of securities financing transactions and OTC derivatives (including total return swaps) will be considered as collateral for the purposes of the 2010 Law and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by the risk management process employed by the SICAV.

With respect to transactions in OTC derivative contracts (including total return swaps), the Target Fund may receive collateral to reduce counterparty exposure. The levels of collateral received under these transactions are agreed as per agreements in place with the individual counterparties. At all times the counterparty exposure not covered by collateral will remain below the regulatory limits as described in section 7.1 of the Target Fund's Prospectus.

Where there is a title transfer, the collateral received will be held by the depositary of the Target Fund or its agent. For other types of collateral arrangement the collateral may be held by a third party

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custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Cash collateral and high quality government bonds that are received as result of the Target Fund entering into OTC derivatives will be held at the depositary of the Target Fund/its delegate for the benefit of the Target Fund.

Collateral received will be capable of being fully enforced by the SICAV at any time without reference to or approval from the counterparty.

Accordingly collateral will be immediately available to the SICAV without recourse to the counterparty in the event of default by that entity.

### **Permitted types of collateral**

Subject to the above criteria, the SICAV (i) may only accept cash and high quality government bonds as collateral for OTC derivatives (including total return swaps) and (ii) will accept the following types of collateral in respect of securities financing transactions:

- (i) cash;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by Relevant Institutions;
- (iv) bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent;
- (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions;
- (vi) equity securities traded on a stock exchange in the EEA (European Economic Area), the United Kingdom, Switzerland, Canada, Japan, the U.S., Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

### **Reinvestment of Collateral**

Cash received as collateral may not be invested or used other than as set out below:

- (i) placed on deposit with Relevant Institutions;
- (ii) invested in high-quality government securities;
- (iii) used for the purpose of reverse repurchase agreements, provided that the transactions are with credit institutions subject to prudential supervision and the SICAV is able to recall at any time the full amount of cash on an accrued basis;
- (iv) invested in a "Short Term Money Market Fund" as defined by the European Securities and Markets Authority's guidelines on a common definition of European money market funds.

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

Non-cash collateral received cannot be sold, pledged or re-invested.

### **Stress testing policy**

In the event that the SICAV receives collateral for at least 30% of the NAV of the Target Fund, it will implement a stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

### **Collateral Valuation**

Typically, collateral in the form of securities (e.g. equities and bonds) will be valued on a daily mark-to-market basis using bid or mid-market prices at the relevant time (or at close of business on the previous business day of the Target Fund), obtained from a generally recognised pricing source or reputable dealer. Generally, securities collateral will be valued at bid price because this is the price that would be obtained if the Target Fund were to sell the securities following a counterparty default. However, mid-market prices may be used where this is the market practice for the relevant transaction.

Collateral can typically be called for on a daily basis where the Target Fund has a net exposure to the counterparty (i.e. if all the transactions were terminated on that day the counterparty would owe the

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Target Fund the larger amount), taking into account any thresholds (i.e. levels of exposure below which collateral cannot be required) and after applying any haircuts (see below).

### **Haircut policy**

The SICAV has implemented a haircut policy in respect of each class of assets received as collateral in respect of the Target Fund. Typically, the SICAV utilises cash and high quality government bonds of Organisation for Economic Cooperation and Development countries as collateral with haircuts ranging between 0% and 15% depending on the maturity and quality of such collateral.

Nevertheless, other permitted forms of collateral may be utilised from time to time in accordance with the collateral policy and the haircut policy which will take into account the characteristics of the relevant class of assets, including the credit rating of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy.

### **Acceptable counterparties**

OTC derivatives counterparties and counterparties to securities lending transactions are selected as a function of the asset class, the counterparty's credit quality, domicile, regulatory registration and consideration is made to any prior regulatory enforcement actions.

Generally, the legal form of the counterparty is not a key factor in the selection process. The SICAV on behalf of the Target Fund may only enter into securities financing transactions and OTC derivatives (including total returns swaps) with institutions considered as eligible as per the CSSF definition and having a minimum credit rating of at least investment grade from Standard & Poor's, Moody's or Fitch. Alternatively, an unrated counterparty is acceptable where the Target Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a credit rating of at least investment grade from Standard & Poor's, Moody's or Fitch.

### **Counterparty exposure**

The annual report of the SICAV will contain details of (i) the counterparty exposure obtained through efficient portfolio management techniques and OTC derivatives, (ii) counterparties to efficient portfolio management techniques and OTC derivatives, (iii) the type and amount of collateral received by the Target Fund to reduce counterparty exposure and (iv) revenues arising from efficient portfolio management techniques for the reporting period, together with direct and indirect costs and fees incurred and to which entity these have been paid.

The annual report will also inform shareholders of the Target Fund of the use the Target Fund make of efficient portfolio management techniques (including securities financing transactions, as the case may be) and total return swaps.

### **3.9.5 Additional Restrictions of the Target Fund**

- (1) The SICAV may enter into OTC option transactions with highly rated financial institutions participating in these types of transactions if such transactions are more advantageous to the Target Fund or if quoted options having the required features are not available;
- (2) The SICAV may only place deposits of cash (which, for the avoidance of doubt, shall include monies deposited on call) with a bank whose assets less contra accounts exceed one hundred million USD (USD 100,000,000), or with a bank which is a wholly owned subsidiary of a bank whose balance sheet total is not less than the said amount;
- (3) The cash assets of the Target Fund may not at any time be deposited with the Management Company, the sub-distributors of the Target Fund, the Investment Manager or any connected entity except such entities who have the status of a licensed bank in their country of incorporation;
- (4) Except with the written consent of the board of directors of the SICAV, the SICAV may not purchase, sell, borrow or lend portfolio investments from or to, or otherwise execute transactions with, any appointed investment manager or investment adviser of the SICAV, or any connected person of the SICAV or either of them. Such transactions (if any) will be disclosed in the SICAV's annual report and will be executed at arm's length and executed as if effected on normal commercial terms.

- (5) The SICAV will take steps to ensure that the Target Fund will not knowingly finance cluster munitions, munitions and weapons containing depleted uranium, and anti-personnel mines, as well as biological and chemical weapons. This includes in particular not knowingly investing in any form of securities issued by an entity the main activities of which are the manufacturing, use, reparation, sale, exhibition, distribution, import or export, storing or transport of cluster munitions, munitions and weapons containing depleted uranium, and anti-personnel mines as well as biological and chemical weapons, and the board of directors of the SICAV will therefore implement relevant internal investment guidelines.

### **3.9.6 Risk Management Process of the Target Fund**

The Management Company will employ a risk-management process which enables it to monitor and measure the risk of the positions and their contribution to the overall risk profile of the Target Fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

A risk management team at affiliated companies of the Invesco Group, independent from the appointed portfolio managers undertakes risk monitoring and reporting on behalf of the Management Company and provides reports for oversight by the conducting officers of the Management Company. The leverage ratio calculation, the VaR calculation, the back-testing, as well as exposure limits on counterparties and issuer concentration shall comply at all times with the rules set forth in the latest relevant European and/or Luxembourg applicable laws and/or regulations. For details in relation to the methods used by the Target Fund to calculate the global exposure and the leverage ratio, please refer to Appendix A of the Target Fund's Prospectus.

The Management Company has the ultimate responsibility for the risk management of the SICAV. The board of directors of the SICAV will receive the relevant risk report at least on a quarterly basis.

### **3.9.7 ESG Risk Integration Process of the Target Fund**

The SICAV and the Management Company are committed to ensuring the Investment Manager takes sustainability risks into account when making investment decisions in a way that best serves the shareholders of the Target Fund.

The SICAV's approach to integrating the consideration of sustainability risks into its investment decision-making processes is founded on three central pillars: (i) focus on financially material risks; (ii) research basis and (iii) a systematic approach.

The SICAV integrates sustainability risks into investment decisions.

Unless otherwise stated in Appendix A of the Target Fund's Prospectus, the process starts with the identification of sustainability risks deemed to be financially material to a given issuer, in the context of the investment objective and policy, at various stages of the investment process. Investments of the Target Fund (excluding all forms of derivatives) will be assessed for any identified sustainability risks, using one or more methodologies, depending on the strategy. These assessments may be taken into account alongside other investment factors during the research and in investment decisions, and also in any subsequent engagement activities with investee companies.

Assessments of sustainability risks do not necessarily mean that the Investment Manager will refrain from taking or maintaining a position in the investment. Rather, the Investment Manager will consider the assessments together with other material factors in the context of the specific investee company or issuer and the investment objective and policy of the Target Fund.

For the Invesco Policy on integration of Sustainability Risk please refer to the website of the Management Company under the following link: [invesco-group-sustainability-risk-policy](#).

### 3.9.8 Methods used to calculate the Global Exposure of the Target Fund and expected level of leverage of the Target Fund

The Management Company will calculate the global exposure of each sub-fund of the SICAV by using either the VaR methodology or the “commitment approach” depending on the Management Company’s assessment of the risk profile of the relevant sub-funds of the SICAV resulting from its investment policy (including but not limited to its potential use of financial derivative instruments and the features thereof) in accordance with the relevant European and/or Luxembourg applicable laws and/or regulations, as further detailed in the table below. For the avoidance of doubt, the global exposure methodology for the Target Fund is Relative VaR.

Counterparty exposure from the use of financial derivative instruments will be combined with counterparty exposure from other efficient portfolio management techniques for the purposes of compliance with counterparty risk limits set out in section 7.1 General restrictions, sub-section III of the Target Fund’s Prospectus.

The VaR is a statistical model which intends to quantify the maximum potential loss at a given confidence level (probability) over a specific time period under ‘normal’ market conditions.

Shareholders of the Target Fund should note that the market risk of the Target Fund will be adequately monitored using the VaR within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR results should be published in the audited annual report.

Moreover, in accordance with relevant European and/or Luxembourg applicable laws and/or regulations, the expected level of leverage is disclosed in the table below. Such level might be temporarily exceeded or might be subject to change in the future. It should be further noted that the level of leverage is an expected level based on averages which have been experienced over the past and expected into the future, however, while this is an average there will be occasions whether such level may be exceeded. To the extent a trend is identified then the expected level of leverage will be amended. This ratio merely reflects the usage of all financial derivative instruments within the portfolio of the Target Fund and is calculated using the sum of notionals of all financial derivative instruments as further detailed for the Target Fund in Appendix A of the Target Fund’s Prospectus. For the avoidance of doubt financial derivative instruments used to hedge a position will also form part of the calculation. Some of the instruments may reduce the risk within the portfolio and therefore this ratio does not necessarily indicate any increased level of risk within the Target Fund.

Global Exposure Methodology	Reference Portfolio	Expected level of leverage
Relative VaR	MSCI AC Asia ex Japan Index	0%

### 3.10 CALCULATION OF NAV OF THE TARGET FUND

#### Determination of the NAV of the Target Fund

The NAV of each class of shares of the Target Fund shall be expressed in the currency of the relevant class of shares of the Target Fund as a per share figure of the Target Fund and shall be determined by the administration agent of the Target Fund for each business day of the Target Fund, in accordance with article 11 of the articles of incorporation of the SICAV, as amended from time to time (“Articles”), (as of the valuation point of the Target Fund), by dividing the value of the assets of the Target Fund attributable to that class less the amount of the liabilities of the Target Fund attributable to that class by the total number of shares of the Target Fund of the relevant class then outstanding.

If, during any business day of the Target Fund, there has been a material change in the quotations on the markets on which a substantial portion of the investments of the Target Fund is dealt or quoted, the SICAV may, in order to safeguard the interests of the holders of shares of the Target Fund, cancel the first valuation and carry out a second valuation.

### **Swing pricing mechanism**

If on any valuation day of the Target Fund, the aggregate net investor(s) transactions in shares of the Target Fund exceed a pre-determined threshold agreed from time to time by the board of directors of the SICAV, the NAV per share of the Target Fund may be adjusted upwards or downwards to mitigate the effect of transaction costs attributable to net inflows and net outflows respectively, in order to reduce the effect of “dilution” on the Target Fund.

The net inflows and net outflows will be determined by the SICAV based on the latest available information at the time of calculation of the NAV. Dilution occurs when the actual cost of purchasing or selling the underlying assets of the Target Fund, deviates from the carrying value of these assets in the Target Fund’s valuation due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of the Target Fund and therefore impact shareholders of the Target Fund.

Typically, such adjustment will increase the NAV per share of the Target Fund when there are net inflows into the Target Fund and decrease the NAV per share of the Target Fund when there are net outflows. As this adjustment is related to the inflows and outflows of money from the Target Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the SICAV will need to make such adjustments.

The swing pricing mechanism may be applied across all sub-funds (including the Target Fund) of the SICAV. The board of directors of the SICAV has delegated to an internal committee of experts the ongoing swing pricing process (including the application of the swing factor). This committee will reassess on a periodic basis the extent of the price adjustment to be applied to reflect an approximation of current dealing and other costs. Notwithstanding such delegation, the board of directors of the SICAV remain ultimately responsible for the swing factor applied to the sub-funds (including the Target Fund) of the SICAV.

In addition, the board of directors of the SICAV may agree to include anticipated fiscal charges in the amount of the adjustment. Under normal circumstances, such adjustment may vary from fund to fund and will not exceed 2% of the original NAV per share of the Target Fund. However, under exceptional market conditions (such as high market volatility), the adjustment applicable to the Target Fund may, on a temporary basis and at the discretion of the board of directors of the SICAV (taking into account the best interest of the investors) and upon prior investors notification on the website of the Management Company, exceed 2% of the original NAV per share of the Target Fund. The adjustment of the NAV per share of the Target Fund will apply equally to each class of shares in the Target Fund.

The swing pricing mechanism is based on a daily subscription/redemption threshold of the Target Fund. However, where trends are identified or anticipated, a non-threshold based approach may be utilised in order to protect existing investors against any adverse cumulative impact whereby the swing pricing mechanism would be applied over a period of time even though the daily threshold may not be exceeded every single day.

For the avoidance of doubt, the swing pricing mechanism is applied on the capital activity at the level of the Target Fund and does not address the specific circumstances of each individual investor transaction.

Investors are advised that the volatility of the Target Fund’s NAV might not reflect the true portfolio performance as a consequence of the application of swing pricing.

Further information in relation to swing pricing is available upon request from the Management Company.

### **3.11 TEMPORARY SUSPENSION OF THE DETERMINATION OF NAV OF THE TARGET FUND**

The SICAV may suspend the determination of the NAV per share of any particular class of shares of the Target Fund and/or the Target Fund, and the subscription, switch and redemption in the Target Fund and class of shares of the Target Fund in any of the following events:

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- a) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the SICAV attributable to such class of shares from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the SICAV attributable to such class of shares quoted thereon;
- b) during the existence of any state of affairs (including any political, economic, military, monetary or other emergency beyond the control, liability and influence of the SICAV) which constitutes an emergency in the opinion of the board of directors of the SICAV as a result of which disposal or valuation of assets owned by the SICAV attributable to such class of shares would be impracticable or might prejudice the interests of the shareholders of the Target Fund;
- c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such class of shares or the current price or value on any stock exchange or other market in respect of the assets attributable to such class of shares;
- d) during any period when the SICAV is unable to repatriate funds for the purpose of making payments on the redemption of shares of such class of shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot, in the opinion of the board of directors of the SICAV, be effected at normal rates of exchange;
- e) when for any other reason the prices of any investments owned by the SICAV attributable to such class of shares of the Target Fund cannot promptly or accurately be ascertained;
- f) any period when the NAV of any subsidiary of the SICAV may not be determined accurately, including (but not limited to) for feeder funds, if its master fund temporarily suspends the redemption;
- g) from the time of publication of a notice convening an extraordinary general meeting of shareholders of the Target Fund for the purpose of winding-up the SICAV, the Target Fund or classes of shares of the Target Fund, or merging the SICAV or the Target Fund, or informing the shareholders of the Target Fund of the decision of the board of directors of the SICAV to terminate the Target Fund or classes of shares of the Target Fund or to merge the Target Fund.

Any such suspension shall be published, if appropriate, by the SICAV and may be notified to shareholders of the Target Fund having made an application for subscription, redemption or switches of shares of the Target Fund for which the calculation of the NAV has been suspended. If the request is not withdrawn, the relevant transaction will take place as of the first business day of the Target Fund following the termination of the suspension.

Notice of any suspension will also be given to the CSSF and to regulators in other jurisdictions as may be required under applicable local requirements and, provided that the shares of the Target Fund are listed, to the relevant stock exchange(s) as soon as practicable after the suspension takes effect.

### 3.12 FEE OF THE TARGET FUND

The following fees and charges<sup>1</sup> are currently payable out of the assets of the Target Fund:

Initial Charges <sup>2</sup>	Not exceeding 5.00% of the gross investment amount
Redemption Charge	There is no redemption charge
Management Fee <sup>3</sup>	1.50% per annum of the NAV of the Target Fund
Service Agents' Fee (Max)	0.40% per annum of the NAV of the Target Fund
Depository Charge	Maximum of 0.0075% per annum of the NAV of the Target Fund

Notes:

<sup>1</sup> Based on Class A of the Target Fund.

<sup>2</sup> No initial charge will be charged to the Fund as the Fund is subscribing directly through the administrator of the Target Fund.

<sup>3</sup> There will be no double charging of annual management fee. The management fee imposed on the Target Fund level will be taken from the annual management fee of up to 1.20% per annum of the NAV of the Fund charged by the Manager.

Other fees which will be borne by the SICAV include stamp duties, taxes, commissions and other dealing costs, foreign exchange costs, bank charges, registration fees in relation to investments, insurance and security costs, fees and expenses of the auditors, the remuneration and expenses of its directors and officers, all expenses incurred in the collection of income and in the acquisition, holding and disposal of investments.

## CHAPTER 4: TRANSACTION INFORMATION

### 4.1 COMPUTATION OF NAV AND NAV PER UNIT

The NAV of the Fund means the total value of the Fund's investments, assets and properties less the Fund's expenses or liabilities incurred or accrued for the day, at a particular valuation point.

The NAV per Unit 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 on a daily basis in the Base Currency. 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 London Stock Exchange Group ("LSEG") at 4.00 p.m. United Kingdom time (which is equivalent to 11.00 p.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 gain, income, expenses, and/or other expenses related to the Fund are apportioned based on the value of the Class (quoted in the Base Currency) relative to the value of the Fund (also quoted in the Base Currency), which is shown as MCR.

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)	USD Class A (USD)	AUD Class A (USD)	SGD Class A (USD)	MYR Hedged Class A (USD)
Net Asset Value BF	38,455,941.72	9,652,515.85	10,560,492.47	5,256,680.71	12,986,252.69
Multi Class Ratio (MCR) %		25.10019367	27.46127646	13.66935895	33.76917092
Class gains	14,541.93	-	-	-	14,541.93
Gains, Income and Expenses	195,922.51	49,176.93	53,802.82	26,781.35	66,161.41
Gross Asset Value Before Fee	38,666,406.16	9,701,692.78	10,614,295.29	5,283,462.06	13,066,956.03
Management Fee	- 1,271.22 -	318.96 -	348.96 -	173.70 -	429.60
Trustee Fee	- 42.37 -	10.63 -	11.63 -	5.79 -	14.32
Net Asset Value	38,665,092.57	9,701,363.19	10,613,934.70	5,283,282.57	13,066,512.11
Unit in circulation		9,000,000.00	15,000,000.00	22,000,000.00	52,000,000.00
Exchange Rate		1.0000	1.5610	4.3200	4.3200
NAV Per Unit in Fund Currency		1.07792924	0.70759565	0.24014921	0.25127908
NAV Per Unit in Class Currency		1.07792924	1.10455681	1.03744459	1.08552563
NAV Per Unit in Class Currency (Rounded to four decimals)		1.0779	1.1046	1.0374	1.0855

#### **Notes:**

*The management fee and trustee fee for a particular day is illustrated based on 365 calendar days. In the event of a leap year, the computation will be based on 366 calendar days.*

*Please note that the calculation set out above is for illustration purposes and exclusive of any payable taxes and/or duties.*

### 4.2 PRICING OF UNITS

We adopt the single pricing policy for any transactions. Under this regime, both the selling price and redemption price of Units will be the NAV per Unit.

The daily NAV per Unit 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.



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### Incorrect Pricing

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

The Trustee shall not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of zero point five per centum (0.5%) or more of the NAV per Unit attributable to a Class unless the total impact on a Unit Holder's account of each Class is less than RM10.00 or in the case of a foreign currency Class, less than 10.00 denominated in the foreign currency denomination of the Class. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee shall result in reimbursement of moneys in the following manner:

- (a) if there is an over valuation and/or pricing in relation to the application for Units, the Fund shall reimburse the Unit Holder;
- (b) if there is an over valuation and/or pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;
- (c) if there is an under valuation and/or pricing in relation to the application for Units, the Manager shall reimburse the Fund; and
- (d) if there is an under valuation and/or pricing in relation to the redemption of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

### Policy on rounding adjustment

In calculating your investments with us, the NAV per Unit of the Fund will be rounded to four (4) decimal places.

### 4.3 SALE OF UNITS

Minimum Initial Investment	USD Class A	AUD Class A	SGD Class A	MYR Hedged Class A
	USD100,000	AUD100,000	SGD100,000	RM100,000
<i>or such other lower amount as we may decide from time to time.</i>				
Minimum Additional Investment	USD Class A	AUD Class A	SGD Class A	MYR Hedged Class A
	USD1,000	AUD1,000	SGD1,000	RM1,000
<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 is available at our head office or any of our business centres. Please refer to Chapter 9: List of TA Investment Management Berhad's Office, Institutional UTS 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 certificate of incorporation, memorandum and article of association or constitution, form 24 or return for allotment of shares under section 78 of the Companies Act 2016, form 44 or notice under section 46 of the Companies Act 2016 and form 49 or notice under section 58 of the Companies Act 2016, board resolution with list of authorised signatories and company seal (if applicable), latest audited financial statement, certified true copy of NRIC or passport or other form of identification of directors.

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The duly completed documents, together with the proof of payment and a copy of bank statement must be attached. Bank charges, where relevant, will be borne by investors. The validity of the transaction is subject to clearance of the payment made to us.

Any duly completed application form received through fax will only be deemed complete after we receive the original copy of the form together with the proof of payment. 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. A duly completed application received by us on or before 4.00 p.m. on a 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 by us after 4.00 p.m. will be deemed to have been received on the next Business Day. If an application is received by us on a non-Business Day, such application request will be processed based on the NAV per Unit calculated at the close of the next Business Day. 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.

Further, if we become aware of a U.S. Person (i.e. someone who has a U.S. address (permanent or mailing) or contact number) or U.S. entity (i.e. a corporation, trust, partnership or other entity created or organised in or under the laws of the U.S. or any state thereof or any estate or trust the income of which is subject to United States Federal Income Tax regardless of source) holding units in the Fund, we will issue a notice to that Unit Holder requiring him/her to, within thirty (30) days, either withdraw the Units or transfer the Units to a non-U.S. Person or non-U.S. entity.

***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 denominated 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 electronic fund 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 A 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 our head office or any of our business centres or by sending written instructions to us on any Business Day. The minimum redemption of Units for each Class is 1,000 Units or such other lesser number of Units as we may from time to time decide.

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

- (a) your investment account number;
- (b) the name of the Fund and its Class (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).

A duly completed redemption request sent via fax is 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

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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 the 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. The Fund's Unit prices are available on our website at [www.tainvest.com.my](http://www.tainvest.com.my) or from our head office or any of our business centres listed in Chapter 9: List of TA Investment Management Berhad's Office, Institutional UTS Advisers and Authorised Distributors.

Any duly completed redemption request received by us on or before 4.00 p.m. on a Business Day will be processed based on the NAV per Unit calculated at the end of the Business Day. Any redemption request received by us after 4.00 p.m. will be deemed to have been received on the next Business Day. If a redemption request is received by us on a non-Business Day, such redemption request will be processed based on the NAV per Unit calculated at the close of the next Business Day.

Under normal circumstances, the redemption proceeds will be paid to you within ten (10) Business Days from the day the redemption request is received by us based on the selected payment method stated in the transaction form received by our head office or any of our business centres. Should the redemption request of the Target Fund be deferred or suspended (as prescribed in sections 2.2(e) and 3.11 of this Information Memorandum), the redemption of the Fund may also be deferred or suspended accordingly. The redemption proceeds will be paid to you within ten (10) Business Days after the suspension is lifted.

If any of the following circumstances shall occur which is beyond the control of the Manager:

- (i) operational, network or system disruptions involving the clearing houses, banks, Trustee, administrator (if any), custodian and/or Management Company; or
- (ii) settlement delays between the clearing houses, banks, Trustee, administrator (if any), custodian and/or Management Company,

the Manager may require up to two (2) additional Business Days for the Fund to receive the redemption proceeds, hence the redemption proceeds will be paid to you within twelve (12) Business Days from the date the transaction form is received by the Manager. Should the redemption request of the Target Fund be deferred or suspended, the redemption of the Fund may also be deferred or suspended accordingly. The redemption proceeds will be paid to you within twelve (12) Business Days after the suspension is lifted.

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. For the avoidance of doubt, all redemption proceeds will be made payable to the principal applicant by default, unless there is a request by the principal applicant that the redemption proceeds be made payable to the joint applicant.

The NAV per Unit of the Fund will be forwarded to the FIMM. We shall ensure the accuracy of the NAV per Unit forwarded to FIMM. We, however, shall not be held liable for any error or omission in the NAV per Unit published by any third party as this is beyond our control. In the event of any discrepancy between the NAV per Unit published by any third party and our NAV per Unit computation, our computed NAV per Unit shall prevail.

We reserve the right to vary the terms and conditions of redemption payment from time to time, which shall be communicated to you in writing.

We and the Trustee may temporarily suspend the redemption in or switching from Units of the Class or Fund, subject to the circumstance as set out under sections 2.2(e) Temporary Suspension of the Collective Investment Scheme Risk and 3.11 Temporary Suspension of the Determination of NAV of the Target Fund of this Information Memorandum.

#### 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:

Investment Instruments	Valuation Basis
<b>Collective investment scheme</b>	<p>Collective investment scheme which is quoted on an exchange shall be valued based on the official closing price or last known transacted price on the Eligible Market on which the collective investment scheme is quoted. However, if the price is not representative or not available to the market, including a suspension in the quotation of the collective investment scheme for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, the collective investment scheme shall be valued at fair value.</p> <p>Investments in unlisted collective investment scheme will be valued based on the last published redemption price or fair value as determined in good faith by us on methods and bases that will have to be approved by the Trustee.</p>
<b>Money market instruments</b>	<p>Investments in money market instruments (with remaining term to maturity of not more than ninety (90) calendar days at the time of acquisition) are valued based on amortised cost. The risk of using amortised cost accounting is the mispricing of the money market instruments. We will monitor regularly the valuation of such money market instruments using amortised cost method against the market value and will use the market value if the difference in valuation exceeds 3%.</p> <p>For negotiable instruments of deposit, valuation will be done using the indicative price quoted by the financial institution that issues or provides such instruments.</p> <p>Investments in money market instruments other than the above instruments will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions or in accordance to fair value as determined in good faith by us on methods and bases that will have to be approved by the Trustee.</p>
<b>Derivatives</b>	<p>Listed or quoted derivatives will be valued based on the official closing price or last known transacted price on the Eligible Market on which the derivatives are quoted. However, if the price is not representative or not available to the market, including a suspension in the quotation of the derivatives for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, the derivatives shall be valued at fair value.</p> <p>If it is not listed or quoted on an exchange, the derivatives will be valued based on fair value as determined in good faith by us on methods or bases which will have to be approved by the Trustee.</p>
<b>Deposits</b>	<p>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.</p>
<b>Foreign exchange conversion</b>	<p>Foreign exchange conversion of foreign investments for a particular Business Day is determined based on the bid foreign exchange rate</p>

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	quoted by Bloomberg or LSEG at 4.00 p.m. United Kingdom time which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysia time) on the same day, or such other time as prescribed from time to time by FIMM or any relevant laws.
<b>Any other instruments</b>	Fair value as determined in good faith by us, on methods or bases which will have to be approved by the Trustee.

### 4.6 VALUATION FOR THE FUND

The Fund will be valued on a daily basis, which is on the Valuation Day.

If the Target Fund is closed for business or the valuation of the units or shares of the Target Fund is not available during the valuation point, the Manager will value the investment based on the latest available price as at the day the Target Fund was last opened for business or transacted.

Price of the Fund will be published on the next Business Day (T+1 day) and the Unit Holders may obtain the latest price of the Fund from our website at [www.tainvest.com.my](http://www.tainvest.com.my) or FIMM's website.

### 4.7 DISTRIBUTION PAYMENT

Distribution, if any, will be paid out in the currencies in which the Class(es) are denominated.

Unit Holders may choose to receive any distribution declared in either of the following methods:

1) 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 cost for reinvestment of those additional Units, i.e. no sales charge will be imposed on such transaction.

2) 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 and the currency denomination 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.

Income distribution will be automatically reinvested on the Reinvestment Date without incurring any sales charge, if:

- any distribution payable is less than or equal to the amount of USD/AUD/SGD/MYR 50.00, or such amounts as may be determined by the Manager from time to time. Unit Holders will be notified prior to any increase in the said minimum threshold amount, and any changes to such an amount will be updated on our website at [www.tainvest.com.my](http://www.tainvest.com.my);
- no distribution choice was made on the account opening form or transaction form; and/or
- there is no bank account details provided.

**Note:**

*Any change in distribution instruction must be in writing. If this is done in the last fourteen (14) days before the distribution declaration date of the Class, 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 under the Companies Act 1965 (*now known as Companies Act 2016*) 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 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-nine (29) years of experience in managing unit trust funds.

### 5.2 ROLES, 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 to the Unit Holders.

### 5.3 BOARD OF DIRECTORS

The functions of the board of directors of the Manager are to elaborate, decide, endorse or resolve all matters pertaining to the Manager and the Fund at the board meetings that will be held formally four (4) times yearly or as and when circumstances require.

The list of board of directors are available at our website at <https://www.tainvest.com.my/our-people/>.

### 5.4 INVESTMENT TEAM

The designated fund managers for the Fund are Choo Swee Kee and Lam Chee Mun. Their profiles are as set out below:

**Mr. Choo Swee Kee, CFA**  
**Chief Investment Officer**

Swee Kee is the Chief Investment Officer and Executive Director of TAIM. He joined TAIM in July 2005 and has over twenty-five (25) years of experience in the investment and stock markets. He leads the investment team and is responsible for implementing the investment strategy of the funds and managing TAIM's portfolio. After graduating, he began his career with Coopers & Lybrand in 1987 as a senior officer. Between 1990 and 1999, he worked as an analyst and fund manager in Singapore and Malaysia, gaining valuable experience in the investment field. Before joining TA Group, he was the Chief Investment Officer at KLCS Asset Management Sdn. Bhd. He holds a Bachelor of Business Administration from the National University of Singapore and is a Chartered Financial Analyst (CFA) charterholder.

**Mr. Lam Chee Mun**  
**Fund Manager**

Lam is a fund manager at TAIM, where he is responsible for Malaysia and Regional equity investment and research. He also handles fixed income credit evaluation and investment. He works closely with the investment team on equity, fixed income, and money market investments for TAIM funds. In addition, he is involved in structured products and fund-of-funds investments. Prior to joining TAIM, he served as

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a compliance manager at KL Unit Trust Berhad for four (4) years and worked at a local stockbroking company for six (6) years. He holds a Bachelor of Business (BBBA) Degree from RMIT University, Australia.

### 5.5 MATERIAL LITIGATION AND ARBITRATION

The disclosure of the Manager's material litigation and arbitration can be obtained from the Manager's website at <https://www.tainvest.com.my/company-information/>.

**Further information and/or updated information about the Manager 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 Act.

### 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 trusts, wholesale funds, private retirement schemes and exchange traded funds.

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



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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 the Last Practicable Date, the Trustee 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.

## 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 with 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 pursuant to and/or in the performance of the provisions of the Deed 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 AND CLASS

#### 7.2.1 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.

Notwithstanding the above and subject to the provisions of the relevant laws, the Manager may, without having to obtain the prior approval of the Unit Holders, terminate the trust created and wind up the Fund if such termination:

- (a) is required by the relevant authorities; or
- (b) is in the best interests of Unit Holders and the Manager in consultation with the Trustee deems it to be uneconomical for the Manager to continue managing the Fund.

The Manager, upon termination, shall as soon as practicable 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 if a Special Resolution is passed at a Unit Holders' meeting to terminate the Fund.

### 7.2.2 Termination of a Class

The Manager may terminate a particular Class via the passing of a Special Resolution by the Unit Holders of such Class at a meeting of such Unit Holders, and subject to and in accordance with the relevant laws. The Manager may only terminate a particular Class if the termination of that Class does not prejudice the interests of Unit Holders of any other Class.

Notwithstanding the above and subject to the provisions of the relevant laws, the Manager may, without having to obtain the prior approval of the Unit Holders, terminate a particular Class if such termination:

- (a) is required by the relevant authorities; or
- (b) is in the best interests of Unit Holders and the Manager in consultation with the Trustee deems it to be uneconomical for the Manager to continue managing the Class.

Notwithstanding the above, if the Class is left with no Unit Holder, the Manager shall be entitled to terminate the Class.

### 7.3 POWER TO CALL FOR A MEETING BY UNIT HOLDERS

#### 7.3.1 Unit Holders' Meeting convened by the Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction 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 less, summon a meeting of the Unit Holders of the Fund or a particular Class (as the case may be) by:

- (a) sending by post/facsimile at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

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.

#### 7.3.2 Unit Holders' Meeting convened by the Manager or Trustee

A meeting of the Unit Holders summoned by the Manager or the Trustee pursuant to the Deed shall be summoned by:

- (a) giving at least fourteen (14) days written notice of the meeting to Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at 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 made available to Unit Holders no later than two (2) months after the period that such reports covered.

A copy of this Information Memorandum and the monthly fund fact sheets relating to the Fund are available upon request from the Manager.

As for the Fund's daily NAV per Unit, it will be published on our website at [www.tainvest.com.my](http://www.tainvest.com.my). Unit Holders may contact us during our business hours from 9.00 a.m. to 6.00 p.m. from Monday to Friday (except public holidays) to obtain the latest NAV per Unit.

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

### 8.2 CUSTOMER SERVICE

When you invest in the Fund, the Manager will undertake to make available to you the following:

- Written confirmation on all transactions and 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
- Audited annual 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 the Manager, please contact our authorised distributors or our Customer Service Officers on our toll free number at 1-800-38-7147 between 9.00 a.m. to 6.00 p.m., from Monday to Friday (except public holidays).

#### **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 the offices of TAIM as disclosed in Chapter 9: List of TA Investment Management Berhad's Office, Institutional UTS Advisers and Authorised Distributors.

#### **AIMS@TA Investment**

Is an online service that assists you in administering and tracking 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 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 Customer Due Diligence. 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 risk-based approach whereby customers are classified into different risk level according to their background and investment threshold. Any suspicious transactions for Anti Money Laundering and Anti-Terrorist Financing and Targeted Financial Sanctions-Proliferation Financing will be reported to our compliance officer as well as to the local regulators, where applicable. All employees are required to adhere to these policies and procedures.

### **8.4 UNCLAIMED MONEYS POLICY**

Any moneys (other than unclaimed distribution) payable to Unit Holders which remain unclaimed after two (2) years from the date of payment or such other period as may be prescribed by the Unclaimed Moneys Act 1965 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.

### **8.5 UNCLAIMED DISTRIBUTION**

For income distribution payout by way of bank transfer, if any, which remained unsuccessful and/or unclaimed for six (6) months, it will be automatically reinvested into additional Units of the Class within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per Unit on the day of the reinvestment provided that the Unit Holder still has an account with the Manager. For income distribution payout by way of cheque, if any, which remain unclaimed and/or not presented for payment by the expiry of six (6) months from the date of issuance of such cheques, will be automatically reinvested into additional Units of the Class within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per Unit on the day of the reinvestment provided that the Unit Holder still has an account with the Manager. For the avoidance of doubt, there will not be any sales charge imposed for the reinvestment.

If the Unit Holder no longer has an account with the Manager, such payment of distribution will be dealt with in accordance with the requirements of the Unclaimed Moneys Act 1965.

## **CHAPTER 9: LIST OF TA INVESTMENT MANAGEMENT BERHAD'S OFFICE, INSTITUTIONAL UTS 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: 03-2031 6603  
Facsimile number: 03-2031 4479  
Toll Free: 1-800-38-7147  
Email address: [investor.taim@ta.com.my](mailto:investor.taim@ta.com.my)  
Website: [www.tainvest.com.my](http://www.tainvest.com.my)

<b>Miri Business Centre</b>	Lot 1251, 1 <sup>st</sup> Floor, Centrepont Commercial Centre (Phase 1) Jalan Melayu 98000 Miri, Sarawak Tel: 085-430 415
<b>Kota Kinabalu Business Centre</b>	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
<b>Kuching Business Centre</b>	2 <sup>nd</sup> Floor, Lot 13008, SL26, Block 16, KCLD Gala City Commercial Centre Jalan Tun Jugah 93350 Kuching, Sarawak Tel: 082-265 979
<b>Penang Business Centre</b>	15-1-8, Bayan Point, Medan Kampung Relau 11900 Pulau Pinang Tel: 04-645 9801 Fax: 04-611 9805
<b>Melaka Business Centre</b>	57A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06-288 2687
<b>Ipoh Business Centre</b>	29A, Jalan Niaga Simee Arena Niaga Simee 31400 Ipoh, Perak Tel: 05-545 5222
<b>Johor Bahru Business Centre</b>	37-01, Jalan Molek 1/29 Taman Molek 81100 Johor Bahru Johor Tel: 07-361 1781

## **Information Memorandum in respect of the TA Asia High Conviction Fund**

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### **Institutional UTS Advisers or Authorised Distributors**

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

HEAD OFFICE	TA Investment Management Berhad 23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2031 6603   Fax: 03-2031 4479
MELAKA Business Centre	57A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06-288 2687
PENANG Business Centre	15-1-8, Bayan Point Medan Kampung Relau 11900 Pulau Pinang Tel: 04-645 9801   Fax: 04-611 9805
KOTA KINABALU Business Centre	Unit 4-1-02, 1st Floor Block 4, Api-Api Centre Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel: 088-268 023   Fax: 088-248 463
KUCHING Business Centre	2nd Floor, Lot 13008, SL26, Block 16 KCLD, Gala City Commercial Centre Jalan Tun Jugah, 93350 Kuching, Sarawak Tel: 082-265 979
MIRI Business Centre	Lot 1251, 1st Floor Centrepont Commercial Centre (Phase 1) Jalan Melayu 98000 Miri, Sarawak Tel: 085-430 415
IPOH Business Centre	29A, Jalan Niaga Simee Arena Niaga Simee 31400 Ipoh, Perak Tel: 03-545 5222
JOHOR BAHRU Business Centre	37-01, Jalan Molek 1/29 Taman Molek 81100 Johor Bahru, Johor Tel: 07-361 1781

1-800-38-7147  
[www.tainvest.com.my](http://www.tainvest.com.my)