

# **TA DYNAMIC ABSOLUTE MANDATE**

## **INFORMATION MEMORANDUM**

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

**Trustee : Universal Trustee (Malaysia) Berhad (Company No. 17540-D)**

This Information Memorandum is dated 19 February 2019.

The date of constitution of the TA Dynamic Absolute Mandate is 30 January 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 14.**

TABLE OF CONTENTS

	<u>Page No.</u>
RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER.....	1
DEFINITION.....	2
CORPORATE DIRECTORY.....	6
CHAPTER 1: THE FUND.....	7
CHAPTER 2: RISK FACTORS.....	14
2.1 GENERAL RISKS OF INVESTING IN THE FUND.....	14
2.2 SPECIFIC RISKS RELATED TO THE FUND.....	14
2.3 RISK MITIGATION.....	16
CHAPTER 3: TRANSACTION INFORMATION.....	17
3.1 COMPUTING OF NAV AND NAV PER UNIT.....	17
3.2 PRICING OF UNITS.....	17
3.3 SALE OF UNITS.....	17
3.4 REDEMPTION OF UNITS.....	18
3.5 ADDITIONAL INFORMATION ON PERFORMANCE FEE.....	19
3.5.1 High Water Mark and Hurdle Value.....	19
3.5.2 Calculation of Performance Fee.....	20
3.6 BASES OF VALUATION OF THE ASSETS OF THE FUND AND VALUATION FOR THE FUND.....	22
3.6.1 Bases of Valuation of the Assets of the Fund.....	22
3.7 VALUATION FOR THE FUND.....	24
3.8 DISTRIBUTION PAYMENT.....	24
3.9 PAYMENT METHOD.....	24
CHAPTER 4: THE MANAGER.....	25
4.1 BACKGROUND INFORMATION.....	25
4.2 ROLE, DUTIES AND RESPONSIBILITIES OF THE MANAGER.....	25
4.3 INVESTMENT TEAM.....	25
4.4 MATERIAL LITIGATION.....	25
CHAPTER 5: TRUSTEE.....	26

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

---

5.1	ABOUT UNIVERSAL TRUSTEE (MALAYSIA) BERHAD .....	26
5.2	DUTIES AND RESPONSIBILITIES OF THE TRUSTEE .....	26
5.3	TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION AND ARBITRATION .....	26
CHAPTER 6: SALIENT TERMS OF THE DEED .....		27
6.1	RIGHTS AND LIABILITIES OF THE UNIT HOLDERS.....	27
6.2	TERMINATION OF THE FUND .....	27
6.2.1	Termination of the Fund .....	27
6.2.2	Introduction and/or Termination of a Class of Units .....	27
6.3	POWER TO CALL FOR A MEETING BY UNIT HOLDERS .....	28
6.3.1	Unit Holders' Meeting convened by the Unit Holders .....	28
6.3.2	Unit Holders' Meeting convened by the Manager or Trustee .....	28
CHAPTER 7: ADDITIONAL INFORMATION.....		29
7.1	REPORTS AND UP-TO-DATE INFORMATION RELATING TO THE FUND .....	29
7.2	CUSTOMER SERVICE.....	29
7.3	ANTI-MONEY LAUNDERING POLICY .....	29
7.4	UNCLAIMED MONEYS POLICY .....	30
CHAPTER 8: LIST OF TA INVESTMENT MANAGEMENT BERHAD'S OFFICE, INSTITUTIONAL UNIT TRUST ADVISERS AND AUTHORISED DISTRIBUTORS .....		31

## **RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER**

### **Responsibility Statements**

This Information Memorandum has been reviewed and approved by the directors of TA Investment Management Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Information Memorandum false or misleading.

### **Statements of Disclaimer**

The Securities Commission Malaysia is not liable for any non-disclosure on the part of TA Investment Management Berhad, the management company responsible for the Fund and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

### **Additional Statements**

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Fund.

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

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

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

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

## DEFINITION

Act	Capital Markets and Services Act 2007, 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
Base Currency	Means the base currency of the Fund, i.e. MYR
Business Day	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 and/or the banks is open for business, if some foreign markets in which the relevant Fund is invested in are closed for business and/or in such other circumstances as provided in the Information Memorandum
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
Commencement Date	The next Business Day immediately following the end of the Initial Offer Period
Deed	The deed dated 30 January 2019 entered into between the Manager and the Trustee in respect of the Fund as may be modified from time to time
Eligible Market	<p>Means a market that:</p> <ul style="list-style-type: none"><li>(a) is regulated by a regulatory authority;</li><li>(b) operates regularly;</li><li>(c) is open to the public; and</li><li>(d) has adequate liquidity for the purposes of the Fund</li></ul> <p>For investment in a foreign market*, a foreign market is an eligible market where it has satisfactory requirements relating to:</p> <ul style="list-style-type: none"><li>(a) the regulation of the foreign market;</li><li>(b) the general carrying on of business in the market with due regard to the interests of the public;</li><li>(c) adequacy of market information;</li><li>(d) corporate governance;</li><li>(e) disciplining of participants for conduct inconsistent with just and equitable principles in the transaction of business, or for a contravention of, or a failure to comply with the rules of the market; and</li><li>(f) arrangements for the unimpeded transmission of income and capital from the foreign market.</li></ul> <p>*Note: <i>Where the regulatory authority is an ordinary or associate member of the IOSCO</i></p>
Fund	TA Dynamic Absolute Mandate
Guidelines	The Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework issued by the Securities Commission Malaysia as may be amended from time to time
High Water Mark / (HWM)	Means the NAV per Unit on the last Valuation Day of the previous Performance Period or the HWM for the previous Performance Period, whichever is higher. For the avoidance of doubt, the HWM at launch will be the Initial Offer Price of the Fund

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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Hurdle Value	Means the minimum return that the Fund must achieve before the Manager is entitled to charge a performance fee. For avoidance of doubt, Hurdle Value is the HWM plus 8% set at the beginning of each Performance Period
Initial Offer Period	21 calendar days from the Launch Date of the Fund offered in this Information Memorandum. The Initial Offer Period may be shortened when we deem appropriate to enter into the market to capitalise on the prevailing yields and/or market condition
Initial Offer Price	The price payable by an applicant for a Unit during the Initial Offer Period
Information Memorandum	The information memorandum in relation to the Fund
Investment Date	The day when the Manager received and processed based on the NAV per Unit calculated at the end of the Business Day
IOSCO	International Organization of Securities Commissions
IUTA	Institutional Unit Trust Adviser registered with the Federation of Investment Managers Malaysia to market and distribute unit trust funds
Launch Date	The date on which sale of Units of the Fund may first be made and is the date of this Information Memorandum.
Liquid Assets	Refers to money market instruments and deposits
LPD	31 January 2019, being the latest practicable date in respect of the information in this Information Memorandum
Medium to Long Term	Means a period of at least three (3) years
NAV	Net Asset Value
NAV of the Fund	The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities at a point of valuation
NAV per Unit	NAV of the Fund divided by the number of Units in circulation of that Fund at the same valuation point
Performance Period	<p>means a period of 12 months beginning from 1 April to 31 March every year to coincide with the Fund's financial year. However, the Fund's first financial year may be more or less than 12 months, depending on when the Fund is launched.</p> <p>The Performance Period is used to calculate and determine the performance fee which will be calculated on every Valuation Day but payable only once every Performance Period</p>
Reinvestment Date	The reinvestment date of income distribution is within three (3) Business Day after the date of declaration of any income distribution
RM / MYR	Ringgit Malaysia
SC / Securities Commission	Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993
Sophisticated Investor(s)	<p>Refers to:</p> <ul style="list-style-type: none"><li>• An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its</li></ul>

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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equivalent in foreign currencies, excluding the value of the individual's primary residence; or

- An individual who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months; or
- An individual who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months; or
- A corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts; or
- A partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies; or
- A unit trust scheme or prescribed investment scheme; or
- A private retirement scheme; or
- A closed-end fund approved by the Securities Commission; or
- A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit or its equivalent in foreign currencies; or
- A corporation that is a public company under the Companies Act 2016 which is approved by the Securities Commission to be a trustee under the CMSA and has assets under management exceeding ten million ringgit or its equivalent in foreign currencies; or
- A statutory body established by an Act of Parliament or an enactment of any state in Malaysia; or
- A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967; or
- Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009; or
- A holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence; or
- A licensed person as defined in the Financial Services Act 2013; or
- An Islamic bank as defined in the Islamic Financial Services Act 2013; or
- An insurance company registered under the Financial Services Act 2013; or
- A takaful operator registered under the Islamic Financial Services Act 2013; or
- A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010; or
- An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; or Any other investor as may be permitted by the Securities Commission from time to time and/or under the relevant guidelines

### Special Resolution

A resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths of the Unit Holders present and voting" means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, "Special Resolution" means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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Unit or Units	An undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund
Unit Holder(s) / investor(s) / you	/ The Sophisticated Investor(s) registered for the time being as the holder or holders of Units of the Fund including persons jointly registered
Valuation Day	A day on which the price of the Fund is calculated, and shall be every Business Day for the Fund.
We / our / us / the Manager / TAIM	TA Investment Management Berhad (Company No. 340588-T)



## CORPORATE DIRECTORY

### Manager

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

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

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

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

### Trustee

Name: Universal Trustee (Malaysia) Berhad (Company No. 17540-D)

Registered & Business Address: No.1 (3<sup>rd</sup> Floor) Jalan Ampang  
50450 Kuala Lumpur

Telephone number: 03-20708050

Facsimile number: 03-20318715

Website: [www.universaltrustee.com.my](http://www.universaltrustee.com.my)

## CHAPTER 1: THE FUND

FUND INFORMATION	
<b>Fund Name</b>	TA Dynamic Absolute Mandate
<b>Fund Profile</b>	
<ul style="list-style-type: none"> <li>• Fund Category</li> <li>• Fund Type</li> </ul>	<p>Mixed Asset (wholesale)</p> <p>Growth</p>
<b>Base Currency</b>	MYR
<b>Launch Date</b>	19 February 2019
<b>Initial Offer Price</b>	RM1.0000
<b>Initial Offer Period</b>	21 calendar days from the Launch Date of the Fund offered in this Information Memorandum. The Initial Offer Period may be shortened as and when we deem appropriate.
<b>Commencement Date</b>	The next Business Day immediately following the end of the Initial Offer Period.
<b>Investment Objective</b>	<p>The Fund aims to achieve steady income and capital growth over medium to long term period.</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 aims to achieve a positive absolute return over the Medium to Long Term regardless of market conditions. Typically, the Fund may invest up to 100% of the Fund's NAV in equities, equity-related securities, fixed income instruments, and Liquid Assets. At any one time, the Fund may also comprise all asset classes. The Fund may invest up to 30% of its NAV in foreign securities should the Manager feel it appropriate. To improve market efficiencies, the Fund may invest up to 20% of the Fund's NAV in derivatives for investment and hedging purposes. These derivatives may include, but are not limited to options, futures contracts, forward contracts and swaps. Accordingly, a flexible and opportunistic approach to asset allocation allows the Fund to adapt to different phases of the economic cycle and aims to benefit Unit Holders when market rally and to protect wealth when markets fall.</p> <p>The Fund is actively managed and the Manager employ fundamental, technical and bottom-up analysis as an integral strategy of its investment process. This approach emphasizes the analysis of individual companies</p>

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

	<p>including but not limited to earnings, valuations, strong balance sheet and credible management.</p> <p>The risk management strategies and techniques employed by the Manager include diversification of investment into different business sectors and less correlation of each companies where there are diverse classes of companies of different business cycle.</p>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• 0% - 100% of the Fund's NAV in equities and equity-related securities;</li> <li>• 0% - 100% of the Fund's NAV in fixed income instruments;</li> <li>• 0% - 20% of the Fund's NAV in derivatives;</li> <li>• 0% - 100% of the Fund's NAV in Liquid Assets.</li> </ul>
<b>Principal Risk Associated with the Fund</b>	<ul style="list-style-type: none"> <li>• Equity Investment Risk</li> <li>• Currency Risk</li> <li>• Country Risk</li> <li>• Derivative Risk</li> <li>• Liquidity Risk</li> <li>• Economic Risk</li> <li>• Interest Rate Risk</li> <li>• Credit &amp; Default Risk</li> <li>• Counterparty Risk</li> </ul>
<b>Performance Benchmark</b>	<p>The performance of this Fund is benchmarked against a target return of 8% per annum</p> <p><i>The benchmark of a target return of 8% per annum is to measure the performance of the Fund and there is no guarantee that it will be achieved.</i></p>
<b>Investor Profile</b>	<p>The Fund is suitable for Sophisticated Investors who:</p> <ul style="list-style-type: none"> <li>• have a moderate risk tolerance;</li> <li>• have Medium to Long Term investment horizon; and</li> <li>• seek capital appreciation.</li> </ul>
<b>Permitted Investments</b>	<p>Unless otherwise prohibited by the relevant regulatory authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund is permitted under the Deed to invest in the following:</p> <ol style="list-style-type: none"> <li>1. Equities and equity-related securities traded in or under the rules of an Eligible Market;</li> <li>2. Unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer;</li> </ol>

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

	<ol style="list-style-type: none"> <li>3. Fixed income instruments;</li> <li>4. Money market instruments;</li> <li>5. Deposits;</li> <li>6. Units and/or shares in local and foreign collective investment schemes;</li> <li>7. financial derivatives instruments, including but not limited to options, futures contracts, forward contracts and swaps; and</li> <li>8. any other investments as may be agreed between the Manager and the Trustee from time to time.</li> </ol>
<b>Investment Restrictions and Limits</b>	The Fund is not subject to any investment restriction or limit.

### FEES AND CHARGES RELATED TO THE FUND

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

<b>SALES CHARGE</b>	<p>Up to 2.00% of the NAV per Unit of the Fund is imposed either by IUTAs, unit trust consultants or Manager.</p> <p><i>All sales charge is to be rounded up to two (2) decimal points. We reserve the right to waive and/or reduce the sales charge from time to time at our absolute discretion.</i></p> <p><i>Note: Sophisticated Investors may negotiate for a lower sales charge through the sales and promotional campaigns from time to time or alternatively, Sophisticated Investors may negotiate with their preferred distributors for a lower sales charge. Investment through the distributors shall be subject to their respective terms and conditions.</i></p>
<b>REDEMPTION CHARGE</b>	<p>Up to 1.00% of the NAV per Unit of the Fund if redemption request is made within six (6) months from the Investment Date of the Fund. The redemption charge will be credited back into the Fund's account for the benefit of the Unit Holders of the Fund.</p> <p><i>The Manager reserve the right to waive/reduce the redemption charge from time to time at its absolute discretion.</i></p>
<b>SWITCHING FEE</b>	Not applicable.
<b>TRANSFER FEE</b>	Not applicable.
<b>OTHER CHARGES</b>	There are no other charges (except charges levied by the banks on remittance of money) payable directly by Unit Holders when purchasing or redeeming Units of the Fund.

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

<p><i>The table below describes the fees and charges indirectly incurred when you purchase or redeem Units of the Fund. All fees and charges quoted below are exclusive of any tax which may be imposed by the government or relevant authority unless otherwise specified.</i></p>	
<p><b>ANNUAL MANAGEMENT FEE</b></p>	<p>Up to 1.00% per annum of the NAV of the Fund, calculated and accrued on a daily basis.</p> <p>Note:</p> <p><i>We may, at our own discretion, from time to time, charge an annual management fee that is lower than that stated above.</i></p>
<p><b>PERFORMANCE FEE</b></p>	<p>20% of the NAV per Unit over and above the Hurdle Value.</p> <p>The Manager will earn a 20% performance fee on the appreciation in the NAV per Unit over and above the Hurdle Value during a Performance Period. In the interest of Unit Holders, the Manager imposes a Hurdle Value which is the High Water Mark plus 8%, in which the Fund's performance have to exceed before the Manager is eligible for a performance fee.</p> <p><i>Please refer to Section 3.5 for additional information on performance fee.</i></p>
<p><b>ANNUAL TRUSTEE FEE</b></p>	<p>Up to 0.043% per annum of the NAV of the Fund, subject to a minimum of RM12,000 per annum (excluding foreign custodian fees and charges).</p>
<p><b>OTHER EXPENSES RELATED TO THE FUND</b></p>	<p>Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>(i) commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;</li> <li>(ii) (where the custodial function is delegated by the Trustee to a foreign sub-custodian), charges/fees paid to the foreign sub-custodian;</li> <li>(iii) tax and other duties charged on the Fund by the government and other authorities if any and bank fees;</li> <li>(iv) the fees and other expenses properly incurred by the Auditor and tax agent;</li> <li>(v) remuneration and out of pocket expenses of the independent members of the investment committee and/or the members of the Shariah committee or advisers (if any) of the Fund, unless the Manger decides to bear the same;</li> <li>(vi) fees for valuation of any investment of the Fund by independent valuers for the benefit of the Fund;</li> <li>(vii) costs incurred for the modification of this Deed otherwise than for the benefit of the Manger or Trustee;</li> </ul>

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

	<p>(viii) costs incurred for any meeting of Unit Holders other than those convened for the benefit of the Manger or Trustee;</p> <p>(ix) the sale, purchase, insurance/takaful, custody and any other dealings of investments including commissions/fees paid to brokers;</p> <p>(x) costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;</p> <p>(xi) the engagement of valuers, advisers and contractors of all kinds;</p> <p>(xii) preparation and audit of the taxation returns and accounts of the Fund;</p> <p>(xiii) termination of the Fund and the retirement or removal of the Trustee or Manger and the appointment of a new trustee or management company;</p> <p>(xiv) any proceedings, arbitration or other dispute concerning the Fund or any asset, including proceedings against the Trustee or the Manager by the other of them for the benefit of the Fund (except to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed out of the Fund);</p> <p>(xv) all costs and/or expenses associated with the distributions declared pursuant to this 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>(xvi) costs of obtaining experts opinion by the Trustee and the Manager for the benefit of the Fund; and</p> <p>(xvii) the costs of printing and dispatching to Unit Holders the accounts of the Funds, tax certificates, distribution warrants, notices of meeting of unit holders, newspaper advertisement and such other similar costs as may be approved by the Trustee.</p>
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**THERE ARE FEES AND CHARGES INVOLVED AND SOPHISTICATED INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.**

<b>TRANSACTION INFORMATION</b>	
<b>Minimum Initial Investment</b>	RM1.0mil or such other lower amount as we may decide from time to time.
<b>Minimum Additional Investment</b>	RM1,000 or such other lower amount as we may decide from time to time.

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

<b>Minimum Redemption</b>	1,000 Units or such other lesser number of Units as we may decide from time to time.  <i>Note: Unit Holders must hold a minimum of 1.0mil Units in their account if they wish to remain as Unit Holders. The Unit Holder will be deemed to have redeemed all of his Units if his Units fall below the minimum holding amount and we will pay the redemption proceeds to the Unit Holders.</i>
<b>Minimum Holding of Units</b>	1.0mil Units or such other lesser number of Units as we may decide from time to time.
<b>Frequency of Redemption</b>	There is no restriction on the frequency of redemption.  Redemption requests must be received by us before 4.00p.m. on any Business Day. Redemption requests that are received after 4.00p.m. will only be processed on the next Business Day.
<b>Redemption Payment Period</b>	Within ten (10) Business Days upon receipt of the request for redemption.
<b>Switching Facility</b>	Switching facility is not available for the Fund.
<b>Transfer Policy</b>	Transfer facility is not available for the Fund.
<b>Eligibility to Subscribe</b>	The Fund is only offered for sale to Sophisticated Investors.  In the event that we become aware that a Unit Holder who is not eligible to apply for Units is in fact holding Units, we shall be deemed to have received a redemption request in respect of such Units on the Business Day following the day we first became aware of the Unit Holder's ineligibility.

<b>ADDITIONAL INFORMATION</b>	
<b>Distribution Policy</b>	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.
<b>Financial Year End</b>	31 March
<b>Deed</b>	The deed in respect of the Fund dated 30 January 2019 entered into between the Manager and the Trustee.
<b>Avenue for Advice</b>	You may contact our Customer Service at 1-800-38-7147.
<b>Trustee</b>	Universal Trustee (Malaysia) Berhad (17540-D)
<b>Establishment of other classes</b>	Under the Deed, the Manager has the sole and absolute right to issue and/or establish other, different or new classes of units 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 other classes and the imposition of the terms shall not in the opinion of the Manager

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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	and Trustee prejudice the rights of the Unit Holder. Where a new class is established or issued, Units in any existing class and any other Units may be re-designated so long as there is no prejudice to the existing Unit Holders of such class of Units as a whole. As at the date of this Information Memorandum, there is only one (1) class in the Fund.
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The above key data is only a summary of the Fund's salient information. You should read and understand the contents of this Information Memorandum and if necessary, consult your adviser(s) before making an investment decision.



## CHAPTER 2: RISK FACTORS

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

### 2.1 GENERAL RISKS OF INVESTING IN THE FUND

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

#### a) Market Risk

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

#### b) Inflation Risk

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

#### c) Non-compliance Risk

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

#### d) Operational Risk

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

### 2.2 SPECIFIC RISKS RELATED TO THE FUND

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

#### a) Equity Investment Risk

The value of equities and equity-related investments may vary according to company profits and future prospects as well as more general market factors. The prices of the equities and equity-related investments may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such equities or equity-related investment will adversely affect the Fund's NAV.

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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### **b) Currency Risk**

The NAV of the Fund may be affected favourably or unfavourably by exchange control regulations or changes in exchange rates between Ringgit and the relevant foreign currencies if the Fund invests in foreign currencies or securities denominated in a foreign currency, the Fund is exposed to foreign currencies risks. Fluctuations in exchange rates will affect the value of the Fund's foreign investments when converted into the local currency and subsequently the value of Unit Holders' investments.

### **c) Country Risk**

Investments of the Fund in foreign markets may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. This may impact on the prices of the Fund's investment in those countries and consequently may also adversely affect the Fund's NAV.

### **d) Derivative Risk**

The use of derivatives may lead to large changes in the value of the Fund and includes the potential for large financial loss. The risk is managed with maximum 20% of the Fund's NAV in derivatives for investment purposes.

### **e) Liquidity Risk**

The Fund may have insufficient cash to meet redemption requirements, hence the Manager may be required to prematurely unwind positions in longer term placements resulting in foregone interest or unwind positions in equities which are not in the favours position resulting in loss of capital.

### **f) Economic Risk**

Unit Holders should be aware that the price of the investments may go down or up in response to changes in interest rates, foreign exchange, economic and political condition and the earnings of corporations making up in the portfolio of the Fund. Economic risk is managed through portfolio diversification and dynamic asset allocation and monitoring of investment portfolio by the Manager with the aim to minimize securities exposure in the event of anticipated market weaknesses.

### **g) Interest Rate Risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of bonds. When interest rates rise, bond prices generally decline and this may lower the value of the Fund's investment in bonds. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, the Manager will need to manage the bond portfolio taking into account the coupon rate, credit ratings and time to maturity of the bonds.

### **h) Credit & Default Risk**

Credit risk relates to the creditworthiness of the issuers of the fixed income instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income instruments. In the case of rated bonds, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of the fixed income instruments either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income instruments. This could adversely affect the NAV of the Fund. To mitigate the risk, the selection will be based on stringent credit research and analysis and the Manager will invest in fixed income instruments that rated at least "AA" by RAM Rating Services Berhad ("RAM") or equivalent.

### **i) Counterparty Risk**

Any default by the counterparty of the derivative would affect the NAV of the Fund. In mitigating this risk, the Manager will carry out a stringent selection process on the counterparty prior to undertaking the investment in derivatives.

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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### 2.3 RISK MITIGATION

Risk management is one of the core processes in managing the Fund. It is essential to identify possible risks arising due to uncertainty and manage it accordingly with risk management strategies.

To mitigate the investment risk, the Manager will diversify the investment into different business sectors and different business groups. Ideally a diversified portfolio should have stocks which are less correlated to each other where there are diverse classes of stock of different business cycle. The Manager may limit the investment on specific stock to 15% should the Manager feel it appropriate. Besides, the Manager will manage the portfolio risk by adjusting the stock weighting regularly and control the percentage to be invested in each stock by analysing the risk of the stock from the risk and reward trade off as well as the liquidity of the stock.

The Manager also have a stringent cut loss policy where we will review each of the stocks with losses more than 12% and cut loss at more than 25%. This is to ensure that the portfolio remain viable and do not suffer huge losses.

As at when the Manager feel it appropriate, the Manager may invest into derivatives for investment purposes, be it for market opportunities and/or defensive positions. The Manager may invest up to 20% of the Fund's NAV in derivatives for investment purposes only. If required, the Manager may also use derivatives for hedging purposes. This is to reduce risk such as credit, currency, market and interest rate (duration) risk. Generally, the use of derivatives is to reduce risks or costs or to generate additional capital or income to achieve a particular investment outcome to meet the investment objective of the Fund.

The fixed income instruments that are purchased shall have a minimum rating of "AA" by RAM or equivalent. The following may lead to potential restructuring of the fixed income instruments to limit the risk:

- i. The fixed income instruments are put on rating watch by rating agencies with possible downgrading due to various reasons
- ii. The fixed income instruments exhibit a dwindling business growth potential and profitability
- iii. The fixed income instruments exhibit a worsening financial performance with increasing trends of bad debts provision and trade and other receivables

The overall risk management strategies for the Fund are as follows:

1. Monitoring market and economic conditions;
2. Monitoring adherence to the Fund's objective and investment strategy;
3. Monitoring the performance of the Fund;
4. Monitoring the rating of fixed income instruments and taking precautionary steps if any downgraded of the rating;

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

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

## CHAPTER 3: TRANSACTION INFORMATION

### 3.1 COMPUTING OF NAV AND NAV PER UNIT

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

The NAV of the Fund is calculated on a daily basis.

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

Quoted investment of the Fund	RM	52,329,000.69
Money market instrument	RM	2,878,095.04
Other asset	RM	1,046,580.01
Total Assets	RM	56,253,675.74
Less: liabilities	RM	(250,042.00)
NAV before deducting management fee and trustee fee for the day	RM	56,003,633.74
Less management fee for the day $[(1.00\% \times \text{RM}56,003,633.74) \div 365 \text{ days}]$	RM	(1,534.35)
Less trustee fee for the day $[(0.043\% \times \text{RM}56,003,633.74) \div 365 \text{ days}]$	RM	(65.98)
NAV (after deducting management fee, trustee fee)	RM	56,002,033.41
Units in circulation		50,000,000.00
NAV per Unit	RM	1.1200407
NAV per Unit (rounded up to four decimal places)	RM	1.1200
NAV per Unit (before performance fee)	RM	1.1200
Less performance fee per Unit for the day $[(\text{RM}1.12000 - \text{RM}1.0800) \times 20\%]$	RM	(0.0080)
NAV per Unit (after performance fee)	RM	1.1120

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

### 3.2 PRICING OF UNITS

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

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

#### **Policy on rounding adjustment**

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

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

### 3.3 SALE OF UNITS

<b>Minimum Initial Investment</b>	RM1.0mil or such other lower amount as we may decide from time to time.
<b>Minimum Additional Investment</b>	RM1,000 or such other lower amount as we may decide from time to time.

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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The Fund is open for subscription on each Business Day.

Application of Units must be submitted by completing the account opening form, which accompany this Information Memorandum, which is available at our head office and business centres. Please refer to Chapter 8, List of TA Investment Management Berhad's office, institutional unit trust advisers and authorised distributors for details.

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

Corporate application must be accompanied by, where applicable, a certified true copy of the 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.

The completed documents, together with the remittance of payment (refer Payment Method Chapter 3.9) must be attached. Bank charges, where relevant, for outstation cheques will be borne by investors. The validity of the transaction is dependent upon clearance of the payment made to us.

Any application form received through fax will only be deemed complete after we receive the original copy of the form together with the remittance of moneys. Receipt of fax copy will not be an indication of acceptance of application by us or completion of transaction. We shall not be responsible for applications not processed as a result of incomplete transmission of fax. Valid application received by our office before 4.00p.m. on any Business Day be it via fax, send in by post or walk-in, will be processed based on the NAV per Unit calculated at the end of the Business Day. Any application received after 4.00p.m. will be deemed to have been received on the next Business Day. If an application is received on Saturday, the request will be processed based on the NAV per Unit calculated after the close of the next Business Day, which in this case will normally be on Monday. We reserve the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents. Incomplete applications will not be processed until all the necessary information has been received.

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

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

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

### 3.4 REDEMPTION OF UNITS

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

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

- (a) your account number;
- (b) the name of the fund you wish to redeem 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).

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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

The Fund will be valued on a daily basis and the daily prices of the Fund will be published on the next Business Day. Information on the Fund's Unit prices are available on our website [www.tainvest.com.my](http://www.tainvest.com.my) or from our offices listed in the Chapter 8, List of TA Investment Management Berhad's office, institutional unit trust advisers and authorised distributors.

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

Redemption proceeds will be paid to you within ten (10) 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. 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 avoidance of doubt, all redemption proceeds will be by default made payable to the principal applicant, unless there is a request by the principal applicant that the proceeds be made payable to the joint applicant.

### 3.5 ADDITIONAL INFORMATION ON PERFORMANCE FEE

The Manager will earn a 20% performance fee on the appreciation in the NAV per Unit over and above the Hurdle Value during a Performance Period.

#### 3.5.1 High Water Mark and Hurdle Value

The Hurdle Value is the High Water Mark ("HWM") plus 8.00%

The HWM for the 1<sup>st</sup> Performance Period will be the Initial Offer Price, i.e: RM1.0000.

For subsequent Performance Periods, the HWM will be the higher of:

- i. the NAV per Unit on the last Valuation Day of the previous Performance Period; or
- ii. The HWM for the previous Performance Period.

Please find below the illustration on the entitlement of performance fee (exclude subscription and redemption requests during the Performance Period):

Table 1:

Performance Period	HWM (RM)	Hurdle Value (HWM x 8%)	NAV per Unit as at the Valuation Day of a Performance Period	Performance Fee	Remarks for HWM resetting
	A	$B = A \times (1+8\%)$	C	If C>B	If C > A = reset If C < A = Remain
Year 1	1.0000	1.0800	1.1050	Yes	-
Year 2	1.1050	1.1934	1.0900	No	Reset
Year 3	1.1050	1.1934	1.1500	No	Remain
Year 4	1.1500	1.2420	1.2600	Yes	Reset

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

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### 1<sup>st</sup> Performance Period (Year 1)

The HWM for the 1<sup>st</sup> Performance Period is RM1.0000, which is the Initial Offer Price. The Hurdle Value is RM1.0000 plus 8% growth which is RM1.0800

Based on Table 1 above, the NAV per Unit on the last Valuation Day of the 1<sup>st</sup> Performance Period is RM1.1050 which is **higher** than the Hurdle Value of RM1.0800. Thus, the Manager is **entitled** to earn a performance fee.

### 2<sup>nd</sup> Performance Period (Year 2)

The HWM for 2<sup>nd</sup> Performance Period will be RM1.1050 as it is higher than the HWM for the previous Performance Period. The Hurdle Value is RM1.1050 plus 8% growth which is RM1.1934.

Based on Table 1 above, the NAV per Unit on the last Valuation Day of the 2<sup>nd</sup> Performance Period is RM1.0900, which is **lower** than the Hurdle Value of RM1.1934. Thus, the Manager is **not entitled** to charge a performance fee.

### 3<sup>rd</sup> Performance Period (Year 3)

The HWM for 3<sup>rd</sup> Performance Period will be RM1.1050 as it is higher than the NAV per Unit on the last Valuation Day of the previous Performance Period. The Hurdle Value is RM1.1050 plus 8% growth which is RM1.1934.

Based on Table 1 above, the NAV per Unit as at the last Valuation Day of the 3<sup>rd</sup> Performance Period is RM1.1500, which is **lower** than the Hurdle Value of RM1.1934. Thus, the Manager is **not entitled** to charge a performance fee.

### 4<sup>th</sup> Performance Period (Year 4)

The HWM for 4<sup>th</sup> Performance Period will be RM1.1500 as it is higher than the HWM for the previous Performance Period. The Hurdle Value is RM1.1500 plus 8% growth which is RM1.2420.

Based on Table 1 above, the NAV per Unit as at the last Valuation Day of the 4<sup>th</sup> Performance Period is RM1.2600, which is **higher** than the Hurdle Value of RM1.2420. Thus, the Manager is **entitled** to charge a performance fee.

#### **Note:**

HWM will be reset on every beginning of the Performance Period if the NAV per Unit on the last Valuation Day of the previous Performance Period is higher than the HWM for the previous Performance Period. HWM will remain the same for the HWM for the previous Performance Period if the NAV per Unit on the last Valuation Day of the previous Performance Period is lower than the HWM for the previous Performance Period. Please refer to Table 1 for illustration.

### **3.5.2 Calculation of Performance Fee**

The performance fee is calculated and readjusted on a daily basis. However, the performance is only payable to the Manager at the end of each Performance Period provided that the NAV per Unit on the last Valuation Day is higher than the Hurdle Value.

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

**Scenario 1: Assuming there is no subscription or redemption request during the entire Performance Period**

Table 2:

Day	Unit in Circulation (UIC)	High Water Mark (HWM) (RM)	Hurdle Value (HWM x 1.08) (a)	NAV per unit (before performance fee) (b)	NAV per unit (after performance fee)	Performance fee [(b-a) x 20% x UIC] (RM)
1	50,000,000	1.0000	1.0800	1.0250	1.0250	-
2	50,000,000	1.0000	1.0800	1.0600	1.0600	-
3	50,000,000	1.0000	1.0800	1.0940	1.0912	140,000.00
4	50,000,000	1.0000	1.0800	1.0700	1.0700	-
5	50,000,000	1.0000	1.0800	1.0850	1.0840	50,000.00
6	50,000,000	1.0000	1.0800	1.1000	1.0960	200,000.00
7	50,000,000	1.0000	1.0800	1.0920	1.0896	120,000.00
8	50,000,000	1.0000	1.0800	1.0800	1.0800	-
9	50,000,000	1.0000	1.0800	1.0650	1.0650	-
10	50,000,000	1.0000	1.0800	1.0780	1.0780	-
11	50,000,000	1.0000	1.0800	1.0980	1.0944	180,000.00
12	50,000,000	1.0000	1.0800	1.1200	1.1120	400,000.00
↓						
365	50,000,000	1.0000	1.0800	1.1050	1.1000	250,000.00

Based on Table 2 above, the HWM for the Performance Period is RM1.0000 which is the NAV per Unit on the Day 1 and hence, the Hurdle Value is RM1.0800. Let us assume that on the Day 3, the NAV per Unit (before performance fee) is RM1.0940, which is higher than the Hurdle Value of RM1.0800, the Manager is entitled to earn a performance fee, calculated as follows:

$$\begin{aligned}
 \text{Performance fee} &= [\text{NAV per Unit (before performance fee)} - \text{Hurdle Value}] \times 20\% \times \text{total number of} \\
 &\quad \text{Units in circulation of the Fund} \\
 &= [\text{RM1.0940} - \text{RM1.0800}] \times 20\% \times 50,000,000 \text{ Units} \\
 &= \text{RM0.0028} \times 50,000,000 \\
 &= \text{RM140,000}
 \end{aligned}$$

The performance fee (if any) will be readjusted on a daily basis. Adjustment is by reversing the daily accrued performance fee payable to the Manager. For example, on the Day 6, the accrued performance fee from the Day 5 which is RM50,000 will be reversed.

On the Day 365, the NAV per Unit (before performance fee) is RM1.1050, which is higher than the Hurdle Value of RM1.0800, the Manager is entitled to earn performance fee of RM0.005 per Unit or RM250,000.

**Scenario 2: Assuming there is a subscription request by a Unit Holder during the Performance Period, the chargeable performance fee (if any) on the day of the subscription will be reflected in the NAV per Unit (after performance fee)**

Illustration is based on the Day 3 in Table 2 above:

Day	Unit in Circulation (UIC)	High Water Mark (HWM) (RM)	Hurdle Value (HWM x 1.08) (a)	NAV per unit (before performance fee) (b)	NAV per unit (after performance fee)
3	50,000,000	1.0000	1.0800	1.0940	1.0912

The NAV per Unit payable by the Unit Holder would be RM1.0912.



## Information Memorandum in respect of the TA Dynamic Absolute Mandate

**Scenario 3: Assuming there is a redemption request by a Unit Holder during the Performance Period, the chargeable performance fee (if any) will be calculated as follows:**

Illustration is based on the Day 11 in Table 2 above:

The redemption request is received by the Manager on Day 11 of the Performance Period where the NAV per Unit is higher than the Hurdle Value of the Performance Period. Hence, the Manager is entitled to earn a performance fee as follows:-

Number of Units to be redeemed by Unit Holder	= 10,000
NAV per Unit (before performance fee) @ Day 11	= RM1.0980
Performance fee	= [RM1.0980 – RM1.0800]x20%x10,000 Units
	= RM36.00*

*\* During the Performance Period, such amount will be maintained in the account payable of the Fund and will be paid to the Manager at the end of the Performance Period.*

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

#### 3.6.1 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>Securities listed on any exchange</b>	The securities will be valued at last done market price. However, if: <ul style="list-style-type: none"> <li>(a) a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions; or</li> <li>(b) no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the trustee.</li> </ul> then the securities should be valued at fair value, as determined in good faith by us on the methods or bases approved by the trustee after appropriate technical consultation.
<b>Unlisted securities</b>	Fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.
<b>Bonds</b>	Unlisted bonds denominated in ringgit Malaysia will be valued based on the price quoted by BPA registered by the Securities Commission. However, if: <ul style="list-style-type: none"> <li>(a) a valuation based on the market price does not represent the fair value of the bonds, for example during abnormal market conditions;</li> </ul> or

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

	<p>(b) no market price is available, including if a suspension in the quotation of the bonds for a period exceeding 14 days, or such shorter period as agreed by the Trustee,</p> <p>then the bonds would be valued at fair value, as determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> <p>In a case where we are of the view that the price quoted by BPA or the average indicative price quoted by three (3) independent and reputable financial institutions for a specific bond differs from our view of the market price by more than twenty (20) basis points, we may use the market price of our view, provided that we record our basis for using such price, obtain the necessary internal approvals to use such price and keep an audit trail of all decisions and basis of adopting such price.</p>
<b>Collective investment schemes</b>	<p>Collective investment schemes which are quoted on an exchange shall be valued based on the last done prices as at the close of the Business Day of the respective markets on the same calendar day.</p> <p>Investments in unlisted collective investment schemes will be valued based on the last published redemption price.</p>
<b>Money market instruments</b>	<p>Investments in money market instruments are valued at book cost, meaning cost of acquisition plus accretion of discount on yield to maturity method.</p> <p>For investments in commercial papers, such instruments are valued each day based on the price quoted by a bond pricing agency registered by the SC.</p>
<b>Derivatives</b>	<p>Derivatives are marked-to-market on a daily basis, where possible. Otherwise, the valuation will be based on fair value as determined in good faith by us on methods and bases that have been verified by the auditor of the Fund and approved by the Trustee.</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 exchange rate quoted by Bloomberg or Reuters at UK time 4.00p.m. which is equivalent to 11.00p.m. or 12.00 midnight (Malaysia time) on the same day, or such other time as prescribed from time to time by Federation of Investment Managers Malaysia or any relevant laws.</p>

## Information Memorandum in respect of the TA Dynamic Absolute Mandate

<b>Any other instruments</b>	Fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.
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### 3.7 VALUATION FOR THE FUND

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

As the Fund may invest in foreign markets, the valuation of the Units in respect of a particular Valuation Day can only be carried out on the following Business Day at the close of business of the last relevant foreign market in which the Fund invests in.

### 3.8 DISTRIBUTION PAYMENT

The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

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

#### Reinvestment of Units

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

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

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

#### Cash Payment

The distribution will be paid into your bank account in our records. All the cost and expenses incurred in facilitating such distribution payments shall be borne by Unit Holders.

#### **Note:**

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

### 3.9 PAYMENT METHOD

Payment for the investment can be made together with the completed application form by any of the following methods:

#### **a) Cheque / Bank's Cheque / Cashier's Cheque**

Any of the above instruments drawn on a bank in Malaysia may be used to make payment for your investment. The name to which the payment is to be made is "TAIM CLIENTS' TRUST A/C – COLLECTION"

#### **b) Telegraphic Transfer (TT) / Rentas Transfer / Interbank Giro (GIRO)**

Payment made via telegraphic transfer can be credited into our Maybank account. The details are as follows:

<b>Account Number</b>	<b>Account Name</b>
5143 5640 0987	TAIM CLIENTS' TRUST A/C - COLLECTION

## CHAPTER 4: THE MANAGER

### 4.1 BACKGROUND INFORMATION

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

The principal activities of TAIM are the establishment and management of unit trust funds and portfolio clients. TAIM has more than twenty (20) years of experience in managing unit trust funds. Currently, TAIM manages twenty four (24) unit trust funds, of which fifteen (15) are conventional funds and nine (9) are Islamic funds. As at LPD, the fund size managed by TAIM stood at RM1.85 billion, being a combination of unit trust funds and direct mandate portfolios under its management.

### 4.2 ROLE, DUTIES AND RESPONSIBILITIES OF THE MANAGER

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

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

### 4.3 INVESTMENT TEAM

#### **Vivien Loh Jee Wae –Designated fund manager for the Fund**

Ms. Vivien is a Senior Vice President of TAIM. She joined TAIM in 2005 and has more than 20 years of experience in the industry. Currently, she helms the Private Portfolio Management division of TAIM. She was previously attached to Kumpulan Sentiasa Cemerlang Sdn Bhd (KSC) as a fund manager and a Deputy Chief Investment Officer in Phillip Capital Management Sdn. Bhd, Malaysia. She holds a Bachelor of Science (Honours) in Economics and Management from University of London.

### 4.4 MATERIAL LITIGATION

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

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

## **CHAPTER 5: TRUSTEE**

### **5.1 ABOUT UNIVERSAL TRUSTEE (MALAYSIA) BERHAD**

Universal Trustee (Malaysia) Berhad (“UTMB”) was incorporated on 5 March 1974 under the Companies Act, 1965. It has an authorised capital of RM5,000,000 divided into 500,000 ordinary shares of RM10 each of which 100,000 ordinary shares of RM10 each, are issued and RM5 called and paid-up. UTMB has more than thirty (30) years of experience in handling unit trust matters.

### **5.2 DUTIES AND RESPONSIBILITIES OF THE TRUSTEE**

The Trustee acts as the custodian of the Fund and its role is to safeguard the assets of the Fund. The Trustee is governed by the trust deed, CMSA and the Securities Commission’s guidelines. In performing these functions, the Trustee has to exercise due care, skill, diligence and vigilance in carrying out its roles, duties and responsibilities, and also ensures that the Manager carries out its duties in accordance to the provisions of the trust deed, CMSA and the Securities Commission’s guidelines in order to safeguard the rights and interests of the Unit Holders.

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

As at LPD, there is no material litigation and arbitration, including those pending or threatened, and any fact likely to give rise to any proceeding which might materially affect the business or financial position of UTMB.

## CHAPTER 6: SALIENT TERMS OF THE DEED

### 6.1 RIGHTS AND LIABILITIES OF THE UNIT HOLDERS

#### Rights of the Unit Holders

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

- (a) receive distributions, if any, from the Fund;
- (b) participate in any increase in the NAV per Unit of the Fund/ class;
- (c) call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through a Special Resolution;
- (d) receive quarterly and annual reports on the Fund; and
- (e) exercise such other rights and privileges as provided for in the Deed.

However, Unit Holders would not have the right to require the transfer to them any of the investments of the Fund. Neither would Unit Holders have the right to interfere with or to question the exercise by the Trustee (or by the Manager on the Trustee's behalf) of the rights of the Trustee as trustee of the investments of the Fund.

Note: Please be advised that if you invest in units through an IUTA which adopts the nominee system of ownership, you will not be considered as a unit holder under the deed and you 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 and the right to have your particulars appearing in the register of unit holders of the fund).

#### Liabilities of Unit Holders

As a Unit Holder of the Fund, and subject to the provisions of the Deed, your liabilities would be limited to the following:

- (a) A Unit Holder would not be liable for nor would a Unit Holder be required to pay any amount in addition to the payment for Units of the Fund as set out in the Information Memorandum and the Deed.
- (b) A Unit Holder would not be liable to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and/or the Manager on behalf of the Fund exceed the NAV of the Fund.

### 6.2 TERMINATION OF THE FUND

#### 6.2.1 Termination of the Fund

Pursuant to the Deed, the Fund may be terminated by the Manager with the consent of the Trustee (whose consent shall not be unreasonably withheld) by giving not less than three (3) months' notice in writing to the Unit Holders as hereinafter provided:

- If any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue this Fund; or
- If in the reasonable opinion of the Manager, it is impracticable or inadvisable to continue this Fund.

The Fund shall also be terminated by the Manager if a Special Resolution is passed at a meeting of Unit Holders to terminate or wind up the Fund.

#### 6.2.2 Introduction and/or Termination of a Class of Units

The Manager may introduce and/or terminate a particular class of Units in accordance with the relevant laws. The Manager may only introduce and/or terminate a particular class of Units if the introduction and/or termination of that class of Units do not prejudice the interests of Unit Holders of any other class of Units. For the avoidance of doubt, the introduction and/or termination of a class of Units shall not affect the continuity of any other class of Units of the Fund.

### **6.3 POWER TO CALL FOR A MEETING BY UNIT HOLDERS**

#### **6.3.1 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), whichever is less, of all the Unit Holders of the Fund or of a particular class of Units, summon a meeting of the Unit Holders of the Fund or of a particular class of Units by:

- sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders;
- publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and

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

- requiring the retirement or removal of the Manager;
- requiring the retirement or removal of the Trustee;
- considering the most recent financial statements of the Fund; or
- giving to the Trustee such directions as the meeting thinks proper;

provided always that the Manager shall not be obliged to summon such a meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10) of the relevant Unit Holders, whichever is less of the Unit Holders of the Fund or a particular class, where applicable.

#### **6.3.2 Unit Holders' Meeting convened by the Manager or Trustee**

Where the Manager or the Trustee convenes a meeting, the notice of the time and place of the meeting and terms of resolution to be proposed shall be given to the Unit Holders in the following manner:

- a) by sending by post, digitally or electronically a notice of the proposed meeting at least fourteen (14) days before the date of the proposed meeting, to each Unit Holder at the Unit Holder's of the Fund or that class, as the case may be, last known address or, in the case of joint holders, to the joint holder of the Fund or that class, as the case may be, whose name stands first in our records at the joint holder's last known address; and
- b) by publishing, at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language newspaper published daily and circulating generally throughout Malaysia, and in one other newspaper as may be approved by the SC.

## CHAPTER 7: ADDITIONAL INFORMATION

### 7.1 REPORTS AND UP-TO-DATE INFORMATION RELATING TO THE FUND

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

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

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

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

### 7.2 CUSTOMER SERVICE

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

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

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

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

#### **Where Units Can Be Purchased or Redeemed**

In relation to the information on where Units can be purchased or redeemed, please refer to the addresses and contact numbers of our offices of TAIM as disclosed in Chapter 8 of this Information Memorandum.

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

is an online service that assists you in administration 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 a user application form that is available online.

### 7.3 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 ("CDD"). 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.



#### **7.4 UNCLAIMED MONEYS POLICY**

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

## CHAPTER 8: LIST OF TA INVESTMENT MANAGEMENT BERHAD'S OFFICE, INSTITUTIONAL UNIT TRUST ADVISERS AND AUTHORISED DISTRIBUTORS

### Head Office

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

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

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

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

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

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

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

### Institutional Unit Trust Advisers or Authorised Distributors

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