

# Information Memorandum for **Global Dividend**



The Manager  
**AmFunds Management Berhad**  
(formerly known as AmInvestment Services Berhad)  
Company number: 154432-A

The Trustee  
**Deutsche Trustees Malaysia Berhad**  
Company number: 763590 - H



**AmInvest**

**This Information Memorandum is dated 11 April 2016**

**Growing Your Investments in a Changing World**

Sophisticated investors are advised to read and understand the contents of the information memorandum. If in doubt, please consult a professional adviser before subscribing to the wholesale fund. For information concerning certain risk factors which should be considered by sophisticated investors, see "Risk Factors" commencing on page 13.

# PREFACE

Dear Sophisticated Investors,

This Information Memorandum introduces you to Global Dividend (“the Fund”), a fund managed by AmFunds Management Berhad.

The Fund is a wholesale feeder fund, which will invest into the Fidelity Funds – Global Dividend Fund (the “Target Fund”), a sub-fund of the UCITS compliant Fidelity Funds domiciled in Luxembourg.

The Fund aims to provide income and long-term capital growth by investing in the Target Fund which invests in global equities.

The Fund seeks to achieve its investment objective by investing a minimum of 95% of the Fund's NAV in the Target Fund at all times. This implies that this Fund has a passive strategy.

The specific risks of investing in the Fund are risk of a passive strategy, risk of not meeting the Fund's investment objective, currency risk, income distribution risk and liquidity risk. In addition, the Target Fund is exposed to general risks such as historical performance, fluctuations in value, termination of fund and classes of shares, legal and tax risks, foreign currency risk, liquidity risk, pricing and valuation risk, counterparty credit & settlement risk, securities lending, investment horizon risk, cross share class liabilities, equities related risk, distribution out of capital risk and derivatives related risks. Kindly refer to page 13 for detailed information on the risks of investing in the Fund and specific risks associated with the Target Fund.

There are fees and charges payable when investing in the Fund. The fees and charges payable are as follows:

- (i) entry charge of up to 5.00% of NAV per unit of the Class(es);
- (ii) annual management fee of up to 1.80% p.a. of the NAV of the Fund or its equivalent in the base currency of the Fund; and
- (iii) annual trustee fee of up to 0.05% p.a. of the NAV of the Fund or its equivalent in the base currency of the Fund.

Please refer to Chapter 7: Fees, Charges and Expenses for the full details on the fees and charges which you may incur when investing in the Fund.

Global Dividend is suitable for Sophisticated Investors who seek regular income and long term capital growth on their investments and investment exposure to global equities.

You may submit an application to subscribe or redeem units of the Fund at selected Institutional Unit Trust Advisers (IUTAs). For the list of IUTAs, please contact the Manager.

For more information, kindly contact us at (03) 2032 2888 or by fax (03) 2031 5210 or email enquiries@aminvest.com.

Finally, thank you for your interest in Global Dividend.

Datin Maznah Mahbob  
Chief Executive Officer  
AmFunds Management Berhad

*Note: Please refer to pages 1 to 4 for definition of words in caption above.*

# DISCLAIMER

## ***Responsibility Statements***

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

## ***Statements of Disclaimer***

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of AmFunds Management Berhad and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this Information Memorandum.

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

## ***Additional Statements***

Sophisticated Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities law and regulations 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 authorized or to any person to whom it is unlawful to make such offer or solicitation.

An investment in the Fund carries with it a degree of risk. The value of units and the income from it, if any, may go down as well as up, and Sophisticated Investors may not get back the amount invested. Sophisticated Investors should consider the risk factors set out under the heading risk factors in this Information Memorandum.

Statements made in this Information Memorandum are based on the law and practices currently in force in Malaysia and are subject to changes in such law and practices.

Any reference to a time or day in this Information Memorandum shall be a reference to that time or day in Malaysia, unless otherwise stated.

An investment in the Fund is not a deposit of any bank. Neither returns nor repayments of capital are guaranteed by any member of the AmInvestment Group Berhad or its group of companies.

No person has been authorized to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of units in the Fund other than those contained in this Information Memorandum or any

supplemental therein and, if issued, given or made, such advertisement, information or representations must not be relied upon by a Sophisticated Investors.

Sophisticated Investors may wish to consult their independent professional adviser about the suitability of this Fund for their investment needs.

Sophisticated Investors in the Fund agree that personal details contained on the application form and data relating to them may be stored, modified and used in any other way by the Fund or the Manager or the Manager's associated companies within the AMMB Holdings Berhad for the purposes of administering and developing the business relationship with the investor.

The Fund has not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Person, except in a transaction which does not violate the securities laws of the United States of America.

### **Personal Data**

As part of our day to day business, we collect your personal information when you apply to open an account with us, subscribe to any of our products or services or communicate with us. In return, we may use this information to provide you with our products or services, maintain our records or send you relevant information. We may use your personal information for one or more of the following purposes, whether in Malaysia or otherwise:

- a. Access and manage your application(s) for our products and services so that we can provide you with more and up to-date information such as improvements and new features to the existing products and services, development of new products and service and promotions by AmFunds Management Berhad and/or AmBank Group, which may be of interest to you;
- b. Manage and maintain your account through regular updates, consolidation and improving the accuracy of our records. In this manner we can respond to your enquiries, complaints and to generally resolve disputes quickly so that we can improve our business and your relationship with us;
- c. Conduct research for analytical purposes, data mining and analyse your transactions or use of products and services to better understand your current financial or investment position and future needs. We will also produce data, reports and statistics from time to time, however such information will be aggregated so that your identity will remain confidential. Sometimes it may be necessary if required, to verify your financial standing through credit reference or reporting checks;
- d. Comply with the requirements of any law binding on us such as conducting anti-money laundering checks, crime detection or prevention, prosecution, protection or enforcement of our rights to recover any debt owing to us including transferring or assigning our rights, interests and obligations under any of your agreement with us;
- e. Perform shared services within AmBank Group such as audit, compliance, legal, human resource, risk management including assessing financial risks;
- f. Outsourcing of business and back-room operations within AmBank Group; and
- g. Any other purpose(s) that is required or permitted by any law, regulations, guidelines and/or relevant regulatory authorities including the trustee of the Fund.

Investors are advised to read our latest or updated Privacy Notice (notice provided as required under Personal Data Protection Act 2010) available on our website at [www.aminvest.com](http://www.aminvest.com). Our Privacy Notice may be revised from time to time and if there is or are any revision(s), it will be posted on our website and/or other means of communication deemed suitable by us. However any revision(s) will be in compliance with the Personal Data Protection Act 2010.

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# 1. DEFINITIONS

|  |   |
|--|---|
| <b>AHB</b>   | AMMB Holdings Berhad and its group of companies   |
| <b>AFM, AmFunds Management Berhad, the Manager, us, our, we or the Company</b> | AmFunds Management Berhad ( <i>formerly known as AmInvestment Services Berhad</i> )   |
| <b>AmBank</b>  | AmBank (M) Berhad   |
| <b>AmBank Group</b>  | Refers to AMMB Holdings Berhad and all its direct and indirect subsidiaries, including, but not limited to: AmBank (M) Berhad, AmIslamic Bank Berhad, AmInvestment Bank Berhad, AmInvestment Group Berhad, AmFunds Management Berhad, AmIslamic Funds Management Sdn Bhd, AmFutures Sdn Bhd, AmCard Services Berhad, AmGeneral Insurance Berhad, AmMetLife Insurance Berhad and AmMetLife Takaful Berhad  |
| <b>AmInvest</b>  | The brand name for the funds management business of AMMB Holdings Berhad comprising AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd.   |
| <b>AmInvestment Bank</b>   | AmInvestment Bank Berhad  |
| <b>AmInvestment Group Berhad</b>   | AmInvestment Group Berhad and its group of companies  |
| <b>AUD</b>   | Australian Dollar   |
| <b>Auditor</b>   | Has the same meaning as defined in the CMSA 2007  |
| <b>Business Day</b>  | <p>A day on which commercial banks are open for business in Malaysia other than Saturday, Sunday or public holidays.</p> <p>The Manager may declare certain Business Day to be a non-Business Day although commercial banks are open, if the Target Fund is closed for business. Unit Holders will be notified via announcement on our website. This is to ensure that Sophisticated Investors are given a fair valuation of the Fund when making subscription or withdrawal</p>  |
| <b>Class(es)</b>   | <p>Any number of class(es) of units representing similar interests in the assets of the Fund and Class means any one class of units.</p> <p>Classes that may be offered by the Fund are as follows:</p> <ul style="list-style-type: none"> <li>▪ AUD Hedged Class</li> <li>▪ RM Hedged Class</li> <li>▪ SGD Hedged Class</li> <li>▪ USD Class</li> <li>▪ AUD Class</li> <li>▪ RM Class</li> <li>▪ SGD Class</li> </ul> <p>For the life of this Information Memorandum, only these five (5) Classes (each a “Class” and collectively “Classes”) will be offered for subscriptions:</p> |

|                                |   |
|--------------------------------|---|
|                                | <ul style="list-style-type: none"> <li>▪ AUD-Hedged Class – a class issued by the Fund which is denominated in AUD and will be hedged against the base currency of the Fund;</li> <li>▪ RM Class – a class issued by the Fund which is denominated in RM of the Fund;</li> <li>▪ RM-Hedged Class – a class issued by the Fund which is denominated in RM and will be hedged against the base currency of the Fund;</li> <li>▪ SGD-Hedged Class – a class issued by the Fund which is denominated in SGD and will be hedged against the base currency of the Fund; and</li> <li>▪ USD Class - a class issued by the Fund which is denominated in USD.</li> </ul> |
| <b>CMSA 2007, the Act</b>      | Capital Markets and Services Act 2007 and any amendments made thereto   |
| <b>CSSF</b>                    | Commission de Surveillance du Secteur Financier, the Luxembourg supervisory authority   |
| <b>Deed</b>                    | The deed dated 28 September 2015 entered into between the Manager and the Trustee in respect of the Fund  |
| <b>FATCA</b>                   | Foreign Account Tax Compliance Act  |
| <b>Fund</b>                    | Global Dividend   |
| <b>GST</b>                     | Goods and Services Tax, which includes any tax payable on the supply of goods, services, or other things in accordance with the provisions of GST Law   |
| <b>GST Law</b>                 | The Goods and Services Tax Act 2014, subsidiary legislations, statutory orders and regulations governing the application of GST, as amended from time to time   |
| <b>Information Memorandum</b>  | Information Memorandum for Global Dividend  |
| <b>Initial Offer Period</b>    | in respect of a Class, means the period described as such for that Class in the Information Memorandum or supplemental or replacement information memorandum (as the case may be) for the Fund; during this period, units are created, cancelled, sold and redeemed at initial offer price per unit of the Class  |
| <b>IUTA</b>                    | Institutional Unit Trust Adviser registered with the Federation of Investment Managers Malaysia (FiMM) to market and distribute unit trust funds  |
| <b>Latest Practicable Date</b> | 31 January 2016   |
| <b>MSCI</b>                    | Morgan Stanley Capital International, a global benchmark provider   |
| <b>NAV per unit</b>            | Net Asset Value attributable to a Class divided by the number of units in circulation of that Class, at the valuation point   |
| <b>Net Asset Value (NAV)</b>   | The value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and trustee fee for the relevant day. The NAV for a Class is the NAV of the Fund attributable to a Class at the same valuation point  |



**Sophisticated Investors**

means accredited investors, high net worth entities, high net worth individuals and such other category of investors as may be prescribed by the relevant laws from time to time for wholesale fund.

“accredited investors” refers to:

- a. unit trust scheme;
- b. prescribed investment scheme;
- c. private retirement scheme;
- d. holder of a Capital Markets Services Licence issued pursuant to the CMSA;
- e. executive director of a holder of a Capital Markets Services License issued pursuant to the CMSA;
- f. chief executive officer of a holder of a Capital Markets Services License issued pursuant to the CMSA;
- g. closed-end fund approved by the Securities Commission Malaysia;
- h. bank licensee as defined under the Labuan Financial Services and Securities Act 2010;
- i. insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;
- j. Islamic bank licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;
- k. takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;
- l. licensed institution as defined under the Financial Services Act 2013;
- m. Islamic bank as defined under the Islamic Financial Services Act 2013;
- n. insurance company registered under the Financial Services Act 2013; and
- o. takaful operator registered under the Islamic Financial Services Act 2013.

“high net worth entities” refers to:

- a. company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten (10) million ringgit or its equivalent in foreign currencies;
- b. corporation that is a public company under the Companies Act 1965 which is approved by the Securities Commission Malaysia to be a trustee under the CMSA and has assets under management exceeding ten (10) million ringgit or its equivalent in foreign currencies;
- c. corporation with total net assets exceeding ten (10) million ringgit or its equivalent in foreign currencies based on the last audited accounts;
- d. partnership with total net assets exceeding ten (10) million ringgit or its equivalent in foreign currencies;
- e. statutory body established by an Act of Parliament or an enactment of any state in Malaysia; and
- f. pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967.

|                                       |   |
|---------------------------------------|---|
|                                       | <p>“high net worth individuals” refers to:</p> <ol style="list-style-type: none"> <li>individual whose total net personal assets, or total net joint assets with his or her spouse, exceed three (3) million ringgit or its equivalent in foreign currencies, excluding the value of the individual’s primary residence;</li> <li>individual who has a gross annual income exceeding three (3) hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months; and</li> <li>individual who, jointly with his or her spouse, has a gross annual income exceeding four (4) hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve (12) months.</li> </ol>    |
| <b>SC, the SC</b>                     | Securities Commission Malaysia  |
| <b>SC Guidelines</b>                  | Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia, and shall include any amendments and revisions contained therein or made pursuant thereto   |
| <b>SGD</b>                            | Singapore Dollar  |
| <b>share class AM USD</b>             | the A-MINCOME(G)-USD share class of the Target Fund which is a monthly distribution share class in USD  |
| <b>Target Fund</b>                    | Fidelity Funds - Global Dividend  |
| <b>Trustee</b>                        | Deutsche Trustees Malaysia Berhad   |
| <b>Trustee’s Delegate (Custodian)</b> | Deutsche Bank (Malaysia) Berhad   |
| <b>UCI</b>                            | Undertaking for collective investment   |
| <b>UCITS</b>                          | Undertakings for Collective Investment in Transferable Securities   |
| <b>Unit Holder(s), applicant, you</b> | The person(s) for the time being registered under the provisions of the Deed as a holder of units of the Fund and includes the Manager and joint holders  |
| <b>US (United States) Person</b>      | A citizen or resident of the United States of America, a partnership organized or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it. If a Unit Holder subsequently becomes a “United States Person” and such fact comes to the attention of the Manager, units owned by that person must be compulsorily redeemed by the Manager |
| <b>USD</b>                            | US Dollar   |
| <b>Wholesale Fund</b>                 | A fund, the units which are issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units have been made, exclusively to Sophisticated Investors  |
| <b>Withdrawal, exit</b>               | Redemptions of units of the Fund  |

## 2. CORPORATE DIRECTORY

### MANAGER

#### AmFunds Management Berhad

Company number: 154432-A

#### *Registered office*

22nd Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel: (03) 2036 2633

#### *Business address*

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50200 Kuala Lumpur  
Tel: (03) 2032 2888 Fax: (03) 2031 5210  
Email: enquiries@aminvest.com  
Website: www.ambankgroup.com  
www.aminvest.com

#### Board of Directors

Pushparani A/P A Moothathamby (*non-independent*)  
Mustafa Bin Mohd Nor (*independent*)  
Tai Terk Lin (*independent*)  
Madam Sum Leng Kuang (*independent*)  
Datin Maznah Mahbob (*non-independent*)

#### Investment Committee

Mustafa Bin Mohd Nor (*independent*)  
Tai Terk Lin (*independent*)  
Dr. Frank Richard Ashe (*independent*)  
Madam Sum Leng Kuang (*independent*)  
Datin Maznah Mahbob (*non-independent*)

#### Secretary

Koh Suet Peng (MAICSA 7019861)  
22nd Floor, Bangunan AmBank Group  
No.55, Jalan Raja Chulan  
50200 Kuala Lumpur

### MANAGER'S DELEGATE

#### Deutsche Bank (Malaysia) Berhad

(as fund accounting and valuation service provider)

Company number: 312552-W

#### Registered office

Level 18, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
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#### Business address

Level 18-20, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: (03) 2053 6788 Fax: (03) 2031 8710

### TRUSTEE

Deutsche Trustees Malaysia Berhad  
Company number: 763590-H

#### *Registered office/Business address*

Level 20, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: (03) 2053 7522 Fax: (03) 2053 7526

### TRUSTEE'S DELEGATE (CUSTODIAN)

#### Deutsche Bank (Malaysia) Berhad

Company number: 312552-W

#### *Registered office*

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50250 Kuala Lumpur  
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**TAXATION ADVISOR**

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Company number: 36421-T

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**FEDERATION OF INVESTMENT  
MANAGERS MALAYSIA (FIMM)**

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50490 Kuala Lumpur  
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Email: [info@fimm.com.my](mailto:info@fimm.com.my)  
Website: [www.fimm.com.my](http://www.fimm.com.my)

## 3. KEY DATA OF THE FUND

The description on the following pages introduces you to Global Dividend and helps you decide whether Global Dividend best fits your investment needs. Keep in mind however that no fund can guarantee it will meet its investment objective at all times, and no fund should be relied upon as a complete investment program.

**THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE FUND. SOPHISTICATED INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE INFORMATION MEMORANDUM AND, IF NECESSARY, CONSULT THEIR INVESTMENT ADVISER BEFORE MAKING AN INVESTMENT DECISION.**

### 3.1 FUND INFORMATION

|                                  |   |
|----------------------------------|---|
| <b>Name of Fund</b>              | Global Dividend   |
| <b>Category of Fund</b>          | Wholesale (Feeder Fund)   |
| <b>Type of Fund</b>              | Income and Growth   |
| <b>Investment Objective</b>      | <p>The Fund aims to provide income* and long-term** capital growth by investing in the Target Fund which invests in global equities.</p> <p><i>Note:</i></p> <p><i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p> <p>* The income could be in the form of units or cash. Please refer to the distribution mode on page 55.</p> <p>** Long term refers to an investment horizon of at least five (5) years.</p> |
| <b>Investment Strategy</b>       | <p>The Fund seeks to achieve its investment objective by investing a minimum of 95% of the Fund's NAV in the Fidelity Funds - Global Dividend Fund ("Target Fund") at all times. This implies that this Fund has a passive strategy.</p> <p><i>Note: A replacement of the Target Fund would require Unit Holders' approval.</i></p>   |
| <b>Asset Allocation</b>          | <ul style="list-style-type: none"><li>• A minimum of 95% of the Fund's NAV will be invested in the Target Fund; and</li><li>• Up to 5% of the Fund's NAV will be invested in liquid assets.</li></ul>   |
| <b>Base Currency of the Fund</b> | USD   |
| <b>Performance Benchmark</b>     | <p>MSCI All Countries World Net Index<br/>(available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note: The MSCI All Country World Net Index ("MSCI ACWI") is only used as a reference for investment performance comparison purpose. The Fund is not managed against MSCI ACWI. The risk profile of the Fund is not the same as the risk profile of the MSCI ACWI.</i></p>   |

|   |  |
|---|--|
| <b>Specific Risks associated with the Fund</b>        | <ul style="list-style-type: none"> <li>• Risk of a passive strategy</li> <li>• Risk of not meeting the Fund's investment objective</li> <li>• Currency risk</li> <li>• Income distribution risk</li> <li>• Liquidity risk</li> </ul>   |
| <b>Specific Risks associated with the Target Fund</b> | <ul style="list-style-type: none"> <li>• Historical performance</li> <li>• Fluctuations in value</li> <li>• Termination of fund and classes of shares</li> <li>• Legal and tax risks</li> <li>• Foreign currency risk</li> <li>• Liquidity risk</li> <li>• Pricing and valuation risk</li> <li>• Counterparty credit &amp; settlement risk</li> <li>• Securities lending</li> <li>• Investment horizon risk</li> <li>• Cross share class liabilities</li> <li>• Equities related risk</li> <li>• Distribution out of capital risk</li> <li>• Derivatives related risks</li> </ul>  |
| <b>Investor Profile</b>                               | <p>The Fund is suitable for Sophisticated Investors seeking:</p> <ul style="list-style-type: none"> <li>• regular income* and long term** capital growth on their investments; and</li> <li>• investment exposure to global equities.</li> </ul> <p><i>Note:</i></p> <p>* <i>The income could be in the form of units or cash.</i></p> <p>** <i>Long term refers to an investment horizon of at least five (5) years.</i></p>  |
| <b>Initial Offer Period</b>                           | A period of up to twenty one (21) days commencing from 11 April 2016 to 1 May 2016   |
| <b>Initial Offer Price</b>                            | <p><b>AUD Hedged-Class:</b> AUD 1.0000 per unit</p> <p><b>RM Class:</b> RM 1.0000 per unit</p> <p><b>RM-Hedged Class:</b> RM 1.0000 per unit</p> <p><b>SGD-Hedged Class:</b> SGD 1.0000 per unit</p> <p><b>USD Class:</b> USD 1.0000 per unit</p>  |
| <b>Financial Year End</b>                             | 31 July  |
| <b>Income Distribution</b>                            | <p><b>RM &amp; RM-Hedged Classes</b></p> <p>Subject to availability of income, distribution will be paid quarterly and can be in the form of cash (by telegraphic transfer) or units.</p> <p><b>Other Classes except for RM &amp; RM-Hedged Classes</b></p> <p>Subject to availability of income, distribution will be paid quarterly and will be reinvested into the respective Class.</p> <p><i>Note:</i></p> <p><i>Income distribution amount (if any) for each of the Classes could be different subject to the sole discretion of the Manager.</i></p> <p><i>For RM and RM-Hedged Classes only, if income distribution earned does not exceed RM500, it will be automatically reinvested.</i></p> |

## TARGET FUND INFORMATION

|   |   |
|---|---|
| <b>Name of Target Fund</b>              | Fidelity Funds - Global Dividend Fund   |
| <b>Regulatory Authority</b>             | Commission de Surveillance du Secteur Financier (CSSF)  |
| <b>Management Company</b>               | FIL Investment Management (Luxembourg) S.A.   |
| <b>Investment Adviser</b>               | FIL Fund Management Limited   |
| <b>Domicile</b>                         | Luxembourg  |
| <b>Date of establishment</b>            | The Target Fund was established on 30 January 2012  |
| <b>Name of share class</b>              | A-MINCOME(G)-USD share class of the Target Fund, which is a monthly distribution share class in USD |
| <b>Base Currency of the Target Fund</b> | USD   |

### 3.2 FEES AND CHARGES

#### Charges

This table describes the charges that you may **directly** incur when you buy or redeem units of the Fund:

| <b>Entry Charge</b>  | The maximum rate imposed by each distribution channel during the life of this Information Memorandum is as follows :   |                      |                      |              |  |      |
|----------------------|--|----------------------|----------------------|--------------|--|------|
|                      | <table border="1"> <thead> <tr> <th>Distribution Channel</th> <th>Maximum entry charge</th> </tr> </thead> <tbody> <tr> <td>Direct Sales</td> <td>Up to 5.00% of NAV per unit of the Class(es)</td> </tr> <tr> <td>IUTA</td> <td>Up to 5.00% of NAV per unit of the Class(es)</td> </tr> </tbody> </table> <p><i>All entry charges will be rounded up to two (2) decimal points.<br/>There will be no entry charge payable by AHB staff.<br/>Sophisticated Investors are advised that they may negotiate for lower entry charge prior to the conclusion of sales.<br/>The Manager reserves the right to waive or reduce the entry charge from time to time at its absolute discretion.</i></p> | Distribution Channel | Maximum entry charge | Direct Sales | Up to 5.00% of NAV per unit of the Class(es) | IUTA |
| Distribution Channel | Maximum entry charge   |                      |                      |              |  |      |
| Direct Sales         | Up to 5.00% of NAV per unit of the Class(es)   |                      |                      |              |  |      |
| IUTA                 | Up to 5.00% of NAV per unit of the Class(es)   |                      |                      |              |  |      |
| <b>Exit Penalty</b>  | There is no exit penalty for this Fund.  |                      |                      |              |  |      |
| <b>Other Charges</b> | Other direct charges that you may incur are as follows:<br><br><i>Transfer fee</i><br>Nil.<br><br><i>Bank charges or fees</i><br>Bank charges or fees are incurred only upon withdrawals. For more   |                      |                      |              |  |      |

details, please refer to manner of payment on page 49.

#### *Switching fee*

##### Switching between funds managed by the Manager

Unit Holders are only allowed to switch to other funds where the currency denomination is the same as the Class switched out. For switches between any of the funds managed by the Manager, Sophisticated Investors will be charged on the differences of entry charge between funds switched, which is up to a maximum of 6% of NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge.

##### Switching between Class(es) of the Fund

Unit Holders are not allowed to switch between Class(es) of the Fund.

*Note: All fees, charges and expenses disclosed in the Information Memorandum are expressed on a GST-exclusive basis. Accordingly, to the extent that services provided are subject to GST, the amount of GST payable on any related fees, charges and/or expenses will be payable by the Unit Holder and/or the Fund (as the case may be) in addition to the fees, charges and expenses disclosed in the Information Memorandum.*

## Fees and Expenses

This table describes the fees and expenses that you may **indirectly** incur when you invest in the Fund:

|                              |  |
|------------------------------|--|
| <b>Annual management fee</b> | Up to 1.80% p.a. of the NAV of the Fund or its equivalent in the base currency of the Fund   |
| <b>Annual trustee fee</b>    | Up to 0.05% p.a. of the NAV of the Fund or its equivalent in the base currency of the Fund   |
| <b>Fund expenses</b>         | A list of the Fund expenses directly related to the Fund are as follows : <ul style="list-style-type: none"><li>• audit fees;</li><li>• tax agent's fees</li><li>• printing and postages of annual and quarterly reports;</li><li>• bank charges;</li><li>• lodgement fees for Fund's reports;</li><li>• commission paid to dealers (if any);</li><li>• sub-custodian fee (if any);</li><li>• any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and</li><li>• other expenses as permitted by the Deed.</li></ul> |

Please refer to pages 43 to 46 for details on Fees, Charges and Expenses.

*Note: All fees, charges and expenses disclosed in the Information Memorandum are expressed on a GST-exclusive basis. Accordingly, to the extent that services provided are subject to GST, the amount of GST payable on any related fees, charges and/or expenses will be payable by the Unit Holder and/or the Fund (as the case may be) in addition to the fees, charges and expenses disclosed in the Information Memorandum.*



## Fees, charges and expenses of the Target Fund

|                              |   |
|------------------------------|---|
| <b>Initial charge</b>        | Waived  |
| <b>Annual management fee</b> | Up to 1.50% p.a. of the net asset value of the Target Fund<br><br><i>There will be no double charging of management fee. Please refer to pages 44 to 45 for further details on the management fee charged for the Fund.</i> |
| <b>Depositary fee</b>        | A range from 0.003% of NAV of the Target Fund in developed markets to 0.35% of NAV of the Target Fund in emerging markets (excluding transaction charges and reasonable disbursements and out-of-pocket expenses).          |
| <b>Service agreements</b>    | 0.35% of the net assets of the Target Fund (excluding reasonable out-of-pocket expenses).   |
| <b>Redemption charges</b>    | Nil   |
| <b>Other charges</b>         | Incidental  |
| <b>Taxation</b>              | 0.05% per annum   |

### 3.3 TRANSACTION DETAILS

|   |   |
|---|---|
| <b>Minimum Initial Investment</b>         | <b>AUD Hedged Class:</b> AUD 5,000;<br><b>RM Class:</b> RM 5,000;<br><b>RM-Hedged Class:</b> RM 5,000;<br><b>SGD Hedged Class:</b> SGD 5,000;<br><b>USD Class:</b> USD 5,000;<br>or such amount as the Manager may from time to time decide.  |
| <b>Minimum Additional Investment</b>      | <b>AUD Hedged Class:</b> AUD 5,000;<br><b>RM Class:</b> RM 5,000;<br><b>RM-Hedged Class:</b> RM 5,000;<br><b>SGD Hedged Class:</b> SGD 5,000;<br><b>USD Class:</b> USD 5,000;<br>or such amount as the Manager may from time to time decide.  |
| <b>Minimum Withdrawal / Switching</b>     | <b>All Classes:</b> 5,000 units or such units as the Manager may from time to time decide.  |
| <b>Minimum Holding/ Balance</b>           | <b>All Classes:</b> 5,000 units or such units as the Manager may from time to time decide.  |
| <b>Unit holdings in Different Classes</b> | Sophisticated Investors should take note that there are differences when purchasing units in different Class(es).<br><br>For illustration purposes, comparing RM-Hedged Class and AUD Hedged Class, assuming the exchange rate of AUD1 is RM 3.20 and you have RM10,000 to invest. The RM-Hedged Class and AUD Hedged Class are priced at RM1.0000 and AUD1.0000 respectively. By purchasing units of the RM-Hedged Class, you will receive more units for every RM invested in the Fund (i.e. 10,000 |

|                           |   |
|---------------------------|---|
|                           | units) compared to purchasing AUD Hedged Class (i.e. 3125 units). Although the investment value is the same in RM terms, you may have more voting rights at Unit Holders' meeting due to the larger number of units you hold in the RM-Hedged Class compared to the AUD Hedged Class.   |
| <b>Switching Facility</b> | <p><i>Switching between funds managed by the Manager</i></p> <p>Unit Holders are only allowed to switch to other funds where the currency denomination is the same as the Class switched out. For switches between any of the funds managed by the Manager, Sophisticated Investors will be charged on the differences of entry charge between funds switched, which is up to a maximum of 6% of NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge. However, the Manager has the discretion to waive or reduce the switching fee.</p> <p><i>Switching between Class(es) of the Fund</i></p> <p>Unit Holders are not allowed to switch between Class(es) of the Fund.</p> |
| <b>Transfer Facility</b>  | Transfer of the Fund's units is allowed at the Manager's discretion.  |

Please refer to pages 50 to 52 for details on how to make an application or withdrawal.

### **3.4 OTHER INFORMATION**

|                          |   |
|--------------------------|---|
| <b>Current Deed</b>      | The Deed relating to the Fund is dated 28 September 2015. |
| <b>Supplemental Deed</b> | Nil   |

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

***UNIT PRICES AND DISTRIBUTIONS PAYABLE, IF ANY, MAY GO DOWN AS WELL AS UP.***

***FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE SOPHISTICATED INVESTORS, PLEASE REFER TO RISK FACTORS COMMENCING ON PAGE 13.***

## 4. RISK FACTORS

All investments carry some degree of risks. The role of the Manager in a Wholesale Fund is to choose assets which mitigate risk as much as possible while working to achieve the objective(s) of the Fund.

However, it is not always possible to protect against all types of risk that can occur. For example, political changes and natural disasters can have a rapid effect on the outlook for economies and currencies which may affect investments in a Wholesale Fund.

Therefore, before making an investment decision, a Sophisticated Investor should consider the different types of risk that may affect the Wholesale Fund or the Sophisticated Investor individually.

### 4.1 GENERAL RISKS OF INVESTING IN THE FUND

#### **Market Risk**

This is the risk of prices of assets falling in response to general market factors as opposed to company-specific factors, which may affect the Fund's underlying investments and hence the NAV of the Fund. Factors influencing the performance of markets include:

- (a) Economic factors such as changes in interest rates, inflation and foreign exchange rates;
- (b) Socio-political environment;
- (c) Regulatory factors; and
- (d) Broad investor sentiment.

#### **Inflation Risk**

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

#### **Non-Compliance Risk**

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the deed and its supplemental deed, securities law or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund when the Manager or the Trustee takes action to rectify the non-compliance. For example, non-compliance could occur due to factors such as human error or shortfalls in operational and administrative processes, or external factors such as market movements.

This risk may be mitigated by having sufficient internal controls in place to ensure compliance with all applicable requirements at all times.

#### **Country Risk**

Investments of the Fund in any countries 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. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the net asset value or prices of units to fall.

#### **Financing Risk**

This risk occurs when an investor obtains financing to finance the investor's purchase of units of the Fund. The inherent risk of investing with borrowed money includes the investor's inability to

service the loan repayments and the adverse impact of an increase in interest rates on the loan repayments, where the investor may be subject to higher loan repayment installments.

In the event units are used as collateral, an investor may be required to provide cash or units as additional collateral if unit prices fall beyond a certain level due to market conditions, failing which, the investor's units may be sold towards settling the loan.

Note: The Manager does not provide financing for the purchase of units of the Fund. However, if an investor obtains financing from other providers, this is the risk that the investor should be aware of.

## **4.2 SPECIFIC RISKS UNIQUELY ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUND**

### **Risk of a Passive Strategy**

As the Fund adopts a passive strategy of investing a minimum of 95% of its NAV into the Target Fund at all times, this strategy would result in the Fund being exposed to the risk of its NAV declining when the Target Fund's net asset value declines. This is because the Fund is closely mirroring the performance of the Target Fund and will not be adopting any temporary defensive strategies in response to such declines. All investment decisions are left with the fund manager of the Target Fund.

### **Risk of not meeting the Fund's Investment Objective**

This is the risk that the Fund may deviate from the intended investment objective, the Manager may liquidate the investments in the Target Fund and hold 100% of the Fund's NAV in cash, in order to protect the Unit Holders' interest, under circumstances including but not limited to the following:

- (a) there is an adverse change to the regulatory and political regime in which the Target Fund operates;
- (b) there is a material change to the investment objective of the Target Fund; and
- (c) there is an unfavorable change to the feature of the Target Fund (e.g. fees, distribution policy).

Subsequently, the Manager, in consultation with the Trustee and Investment Committee of Fund will call for a Unit Holder's meeting to decide on whether to terminate the Fund or replace the Target Fund with a new target fund.

Note: A replacement of the Target Fund or termination of the Fund would require Unit Holders' approval.

### **Currency Risk**

The Fund offers unhedged and hedged currency classes. This is the risk associated with investments in certain Class(es) of the Fund which is denominated in currency different from the base currency of the Fund (which is in USD).

#### *Unhedged Class denominated in RM:*

For the unhedged class which is denominated in RM, the Manager will not hedge the currency exposure of the Class against the base currency of Fund. As such, the unhedged Class would be exposed to currency risk. When the base currency of the Fund depreciates against the denomination currency of the unhedged Class, the NAV of the unhedged Class will be adversely affected when the base currency of the Fund is expressed in the denomination currency of the unhedged Class.

#### *Unhedged class denominated in USD:*

Note that the unhedged class which is denominated in USD is not exposed to currency risk as the base currency of the Fund is also denominated in the same currency.

#### *Hedged classes denominated in AUD, SGD and RM:*

The Fund also offers hedged classes which are denominated in AUD, SGD and RM. The Manager will hedge as much as practicable the currency risk associated with investments in those hedged classes against the base currency of the Fund. As such, currency risk will be substantially minimized. Note that while hedging will substantially protect investors in the hedged classes against a decrease in the value of the base currency of the Fund relative to the denomination currency of the hedged classes, it also preclude investors of the hedged classes to benefit from an increase in the value of the base currency of the Fund.

#### Note:

It should be noted that the Fund's investments in the Target Fund may still be exposed, indirectly, to currency gains or losses resulting from fluctuations in exchange rates between the denomination currency of the Target Fund and the other currencies which the Target Fund may be exposed to. For further explanation of currency risk at the Target Fund level, please refer to Foreign Currency Risk faced by the Target Fund.

#### **Income Distribution Risk**

It should be noted that the distribution of income is not guaranteed. Circumstances preventing the distribution of income include, among others, insufficient realized returns to enable income distribution. As per the SC Guidelines, distribution of income should only be made from realized gains or realized income.

#### **Liquidity Risk**

The Fund will be investing a minimum of 95% of its assets in the Target Fund. There may be exceptional circumstances, which could cause delays in the redemption of shares of the Target Fund and units of the Fund. In the event of exceptional circumstance such as suspension of calculation of net asset value of the Target Fund, no shares of the Target Fund will be redeemed.

### **4.3 SPECIFIC RISKS ASSOCIATED WITH THE TARGET FUND**

#### **Historical Performance**

Past performance information relating to each fund is set out in the key investor information document of the Target Fund. Past performance should not be seen as an indication of how a fund will perform in the future and cannot in any way provide a guarantee of future returns.

#### **Fluctuations in Value**

The investments of the Target Fund are subject to market fluctuations and other risks inherent in investing in securities and other financial instruments. There can be no assurance that any appreciation in value of investments will occur, and the capital value of the original investment with the Target Fund is not guaranteed. The value of investments and the income from them may go down as well as up, and the Fund may not get back the original amount invested. There is no assurance that the investment objective of the Target Fund will actually be achieved.

#### **Termination of Target Fund and Classes of Shares**

In the event of the termination of the Target Fund or a class of shares, the assets of the Target Fund or the class will be realised, the liabilities discharged and the net proceeds of realisation distributed to shareholders in proportion to their holding of shares in the Target Fund or class. It is possible that at the time of such realisation or distribution, certain investments held by the Target Fund or class of shares may be worth less than the initial cost of such investments, resulting in a loss to the shareholders. All normal operating expenses incurred up to the point of termination will

be borne by the Target Fund or the class. There are no unamortised organisational expenses with regard to the Target Fund or a class.

### **Legal and Tax Risks**

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Further, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. The Target Fund may be subject to withholding and other taxes. Tax law and regulations of any country are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities in some jurisdictions are not as consistent and transparent as those of more developed nations, and may vary from region to region.

Investors should be aware that foreign exchange inflows and outflows for the Brazilian market are subject to Tax on Financial Operations (IOF tax) as detailed in the Brazilian Presidential Decree no. 6.306/10 and as amended from time to time. The application of the IOF tax will reduce the net asset value per share.

### **Foreign Currency Risk**

The Target Fund's total return and balance sheet can be significantly affected by foreign exchange rate movements if the Target Fund's assets and income are denominated in currencies other than the base currency of the fund and this means that currency movements may significantly affect the value of the Target Fund's share price. The three principal areas of foreign currency risk are where movements in exchange rates affect the value of investments, short term timing differences or income received. The Target Fund may, or may not, hedge these risks using either spot or forward foreign exchange contracts and the associated risks are explained below in the section on Financial Derivative Instruments.

Investors should be aware of the fact that the Chinese Renminbi (RMB) is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China, and one outside Mainland China (primarily in Hong Kong). The RMB traded in Mainland China is not freely convertible and is subject to exchange controls and certain requirements by the government of Mainland China. The RMB traded outside Mainland China, on the other hand, is freely tradable. Whilst the RMB is traded freely outside Mainland China, the RMB spot, forward foreign exchange contracts and related instruments reflect the structural complexities of this evolving market. Accordingly, the Target Fund investing in RMB may be exposed to greater foreign exchange risks.

In addition, there may be liquidity risks associated with RMB products, especially if such investments do not have an active secondary market and their prices are subject to significant bid and offer spread. The investment manager will nevertheless seek to invest the assets of the Target Fund in such a manner which will enable them to meet their obligations to redeem their shares.

### **Liquidity Risk**

In normal market conditions the Target Fund's assets comprise mainly realisable investments which can be readily sold. The Target Fund's main liability is the redemption of any shares that investors wish to sell. In general the Target Fund manages its investments, including cash, such that it can meet its liabilities. Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals is sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the net asset value of the Target Fund.

### **Pricing and Valuation Risk**

The Target Fund's assets comprise mainly quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, the Target Fund will also invest in unquoted and/or illiquid investments which will increase the risk of mispricing. Further, the Target Fund will compute net asset values when some markets are closed for holidays or other reasons. In these and similar cases an objective verifiable source of market prices will not be available and the investment manager of the Target Fund will invoke its fair value process which will determine a fair value price for the relevant investments; this fair value process involves assumptions and subjectivity.

### **Counterparty Credit & Settlement Risk**

All security investments are transacted through brokers who have been approved by the investment manager of the Target Fund as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Target Fund, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement never occurs the loss incurred by the fund will be the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Further, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the fund meets its settlement obligations but the counterparty fails before meeting its obligations.

### **Securities Lending**

Securities lending involves risks in that (a) if the borrower of securities lent by the Target Fund fails to return them there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded and that (b) delays in the return of securities on loans may restrict the ability of the Target Fund to meet delivery obligations under security sales.

### **Investment Horizon Risk**

The selection of investments for the Target Fund is undertaken according to the Target Fund's investment objectives and may not closely align with investors' investment horizon. If investors do not accurately select the Target Fund that closely aligns with their investment horizon, there may be a risk of potential mismatch between the investors' investment horizon and the fund's investment horizon.

### **Cross Share Class Liabilities**

Although assets and liabilities are clearly attributable to each class of shares, there is no legal segregation between classes of shares within a fund. This means that if the liabilities of a class of shares exceed its assets, creditors of such class may have recourse without restriction to assets which are attributable to the other classes of shares within the same fund. Hence, shareholders should note that specific transactions (e.g. currency hedging or interest rate duration management) may be entered into for the benefit of a particular class of shares but result in liabilities for the other classes of shares within the Target Fund.

### **Equity Related Risk**

As the Target Fund invests in stocks, the value of those stocks may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events.

Currency exchange rate movements will also cause changes in value when the currency of the investment is other than the base currency of the fund holding that investment.

## **Distribution Out Of Capital Risk**

For certain classes of shares, dividends may be paid out of capital where the income/capital gain generated by the Target Fund is insufficient to pay a distribution as declared. Investors should note that the payment of dividends out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Such distributions may result in an immediate decrease in the net asset value per share of the Target Fund.

## **Derivatives Related Risk**

### *Financial Derivative Instruments*

The Target Fund may use various financial derivative instruments to reduce risks or costs or to generate additional capital or income in order to meet the investment objectives of the Target Fund. The Target Fund may use derivatives extensively and/or for more complex strategies (i.e. have extended derivative powers) as further described in the Target Fund investment objectives. Throughout this section and others that refer to derivatives, privately negotiated or non-exchange traded derivatives are referred to as being 'over the counter', which is abbreviated to OTC.

Investors may wish to consult their independent financial adviser about the suitability of the Target Fund for their investment needs bearing in mind its powers with regard to the use of derivatives.

While the judicious use of derivative instruments by experienced investment advisers such as the investment manager of the Target Fund can be beneficial, derivative instruments also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments. The use of derivatives may give rise to a form of leverage, which may cause the net asset value of the Target Fund to be more volatile and/or change by greater amounts than if they had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the Target Fund's portfolio securities and other instruments.

The following are important risk factors and issues concerning the use of derivative instruments that investors should understand before investing in the Target Fund.

- **Market risk** – This is the general risk applicable to all investments that the value of a particular investment may fluctuate. Where the value of the underlying asset (either security or reference benchmark) of a derivative instrument changes, the value of the instrument will become positive or negative, depending on the performance of the underlying asset. For non-option derivatives the absolute size of the fluctuation in value of a derivative will be very similar to the fluctuation in value of the underlying security or reference benchmark. In the case of options, the absolute change in value of an option will not necessarily be similar to the change in value of the underlying because, as explained further below, changes in options values are dependent on a number of other variables.
- **Liquidity risk** – Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative instrument transaction is particularly large or if the relevant market is illiquid (as can be the case with over-the-counter (OTC) derivative instruments), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.
- **Counterparty credit risk** – This is the risk that a loss may be sustained by the Target Fund as a result of the failure of the other party to a derivative instrument (usually referred to as a 'counterparty') to comply with the terms of the derivative instrument contract. The counterparty credit risk for exchange-traded derivative instruments is generally less than for OTC derivative instruments, since the clearing firm, which is the issuer or counterparty to each exchange-traded derivative instrument, provides a guarantee of clearing. This guarantee is supported by a daily payment system (i.e. margin requirements) operated by the clearing firm in order to reduce overall counterparty credit risk. Assets deposited as margin with the brokers and/or exchanges may not be held in segregated accounts by these counterparties



and may therefore become available to the creditors of such counterparties in the event of default by them. For privately negotiated OTC derivative instruments, there is no similar clearing firm guarantee. Therefore, the investment manager of the Target Fund adopts a counterparty risk management framework which measures, monitors and manages counterparty credit risk, taking into account both current and potential future credit exposure, through the use of internal credit assessments and external credit agency ratings. Privately negotiated OTC derivative instruments are not standardised. They are an agreement between two parties and can therefore be tailored to the requirements of the parties involved. The documentation risk is reduced by adhering to the standard International Swaps and Derivatives Association (“ISDA”) documentation.

- The Target Fund's exposure to an individual counterparty shall not exceed 10% of the Target Fund's net assets. Counterparty credit risk may be further mitigated through the use of collateral agreements. However, collateral arrangements are still subject to the insolvency risk and credit risk of the issuers or depository of the collateral. Further, collateral thresholds exist below which collateral is not called for and timing differences between calculating the need for collateral and its receipt by the Target Fund from the counterparty will both mean that not all the current exposure will be collateralised.
- Settlement risk – Settlement risk exists when futures, forwards, contracts for differences options and swaps (of any type) are not settled in a timely manner, thereby increasing counterparty credit risk prior to settlement and potentially incurring funding costs that would otherwise not be experienced. If settlement never occurs the loss incurred by the Target Fund will be the same as it is for any other such situation involving a security namely the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided.
- Fund management risk – Derivative instruments are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative instrument requires an understanding not only of the underlying asset but also of the derivative instrument itself, without necessarily the benefit of observing the performance of the derivative instrument under all possible market conditions. Further the price of an OTC derivative might not move in line with the price of the underlying instrument in some market conditions.
- Commodities risks – Exposure to commodities involve additional risks than those resulting from traditional investments and may subject the Target Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by the overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular commodity industry or the production and trading of commodities, such as natural events (e.g. drought, floods, weather, livestock disease), embargoes, tariffs and international economic, political and regulatory developments.
- Other risks – Other risks in using derivative instruments include the risk of mispricing or improper valuation. Some derivative instruments, in particular privately negotiated OTC derivative instruments, do not have prices observable on an exchange and so involve the use of formulae, with prices of underlying securities or reference benchmarks obtained from other sources of market price data. OTC options involve the use of models, with assumptions, which increases the risk of pricing errors. Improper valuations could result in increased cash payment requirements to counterparties or a loss of value to the Target Fund. Derivative instruments do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to track. Consequently, the Target Fund's use of derivative instruments may not always be an effective means of, and sometimes could be

counterproductive to, furthering the Target Fund's investment objective. In adverse situations, the Target Fund's use of derivative instruments may become ineffective and the Target Fund may suffer significant losses.

#### *Risks in relation to specific derivative instruments*

A non-exhaustive list of financial derivative instruments most commonly used is set out above. The Target Fund may use one or a combination of the following instruments the following risks should be considered, as applicable:

- **Security Forward Contracts and Contracts for Difference:** the risk to the buyer or seller of such contracts is the change in value of the underlying security. When the value of the underlying security changes, the value of the contract becomes positive or negative. Unlike futures contracts (which are settled through a clearing firm), OTC forward contracts and contracts for difference are privately negotiated between two parties and are not standardised. Further, the two parties must bear each other's credit risk, which is not the case with a futures contract and collateral is arranged to mitigate this risk. Also, since these contracts are not exchange traded, there is no marked-to-market margin requirement, which allows a buyer to avoid almost all capital outflow initially.
- **Equity Index, Single Stock, Interest Rate and Bond Futures:** the risk to the buyer or seller of an exchange-traded future is the change in value of the underlying reference index/security/contract/bond. Futures contracts are forward contracts, meaning they represent a pledge to make a certain economic transfer at a future date. The exchange of value occurs by the date specified in the contract; the majority of contracts have to be cash settled and where physical delivery is an option the underlying instrument is actually rarely exchanged. Futures are distinguished from generic forward contracts in that they contain standardised terms, trade on a formal exchange, are regulated by overseeing agencies, and are guaranteed by clearing firms. Also, in order to ensure that payment will occur, futures have both an initial margin and a margin requirement which moves in line with the market value of the underlying asset that must be settled daily.
- **Exchange-traded and OTC Options:** options are complex instruments whose value depends on many variables including the strike price of the underlying (versus the spot price both at the time the option is transacted and subsequently), the time to maturity of the option, the type of option (European or American or other type) and volatility among others. The most significant contributor to market risk resulting from options is the market risk associated with the underlying when the option has an intrinsic value (i.e. it is 'in-the-money'), or the strike price is near the price of the underlying ('near-the money'). In these circumstances the change in value of the underlying will have a significant influence on the change in value of the option. The other variables will also have an influence, which will likely to be greater the further away the strike price is from the price of the underlying. Unlike exchange traded option contracts (which are settled through a clearing firm), OTC option contracts are privately negotiated between two parties and are not standardised. Further, the two parties must bear each other's credit risk and collateral is arranged to mitigate this risk. The liquidity of an OTC option can be less than an exchange traded option and this may adversely affect the ability to close out the option position, or the price at which such a close out is transacted.
- **Interest Rate Swaps:** an interest rate swap normally involves exchanging a fixed interest amount per payment period for a payment that is based on a floating rate benchmark. The notional principal of an interest rate swap is never exchanged, only the fixed and floating amounts. Where the payment dates of the two interest amounts coincide there is normally one net settlement. The market risk of this type of instrument is driven by the change in the reference benchmarks used for the fixed and floating legs. An interest rate swap is an OTC agreement between two parties and so can be tailored to the requirements of the parties

involved. Consequently each party bears the other's credit risk and collateral is arranged to mitigate this risk.

- **Foreign Exchange Contracts:** these involve the exchange of an amount in one currency for an amount in a different currency on a specific date. Once a contract has been transacted the value of the contract will change depending on foreign exchange rate movements and, in the case of forwards, interest rate differentials. To the extent that such contracts are used to hedge non-base currency foreign currency exposures back to the base currency of the fund, there is a risk that the hedge may not be perfect and movements in its value may not exactly offset the change in value of the currency exposure being hedged. Since the gross amounts of the contract are exchanged on the specified date, there is a risk that if the counterparty with whom the contract has been agreed goes into default between the time of payment by the fund but before receipt by the fund of the amount due from the counterparty, then the Target Fund will be exposed to the counterparty credit risk of the amount not received and the entire principal of a transaction could be lost.
- **Credit Default Swaps (CDS):** these contracts represent a credit derivative, whose market value will change in line with the perceived credit standing of the underlying security or basket of securities. Where protection has been sold, the Target Fund has a similar credit exposure to the underlying security or basket of securities as if they had actually been bought. Where protection has been bought, the Target Fund will receive a payment from the counterparty to the swap if the underlying security (or one in the basket of securities) defaults, based on the difference between the notional principal of the swap and the expected recovery value, as determined by the market at the time of default. The swap contract is an agreement between two parties and therefore each party bears the other's counterparty credit risk. Collateral is arranged to mitigate this risk. The documentation risk for CDS is reduced by adhering to standard ISDA documentation. The liquidity of a CDS may be worse than the liquidity of the underlying security or securities in the basket and this may adversely affect the ability to close out a CDS position or the price at which such a close out is transacted.
- **Total Return Swaps (TRS):** these contracts represent a combined market and credit default derivative and their value will change as a result of fluctuations in interest rates as well as credit events and credit outlook. A TRS which involves the Target Fund receiving the total return is similar in risk profile to actually owning the underlying reference security. Further, these transactions may be less liquid than interest rate swaps as there is no standardisation of the underlying reference benchmark and this may adversely affect the ability to close out a TRS position or the price at which such a close out is transacted. The swap contract is an agreement between two parties and therefore each party bears the other's counterparty credit risk and collateral is arranged to mitigate this risk. The documentation risk for TRS is reduced by adhering to standard ISDA documentation.
- **Inflation Index Swaps:** the market risk of this type of instrument is driven by the change in the reference benchmarks used for the two legs of the transaction, one of which will be an inflation benchmark. This is an agreement between two parties and so can be tailored to the requirements of the parties involved. Consequently each party bears the other's credit risk and collateral is arranged to mitigate this risk. An inflation index swap normally involves exchanging a fixed final amount for a payment that is not fixed (the floating side of the swap would usually be linked to an inflation index in one of the major currencies).

**Note: The abovementioned risks which Sophisticated Investors should consider before investing into the Fund should not be considered to be an exhaustive list. Sophisticated Investors should be aware that investments in the Fund may be exposed to other unforeseeable risks from time to time.**

## 5. THE FUND'S DETAILED INFORMATION

### 5.1 FUND INFORMATION

**a. Category/ type**

Wholesale (Feeder Fund) / Income and Growth

**b. Investment Objective**

The Fund aims to provide income\* and long-term\*\* capital growth by investing in the Target Fund which invests in global equities.

*Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.*

*\* The income could be in the form of units or cash. Please refer to the distribution mode on page 55.*

*\*\* Long term refers to an investment horizon of at least five (5) years.*

**c. Investment Strategy**

The Fund seeks to achieve its investment objective by investing a minimum of 95% of the Fund's NAV in the Fidelity Funds - Global Dividend Fund ("Target Fund") at all times. This implies that this Fund has a passive strategy.

*Note: A replacement of the Target Fund would require Unit Holders' approval.*

**d. Risk Management Strategy**

The risk management strategies and techniques employed will be at the Target Fund level, where the fund manager of the Target Fund combines financial techniques and instruments to manage the overall risk of the Target Fund's portfolio as described on page 31.

For hedged Classes, the Manager uses financial derivatives for the purpose of hedging the Classes' currency exposure to the base currency of the Fund.

**e. Asset Allocation**

- A minimum of 95% of the Fund's NAV will be invested in the Target Fund; and
- Up to 5% of the Fund's NAV will be invested in liquid assets.

**f. Performance Benchmark**

MSCI All Country World Net Index (available at [www.aminvest.com](http://www.aminvest.com))

*Note: The MSCI All Country World Net Index ("MSCI ACWI") is only used as a reference for investment performance comparison purpose. The Fund is not managed against MSCI ACWI. The risk profile of the Fund is not the same as the risk profile of the MSCI ACWI.*

**g. Investor Profile**

The Fund is suitable for Sophisticated Investors who seek:

- regular income\* and long term\*\* capital growth on their investments; and
- investment exposure to global equities.

*\* The income could be in the form of units or cash.*

*\*\* Long term refers to an investment horizon of at least five (5) years.*

## **5.2 PERMITTED INVESTMENTS OF THE FUND**

As permitted under the Deed, the requirements of the SC and other regulatory body, the Fund will invest in any of the following investments:

- i. the Target Fund or a collective investment scheme having a similar objective with the Fund;
- ii. liquid assets;
- iii. financial derivatives for hedging purposes; and
- iv. any other investments which are in line with the investment objective of the Fund and as may be agreed between the Manager and the Trustee.

## **5.3 INVESTMENT LIMITS AND RESTRICTIONS**

The Fund must be invested in one (1) collective investment scheme.

## **5.4 VALUATION OF ASSETS**

### **i. Collective investment schemes**

The value of any investment in unlisted collective investment schemes shall be determined by reference to the last published net asset value per unit less redemption or exit penalty (if any) for that collective investment scheme.

### **ii. Fixed deposits and cash placements**

The value of any fixed deposits and cash placements placed with financial institutions shall be determined by reference to the principal value of such investments and the accrued income thereon for the relevant period.

### **iii. Derivatives**

The valuation is based on marked to market prices as provided by the counterparty that issues the instruments; the Manager shall ensure that the marked to market prices are fair values as determined in good faith by the Manager. The methods or bases of valuation will have to be verified by the Auditor of the Fund and approved by the Trustee.

## **6. THE INFORMATION ON FIDELITY FUNDS - GLOBAL DIVIDEND FUND (“THE TARGET FUND”)**

Please note that the following is a summary of Fidelity Funds and the Target Fund. For full details please refer to the latest version of the Fidelity Funds Prospectus available at [www.fidelityworldwideinvestment.com](http://www.fidelityworldwideinvestment.com).

### **6.1 ABOUT FIDELITY FUND**

Fidelity Funds (“Company”) is an open-ended investment company established in Luxembourg as a SICAV (société d’investissement à capital variable). Its assets are held in different funds. Each fund is a separate portfolio of securities and other assets managed in accordance with specific investment objectives. Separate classes of shares are or may be issued in relation to the funds.

Fidelity Funds is registered under Part I of the Luxembourg law of 17 December 2010. This registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the portfolio of securities held by the Fund. Any representation to the contrary is unauthorised and unlawful. The Fund complies with the substance requirements as provided by Article 27 of the Luxembourg law of 17 December 2010.

Fidelity Funds also qualifies as an undertaking for collective investment in transferable securities (“UCITS”) and has obtained recognition under the Directive 2009/65/EC of the European Parliament and of the Council for marketing in certain member states of the European Union (“EU”).

The Target Fund is a sub-fund under the Company. The Target Fund was launched on 30 January 2012 and the total fund size of the Target Fund is USD 3,656 million as at 31 July 2015. The Target Fund is regulated by Luxembourg Supervisory Authority, the Commission de Surveillance du Secteur Financier (“CSSF”). The Board of Directors of the Company makes no representation or warranties as to the completeness, accuracy or appropriateness of any information contained in this Information Memorandum.

### **6.2 THE MANAGEMENT OF THE TARGET FUND**

The Company has appointed FIL Investment Management (Luxembourg) S.A (“FILMILUX”) as the management company of the Target Fund (“Management Company”) under a management company services agreement dated 1 June 2012. The Company pays fees under this agreement at commercial rates agreed from time to time between the parties plus reasonable out-of-pocket expenses as per the services agreement.

The Management Company was incorporated as a Société Anonyme under the laws of the Grand Duchy of Luxembourg by notarial deed dated 14 August 2002, and published in the Mémorial on 23 August 2002. It has been incorporated for an undetermined period. It is registered on the Registre de Commerce et des Sociétés under No. B 88 635. The latest amendments to the Articles of Incorporation dated 22 June 2011 were published in the Mémorial on 22 July 2011. The Management Company has an authorised and issued share capital of EUR 500,000.

FILMILUX is authorised as a management company governed by the EC Directive 2009/65 and therefore complies with the conditions set out in Chapter 15 of Law of 2010. The corporate object

of the management company is the management within the meaning of article 101(2) of Law of 2010 including but not limited to the creation, administration, management and marketing, of undertakings for collective investment.

The Management Company is responsible for the management, administration, including the overall management of the investments of the Target Fund, and for the marketing function. The Management Company processes subscriptions, redemptions, switches and transfers of shares and enters these transactions in the Target Fund's register of shareholders. It provides services to the Target Fund in connection with keeping the Target Fund's accounts, determination of the net asset value of shares in the Target Fund on each valuation date, despatch of dividend payments to shareholders, preparation and distribution of shareholders' reports and provision of other administrative services.

### **6.3 INVESTMENT ADVISER OF THE TARGET FUND**

The management company of the Target Fund with the consent of the Company has appointed FIL Fund Management Limited ("investment manager of the Target Fund") by an investment management agreement dated 1 June 2012 between the management company, the Company and the investment manager to provide the Company with day-to-day investment management of the Target Fund, under the supervision of, and subject to the control of, the management company and its supervisory officers. The investment manager of the Target Fund is authorized to act on behalf of the Company and to select agents, brokers and dealers through whom to execute transactions and provides the management company and the board with reports they may require.

### **6.4 INVESTMENT OBJECTIVE AND PRINCIPLES**

The Target Fund aims to achieve income and long-term capital growth principally through investments in income producing equity securities globally. The investment manager of the Target Fund will target investments which it believes offer attractive dividend yields in addition to price appreciation potential.

### **6.5 INVESTMENT RESTRICTIONS**

#### **Investment Powers and Safeguards**

Detailed below are excerpts of the investment limits and guidelines applicable to Fidelity Funds - Global Dividend Fund set out in the Company's prospectus dated January 2015, which may be amended from time to time. If you need more information, kindly visit their website at [www.fidelityworldwideinvestment.com](http://www.fidelityworldwideinvestment.com) to obtain the latest version of the Company's prospectus.

#### **Investment Restrictions**

- I. 1 The Company may invest in:
  - a) transferable securities and money market instruments admitted to or dealt in on an eligible market;
  - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an eligible market and such admission is secured with one year of issue;

- c) units or shares of UCITS and/or other UCIs, whether situated in a member state of the EU or not, provided that:
- such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unit holders/shareholders in such other eligible UCIs is equivalent to that provided for unit holders/shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- d) 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 country which is a member state of the EU or if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an eligible market referred and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section I 1., financial indices, interest rates, foreign exchange rates or currencies, in which the Target Fund may invest according to its investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority; and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- and/or
- f) Money market instruments other than those dealt in on an eligible market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a member state of the EU, the European central bank, the EU or the European investment bank, a non member state or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more member state of the EU belong, or
  - issued by an undertaking any securities of which are dealt in on eligible markets, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU 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 EU 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 ten million Euro (Euro 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, 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 Company may invest a maximum of 10% of the net assets of the Target Fund in transferable securities and money market instruments other than those referred to under 1. above.

II The Company may hold ancillary liquid assets up to 49% of the net assets of the Target Fund; this percentage may exceptionally be exceeded if the directors of the Company consider this to be in the best interests of the shareholders.

- III
1.
    - a) The Company will invest no more than 10% of the net assets of the Target Fund in transferable securities or money market instruments issued by the same issuing body.
    - b) The Company may not invest more than 20% of the net assets of the Target Fund in deposits made with the same body.
    - c) The risk exposure of the Target Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I 1. d) above or 5% of its net assets in other cases.
  2. Moreover, where the Company holds on behalf of the Target Fund's investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of the Target Fund, the total of all such investments must not account for more than 40% of the total net assets 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 1., the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for the Target Fund:

- investments in transferable securities or money market instruments issued by that body;
  - deposits made with that body; or
  - exposure arising from OTC derivative transactions undertaken with that body.
3. The limit of 10% laid down in sub-paragraph 1. a) 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 of the EU, its local authorities, or by another eligible state or by public international bodies of which one or more member states of the EU are members.
  4. The limit of 10% laid down in sub-paragraph 1. a) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a member state of the EU 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 net assets 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 net assets of the Target Fund.

**Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of the Target Fund, 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, its local authorities, a non-member state of the EU accepted by the CSSF or by public international bodies of which one or more member states of the EU are members, provided 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 net assets of the Target Fund.**

5. The transferable securities and money market instruments referred to in paragraphs 3. and 4. shall not be included in the calculation of the limit of 40% in paragraph 2.

The limits set out in sub-paragraphs 1., 2., 3. and 4. may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of the Target Fund's net assets;

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 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.

The Company may cumulatively invest up to 20% of the net assets of the Target Fund in transferable securities and money market instruments within the same group.

- IV. 1. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
2. The Company 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.
3. 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 cannot be calculated.

The provisions of paragraph IV shall not be applicable to transferable securities and money market instruments issued or guaranteed by a member state of the EU or its local authorities or by any non – member state of the EU, or issued by public international bodies of which one or more member states of the EU are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-member state of the EU which invests its

assets mainly in the securities of issuing 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 Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-member state of the EU complies with the limits laid down in paragraph III, IV 1. and 2. and V.

The limits set forth here above also do not apply when investments of the Target Fund are made in the capital of subsidiary companies which, exclusively on behalf of the Company or the Target Fund carry on only the business of management, advice or marketing in the country where the subsidiary is located, with regard to the redemption of shares at the request of shareholders.

- V. 1. The Company may acquire units/shares of those UCITS and/or other UCIs referred to in paragraph I 1. c), provided that no more than 10% of the Target Fund's net assets be invested in the units of UCITS or other UCIs in aggregate. Investment made in units/shares of UCIs other than UCITS may not in aggregate exceed 30% of the assets of the Target Fund.

For the purpose of the application of this investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

2. The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III above.
3. When the Company invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the investment manager or by any other company with which the investment manager of the Target Fund is linked by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

In the event the Target Fund invests a substantial portion of its assets in UCITS and other UCIs linked to the Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to Target Fund and each of the UCITS or other UCIs concerned shall not exceed 3% of the relevant net assets under management. The Company will indicate in its annual report the total management fees charged both to the Target Fund and to the UCITS and other UCIs in which the Target Fund has invested during the relevant period.

4. The Company may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the net amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.
5. A fund (the "feeding fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more funds of the Company (each a "recipient fund") provided that:
  - a. The feeding fund may not invest more than 10% of its net asset value in a single recipient fund, this limit being increased to 20% if the feeding fund is permitted, pursuant to its investment objective, to invest more than 10% of its net assets in the units of UCITS or other UCIs or in one single such UCITS or other UCIs; and
  - b. The recipient fund does not, in turn, invest in the feeding fund; and

- c. The investment policy of the recipient funds whose acquisition is contemplated does not allow such recipient funds to invest more than 10% of its net asset value in UCITS and other UCIs; and
  - d. Voting rights, if any, attaching to the shares of the recipient funds held by the feeding fund are suspended for as long as they are held by the feeding fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - e. In any event, for as long as these securities are held by the feeding fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Lux law of 2010; and
  - e. To the extent required by Luxembourg law, there is no duplication of management/subscription or redemption fees between those at the level of the feeding fund.
- VI. The Company shall ensure for the Target Fund that the global exposure relating to derivative instruments does not exceed the net assets of the Target Fund. The Target Fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section B. 2. below) so that it may not exceed 210% of the Target Fund's total net assets under any circumstances.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VI.

- VII 1. The Company may not borrow for the account of the Target Fund amounts in excess of 10% of the net assets of the Target Fund. Any such borrowings must be from banks and effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans.
2. The Company may not grant loans to or act as guarantor on behalf of third parties.
- This restriction shall not prevent the Company 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.
3. The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
4. The Company may not acquire movable or immovable property.
5. The Company may not acquire either precious metals or certificates representing them.
- IX 1. The Company need not comply with the limits laid down in this chapter 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 and V 1., 2. and 3. for a period of six months following the date of their creation.

2. If the limits referred to in paragraph 1. are exceeded for reasons beyond the control of the Company 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.
3. To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III and V.

#### **A. Other Safeguards**

In addition, the Company shall not:

1. borrow money except on a short-term basis, and then only to the extent of 10% of the total value of the net assets of the Company;
2. mortgage, pledge, charge or in any manner transfer as security for indebtedness any assets of the Company other than as may be necessary in connection with permitted borrowings (within the above limit of 10%) except that the foregoing shall not prevent the Company from segregating or pledging assets as may be required in constituting margins for the purposes of using financial derivative instruments and transactions as more fully described under D. below;
3. underwrite or participate (except as an investor) in the marketing of securities of any other company;
4. make loans or guarantee the obligations of third parties, save that the Company may make deposits with the depository or any bank or deposit-taking institution approved by the depository or hold debt instruments. securities lending does not rank as a loan for the purpose of this restriction;
5. issue warrants or other rights to subscribe for shares in the Company to its shareholders or to any third parties;
6. except with the consent of the directors, purchase, sell, borrow or lend portfolio investments from or to or otherwise execute transactions with any appointed investment manager or investment adviser of the Company, or any Connected Person ("Connected Persons" means (a) any person beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20% or more of the total votes in that company; (b) any person controlled by a person who meets one or both of the requirements set out in a) above; (c) any company 20% or more of whose ordinary share capital is beneficially owned, directly or indirectly, by any investment adviser, investment manager or share distributor taken together; and any company 20% or more of the total votes in which can be exercised, directly or indirectly by such investment adviser, investment manager or share distributor taken together; and (d) any director or officer of any investment adviser or investment manager or share distributor or of any connected person of that company, as defined in a), b) or c) above.) of either of them;

7. invest in documents of title to merchandise.

## **B. Risk Management Procedures**

The Management Company will employ a risk management process which enables it to monitor and measure at any time 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. The risk management process is available upon request from the registered office of the Management Company.

## **C. Global Exposure Relating To Derivative Instruments And Leverage**

As part of the risk management process global exposure relating to derivative instruments – which essentially measures the additional exposure to market risk resulting from the use of derivatives – for the Target Fund is monitored. The management company of the Target Fund uses either the commitment or relative value-at-risk (VaR) approach as indicated for the Target Fund.

The methodology follows the guidelines stated in the CSSF circular 11/512 relating to the presentation of the main regulatory changes in risk management following the publication of CSSF regulations 10-4 and the European Securities and Markets Authority (“ESMA”) clarifications, further clarification from the CSSF on risk management rules and the definition of the content and format of the risk management process to be communicated to the CSSF.

Under the commitment approach each derivative position (including embedded derivatives) is in principle converted into the market value of the equivalent position in the underlying asset or by the notional value or the price of the futures contract where this is more conservative (the derivative position’s commitment). If derivative positions are eligible for netting they may be excluded from the calculation. For hedge positions, only the net position is taken into account. Also excluded may be derivative positions which swap risk positions from securities held to other financial exposures under certain circumstances, as are derivative positions which are covered by cash positions and which are not considered to generate any incremental exposure and leverage or market risk.

Global exposure relating to derivative instruments is the sum of the absolute values of these net commitments and is typically expressed as a percentage of the total net assets of a fund. Global exposure relating to derivative instruments is limited to 100% for funds using the commitment approach.

Under the relative VaR approach a reference portfolio is assigned to each fund. Then the following calculations are undertaken:

- a) VaR for the fund’s current holdings
- b) VaR for the reference portfolio

VaR is calculated using a 20 day time horizon with a 99% confidence level. The VaR for the fund’s current holdings will not be greater than twice the VaR for the reference portfolio.

The expected level of leverage (using the sum of notional approach) is indicated for each fund using the VaR approach; this is however not a limit and higher levels of leverage may occur.

## **D. Securities Lending and Borrowing and Repurchase Transactions**

To the maximum extent allowed by, and within the limits set forth in, the Lux law of 2010 as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions (the "Regulations"), in particular the provisions of article 11 of the Grand-Ducal Regulation of 8 February 2008 (as these pieces of regulations may be amended or replaced from time to time, the investment manager in relation to the Target Fund may for the purpose of efficient portfolio management

- (a) enter, either as purchaser or seller, into repurchase transactions (opérations à réméré) and reverse repurchase and repurchase agreements transactions (opérations de prise/mise en pension) and
- (b) engage in securities lending transactions.

Under no circumstances shall these operations cause the Target Fund to diverge from its investment objective or result in additional risk higher than its profile.

The Management Company will ensure to maintain the volume of these transactions at a level such that is able, at all times, to meet redemption requests.

The counterparties to such transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialised in this type of transaction.

All revenues generated from securities lending transactions will be allocated to the relevant funds net of the fees paid to the investment manager and the securities lending agent.

## **E. Management of collateral for Securities Lending, Repurchase and OTC Financial Derivative Transactions**

Collateral with regard to securities lending transactions and OTC financial derivative transactions must be in the form of: (i) liquid assets (i.e., cash and short term bank certificates, money market instruments as defined in council directive 2007/16/EC of 19 March 2007) and their equivalent (including letters of credit and a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty); (ii) bonds issued or guaranteed by a member state of the Organisation for Economic Co-operation and Development ("OECD") or their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope; (iii) shares or units issued by money market funds calculating a net asset value on a daily basis and assigned a rating of AAA or its equivalent; (iv) shares or units issued by UCITS investing mainly in bonds/shares satisfying the conditions under (v) and (vi) hereafter; (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or (vi) shares admitted to or dealt in on a regulated market or on a stock exchange of a member state of the OECD, provided that these shares are included in a main index. Securities that are the subject of purchase with a repurchase option or that may be purchased in reverse purchase agreements are limited to the type of securities mentioned under items (i), (ii), (iii), (iv) and (v).

Once transferred to the Company, collateral is legally owned by the Company and maintained in a segregated collateral account by the depository. The Company has a contractual right of set-off over the collateral posted to it from its counterparty and may exercise its set-off rights in respect of any collateral posted to (and held by) it to cover any "in-the-money" position of the Company - without notice to the counterparty.

Cash collateral received by the Company in relation to these transactions will not be reinvested unless otherwise specifically permitted for a specific fund in the Company. In that event, cash collateral received by such fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such fund in

- (a) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent,
- (b) short-term bank deposits,
- (c) money market instruments as defined in the above referred regulation of 2008,
- (d) short-term bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope,
- (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and
- (f) reverse repurchase agreement transactions according to the provisions described under section I.C.a) of the above referred CSSF Circular. Such reinvestment will be taken into account for the calculation of each concerned fund's global exposure relating to derivative instruments, in particular if it creates a leverage effect.

Non-cash collateral received with regards to such transactions will not be sold, re-invested or pledged.

Collateral received must fall within eligibility criteria, as defined in the Law of 2010 and the above referred regulation of 2008 and be designed to provide high liquidity with easy pricing, a robust sale price that is close to pre-sale valuation together with, a low correlation with the counterparties to provide collateral pricing independence and high-grade credit rating. The collateral is valued daily and a hair-cut is applied to non-cash collateral. Haircuts will not be applied to cash collateral. Collateral is diversified and monitored to be in line with the Company's counterparty limits.

The risks linked to the management of collateral, such as operational and legal risks, are identified, managed and mitigated by the risk management process.

#### **F. Total Return Swaps and other Financial Derivative instruments with similar characteristics**

The Company may use total return swaps or other financial derivative instruments with similar characteristics ("contracts for difference") (the "TRS/CFD Transactions") to meet the investment objective of the Target Fund and in accordance with the provisions on the use of financial derivative instruments set forth in their investment policy. Whenever the Company will be using TRS/CFD Transactions the following will apply:

- a) the TRS/CFD Transactions will be undertaken on single name equity and fixed income instruments or financial indices all of which are eligible assets for UCITS under EU law and regulation;
- b) each trading counterparty to the TRS/CFD Transactions will be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialised in such TRS/CFD Transactions;
- c) risks borne by the respective funds and shareholders are described in Derivatives Related Risks;
- d) the TRS/CFD Transactions will be undertaken in accordance with the requirements detailed in under the Investment Restrictions - Investment Powers and Safeguards ;
- e) no trading counterparty will assume discretion over the composition or management of the Target Fund's investment portfolio or over the underlying of the financial derivative instruments; and
- f) none of the Target Fund's investment portfolio transactions will require approval by third party.



## **G. Miscellaneous**

1. The Company need not comply with the investment limit percentages set out above when exercising subscription rights attaching to securities which form part of its assets.
2. Such restrictions shall apply to the Target Fund, as well as to the Company as a whole.
3. If the investment limit percentages set out above are exceeded as a result of events or actions after investment that are beyond the control of the Company or by reason of the exercise of subscription rights attaching to securities held by it, the Company shall give priority, consistent with the best interests of shareholders, upon sale of securities to disposing of these securities to the extent that they exceed such percentages; provided, however, that in any case where the foregoing percentages are lower than relevant percentages imposed by Luxembourg law, the Company need not give priority to disposing of such securities until the law's higher limits have been exceeded, and then only to the extent of such excess.
4. The Company follows a risk-spreading policy regarding the investment of cash and other liquid assets.
5. The Company will not purchase or sell real estate or any option right or interest therein, provided that the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
6. The investment manager of the Target Fund and any of its Connected Persons may effect transactions by or through the agency of another person with whom the investment manager of the Target Fund and any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the investment manager of the Target Fund and any of its Connected Persons goods, services or other benefits (such as research and advisory services), the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the Company's performance and that of the investment manager of the Target Fund or any of its Connected Persons in providing services to the Company and for which no direct payment is made but instead the investment manager of the Target Fund and any of its Connected Persons undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.
7. The investment manager of the Target Fund and any Connected Person shall not retain the benefit of any cash commission rebate (being cash commission repayment made by a broker or dealer to the investment manager of the Target Fund and/or any Connected Person) paid or payable from any such broker or dealer in respect of any business placed with such broker or dealer by the investment manager of the Target Fund or any Connected Person for or on behalf of the Company. Any such cash commission rebate received from any such broker or dealer shall be held by the investment manager of the Target Fund and any Connected Person for the account of the Company. Brokerage rates will not be excessive of customary brokerage rates. All transactions will be done with best execution.
8. Subject to disclosure in the respective investment objectives, the Target Fund may further invest, within the 10% limit in relation to other transferable securities and money market instruments pursuant to article 41 (2) a) of the Lux law of 2010 as set out under section A. 1 2. above, up to 10% of its net assets in loan participations

and/or loan assignments (including leveraged loans) provided such instruments comply with the criteria applicable to money market instruments normally dealt in the money market, are liquid and have a value that may be accurately determined at any time.

Such loans are deemed to qualify as money market instruments normally dealt in on the money market where they fulfil one of the following criteria:

- a) they have a maturity at issuance of up to and including 397 days;
- b) they have a residual maturity of up to and including 397 days;
- c) they undergo regular yield adjustments in line with money market conditions at least every 397 days; or
- d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in points (a) or (b), or are subject to a yield adjustment as referred to in point (c).

Such loans are deemed to be liquid where they can be sold at limited cost in an adequately short time frame, taking into account the obligation of the relevant fund to repurchase its shares at the request of any shareholder.

Such loans are deemed to have a value which can be accurately determined at any time where such loans are subject to accurate and reliable valuations systems, which fulfil the following criteria:

- a) they enable the Target Fund to calculate the net asset value in accordance with the value at which the loan held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- b) they are based either on market data or on valuation models including systems based on amortised costs.

## 6.6 HISTORICAL PERFORMANCE OF THE TARGET FUND

### Share class A-MINCOME(G)-USD

| Returns in USD (%) | 1-month | 3-months | 6-months | 9-months | 1-year | Since launch |
|--------------------|---------|----------|----------|----------|--------|--------------|
| Target Fund        | (2.8)   | (3.5)    | (4.5)    | (3.7)    | 0.0    | 46.5         |
| Benchmark          | (6.0)   | (8.5)    | (11.4)   | (12.8)   | (6.8)  | 29.2         |

### Share class A-MINCOME(G)-USD

| Returns in USD (%) | 1-year | 3-year (annualized) | 5-year (annualized) | Since launch (annualized) |
|--------------------|--------|---------------------|---------------------|---------------------------|
| Target Fund*       | 0.0    | 7.4                 | NA                  | 10.0                      |
| Benchmark          | (6.8)  | 3.9                 | NA                  | 6.6                       |

Source: Fidelity International, Morningstar Direct, as at 31 January 2016, for A-MINCOME (G)-USD share class, net asset value-net asset value net of fees, in USD, with dividends reinvested. Launch date of the share class is 30 January 2012. Benchmark: MSCI All Country World (N)

## 6.7 FEES CHARGED BY TARGET FUND

|                              |  |
|------------------------------|--|
| <b>Initial charge</b>        | Waived   |
| <b>Annual management fee</b> | Up to 1.50% p.a. of the net asset value of the Target Fund or its equivalent in the base currency of the Fund<br><br><i>There will be no double charging of management fee. Please refer to pages 44 to 45 for further details on the management fee charged for the Fund.</i> |
| <b>Depositary fee</b>        | A range from 0.003% of NAV of the Target Fund in developed markets to 0.35% of NAV of the Target Fund in emerging markets (excluding transaction charges and reasonable disbursements and out-of-pocket expenses).   |
| <b>Service agreements</b>    | 0.35% of the net assets of the Target Fund (excluding reasonable out-of-pocket expenses).  |
| <b>Redemption charges</b>    | Nil  |
| <b>Other charges</b>         | Incidental   |
| <b>Taxation</b>              | 0.05% per annum  |

Please refer to page 46 for details on fees charged by the Target Fund.

## 6.8 CALCULATION OF THE NET ASSET VALUE

Detailed below are excerpts of settlement on redemptions applicable to Fidelity Funds - Global Dividend Fund set out in the Company's prospectus dated January 2015, which may be amended from time to time. If you need more information, kindly visit their [www.fidelityworldwideinvestment.com](http://www.fidelityworldwideinvestment.com).

The net asset value of the Target Fund is determined in the reference currency of the Target Fund in accordance with the Company's articles of incorporation. The net asset value of each class is determined in the principal dealing currency of the respective class.

The net asset value per share of the Target Fund, and, if applicable, of each class of shares of the Target Fund, is calculated by determining first, if appropriate, the proportion of the net assets of the Target Fund attributable to each class of shares. Each such amount will be divided by the number of shares of the relevant class then outstanding as at close of business to the extent feasible.

The Company's articles of incorporation contain valuation regulations which provide that for the purpose of determining net asset value:

1. the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as directors or their delegate may consider appropriate in such case to reflect the true value thereof;
2. the value of transferable securities, money market instruments and financial derivative instruments are valued on the basis of the last available price of the relevant stock exchange or regulated market on which these securities or assets are traded or admitted for trading. Where such securities or other assets quoted or dealt in on one or more than one stock

exchange or regulated market, the Company's board of directors or its delegate shall adopt policies as to the order of priority in which such stock exchanges or other regulated markets shall be used for the provisions of prices of securities or assets;

3. if a transferable security or money market instrument is not traded or admitted on any official stock exchange or a regulated market, or in the case of transferable securities or money market instruments so traded or admitted where the last available price is not representative of their fair market value, the Company's board of directors or its delegate shall proceed on the basis of their reasonably foreseeable sales price, which shall be valued with prudence and in good faith;
4. the financial derivative instruments which are not listed on any official stock exchange or traded on any other regulated market will be valued in accordance with market practice;
5. units or shares of undertakings for collective investment, including funds, shall be valued on the basis of their last available net asset value, as reported by such undertakings; and
6. liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.

If any of the aforementioned valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Company's board of directors or its delegate may adopt different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

For example, if a market in which the Target Fund invests is closed at the time the Target Fund is valued, the latest available market prices may not accurately reflect the fair value of the Target Fund's holdings. This might be the case if other markets which are open at the Target Fund's valuation point, and with which the closed market is highly correlated, have experienced price movements (subsequent to the time of closure of the market in which the Target Fund has invested). Other factors may also be taken into account when considering the fair value of holdings in a market which is closed. Failure to adjust those closing prices to fair values could be exploited by some investors at the expense of long term shareholders in an activity known as market timing.

Accordingly the Company's board of directors or its delegates may adjust the last available market price to take account of market and other events which occur between the relevant market closing and the point at which the Fund is valued. Such adjustments are made on the basis of an agreed policy and set of procedures which are transparent to the Company's depository and auditors. Any adjustment is applied consistently across the Target Fund and share classes.

Other situations, including where a holding has been suspended, has not traded for some time or for which an up to date market price is not available will be subject to a similar adjustment process. Investors should note that it may be the case that payments to be made to the Target Fund such as those in respect of a class action may not be included in the net asset value of the Target Fund until actually received owing to the inherent uncertainty surrounding such payments.

The value of all assets and liabilities not expressed in the reference currency of the Target Fund or the principal dealing currency of a class will be converted into the reference currency of the Target Fund or the principal dealing currency of such class at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Company's board of directors.

The assets relating to the Target Fund means the assets which are attributed to the Target Fund less the liabilities attributed to the Target Fund and where any asset or liability of the Company cannot be considered to be attributed to the Target Fund such asset or liability shall be allocated to the assets or liabilities relating to the Target Fund or pro rata to the net asset values thereof. Liabilities are binding on the Target Fund only provided, however, under exceptional circumstances the Company's board of directors may undertake joint and several obligations which may be binding upon several or all funds under the Company if this is in the interest of the shareholders concerned.

Calculations of net asset value are made by the Management Company and are made generally in accordance with generally accepted accounting principles. In the absence of bad faith, negligence or manifest error, every decision in calculating net asset value taken by the Management Company will be final and binding on the Company and on present, past and future shareholders.

## 6.9 PRICING ADJUSTMENT

### Introduction to pricing adjustment

When the Fund subscribes or redeems units in the Target Fund, the Target Fund incurs transaction costs which includes but not limited to bid-offer spreads, brokerage commissions and foreign exchange costs. The result is that, unless action is taken, the Target Fund would suffer dilution of its assets as a result of price spreads on the underlying securities as well as incurring other fund expenses. Pricing adjustment is a technique designed to reduce the negative impact of subscriptions and redemptions on other investors in the Target Fund.

Pricing adjustments describes the process of adjusting the Target Fund's net asset value on a given day. This mechanism is triggered when the net flows of the Target Fund exceeds a predefined threshold. Once this predefined threshold is exceeded, the net asset value of the Target Fund is adjusted, depending on the estimated transaction costs to be incurred by the Target Fund. The direction of the adjustment is dependent on the net flows of the Target Fund on any given dealing day. Typically, should there be a net inflow surpassing the predefined threshold, the net asset value per unit of the Target Fund would be adjusted upwards. On the contrary, should there be a net outflow surpassing the predefined threshold, the net asset value per unit of the Target Fund would be adjusted downwards.

On a day when the Target Fund either receives a net inflow or has to pay a net outflow above the relevant threshold, the Target Fund's net asset value is calculated as normal using closing prices of the underlying securities but the net asset value is then adjusted, depending on the direction of the net flow, by the pricing adjustment rate.

On the next dealing day, the pricing adjustment is reversed and, if the Target Fund's flows do not exceed the relevant threshold, the pricing basis will revert to normal (i.e. as if there was no pricing adjustment).

The diagram below illustrates the impact of pricing adjustment on the investors of the Target Fund on a dealing day:

|                       | <b>No Price Adjustment</b> | <b>Net inflow surpassing predefined threshold; price is adjusted upwards</b> | <b>Net outflow surpassing predefined threshold; price is adjusted downwards</b> |
|-----------------------|----------------------------|--|---|
| <b>If Subscribing</b> | Not applicable             | Subscribing investor pays transaction cost; no                               | Subscribing investor subscribes at adjusted                                     |

|                     |                |   |   |
|---------------------|----------------|---|---|
|                     |                | material impact on long term investors  | price; no material impact on long term investors                                    |
| <b>If Redeeming</b> | Not applicable | Redeeming investor redeems based on adjusted price; no material impact on long term investors | Redeeming investor pays transaction cost; no material impact on long term investors |

As illustrated in the diagram above, the pricing adjustment mechanism protects the long term investors including the Fund. However, there are circumstances when the pricing adjustment may be against or in favour of the Fund.

Disclosure on the predefined thresholds is usually kept confidential in order to prevent traders to invest below the threshold amount. Further, it is the aggregate dealings for a dealing day that is used to measure whether the amount has triggered the pricing adjustment and not the Fund's net subscription or redemption in the Target Fund.

### **Impact of pricing adjustment in the Target Fund on the Fund**

As the Fund invests substantially all its assets in the Target Fund, the Fund's net asset value will be affected by the adjustment in the Target Fund's pricing in a similar quantum regardless of whether the Fund subscribes or redeems from the Target Fund.

The following examples illustrate the impact of the Target Fund's pricing adjustment on the Fund should the Fund subscribe or redeem from the Target Fund.

Assuming the Target Fund's net asset value per share is USD1.0000 on Day 1, with pricing adjustment rate of 2.0% if inflows/outflows exceed the threshold.

#### Illustration 1: Net inflows exceed threshold

Day 1 – Assuming a net inflow to the Target Fund has exceeded the threshold. The net asset value per share of the Target Fund will be adjusted up by 2.0%, to USD1.0200.

Day 2 – the net flows into the Target Fund do not hit the threshold and market does not move. Net asset value per share reverts back to net asset value prior to pricing adjustment i.e. USD1.0000.

If the Fund subscribes on Day 1, the Fund will acquire less number of units compared to if the pricing had not been adjusted. On the contrary, if the Fund redeems on the same day, the Fund will be impacted positively as the unit pricing at which the Fund redeems from the Target Fund is higher, hence higher net asset value for the Fund.

#### Illustration 2: Net outflows exceed threshold

Day 1 - Assuming a net outflow from the Target Fund has exceeded the threshold. The net asset value per share of the Target Fund of USD1.0000 will be adjusted down by 2.0%, to USD0.9800.

Day 2 – the net flows into the Target Fund do not hit the threshold and market does not move. Net asset value per share reverts back to net asset value prior to pricing adjustment i.e. USD1.0000.

If the Fund redeems on Day 1, the Fund's redemption proceeds will be lower as the unit pricing at which the Fund redeems is lower. On the contrary, if the Fund subscribes on the same day, the Fund will be impacted positively as the unit pricing at which the Fund subscribes is lower, i.e. the Fund will acquire more shares in the Target Fund.

## **6.10 TEMPORARY SUSPENSION OF DETERMINATION OF NET ASSET VALUE AND OF THE ISSUE, SWITCHING AND REDEMPTION OF SHARES**

Detailed below are excerpts of suspension of the calculation of the net asset value and issue, issuance, switching and redemption of shares of shares applicable to Fidelity Funds - Global Dividend Fund set out in the Company's prospectus dated January 2015, which may be amended from time to time. If you need more information, kindly visit their website at [www.fidelityworldwideinvestment.com](http://www.fidelityworldwideinvestment.com).

The Company's board of directors may suspend the determination of the net asset value of shares of the Target Fund, the issue of such shares, the switching of such shares and the redemption of such shares:

- a. during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed on which a significant portion of the Company's investments relating to that fund is quoted and which is the main market or stock exchange for such investments, provided that the closing of such exchange or market affects the valuation of the investments quoted thereon; or during any period when dealings on such market or stock exchange are substantially restricted or suspended, provided such restriction or suspension affects the valuation of the investments of the Company relating to that fund quoted thereon;
- b. during any period when an emergency exists as a result of which disposal by the Company of investments relating to the Target Fund which constitute a substantial portion of the assets of the Target Fund is not practically feasible or would be seriously prejudicial to the shareholders;
- c. during any breakdown in the means of communication normally employed in determining the price of any of the Company's investments relating to the Target Fund fund or of current prices on any market or stock exchange;
- d. when for any other reason the prices of any investments owned by the Company relating to the Target Fund cannot promptly or accurately be ascertained;
- e. during any period when remittance of monies which will or may be involved in the realisation of or in the payment for any of the Company's investments relating to the Target Fund cannot, in the opinion of the Company's board of directors, be carried out at normal rates of exchange;
- f. while the value of the investments held through any subsidiary of the Company may not be determined accurately;
- g. during any period when in the opinion of the Company's board of directors or the Management Company unusual circumstances exist where it would be impractical or unfair towards the shareholders to continue dealing in the shares of the Company or of the Target Fund, or circumstances where a failure to do so might result in the shareholders of the Company or the Target Fund incurring any liability to taxation or suffering other pecuniary disadvantage or other detriment which the shareholders of the Company or the Target Fund might not otherwise have suffered, or any other circumstances;
- h. if the Company or the Target Fund is being or may be wound-up, on or following the date on which such decision is taken by the Company's board of directors or notice is given to shareholders of a general meeting of shareholders at which a resolution to wind-up the Company or the Target Fund is to be proposed;
- i. in the case of a merger, if the Company's board of directors and/or the Management Company deems this to be justified for the protection of shareholders;
- j. in the case of a suspension of the calculation of the net asset value of one or several underlying investment funds in which the Target Fund has invested a substantial portion of assets.

Furthermore, if on any valuation date redemption requests and switching requests relate to more than 5% of the shares in issue in respect of the Target Fund, the directors may declare that part or

all of such shares for redemption or switching will be deferred on a pro rata basis for a period that the Company's board of directors consider to be in the best interests of the Company and/or the Company's board of directors may defer any redemption request which exceeds the higher of 3% of the shares in issue in respect of the Target Fund or class of shares or USD 5 million (or its currency equivalent). Such period would not normally exceed 20 valuation dates.

On such dates, these redemption and switching requests will be met in priority to later requests. Suspension of determination of the net asset value of shares of one fund will not imply suspension in respect of other funds unaffected by the relevant events.

Shareholders who have requested switching or redemption of their shares or who have made an application to subscribe for shares will be notified in writing of any such suspension of the right to subscribe, to convert or to require redemption of shares and will be promptly notified upon termination of such suspension. Any such suspension will be published in such manner as decided by the Company's board of directors if in its opinion the suspension is likely to exceed one week.

In the event of any contemplated liquidation of the Company, no further issues, switchings, or redemptions of shares will be permitted after publication of the first notice convening the general meeting of shareholders for the purpose of winding up the Company. All shares outstanding at the time of such publication will participate in the Company's liquidation distribution.

Each distributor reserves the right to suspend or terminate sales of shares in one or more funds and to refuse to accept any applications. Sales will normally be suspended when the Company suspends the determination of net asset value.

## **6.11 RESTRICTIONS ON BUYING, SUBSCRIBING AND SWITCHING INTO CERTAIN FUNDS**

The Company's board of directors may decide to partially close the Target Fund or class of shares to all buys, subscription or switches in from new investors only, or to totally close the Target Fund or class of shares to all buys or subscription or switches in (but not, in either the case of partial or total closure as described, to redemptions or switches out).

Where this occurs, the website [www.fidelityworldwideinvestment.com](http://www.fidelityworldwideinvestment.com) will be amended to indicate the change in status of the Target Fund or class of shares. Shareholders and potential investors should confirm with the Management Company or the distributors or check the website for the current status of the Target Fund or class of shares. Once closed, the Target Fund or a class of shares will not be re-opened until, in the opinion of the Company's board of directors, the circumstances which required closure no longer prevail.



## 7. FEES, CHARGES AND EXPENSES

### 7.1 CHARGES

The charges that you may directly incur when you buy or redeem units of the Fund are as follows:

#### (a) Entry charge

The maximum rate imposed by each distribution channel during the life of this Information Memorandum is as follows:

| Distribution Channel | Maximum entry charge                         |
|----------------------|--|
| Direct Sales         | Up to 5.00% of NAV per unit of the Class(es) |
| IUTA                 | Up to 5.00% of NAV per unit of the Class(es) |

*All entry charges will be rounded up to two (2) decimal points.*

*There will be no entry charge payable by AHB staff.*

*Sophisticated Investors are advised that they may negotiate for lower entry charge prior to the conclusion of sales.*

*The Manager reserves the right to waive or reduce the entry charge from time to time at its absolute discretion.*

#### (b) Exit penalty

There is no exit penalty for this Fund.

*Please refer to pages 49 to 50 for illustration on how the charges directly incurred by Sophisticated Investors when purchasing or redeeming units of the Fund are calculated.*

*Note: All fees, charges and expenses disclosed in the Information Memorandum are expressed on a GST-exclusive basis. Accordingly, to the extent that services provided are subject to GST, the amount of GST payable on any related fee, charge and/or expense will be payable by the Unit Holder and/or the Fund (as the case may be) in addition to the fees, charges and expenses disclosed in the Information Memorandum.*

### 7.2 OTHER CHARGES

#### (a) Transfer fee

Nil.

#### (b) Bank charges or fees

Bank charges or fees are incurred only upon withdrawals.

#### (c) Switching fee

(i) *Switching between funds managed by the Manager*

Unit Holders are only allowed to switch to other funds where the currency denomination is the same as the Class switched out. For switches between any of the

funds managed by the Manager, Sophisticated Investors will be charged the differences of entry charge between funds switched, which is up to a maximum of 6% of NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge. However, the Manager has the discretion to waive or reduce the switching fee.

Switching may also be subject to an exit penalty should the fund switched out impose an exit penalty.

(ii) *Switching between Class(es) of the Fund*

Unit Holders are not allowed to switch between Class(es) of the Fund.

*Note: All fees, charges and expenses disclosed in the Information Memorandum are expressed on a GST-exclusive basis. Accordingly, to the extent that services provided are subject to GST, the amount of GST payable on any related fee, charge and/or expense will be payable by the Unit Holder and/or the Fund (as the case may be) in addition to the fees, charges and expenses disclosed in the Information Memorandum.*

### 7.3 ONGOING FEES AND EXPENSES

Due to the multiple Classes in the Fund, the fees and expenses for the Fund are apportioned based on the size of the Class relative to the whole Fund. This means the multi-class ratio ("MCR") is calculated by taking the "Opening Value of a Class" for a particular day and dividing it with the "Opening Value of the Fund" for that same day. This apportionment is expressed as a ratio and calculated as a percentage. As an illustration, assuming there is an indirect fee chargeable to the Fund of RM100 and the size of the RM-Hedged Class is 60% and AUD Hedged Class is 40% of the Fund, the ratio of the apportionment based on the percentage will be 60:40 (RM: AUD) i.e. 60% being borne by RM-Hedged Class and 40% being borne by AUD Class. Kindly refer to pages 48 to 49 for further illustrations and definitions of "Opening Value of a Class" and "Opening Value of the Fund".

The fees and expenses that you may indirectly incur are as follow:

**(a) Annual Management Fee**

An annual management fee of up to 1.80% p.a. of the Fund's NAV or its equivalent in the base currency of the Fund is charged and then apportioned to each Class based on the MCR. The management fee is calculated on a daily basis and will be paid monthly.

Out of the 1.80% p.a. of the NAV charged to the Fund, we pay a fee to the Target Fund. The Target Fund charges a management fee of up to 1.50% p.a. of its net asset value for share class AM USD. There will be no double charging of management fee.

An illustration of the calculation and apportionment of the daily management fee is as follows:

Assuming the total fund size of the Fund is USD 30 million. Out of this 95% of it is invested in Target Fund (USD 28.5 million).

|  | USD              |
|--|------------------|
| Total Fund NAV (before fees for the day) | 30,000,000       |
| Less: Investment in Target Fund          | (28,500,000)     |
| Liquid Assets                            | <u>1,500,000</u> |

Management fee for the day

|   |               |
|---|---------------|
| a) $(1.80\% - 1.50\%) \times \text{Investment in Target Fund} \times 1/365 \text{ days}$<br>= $0.30\% \times 28,500,000 \times 1/365$ | 234.25        |
| b) $1.80\% \times \text{liquid assets} \times 1/365 \text{ days}$<br>= $1.80\% \times 1,500,000 \times 1/365$                         | 73.97         |
| Total   | <u>308.22</u> |

USD

|  |              |
|--|--------------|
| GST applicable on the management fee charged by the Fund<br>= Management fee for the day x GST (%) |              |
| = USD 308.22 x 6.00%   | <u>18.49</u> |

|   |               |
|---|---------------|
| Management fee charged by the Fund inclusive of GST<br>= USD 308.22 + USD 18.49 | <u>326.71</u> |
|---|---------------|

Class-level apportionment (assumed ratio: 60:40)

|                  |               |
|------------------|---------------|
| RM-Hedged Class  | 196.03        |
| AUD-Hedged Class | <u>130.68</u> |
| Total            | <u>326.71</u> |

**(b) Annual Trustee Fee**

The Trustee is entitled to an annual trustee fee for acting as Trustee to safeguard the interest of Unit Holders and as custodian of the Fund's assets. This fee is calculated daily and paid monthly. The Trustee fee is up to 0.05% p.a. of the NAV of the Fund or its equivalent in the base currency of the Fund.

An illustration of the trustee fee per day is as follows:

Assuming the NAV of the Fund is USD30 million and the trustee fee is 0.05% p.a. of the NAV of the Fund, then the daily accrued trustee fee would be: -

|   |              |
|---|--------------|
| Trustee Fee for the day   | USD          |
| = NAV of the Fund x Trustee Fee rate for the Fund (%) x<br>1/365 days |              |
| = USD 30,000,000 x 0.05% x 1/365 (rounded to 2 decimal<br>points)     | <u>41.10</u> |

|  |             |
|--|-------------|
| GST applicable to the trustee fee for the day<br>= Trustee fee for the day x GST (%) |             |
| = USD 41.10 x 6.00% (rounded to 2 decimal points)                                    | <u>2.47</u> |

|  |              |
|--|--------------|
| Trustee fee for the day inclusive of GST<br>= USD 41.10 + USD 2.47 (rounded to 2 decimal points) | <u>43.57</u> |
|--|--------------|

**(c) Fund Expenses**

The Manager and Trustee may be reimbursed out of the Fund for any costs reasonably incurred in the administration of the Fund. The Fund's expenses currently include but are not limited to audit fees, tax agent's fees, printing and postages of annual and quarterly reports, bank charges, lodgment fee for Fund's reports, commission paid to dealers (if any) and other expenses as permitted by the Deed.

*Note: All fees, charges and expenses disclosed in the Information Memorandum are expressed on a GST-exclusive basis. Accordingly, to the extent that services provided are subject to GST, the*

*amount of GST payable on any related fee, charge and/or expense will be payable by the Unit Holder and/or the Fund (as the case may be) in addition to the fees, charges and expenses disclosed in the Information Memorandum.*

**(d) Expenses indirectly charged by Target Fund**

In addition, there are fees and expenses indirectly charged by the Target Fund to the Sophisticated Investors of the Fund. Detailed below are excerpts (except illustration) of the fees applicable to Fidelity Funds - Global Dividend Fund set out in the Company's prospectus dated August 2014, which may be amended from time to time. If you need more information, kindly visit their [www.fidelityworldwideinvestment.com](http://www.fidelityworldwideinvestment.com).

**Operating, administrative and servicing expenses**

The Company pays fees for the services noted in the management company services agreement and the services agreement at commercial rates agreed from time to time between the parties plus reasonable out-of-pocket expenses. The maximum fee paid for these services by the Company will be 0.35% of the net assets (excluding reasonable out-of-pocket expenses).

**Other charges**

The Target Fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction related expenses. These transaction fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Target Fund. Transaction fees are allocated across each Target Fund's share classes.

The Company bears any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets.

**Taxation**

Under present Luxembourg law and practice, the Company is not liable to any Luxembourg income or capital gains tax, nor are dividends paid by the Company subject to any Luxembourg withholding tax. However, the Company is liable to a tax in Luxembourg of 0.05% per annum.

An illustration of the tax incurred by the Target Fund (hence incurred by the Fund) is as follows:

Assuming the Fund's investment in the Target Fund is USD30,000,000 and the tax is 0.05% p.a., then the daily tax would be:-

$$\frac{\text{USD}30,000,000 \times 0.05\%}{365 \text{ days}} = \text{USD } 41.10$$

**7.4 REBATES AND SOFT COMMISSION**

It is our policy to channel all rebates, if any, received from dealers to the Fund. However, soft commissions received for goods and services which are of demonstrable benefit to Unit Holders such as fundamental databases, financial wire services, technical analysis software and stock quotation system incidental to investment management of the Fund are retained by us.

**There are fees and charges involved and Sophisticated Investors are advised to consider the fees and charges before investing in the Fund.**

## 8. TRANSACTION INFORMATION

### 8.1 PRICING AND VALUATION POINTS

The Fund adopts a single pricing policy i.e. which means subscription and redemption of units will be carried out at the NAV per unit of the relevant Class(es).

The Fund adopts forward pricing which means price for units will be calculated at the next valuation point. Valuation point refers to such time(s) on a Business Day as may be decided by the Manager wherein the NAV per unit of the relevant Class(es) is calculated. The valuation of the Class(es) will be carried out on the next Business Day by 5.00 p.m. This is to cater for the currency translation of the Target Fund's currency to the Class(es)'s currency based on the bid exchange rate quoted by Bloomberg or Reuters at 4.00 pm (UK time) which is equivalent to 11.00 p.m., on the same day or 12.00 a.m. midnight (Malaysian time), or such other time as stipulated in the Investment Management Standards issued by the Federation of Investment Managers Malaysia (FiMM).

Sophisticated Investors will buy units at the NAV per unit of the relevant Class as at the next valuation point after an instruction for purchase is received plus applicable entry charge of the Class; and withdrawal will be calculated based on the NAV per unit of the relevant Class as at the next valuation point after an instruction for redemption is received.

In the event of any incorrect pricing of units of the Class(es), the Manager shall take immediate remedial action to rectify the incorrect pricing. The pricing error threshold for the Fund will follow the pricing error policy of the Target Fund which is at 1.00% and the Manager will reimburse the Unit Holders if the error is more than the pricing error policy.

The Manager shall reimburse the relevant Class and the affected Unit Holder as follows:

- (a) where the error is as a result of over valuation (i.e. the price quoted is higher than the actual price), the Manager shall reimburse:
  - (i) the relevant Class (for the difference between the redemption amount paid out by the relevant Class and the amount per the amended valuation) and/or
  - (ii) the Unit Holders (for the difference between the value of subscription proceeds paid by the Unit Holder and the amount per the amended valuation);
- (b) where the error is as a result of under valuation (i.e. the price quoted is lower than the actual price), the Manager shall reimburse:
  - (i) the relevant Class (for the difference between the value of subscription proceeds paid by the Unit Holder and the amount per the amended valuation) and/or
  - (ii) the Unit Holders (for the difference between the redemption amount paid out by the relevant Class and the amount per the amended valuation)

*Note: The NAV per unit for the Class(es) is rounded to four (4) decimal points. Redemption proceeds, units created, fees and charges are rounded to two (2) decimal points.*

#### **NAV per Unit of the Class(es)**

Due to the multiple Classes in the Fund, the valuation of the Fund will be done in the Fund's base currency i.e. USD. As such, all assets and/or cash that are not denominated in USD will be converted to USD for valuation purposes. The foreign exchange rate used for this purpose shall be based on the bid exchange rate quoted by Bloomberg or Reuters at 4.00 pm (UK time) which is equivalent to 11.00 p.m., on the same day or 12.00 a.m. midnight (Malaysian time), or such other

time as stipulated in the Investment Management Standards issued by the Federation of Investment Managers Malaysia (FiMM).

Illustration:

The following is a hypothetical example of the computation of the NAV per unit in Class currency at each valuation point based on the Multi Class Fund (MCF) Ratio with the assumption that the investment has been made in MYR-Hedged Class and AUD-Hedged Class:

“Opening Value of the Fund” refers to the NAV of the Fund before income and expenses.

“Opening Value of a Class” refers to the NAV of a Class before income and expenses.

|   |                                     | Fund (USD)<br>Total  | RM-Hedged<br>Class  | AUD-Hedged<br>Class  |
|---|-------------------------------------|----------------------|---------------------|----------------------|
| <b>Day 1 - by 4.00pm</b>  |                                     |                      |                     |                      |
| Sales amount received   | A                                   |                      | 20,000,000.00       | 10,000,000.00        |
| NAV per unit  | B                                   |                      | RM1.0200            | AUD1.0000            |
| Units in Circulation  | C=A/B                               |                      | 19,607,843.14       | 10,000,000.00        |
| Foreign exchange ("FX")<br>translation on Day 1 (FX as per<br>Valuation date - using FiMM FX<br>guidelines) | D                                   |                      | 0.30                | 1.00                 |
| Value of the Fund (USD)   | E=AxD                               | 16,000,000.00        | 6,000,000.00        | 10,000,000.00        |
| <b>Day 2</b>  |                                     |                      |                     |                      |
| Opening Value of the Fund (USD)   | E                                   | 16,000,000.00        | 6,000,000.00        | 10,000,000.00        |
| Multi Class Fund (MCF) Ratio <sup>^</sup>   | F                                   | 100%                 | 37.5%               | 62.5%                |
| Add: Income (USD) (Proportionate<br>based on MCF Ratio <sup>^</sup> )                                       | G                                   | 15,000.00            | 5,625.00            | 9,375.00             |
| Less: Administration expenses<br>(USD) (Proportionate based on<br>MCF Ratio <sup>^</sup> )                  | H                                   | (1,000.00)           | (375.00)            | (625.00)             |
| NAV before management fee and<br>trustee fee for the day  | <b>I=E+G-H</b>                      | <b>16,014,000.00</b> | <b>6,005,250.00</b> | <b>10,008,750.00</b> |
| - investment in Target Fund (95%<br>of NAV)   | J=I x 95%                           | 15,213,300.00        |                     |                      |
| - investment in other liquid assets<br>(5% of NAV)  | K=I x 5%                            | 800,700.00           |                     |                      |
| <b>Class expenses</b>   |                                     |                      |                     |                      |
| Management fee (% p.a.)   |                                     |                      |                     |                      |
| - charged on investment in Target<br>Fund   | L                                   | 0.30%                |                     |                      |
| - charged on other liquid assets  | M                                   | 1.80%                |                     |                      |
| Management fee for the day (USD)<br>(Proportionate based on MCF<br>Ratio <sup>^</sup> )                     | $N=(J \times L)+(K \times M) / 365$ | (164.53)             | (61.70)             | (102.83)             |
| GST on Management fee (6%)  | N x 6%                              | (9.87)               | (3.70)              | (6.17)               |
| Trustee fee (% p.a.)  | P                                   | 0.05%                |                     |                      |
| Trustee fee for the day (USD)   | $Q=(I \times P) / 365 * F$          | (21.94)              | (8.23)              | (13.71)              |

(Proportionate based on MCF Ratio<sup>^</sup>)

|  |                  |                      |                      |                      |
|--|------------------|----------------------|----------------------|----------------------|
| GST on Trustee fee (6%)  | R = Q x 6%       | (1.32)               | (0.49)               | (0.83)               |
| <b>NAV</b>   | <b>S=I-N-Q-R</b> | <b>16,013,802.34</b> | <b>6,005,175.88</b>  | <b>10,008,626.46</b> |
| <b>Units in Circulation</b>  | <b>C</b>         |                      | <b>19,607,843.14</b> | <b>10,000,000.00</b> |
| <b>NAV per unit in Base Currency (USD)</b>                                     | <b>T=S/C</b>     |                      | <b>0.3063</b>        | <b>1.0009</b>        |
| FX translation on Day 2 (FX as per Valuation date - as per FIMM FX guidelines) | U                |                      | 0.32                 | 1.00                 |
| <b>NAV per unit in Class currency</b>  | <b>T/U</b>       |                      | <b>RM0.9572</b>      | <b>AUD1.0009</b>     |
| Sales/(Redemption) amount received for Day 2                                   | V                |                      | RM2,000,000.00       | AUD<br>(500,000.00)  |
| FX translation on Day 2 (FX as per Valuation date - as per FIMM FX guidelines) | W                |                      | 0.32                 | 1.00                 |
| Value of the sales/redemption (USD)  | X = VxW          | 140,000.00           | 640,000.00           | (500,000.00)         |
| Value of the Fund (USD)  | Y=S+X            | 16,153,802.34        | 6,645,175.88         | 9,508,626.46         |
| <b>Day 3</b>   |                  |                      |                      |                      |
| Opening Value of the Fund (USD)  | Y                | 16,153,802.40        | 6,645,170.65         | 9,508,617.75         |

Note:

<sup>^</sup> Multi Class Fund (MCF) Ratio is apportioned based on the size of the Class relative to the whole Fund. This means the MCF Ratio is calculated by taking the Opening Value of a Class divided by the Opening Value of the Fund. This apportionment is expressed as a ratio and calculated as a percentage.

## Making an investment

Assuming a Sophisticated Investors wants to invest RM10,000 in the RM-Hedged Class of the Fund. The NAV per unit is RM1.0000 and entry charge is 5.00% of NAV per unit of the RM-Hedged Class. The Sophisticated Investors will need to pay the amount as illustrated below to the Manager:

| Items   | RM/Units     | Explanation                     |
|---|--------------|---------------------------------|
| (i) Amount to be invested (investment amount)         | RM10,000     |                                 |
| (ii) Units issued to Sophisticated Investor           | 10,000 units | RM10,000/RM1.0000 per unit      |
| (iii) Entry charge incurred by Sophisticated Investor | RM500        | 10,000 units x RM1.0000 x 5.00% |
| (iv) GST applicable to the entry charge               | RM30         | RM500 x 6.00%                   |
| (v) Amount payable by Sophisticated Investor          | RM10,530     | RM10,000 + RM500 + RM30         |

## Redeeming an investment

Assuming a Sophisticated Investors wishes to redeem 10,000 units from the RM-Hedged Class of the Fund. The NAV per unit of the RM-Hedged Class is RM1.0005 with no exit penalty. Hence, the total amount payable to the Sophisticated Investors (total payment amount) is RM10,005 as illustrated below:

| Items  | RM/Units     | Explanation                  |
|--|--------------|------------------------------|
| (i) Units redeemed                                     | 10,000 units |                              |
| (ii) Gross amount payable to Sophisticated Investors   | RM10,005     | 10,000 units x RM 1.0005     |
| (iii) Exit penalty incurred by Sophisticated Investors | RM0          | 10,000 units x RM1.0005 x 0% |
| (iv) Net amount payable to Sophisticated Investors     | RM10,005     | RM10,005 – RM0               |

**Sophisticated Investors are advised not to make payment to any individual agent in cash when purchasing units of a fund.**

## 8.2 MAKING AN INVESTMENT

|  |  |
|--|--|
| <b>Step 1<br/>Eligibility</b>                                      | <b>Sophisticated Investors, with 18 years of age and above for individual</b><br><br><i>Note: The Manager has the right to reject any application by US Persons. If the Manager becomes aware of a Sophisticated Investors being a US Person holding units of the Fund, the Manager may require that person to either withdraw the units of the Fund or transfer the units of the Fund to a non-US person.</i> |
| <b>Step 2<br/>Forms to be completed</b>                            | <i>For initial investment</i><br>a. Account opening form - individual or corporate;<br>b. FATCA declaration form;<br>c. One (1) set of specimen signature card;<br>d. Personal Data Protection Act consent form;<br>e. Sophisticated Investors declaration form; and<br>f. Suitability assessment form.<br><br><i>For additional investment</i><br>a. Transaction form   |
| <b>Step 3<br/>Documents required (only for initial investment)</b> | <b>Individual investor</b><br><br><i>For a single applicant</i><br>Photocopy of National Registration Identity Card (NRIC) or passport<br><br><i>For joint named applicants</i><br>Photocopy of NRIC or passport of first named joint applicant and the subsequent named joint applicant (s)   |



|   |   |
|---|---|
|   | <p><b>Non-individual or corporate investors</b></p> <ol style="list-style-type: none"> <li>a certified true copy of the Memorandum and Articles of Association or its equivalent;</li> <li>a certified true copy of Form 24 and 49 or its equivalent;</li> <li>an original copy of a board resolution approving investments in the Fund or its equivalent;</li> <li>list of authorized personnel to effect any instructions pertaining to the Fund if not mentioned in the board resolution or its equivalent;</li> <li>a copy of the latest audited financial statement of accounts; and</li> <li>any other approvals required from relevant authorities.</li> </ol>   |
| <p><b>Step 4<br/>Manner of payment and delivery</b></p> | <p>Payments can be made using cheque or bank draft made payable to:</p> <p><b>“AmFunds Management Berhad – Trust A/C”</b></p> <p>Applicants are to write their names and NRIC numbers or passport numbers at the back of the cheque or bank draft.</p> <p>You can either submit the application with complete documentation and payment to us or submit to our distributor for delivery to us. If we do not receive complete documentation with the payment, we reserve the right to reject the application. If you deposit payment into our account and do not notify or provide us with the complete documentation, we shall reject your application and hold such amount until claimed.</p> <p><i>Note: Where payment is by cheque, the cheque must be issued by the Sophisticated Investors. Third party cheque payment must be accompanied with a properly signed letter from the issuer of the cheque stating that he or she is aware that the cheque is used for investment in the Fund by the Sophisticated Investors duly named.</i></p> <p><i>In the case of bank draft, a copy of the application for the bank draft as approved by the relevant bank must be submitted with the bank draft. If the bank draft is applied by a third party, then a letter from the third party attesting to the use of the bank draft for the investment in unit trust by the Sophisticated Investors must be submitted.</i></p> |
| <p><b>Minimum initial investment</b></p>                | <p><b>AUD-Hedged Class:</b> AUD 5,000;<br/> <b>RM Class:</b> RM 5,000;<br/> <b>RM-Hedged Class:</b> RM 5,000;<br/> <b>SGD-Hedged Class:</b> SGD 5,000;<br/> <b>USD Class:</b> USD 5,000;<br/> or such amount as the Manager may from time to time decide.</p>   |
| <p><b>Minimum additional investment</b></p>             | <p><b>AUD-Hedged Class:</b> AUD 5,000;<br/> <b>RM Class:</b> RM 5,000;<br/> <b>RM-Hedged Class:</b> RM 5,000;<br/> <b>SGD-Hedged Class:</b> SGD 5,000;<br/> <b>USD Class:</b> USD 5,000;</p>  |

|                                  |   |
|----------------------------------|---|
|                                  | or such amount as the Manager may from time to time decide.   |
| <b>Submission of application</b> | Monday to Friday (except public holiday)  |
| <b>Cut-off time</b>              | <p>If an application with complete documentation and payment are accepted by the Manager before 4.00 p.m. on any Business Day, it will be processed at the end of day NAV per unit on the same Business Day.</p> <p>If an application with complete documentation and payment are accepted by the Manager after 4.00 p.m. on any Business Day or on a non-Business Day, the application will be processed at the end of day NAV per unit on the next Business Day.</p> <p>For more details on NAV calculation, please refer to page 47.</p> |

**Sophisticated Investors are advised not to make payment to any individual agent in cash when purchasing units of the Fund.**

The Manager has the absolute discretion to accept or reject in whole or in part any application for units. Application for units must be made by completing the relevant application forms or transaction forms as required and subscription monies accompanied by such documents.

**Confirmation of an application**

You shall be issued a transaction advice within two (2) weeks of processing your application. No certificates are issued. Instead your details are entered into the register of Unit Holders, which is kept at our head office and can be inspected during business hours.

**Miscellaneous application information**

You will be responsible for all losses and expenses of the Fund in the event of any failure to make payments according to the procedures outlined in this Information Memorandum. In addition, a RM20 charge will be imposed if a cheque does not clear. Such losses and expenses shall be deducted by the Manager from your account with us. We reserve the right to reject any application. We also reserve the right to change or discontinue any of our application procedures.

**8.3 MAKING WITHDRAWALS**

A Sophisticated Investors can make a withdrawal by completing a transaction form. Transaction forms are available at our offices. Please ensure that the transaction form is signed in accordance with your signing instruction given to us.

A Sophisticated Investors may withdraw all or part of their units on any Business Day subject to the minimum withdrawal and minimum holding units unless it is a complete withdrawal.

|  |   |
|--|---|
| <b>Minimum Withdrawal / Switching</b>  | <b>All Classes:</b> 5,000 units or such units as the Manager may from time to time decide.                                |
| <b>Minimum holding or balance</b>      | <b>All Classes:</b> 5,000 units or such units as the Manager may from time to time decide.                                |
| <b>Submission of redemption notice</b> | Monday to Friday (except public holidays)   |
| <b>Cut-off time</b>                    | If an application with complete documentation is accepted by the Manager before 4.00 p.m. on any Business Day, it will be |

|   |   |
|---|---|
|   | <p>processed at the end of day NAV per unit on the same Business Day.</p> <p>If an application with complete documentation is accepted by the Manager after 4.00 p.m. on any Business Day or on a non-Business Day, the application will be processed at the end of day NAV per unit on the next Business Day, which will be computed by 5.00 p.m. on the Business Day after the said next Business Day.</p> <p>For more details on the NAV calculation, please refer to page 47.</p> |
| <b>Withdrawal proceeds will be paid</b> | By the 14th day of receipt of the redemption notice.  |

### **Manner of payment**

Withdrawal proceeds will be paid either by:

- (a) transferring the proceeds to a bank account held in your own name or the first named Unit Holder (for joint accounts)

(i) *Within the country*

You may give us instructions in writing to transfer your withdrawal proceeds to a bank account held in your own name or the first named Unit Holder (for joint accounts) within Malaysia only. All bank charges for the transfer will be borne by you. The charges will be deducted from the transferred amount before being paid to your relevant bank account.

You are required to provide us with the relevant bank account details in order for us to proceed with your transfer request. Under normal circumstances, a transfer will take less than two (2) days to reach its destination. It is possible for delays in the banking system to occur which are beyond our control. If the proceeds cannot be transferred, we shall draw a cheque payable to you.

(ii) *Overseas*

You may give us instructions in writing to transfer your withdrawal proceeds to a bank account overseas held in your own name or the first named Unit Holder (for joint accounts). All bank charges for the transfer will be borne by you. The charge will be deducted from the transferred amount before being paid to your relevant bank account. You are also required to comply with the requirements of the Exchange Control Act 1953.

- (b) by cheque (only applicable for RM & RM-Hedged Classes)

Your withdrawal proceeds will be made payable by cheque to your name or the first named Unit Holder (for joint accounts) only.

**No withdrawals will be paid in cash under any circumstances.**

### **Miscellaneous withdrawal information**

We reserve the right to defer the payment of withdrawal proceeds with the consent of the Trustee (or as permitted by the SC) after receiving the withdrawal request if in our judgment, an earlier payment would adversely affect the Fund. As such, the withdrawal request may not be accepted.

## 8.4 OTHER INFORMATION

### Switching

- (a) *Switching between funds managed by AmFunds Management Berhad*  
You can switch all or some of your investments from one fund to another fund managed by us at our discretion by completing a switching form. You are only allowed to switch to other funds where the currency denomination is the same as the Class switched out.

You will be charged on the differences of entry charge between funds switched, which is up to a maximum of 6% of NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge.

- (b) *Switching between Class(es) of the Fund*  
Unit Holders are not allowed to switch between class(es) of the Fund.

### Transfer of units

Transfer of the Fund units is allowed at the Manager's discretion.

You can transfer all or some of your investments to another qualified person by completing a transfer form signed by both parties (transferor and transferee).

A full set of Account Opening documents are also required to be filled by the transferee if he/she is a new client to the Manager. We may, at our absolute discretion without giving any reason, refuse to register a transfer.

### Temporary Suspension of Determination of NAV and of the Issue, Switching and Redemption of Units

The Manager may suspend the determination of the NAV of units in the Fund, the issue of units, switching of units and the redemption of units in the following circumstances or if in our judgment, an earlier payment would adversely affect the Fund:

- (a) during any period when the Target Fund is suspended;
- (b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the Fund is not possible;
- (c) during any breakdown in the means of communication normally employed in determining the price of the Fund's investments in any market;
- (d) when for any other reason the prices of any investments owned by the Fund cannot promptly or accurately be ascertained;
- (e) during any period when remittance of monies which will or may be involved in the realization of or in the payment for any of the Fund's investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange; and
- (f) in the event of the publication of a notice convening a Unit Holders' meeting.

Unit Holders who have requested switching or redemption of their units will be notified in writing of any such suspension of the right to subscribe, to convert or to require redemption of units and will be promptly notified upon termination of such suspension. Any suspension shall be in accordance with the Deed.

Kindly refer to page 41 and 42 on "temporary suspension of determination of net asset value and of the issue, switching and redemption of shares" of the Target Fund that will affect the determination of NAV of the Fund.

## **8.5 INCOME DISTRIBUTION POLICY**

### **Income Distribution**

#### **RM & RM-Hedged Classes**

Subject to availability of income, distribution will be paid quarterly and can be in the form of cash (by telegraphic transfer) or units.

#### **Other Classes except for RM & RM-Hedged Classes**

Subject to availability of income, distribution will be paid at least quarterly and will be reinvested into the Class.

*Note: Income distribution is paid out of realized gains or realized income. Income distribution amount (if any) for each of the Classes could be different subject to the sole discretion of the Manager.*

### **Mode of Income Distribution**

- (a) Reinvest income distribution  
Income distributed will be automatically reinvested into Unit Holder's account with us at no cost, based on the NAV per unit of the relevant Class at the end of the Business Day of the income declaration date.
- (b) Receive income distribution via (for RM & RM-Hedged Classes only)
  - i. A cheque; or
  - ii. Instruct us to deposit the income distribution earned into a bank account held in Unit Holder's own name or the first named Unit Holder (for joint account).

*Note: If income distribution earned does not exceed RM500, it will be automatically reinvested.*

*Note for RM & RM-Hedged Classes only: If Unit Holders do not state option in the account opening form or transaction form, and if income distribution is paid, such income will be automatically reinvested in the form of units.*

## **8.6 UNCLAIMED MONEYS**

Any moneys payable to you which remains unclaimed (hereinafter referred to as unclaimed amount) for the last twelve (12) months or such period as prescribed under the Unclaimed Moneys Act 1965 will be paid to the Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965.

Unit Holders may claim the unclaimed amount from the Registrar of Unclaimed Moneys.

## **8.7 DISTRIBUTION CHANNELS**

The Fund is distributed by selected IUTA distributors.

You may also contact the Manager for the list of distributors. For contact details of the Manager, please refer to page 75.

**Sophisticated Investors are advised not to make payment to any individual agent in cash when purchasing units of the Fund.**

## 9. SALIENT TERMS OF THE DEED

### 9.1 RIGHTS AND LIABILITIES OF UNIT HOLDERS

A Sophisticated Investors is deemed to be a Unit Holder when units are issued upon the Manager accepting completed documentation with payment.

Each unit held in the Fund entitles a Unit Holder to an equal and proportionate beneficial interest in that class of units of the Fund. However, a Unit Holder does not own or have a right to any particular asset held by the Fund and cannot participate in management decisions except in very limited circumstances as set out in the Deed.

As a Unit Holder, you have the right to:

- i. receive income distribution (if any);
- ii. have your units redeemed;
- iii. transfer your units, subject to the Manager's discretion;
- iv. participate in termination or winding up of the Fund;
- v. call, attend and vote at meetings (the rules governing the holding of meetings are set out in the law and the Deed);
- vi. receive annual and quarterly reports of the Fund; and
- vii. to exercise such other rights and privileges as provided for in the Deed.

The law and the Deed limit a Unit Holder's liability to the value of their investments in the Fund. Accordingly, if the Fund's liabilities exceed its assets, no Unit Holder, by reason alone of being a Unit Holder, will be personally liable to indemnify the Trustee or the Manager or any of their respective creditors.

### 9.2 FEES AND CHARGES PERMITTED BY THE DEED

The following are the maximum fees and charges as provided in the Deed:

|                              |  |
|------------------------------|--|
| <b>Annual Management Fee</b> | Up to 3.00% p.a. of the NAV of the Fund or its equivalent in the base currency of the Fund |
| <b>Annual Trustee Fee</b>    | Up to 0.10% p.a. of the NAV of the Fund or its equivalent in the base currency of the Fund |
| <b>Entry Charge</b>          | Up to 10.00% of the NAV per unit of the Class(es)  |
| <b>Exit Penalty</b>          | Up to 10.00% of the NAV per unit of the Class(es)  |

The increase in the fees and charges can only be made in accordance with the Deed and the relevant laws. Any increase in the fees and/or the charges above the level disclosed in the Deed shall require Unit Holders' approval at a duly convened Unit Holders' meeting and subsequently a supplemental deed and supplemental information memorandum will be issued.

### 9.3 PERMITTED EXPENSES PAYABLE OUT OF THE FUND

The expenses which are directly related and necessary for the day to day operation of the Fund are payable out of the Fund's assets and as provided in the Deed and includes the following:

- (a) commissions/fees paid to brokers in effecting dealings in the investments of the Fund;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor;
- (d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of this Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or fund manager;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the independent members of the Investment Committee of the Fund, unless the Manager decides otherwise;
- (n) 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;
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- (p) fees, charges, costs and expenses relating to the preparation, printing, posting, registration and 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; and
- (q) any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under subparagraphs (a) to (p) above.

#### **9.4 RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE**

The Trustee may retire upon giving twelve (12) months' notice in writing to the Manager of the Fund of its desire to do so, or such other period as the Manager and the Trustee may agree, and the Manager shall appoint in writing some other corporation to be the trustee of the Fund.

The Trustee may be removed and another trustee may be appointed by special resolution of the Unit Holders at a duly convened meeting of which notice has been given to the Unit Holders in accordance with the Deed.

## **9.5 RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER**

The Manager may be removed by the Trustee where:

- (a) the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the SC and with the approval of the Unit Holders by way of a special resolution;
- (b) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business; or
- (c) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws and
- (d) the Manager shall not accept any extra payment or benefit in relation to such removal.

Subject to the approval of the relevant authorities, the Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee twelve (12) months' notice in writing of its desire to retire, or such lesser time as the Manager and the Trustee may agree upon.

## **9.6 TERMINATION OF THE FUND**

### **Termination of Trust by the Manager**

The Manager may determine the trust hereby created and wind up the Fund in accordance with the relevant laws or with the prior approval of the relevant authorities. Notwithstanding the aforesaid, if the Fund is left with no Unit Holders, the Manager shall be entitled to terminate the Fund.

Upon the termination of the trust by the Manager, the Trustee shall as soon as practicable, give to each Unit Holder of the Fund being wound up notice of such termination; the Manager shall notify the existing Unit Holders of the Fund in writing of the following options:

- (a) to receive the net cash proceeds derived from the sale of all the investment and assets of the Fund less any payment for liabilities of the Fund and any Cash Produce available for distribution in proportion to the number of Units held by them respectively;
- (b) to switch to any other collective investment scheme managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- (c) to choose any other alternative as may be proposed by the Manager.

### **Termination of Trust by the Trustee**

In any of the following events:

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of this Deed or contravened any of the provisions of any relevant laws;



the Trustee shall summon a meeting of Unit Holders in accordance with the provisions of the deed for the purpose of seeking directions from the Unit Holders.

If at any such meeting a special resolution to terminate the trust in relation to the Fund and to wind-up the Fund is passed by the Unit Holders, the Trustee shall apply to the court for an order confirming such special resolution.

Upon such application by the Trustee, the court may, if it considers it to be in the interests of the Unit Holders, confirm the special resolution and make such orders as it thinks necessary or expedient for the termination of the trust in respect of the Fund and the effective winding-up of the Fund.

The termination of the trust and the winding up of the Fund shall not affect the continuity of any other trusts and collective investment schemes created and established hereunder.

### **Termination of a Class of Units**

If the Fund has more than one class of Units, the Manager may terminate a particular class of Units in accordance with the relevant laws. The Manager may only terminate a particular class of Units if the termination of that class of Units does not prejudice the interests of Unit Holders of any other class of Units. For the avoidance of doubt, the termination of a class of Units shall not affect the continuity of any other class of Units of the Fund.

If at a meeting of Unit Holders to terminate a class of Units, a special resolution to terminate a particular class Units is passed by the Unit Holders:

- (a) the Trustee shall cease to create and cancel Units of that class of Units;
- (b) the Manager shall cease to deal in Units of that class of Units;
- (c) the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the special resolution; and
- (d) the Trustee or the Manager shall as soon as practicable inform all Unit Holders of the Fund of the termination of that class of Units.

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that class of Units by the Auditor. Upon the completion of the termination of that class of Units, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that class of Units.

## **9.7 UNIT HOLDERS' MEETING**

### **Quorum required for a Unit Holders' Meeting**

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

### **Meeting convened by the Unit Holders**

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 that class of units, as

the case may be, summon a meeting of the Unit Holders of the Fund or of a particular class of units by:

- (a) 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;
- (b) 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
- (c) 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 any such meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund or all Unit Holders of a particular class of units.

#### **Meeting convened by the Manager or the Trustee**

The Manager or the Trustee may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days' written notice of the meeting to Unit Holders; and
- (b) specifying in the notice, the place, time and terms of the resolutions to be proposed at the meeting.

## **10. RELATED PARTY TRANSACTION OR CONFLICT OF INTEREST**

All transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than on arm's length transaction between independent parties. The Fund may have dealings with parties related to the Manager. The related parties defined are Amlslamic Funds Management Sdn Bhd, AmInvestment Bank Berhad, AmBank (M) Berhad and Amlslamic Bank Berhad.

Trading in securities by staff is allowed, provided that the policies and procedures in respect of the personal account dealing are observed and adhered to. On a periodical basis, the directors, investment committee members and staff shall disclose their portfolio holdings and dealing transactions. Further, the abovementioned shall also make disclosure of their holding of directorship and interest in any company.

The directors of AFM may have direct or indirect interest through their directorship in Amlslamic Funds Management Sdn Bhd.

Following are the details of the directors:

- Pushparani A/P A Moothathamby is the Chairman of AFM and Amlslamic Funds Management Sdn Bhd.
- Datin Maznah Mahbob is the Chief Executive Officer of AFM and also a Director of Amlslamic Funds Management Sdn Bhd.

# 11. ADDITIONAL INFORMATION

## 11.1 KEEPING YOU INFORMED

### **When you invest**

A transaction advice slip will be sent to you.

#### *Statement of investment*

We will send you a statement monthly. It will state the balance of units together with all transactions made since the last statement.

### **Reports**

Within two (2) months of the Fund's financial year or interim period, an annual or quarterly report will be sent to you.

### **Tax voucher**

We will send you tax vouchers (if any) which will set out the information that is needed to complete your tax return form.

### **Publication**

We will publish newsletters containing topical articles about investment trends and developments.

### **Internet**

We publish updated information on our website [www.aminvest.com](http://www.aminvest.com).

### **Newspaper**

The NAV per unit of the Class(es) is sent to the Federation of Investment Managers Malaysia (FiMM) in order for it to be published in major newspapers. The Manager will ensure the accuracy of the NAV per unit of the Class(es) forwarded to FiMM. The Manager, however, will not be held liable for any error or omission in NAV per unit published as this is beyond the Manager's control. In the event of any NAV per unit of the Class(es) discrepancy in the NAV per unit of the Class(es) between the newspaper and the Manager's computation, the Manager's computed NAV per unit of the Class(es) shall prevail.

### **Customer service**

For enquiries about the Funds, you may contact us via phone on (03) 2032 2888 or fax (03) 2031 5210 or email [enquiries@aminvest.com](mailto:enquiries@aminvest.com)

## 11.2 KEEPING US INFORMED

### **Changing your account details**

You will be required to inform us in writing of any changes to your account details. Account details will amongst other things, include the following:

- the Unit Holders' address;
- signing instructions; and
- how income distributions (if any) are to be paid.

## **Investor feedback**

We encourage feedback from you in order for us to upgrade our services to meet your needs. You may give us your feedback via phone at (03) 2032 2888 or by fax (03) 2031 5210 or email [enquiries@aminvest.com](mailto:enquiries@aminvest.com).

## **11.3 CUSTOMER IDENTIFICATION PROGRAM**

Pursuant to the relevant laws of Malaysia on money laundering, we have an obligation to prevent the use of the Fund for money laundering purposes. As such, we and/or our appointed distributors have put in place a "Know Your Customer" ("KYC") policy where procedures are in place to identify and verify the investor's identification through documents such as identity card, passport, constituent documents or any other official documents. We and/or our appointed distributors reserve the right to request such information, either at the time an application is made or thereafter, as is necessary to verify the identity of an investor (or each of the investors in the case of joint investors) and/or to periodically update our records. We and/or our appointed distributors require you to provide us with your information and information of beneficial owner such as name, date of birth, national registration card number, residential and business address, (and mailing address if different), name of beneficial owner, address of beneficial owner, national registration card number of beneficial owner, date of birth of beneficial owner or other information and official identification. For corporate clients, we and/or our appointed distributors require you to provide us the name of the company, principal place of business, source of income/asset, identification documents of the directors/shareholders/partners, board resolution pertaining to the investment and the person authorized to operate the account, all of which as per requirements under regulation when you open or re-open an account.

We and/or our appointed distributors also reserve the right to request additional information including the source of the funds and identity of any beneficial owners as may be required to support the verification information and to allow us to complete adequate due diligence. In the event of delay or failure by the investor to produce any information required for verification purpose, we and/or our appointed distributors may refuse to accept an application request. In relation to a subscription application, any monies received will be returned without interest to the account from which the monies were originally debited, and in relation to redemption application, no units will be redeemed to the investor. We and/or our appointed distributors also reserve the right to place restriction on transactions or withdrawal in your account until your identity is verified.

In the event of any breaches to the applicable laws on money laundering, we have a duty to notify the relevant authority of the said breaches.

### *Anti-Money Laundering ("AML")/ KYC Obligation from Target Fund*

The Target Fund or its manager may request for additional KYC documentation of the Unit Holder or the beneficial owner in the Feeder Fund. For investors of Feeder Fund, the Target Fund may also impose restriction in accepting subscription or withdrawal application until such information to their satisfaction is provided. In such circumstances, we may need to reject your subscription or redemption application, or withhold repayment of your withdrawal proceeds in the Feeder Fund until such amounts are paid by the Target Fund.

### *AML/ KYC Obligation on IUTA*

If you have invested in a Fund via an IUTA there may be additional information that the IUTA may need to provide to us, which may include information of the IUTA's AML policy, an AML undertaking/declaration by the IUTA or its parent company and the release of your particulars to us. Without such information being provided, we may be required to reject your subscription or

redemption application, or withhold repayment of your redemption proceeds until such information is provided by the IUTA to us.

## 11.4 DISTRIBUTION CHANNELS

The Fund is distributed by selected IUTA distributors.

You may also contact the Manager for the list of distributors. For contact details of the Manager, please refer to page 75.

## 11.5 HOW DO YOU MAKE A COMPLAINT?

1. For internal dispute resolution, you may contact our customer service representative:
  - (a) via phone to : 03-2032 2888
  - (b) via fax to : 03-2031 5210
  - (c) via e-mail to : enquiries@aminvest.com
  - (d) via letter to : AmFunds Management Berhad  
Level 9, Bangunan AmBank Group  
No.55, Jalan Raja Chulan  
50200 Kuala Lumpur
  
2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):
  - (a) via phone to : 03-2282 2280
  - (b) via fax to : 03-2282 3855
  - (c) via e-mail to : info@sidrec.com.my
  - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur
  
3. You can also direct your complaint to Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:
  - (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail to : aduan@seccom.com.my
  - (d) via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
  - (e) via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

For the period of not less than twelve (12) months from the date of this Information Memorandum, the following documents or copies thereof may be inspected without charge at our registered office and head office or at the Trustee's business office:

- (a) The Deed of the Fund or the supplemental deed (if any);
- (b) Each material contract or document referred to in this Information Memorandum (if any);
- (c) All reports, letters or other documents, valuations and statement by any expert, any part of which is extracted or referred to in this Information Memorandum (if any);
- (d) The audited financial statements of the Fund for the current financial year (where applicable) and for the last three (3) financial years or if the Fund has been established/incorporated for a period less than three (3) years, the entire period preceding the date of this Information Memorandum;
- (e) Writ and relevant cause papers for all material litigation and arbitration disclosed in this Information Memorandum; and
- (f) Any consent given by experts or persons whose statement appears in this Information Memorandum.

## 13. MANAGING THE FUND'S INVESTMENT

### 13.1 THE MANAGER

AFM was incorporated on 9 July 1986 and is a wholly owned subsidiary of AmInvestment Group Berhad. As at the LPD, AFM has more than 27 years of experience in the unit trust industry.

Pursuant to AMMB Holdings Berhad's (the holding company of AFM and AIM) initiative to streamline the business operations of its asset management business under AIM and the unit trust business under AFM, the businesses of both AIM and AFM are consolidated to operate under a single operating structure, i.e., under AFM.

With effect from 1 December 2014, AFM is the holder of a Capital Markets and Services Licence for the regulated activities of fund management, dealing in securities restricted to unit trusts and dealing in private retirement scheme issued under the Act. As at Last Practicable Date, the total number of funds under AmInvestment Service's management were **57** unit trust funds, **23** wholesale funds, **2** exchange-traded funds and **9** private retirement schemes funds with a total fund size approximately RM32.7billion.

As at Last Practicable Date, AmFunds Management Berhad has 213 employees of whom are 190 executives and 23 non-executives

### 13.2 FINANCIAL INFORMATION

|                                  | Year ended 31 March |         |         |
|----------------------------------|---------------------|---------|---------|
|                                  | 2015                | 2014    | 2013    |
| Paid up share capital (RM'000)   | 5,539               | 5,539   | 5,539   |
| Shareholders funds (RM'000)      | 78,953              | 68,111  | 61,389  |
| Turnover (RM'000)*               | 163,867             | 150,162 | 158,713 |
| Pretax Profit/(Loss) (RM'000)    | 54,756              | 49,425  | 50,929  |
| After Tax Profit/(Loss) (RM'000) | 41,084              | 36,743  | 38,081  |

\* Includes entry charge and Manager's fee earned by the Manager

### 13.3 DUTIES AND RESPONSIBILITIES OF THE MANAGER

As the Manager of the Fund, we are responsible for setting the investment policies and objective for the Fund. The Manager is also responsible for the promotions and administration of the Fund which includes but is not limited to issuing units, preparing and issuing Information Memorandum.

### 13.4 THE BOARD OF DIRECTORS

The Board of Directors, of which one-third (1/3) are independent members, exercise ultimate control over the operations of the company. The Board meets once every two (2) months to discuss and decide on business strategies, operational priorities and ways of managing risk within the company.



The Board acts to ensure that investment risk and operational risk are monitored and managed. It also ensures that the company's operations comply with regulations issued by the government and the regulatory authorities.

**Pushparani A/P A Moothathamby** (non-independent) was appointed to the board of directors of AmFunds Management Berhad as a non-independent director on 2 November 2015. Ms Pushpa is currently the managing director of wholesale banking of AmBank Group. She has served the AmBank Group for 26 years and has held various senior management positions. She has extensive experience in investment banking, corporate banking, capital markets and more recently commercial banking. She has also been involved in corporate strategy and advisory work for the AmBank Group. Prior to joining AmBank Group, she was employed at Coopers & Lybrands (now known as PricewaterHouseCoopers) undertaking financial and consultancy related work.

She holds various directorships in the AmBank Group, which includes companies involved in the trustee services, venture capital management, Reits and private equity. She has recently been appointed to the board of AmIslamic Funds Management Bhd. She was previously on the board of AmInvestment Bank, AmCapital (B) Sdn Bhd (asset management) and PT AmCapital Indonesia (stockbroking). Ms Pushpa is the alternate chairman of the Malaysian Investment Banking Association (MIBA). She is actively involved in the financial sector market development and sits on regulatory and industry panels and working groups. She is on the board of Financial Institutions Directors' Education Programme (FIDE). She is a fellow member of the Chartered Association of Certified Accountants, United Kingdom and Member of Malaysian Institute of Accountants.

**Mustafa Bin Mohd Nor** (independent) was appointed to the board of directors of AmFunds Management Berhad as an Independent and Non-Executive Director on 3 March 2014. He is also a Director of KUISAS Berhad and a Member of State Investment Committee, Perak Darul Ridzuan. He obtained a Masters of Arts (Economic Policy) from Boston University and Bachelor of Economics (Analytical) from University of Malaya.

**Tai Terk Lin** (independent) was appointed to the board of directors of AmFunds Management Berhad as an independent and non-executive director on 15 December 2014. He was previously the Group Chief Executive Officer of ICB Financial Group Holdings AG, the holding company of ICB Banking Group, and a Commissioner of PT Bank ICB Bumiputera. Before that, Mr. Tai was the executive director of Platinum Capital Management (Asia) and a Senior Vice President of DBS Bank in Singapore, heading their hedge funds and private banking business for their Asia and Malaysia market respectively. Mr. Tai holds a Master of Business Administration (MBA) from Cranfield University, United Kingdom. He has a Bachelor of Science with Education (B.Sc.Ed (Hons)) from the University of Malaya and holds the Certified Financial Planner (CFP) and the Financial Industry Certified Professional (FICP) from the Institute of Banking and Finance (IBF), Singapore.

**Madam Sum Leng Kuang** (independent) was appointed to the board of directors of AmFunds Management Berhad as an independent and non-executive director on 18 January 2016. Madam Sum possesses an extensive investment management experience of more than three (3) decades, particularly in managing fixed income investment portfolios, credit evaluation and credit risk management.

She has been actively involved in the development of local fixed income market via active participation in industry dialogues and direct consultations with issuers, investors, rating agencies, regulatory bodies and federal agencies.

Madam Sum started her career with Overseas Assurance Corporation (M) Berhad of Great Eastern Group in year 1982, and had dedicated a total of thirty one (31) years of service to Great

Eastern Group until year 2013, with the last position as senior vice president & advisor, fixed income investment of Great Eastern Life Assurance (M) Berhad.

Thereafter, she joined Hong Leong Asset Management Berhad (“HLAM”) from year 2013 to year 2014, with various senior management positions, including chief investment officer in year 2013 and acting chief executive officer on 18 July 2013, where she was in charge to provide leadership and manage the resources and development of the fixed income team. On 15 August 2013, she was appointed as director of HLAM.

She holds a Bachelor of Commerce (Finance) from University of Canterbury, New Zealand. She is also a qualified Certified Financial Planner.

**Datin Maznah Mahbob** (non-independent) is the Chief Executive Officer of AmlInvest. She is responsible for business strategy and management of AmlInvest. Datin Maznah has been in the fund management industry since 1987. Prior to this, she was in the Corporate Finance Department of AmlInvestment Bank for 3 years. She is a graduate of the Institute of Chartered Secretaries and Administrators (UK) and holds the Capital Markets Services Representative's License for the regulated activity of fund management. Datin Maznah Mahbob was appointed to the board of directors of AFM on 29 December 2005. She also sits on the board of directors of AMMB Nominees (Tempatan) Sdn Bhd, AMMB Nominees (Asing) Sdn Bhd, PT AMCI Manajemen Investasi Indonesia and AMMB (L) Ltd.

### **13.5 THE INVESTMENT COMMITTEE**

The investment committee meets at least five (5) times a year to review the Fund's investment objective and guidelines, and to ensure that the Fund is invested appropriately.

The investment committee members are :

**Mustafa Bin Mohd Nor** (independent) (profile as mentioned above)

**Tai Terk Lin** (independent) (profile as mentioned above)

**Dr. Frank Richard Ashe** (independent) was appointed as a member of the investment committee of AmFunds Management Berhad on 16 February 2015. He has extensive experience in the investment management industry for more than 30 years. He was appointed as the executive director of Legal & General Asset Management, Australia from year 1993 to 1995 contributing in areas such as asset value protection and asset-liability and financial risk management. He was a visiting lecturer at the School of Economics in University of Technology, Sydney in year 1997 lecturing on yield curve analysis and fixed interest securities. Subsequently he became a visiting fellow in Macquarie University from year 1997 to 2001 lecturing in risk and portfolio construction. From 1999 to 2001 he was in charge of the market risk management as a Senior Advisor in the asset management division of Manulife in Canada. He has been an Associate Professor of the Applied Finance Centre of Macquarie University from 2002 to 2014, at the same time he has been an independent consultant since year 2007. Dr. Frank Richard Ashe holds a Bachelor of Arts, First Class Honours, majoring in Actuarial Studies, Statistics, Pure Mathematics, and Applied Mathematics from Macquarie University, and a PhD in Operations Research from the University of New South Wales.

**Madam Sum Leng Kuang** (non-independent) (profile as mentioned above)

**Datin Maznah Mahbob** (non-independent) (profile as mentioned above)

## 13.6 KEY PERSONNEL OF THE MANAGER

**Datin Maznah Mahbob** (profile as mentioned above).

**Harinder Pal Singh** is the Senior Vice President of Operations who is responsible for the overall management of all operational functions of AmInvest. He joined in May 2001. He was attached to the Corporate Services Department of AmInvestment Bank Berhad as a Manager from 1998 to April 2001. He holds a Bachelor degree in Accounting from the University of Malaya, Kuala Lumpur.

**Anderson Chua Oou Chuan** is the Senior Vice President of Finance and Strategic Management of AmInvest. He is responsible for all financial matters of AFM and AmIslamic Funds Management Sdn. Bhd. He is also responsible in formulation and implementation of financial and strategic plans of AmInvest. He has over 13 years of experience in the financial services industry. He holds a Bachelor degree in Accountancy (Hons) from University Putra of Malaysia.

**Nervinderjeet Kaur** is the Senior Vice President of Compliance and Operational Risk Management. She has more than 17 years experience in the financial services industry attained in Malaysia and Australia. She is responsible for the overall supervision and compliance with the regulatory requirements for AmInvest. She holds a Bachelor of Laws (Hons) from University of London, United Kingdom.

**Leslie Cheah Loy Hin** is the Senior Vice President of Treasury Solutions. He is responsible for the direct sales of the institutional/corporate market for unit trust products. He joined AFM on 1 June 2003. Prior to him joining the Company, he served as the Head of Treasury (Northern Region) of AMMB Holdings Berhad and later led the Bond Desk Sales and Distribution Team of AmInvestment Bank Berhad. He was one of the pioneering staff during the set up of AmFutures Sdn Bhd and AmInternational (Labuan) Ltd. Leslie holds a Diploma in Accounting and is an Associate Member of The Institute of Chartered Secretaries and Administrators (U.K.) and also a National Member of The Financial Market Association of Malaysia.

**Goh Wee Peng** is the Chief Investment Officer of Fixed Income and the designated person responsible for the investment management of all fixed income funds. She started her career in financial industry since 1997. She has vast experience in financial industry in different role, i.e. money broking, analyst, fixed income bond trading and fund management. In the past 6 years in AmInvestment Management Sdn Bhd, she has been managing various fixed income funds, i.e. unit trust and institutional mandate. She is responsible in overseeing the fixed income mandates and guiding a team of fund managers and credit research team. Her key role includes formulating trading and investment strategies for the team by identifying opportunities in different market trends, she presents to the clients market outlook and strategies for their portfolio on a regular basis. She also holds the Capital Markets Services Representative's License for the regulated activity of fund management.

**Kevin Wong Weng Tuck** is the Senior Vice President and Head of Fixed Income Research with over 18 years of relevant experience in this field. Kevin oversees the Fixed Income Research Team in conducting thorough and prudent evaluation of the credit worthiness of sovereigns, corporates, financial institutions and asset-backed securities. His research coverage now spans across 40 countries around the globe, with diligent monitoring of the economic, industry and business environments to identify and assess emerging risks as well as opportunities. He is also continually formulating and establishing more effective research processes and infrastructure for the Fixed Income team.

**Andrew Wong Yoke Leong** is the Chief Investment Officer of Equities. He is the designated person responsible for all equity funds including asset allocation. His duties included formulating strategies to optimize returns for the funds within the risk framework required. Prior to his present appointment he was the Head of Investment Division (Equities and Fixed Income) at a regional

insurance company. He holds a Master of Business Administration and an Engineering degree. He also holds the Capital Markets Services Representative's License for the regulated activity of fund management.

**Nancy Chow Yuen Yuen** is the Senior Vice President of Marketing and Strategic Product Development and is responsible for marketing, communications and branding for Funds Management Division. She is also responsible for Funds Management Division strategic business which involves the development of strategic products, domestic and foreign ventures. She has 20 years of experience in dealing, sales and marketing of treasury and financial products and funds. Prior to joining the Company, she was the pioneer Head of Treasury (northern region) of AmInvestment Bank. She holds a Bachelor of Commerce degree from the University of New South Wales, Sydney. She also holds the Capital Markets Services Representative's License for the regulated activity of fund management.

**Ratnakar Kota** is the Senior Vice President of Quantitative Strategies & Solutions. He is currently responsible for the overall management of performance analytics, investment strategy analytics and infrastructure. He has over 13 years of global experience working in Technology and Financial Services industries. Prior to joining AmInvestment Management Sdn, Bhd., he was a senior fund manager with ING Investment Management Asia Pacific Ltd. and a portfolio manager with Advanced Investment Partners LLC, a former member of State Street Global Alliance. Ratnakar is a Chartered Financial Analyst (CFA) charter holder. He earned MBA from the University of Chicago, MS in Computer Science from the University of Illinois at Chicago and a BTech in Chemical Engineering from Osmania University, India. He also holds the Capital Markets Services Representative's License.

### **13.7 MATERIAL LITIGATION**

As at the Latest Practicable Date, the Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Manager and of its delegates.

### **13.8 DELEGATION OF FUND ACCOUNTING AND VALUATION SERVICES**

The Fund's valuation and fund accounting function is outsourced to Deutsche Bank (Malaysia) Berhad (DBMB). The outsourcing function was approved by the SC on 20 October 2010. DBMB will be responsible for the Fund valuation i.e. daily calculation of the NAV and NAV per unit of the Fund and the fund accounting function i.e. maintenance of financial statements and records of the Fund for the purpose of audit and preparation of annual and interim report.

DBMB is a wholly-owned subsidiary of the parent organization, Deutsche Bank Aktiengesellschaft. Deutsche Bank established a presence in Kuala Lumpur, Malaysia in 1967 and was incorporated on the 22<sup>nd</sup> August 1994.

DBMB commenced its domestic custody operations in Malaysia in 1994 to provide direct custody services to both local and foreign clients. Domestic Custody Services Malaysia (DCS) is a dedicated business unit within Deutsche Bank, responsible for providing custody services to our global and domestic clients.

In 2001, DBMB expanded its product offering to include fund administration, being the first custodian in Malaysia to offer onshore fund accounting services.

## 14. THE TRUSTEE

### 14.1 ABOUT DEUTSCHE TRUSTEES MALAYSIA BERHAD

Deutsche Trustees Malaysia Berhad (“DTMB”) (Company No. 763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”), a global investment bank with a substantial private client franchise. With more than 100,000 employees in more than 70 countries, Deutsche Bank offers financial services throughout the world.

### 14.2 DTMB’S FINANCIAL POSITION

|                          | 31 Dec 2014<br>(RM) | 31 Dec 2013<br>(RM) | 31 Dec 2012<br>(RM) |
|--------------------------|---------------------|---------------------|---------------------|
| Paid up share capital    | 3,050,000           | 3,050,000           | 3,050,000           |
| Shareholders’ funds      | 6,314,678           | 5,275,318           | 4,654,993           |
| Revenue                  | 9,779,401           | 8,292,251           | 5,725,581           |
| Profit/(Loss) before tax | 5,009,315           | 4,156,392           | 3,066,962           |
| Profit/(Loss) after tax  | 3,948,097           | 2,908,737           | 2,288,412           |

### 14.3 EXPERIENCE IN TRUSTEE BUSINESS

DTMB is part of Deutsche Bank’s Institutional Cash & Securities Services, which provides trust, agency, depository, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 219 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

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

### 14.4 BOARD OF DIRECTORS

Jacqueline William  
Janet Choi  
Jalalullail Othman\*  
Lew Lup Seong\*

\* *independent director*

**Chief Executive Officer**  
Richard Lim

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

DTMB's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA 2007 and all relevant laws.

#### **14.6 TRUSTEE'S STATEMENT OF RESPONSIBILITY**

The Trustee has given its willingness to assume the position as trustee of the Fund and is willing to assume all its obligations in accordance with the Deed, the CMSA 2007 and all relevant laws. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

#### **14.7 TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION**

As at the Latest Practicable Date, neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegate.

#### **14.8 TRUSTEE'S DELEGATE (CUSTODIAN)**

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

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

#### **14.9 DISCLOSURE ON RELATED-PARTY TRANSACTIONS/CONFLICT OF INTERESTS**

As the Trustee for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:

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

(4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

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

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

## 15. CONSENT

The following parties have given their written consent and have not withdrawn their consent to the inclusion in this Information Memorandum of their names and reports (if any) in the form and context in which their names appear:

1. Deutsche Trustees Malaysia Berhad
2. Deutsche Bank (Malaysia) Berhad
3. FIL Investment Management (Luxembourg) S.A



## 16. DIRECTORY

Head Office AmFunds Management Berhad  
9th & 10th Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel: (03) 2032 2888 Fax: (03) 2031 5210  
Email : enquiries@aminvest.com

Postal Address AmFunds Management Berhad  
P.O Box 13611, 50816 Kuala Lumpur

### **Institutional Unit Trust Adviser**

The Fund is distributed by selected IUTA distributors. You may also contact the Manager for the list of distributors.

For enquiries about this Fund and any other Funds offered by AmFunds Management Berhad, please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday-Thursday), 8.45 a.m. to 5.00 p.m. (Friday)

**AmFunds Management Berhad**

*(formerly known as AmInvestment Services Berhad) (154432-A)*

Tel : 03-2032 2888

Fax : 03-2031 5210

Email : [enquiries@aminvest.com](mailto:enquiries@aminvest.com)