

## Information memorandum for Nomura Global High Conviction Fund



Manager: Nomura Asset Management Malaysia Sdn. Bhd. (748695-A)

Trustee: CIMB Commerce Trustee Berhad (313031-A)

This Information Memorandum is dated 6 January 2017 and replaces the information memorandum dated 7 December 2016.

The Nomura Global High Conviction Fund was constituted on 13 December 2016\*.

*\* The constitution date of this Fund is also the launch date of this Fund.*

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**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE UNITS OF THE FUND. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**UNITS OF THE FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS AS PRESCRIBED UNDER THE SECURITIES COMMISSION MALAYSIA'S GUIDELINES. THIS INFORMATION MEMORANDUM IS TO BE ISSUED AND DISTRIBUTED IN MALAYSIA ONLY. CONSEQUENTLY, NO REPRESENTATION HAS BEEN AND WILL BE MADE AS TO ITS COMPLIANCE WITH THE LAWS OF ANY FOREIGN JURISDICTION.**

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "UNDERSTANDING THE RISKS OF THE FUND AND THE TARGET FUND" COMMENCING ON PAGE 19.**

**NOTICE ON PERSONAL DATA PROTECTION**

Investors may have provided and may, from time to time, provide personal information ("Data") to the Manager. The Data may be processed and used by the Manager and provided to the Trustee, or any of the Manager or Trustee's delegates and/or any other related companies, which provides services within or outside Malaysia. The Data may be processed and used for account opening, processing of transactions, provision of financial services or any other related services and general business purposes including direct marketing and compliance with regulatory requirements.

The Investors shall have the right to access and correct any Data in the Manager's possession or control where such Data is incorrect or incomplete.

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## 1. Corporate Directory

### The Manager

**Nomura Asset Management Malaysia Sdn Bhd (748695-A)**

#### Registered Office/ Business Address

Suite No. 12.2, Level 12, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia  
Tel: 03-2027 6688  
Fax: 03-2027 6624  
Email: namm@nomura-asset.com.my

### Board of Directors of the Manager

Nor Rejina Binti Abdul Rahim  
Kenichi Suzuki  
Johari Bin Abdul Muid  
Toshihiko Matsunaga  
Yoshihiro Namura

### Manager's Delegate

(fund valuation & accounting function)

#### CIMB Commerce Trustee Berhad

##### Business address

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel : 03-2261 8888  
Fax: 03-2261 9886

### Manager's Delegate

(registrar and transfer agency functions)

#### CIMB BANK BERHAD

##### Business address

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel : 03-2261 8888  
Fax: 03-2261 9892

### Company Secretaries

Wong Wai Foong (MAICSA No. 7001358)  
Tan Bee Hwee (MAICSA No. 7021024)

### TRICOR Corporate Services Sdn Bhd (779773-H)

Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur  
Tel No: (603) 2783 9191  
Fax No: (603) 2783 9111

### Solicitors

Messrs. Soon Gan Dion & Partners  
1<sup>st</sup> Floor, No. 73, Jalan SS 21/1A  
Damansara Utama  
47400 Petaling Jaya

### Trustee

**CIMB Commerce Trustee Berhad (313031-A)**

#### Registered Office

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel: 03 - 2261 8888  
Fax: 03 - 2261 0099  
Web: [www.cimb.com](http://www.cimb.com)

#### Business Office

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel : 03 - 2261 8888  
Fax: 03-2261 9889

### Trustee's Delegate

(custodian)

**CIMB Bank Berhad (13491-P)**

#### Business address

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel : 03 - 2261 8888  
Fax: 03-2261 9892

### Tax Adviser

**PricewaterhouseCoopers Taxation Services Sdn. Bhd. (464731-M)**

Level 10, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
P.O. Box 10192  
50706 Kuala Lumpur

### Auditors for the Fund

**PricewaterhouseCoopers**

Level 10, 1 Sentral, Jalan Travers  
Kuala Lumpur Sentral  
P.O. Box 10192  
50706 Kuala Lumpur

### Principal Banker

**CIMB BANK BERHAD**

#### Business address

Ground Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel : 03-2261 8888  
Fax: 03-2261 9889

## 2. Glossary

<b>the Act or CMSA 2007</b>	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
<b>Base Currency</b>	Means the currency in which the Fund and the Target Fund are denominated i.e. USD.
<b>Bursa Malaysia</b>	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be changed to from time to time.
<b>Business Day</b>	A day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.
<b>Central Bank</b>	means the Central Bank of Ireland.
<b>Class A USD</b>	Refers to a class of units offered by the Target Fund.
<b>Class(es)</b>	Means any number of Class(es) of Unit(s) representing similar interests in the assets of the Fund and "Class" means any one Class of Units.
<b>Class USD</b>	Refers to a class of units of the Fund which is denominated in USD, offered to Sophisticated Investors.
<b>Class MYR</b>	Refers to a class of units of the Fund which is denominated in MYR, offered to Sophisticated Investors.
<b>Company</b>	Refers to Nomura Funds Ireland PLC.
<b>CUTA</b>	Means the corporate unit trust adviser registered with FIMM.
<b>Debt and Debt Related Securities</b>	includes but is not limited to (i) convertible bonds, (ii) preferred securities, (iii) zero coupon, pay-in-kind or deferred payment securities, (iv) variable and floating rate instruments, (v) Eurodollar bonds and Yankee bonds and (vi) corporate bonds.
<b>Deed(s)</b>	Refers to the Deed dated 22 November 2016 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed.
<b>Distributors EEA</b>	Means any CUTA or IUTA authorised by the Manager means the countries for the time being comprising the European Economic Area (being at the date of the prospectus of the Company; European Union Member States, Norway, Iceland and Liechtenstein).
<b>Equity and Equity Related Securities</b>	includes but is not limited to equities, depository receipts, convertible securities (such as convertible preference shares) and preferred shares.
<b>EUR</b>	Means the Euro Dollar, the lawful currency of the participating states of the European Union.
<b>FIMM</b>	Means the Federation of Investment Managers Malaysia.
<b>Financial Institution</b>	Means (1) if the institution is in Malaysia – <ul style="list-style-type: none"> <li>(i) Licensed Bank;</li> <li>(ii) Licensed Investment Bank;</li> <li>(iii) Development Financial Institutions (DFIs); or</li> <li>(iv) Islamic Bank;</li> </ul> (2) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorised by the relevant

	banking regulator to provide financial services.
<b>Forward Pricing</b>	Means the method of determining the price of a Unit which is the NAV per Unit calculated at the next valuation point after an application for purchase or repurchase request is received by the Manager.
<b>Fund</b>	Refers to Nomura Global High Conviction Fund.
<b>GST</b>	Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
<b>Guidelines</b>	<i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC and as amended from time to time.
<b>Index</b>	means the MSCI All Countries World Index.
<b>Index Country</b>	means a country which forms part of the Index.
<b>Information Memorandum</b>	Means this offer document in respect of this Fund.
<b>Institutional Unit Trust Advisers (IUTA)</b>	Means institutional unit trust adviser, which is an institution, a corporation or an organisation that is registered with the FiMM to market and distribute unit trust funds.
<b>Investment Manager</b>	Refers to Nomura Asset Management U.K. Ltd being the investment manager of the Target Fund.
<b>Licensed Bank</b>	Means a bank licensed under Financial Services Act 2013.
<b>Licensed Investment Bank</b>	Means an investment bank licensed under Financial Services Act 2013.
<b>the Manager or We</b>	Refers to Nomura Asset Management Malaysia Sdn Bhd.
<b>Member State</b>	means a member state of the European Union (the "EU").
<b>MYR</b>	Means the Malaysian Ringgit, the lawful currency of Malaysia.
<b>NAV</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point; solely for the purpose of computing the annual management fee and annual trustee fee, the NAV of a Fund is inclusive of the management fee and trustee fee for the relevant day; where a Fund has more than one Class of Units, there shall be a Net Asset Value of the Fund attributable to each Class of Units.
<b>NAV per Unit</b>	Means the Net Asset Value of the Fund at a particular valuation point divided by the number of Unit in Circulation at the same valuation point; where the Fund has more than one Class of Units, there shall be a Net Asset Value per Unit for each Class of Units; the Net Asset Value per Unit of a Class of Units at a particular valuation point shall be the Net Asset Value of the Fund attributable to that Class of Units divided by the number of Units in circulation of that Class of Units at the same valuation point.
<b>Recognised Exchange</b>	means the stock exchanges or markets set out in Appendix II of the prospectus of the Company.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>Repurchase Price</b>	Means the price payable to a Unit Holder by the Manager for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.
<b>SC</b>	Means the Securities Commission Malaysia established under the Securities Commission Act 1993.
<b>Sales Charge</b>	Means a charge imposed pursuant to the Unit Holder's purchase request.



<b>Selling Price</b>	Means the NAV per Unit payable by the Unit Holder for the Manager to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
<b>Share</b>	means a participating share or, save as otherwise provided in the prospectus of the Company, a fraction of a participating share in the capital of the Company.
<b>Shareholder</b>	means a person who is registered as the holder of Shares in the register of shareholders for the time being kept by or on behalf of the Company.
<b>Sophisticated Investors</b>	<p>Refers to –</p> <ol style="list-style-type: none"> <li>(1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;</li> <li>(2) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(3) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(4) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(5) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(6) a unit trust scheme or prescribed investment scheme;</li> <li>(7) a private retirement scheme;</li> <li>(8) a closed-end fund approved by SC;</li> <li>(9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(10) a corporation that is a public company under the Companies Act 1965 which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(11) a statutory body established by an Act of Parliament or an enactment of any State;</li> <li>(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53];</li> <li>(13) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence;</li> <li>(14) a licensed institution;</li> <li>(15) an Islamic bank licensee;</li> <li>(16) an insurance company licensed under the Financial Services Act 2013;</li> <li>(17) a takaful licensee registered under the Islamic Financial Services Act 2013;</li> <li>(18) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [704];</li> <li>(19) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [705];</li> </ol>

	and
	(20) such other investor(s) as may be permitted by the Securities Commission Malaysia from time to time and/or under the relevant guidelines for wholesale funds.
<b>Special Resolution</b>	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of winding-up the Fund or a Class, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
<b>Supplement</b>	means a supplement to the prospectus of the Company specifying certain information in respect of the Target Fund and/or one or more classes of the Target Fund.
<b>Target Fund</b>	Means Nomura Funds Ireland – Global High Conviction Fund.
<b>Trustee</b>	Refers to <b>CIMB Commerce Trustee Berhad</b> .
<b>UCITS</b>	means an Undertaking for Collective Investment in Transferable Securities established pursuant to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 as amended, consolidated or substituted from time to time.
<b>UCITS Notices</b>	means the notices issued by the Central Bank from time to time in relation to a UCITS pursuant to the UCITS Regulations.
<b>UCITS Regulations</b>	means the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended consolidated or substituted from time to time) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force.
<b>Unit or Units</b>	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund and if the Fund has more than one class of Units, it means a Unit issued for each Class.
<b>Units in Circulation</b>	Means Units created and fully paid for and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
<b>Unit Holder or Unit Holders or You</b>	Refers to the person or persons registered for the time being as the holder or holders of Units of the Fund including persons jointly registered.
<b>USD</b>	Means United States Dollar, the lawful currency of United States of America.
<b>US Person</b>	Means a US citizen or US tax resident individual, (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), a US corporation, US partnership, US trust or US estate for US federal income tax purposes.



### 3. About the Fund

Classes of the Fund	Class USD	Class MYR
<b>Fund Category</b>	Equity feeder (wholesale)	
<b>Base Currency</b>	USD	
<b>Fund Type</b>	Growth	
<b>Launch Date</b>	13 December 2016	
<b>Initial Offer Price</b>	USD1.00	MYR1.00
	<p>* The price of Units will be based on the NAV per Unit.</p> <p>** The price of Units offered for purchase during the initial offer period.</p> <p>*** The price of Units will revert to the initial offer price in the event where there are no Units in circulation.</p>	
<b>Initial Offer Period</b>	Fifty one (51) days commencing from the Launch Date or such other shorter period as may be determined by the Manager. The Manager may shorten the Initial Offer Period if the Manager is of the view that it is timely to commence the Fund to enable it to purchase assets of the Fund due to market conditions.	
<b>Cooling-Off</b>	There is no cooling-off right available to investors of this Fund.	
<b>Investors' Profile</b>	Based on the investment objective of the Target Fund, the Fund is suitable for Sophisticated Investors seeking long-term income and capital growth and who are prepared to accept a higher level of volatility.	
<b>Financial Year End</b>	31 August	
<b>Distribution Policy</b>	<p>Distribution of income, if any, is subject to the availability of income and shall be in line with the dividend policy of the Target Fund.</p> <p>If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders.</p> <p>Modes of distributions available to the Unit Holders are as follows:</p> <ul style="list-style-type: none"> <li>• Pay-out Option: Distribution proceeds paid directly to the Unit Holders in the form of cash via telegraphic transfer; or</li> <li>• Reinvestment Option: Distribution proceeds will be reinvested as additional Units to the Fund based on the NAV per Unit without costs on the income payment date which is on the third (3<sup>rd</sup>) Business Day after the income declaration date.</li> </ul> <p>If Unit Holders do not indicate their preferred mode of distribution, distribution proceeds will be automatically reinvested as additional Units of the Fund at the NAV per Unit on the date as mentioned above.</p> <p>Distribution proceeds will be paid in the currency in which a class of Unit is denominated.</p>	

<b>Investment Objective</b>	<p>The Fund seeks to achieve long term capital growth by investing in the Target Fund which invests primarily in global equity securities.</p> <p>Note : Any material change to the Fund's investment objective would require Unit Holders' approval.</p>
<b>Performance Benchmark</b>	<p>MSCI All Country World Index</p> <p>The risk profile of this Fund is different from the risk profile of the benchmark.</p>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• A maximum of 99.5% of the Fund's NAV to be invested in the Target Fund; and</li> <li>• A minimum of 0.5% of the Fund's NAV may be kept in cash or invested in money market instruments, fixed deposits and/or liquid assets.</li> </ul>
<b>Investment Strategies</b>	<p>The Fund will invest up to a maximum of 99.5% of the Fund's NAV in the Target Fund; the remaining Fund's NAV not invested in the Target Fund will be kept in cash or invested in money market instruments, fixed deposits and/or liquid assets. The investment strategy of the Target Fund is to achieve potentially higher excess returns than a diversified portfolio and expecting returns from the concentrated stock holdings to be less diluted as compared to a diversified portfolio. When considering any investments, the Target Fund will analyse the investee companies' management quality and corporate governance as an indicator to company behavior.</p> <p>The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investment into the Target Fund and raise liquidity level of the Fund during adverse market conditions to protect the Unit Holders' interest. The Manager may use derivatives, such as foreign exchange forward contracts and cross currency swaps for hedging purposes. Cross currency swaps and/or foreign exchange forward contracts may be used to hedge the principal and/or the returns of the foreign currency exposure of any of the classes against the Base Currency of the Fund. The employment of derivatives under these circumstances is expected to reduce the impact of foreign currency movements on the Fund's NAV irrespective of the currency classes. While the hedging strategy will assist with mitigating the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well. The Fund may also employ derivatives for investment purposes to enhance the returns of the Fund by taking a view on the underlying asset or currency and establish a long position to gain a specific underlying exposure. The types of derivatives envisaged for investment purposes include forwards and swaps which are over-the-counter or traded on centralized exchange.</p>
<b>Permitted Investment</b>	<p>The Fund is allowed to invest in the following investments:</p> <ul style="list-style-type: none"> <li>(a) Collective investment scheme;</li> <li>(b) Money market instruments;</li> <li>(c) Fixed deposits with Financial Institutions;</li> </ul>

	<p>(d) Derivatives; and</p> <p>(e) Any other form of investments as may be determined by the Manager from time to time that is in line with the Fund's objective.</p>
<b>Denomination of the Fund</b>	<p>The transaction for the Fund listed in this Information Memorandum is denominated in USD as it is the Base Currency for the Fund. The Manager may create new classes of Units in respect of the Fund in the future. Unit Holders will be notified of the issuance of the new classes of Units by way of communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement information memorandum.</p>
<b>Cross Trades Policy</b>	<p>We may conduct cross trades between funds we currently manage provided that all criteria imposed by the regulators are met. Notwithstanding this, cross trades between the personal account of our employee and the Fund's account(s); and between our proprietary trading accounts and the Fund's account(s) are strictly prohibited.</p>
<b>Unit holdings in Different Classes</b>	<p>You should note that there are differences when purchasing Units of a Class other than Class MYR in the Fund.</p> <p>For illustration purposes, assume the exchange rate of a Class (other than Class MYR) and MYR is 4.2, and you have RM10,000 to invest. The Class (other than Class MYR) is priced at USD1.00, while the Class MYR is priced at MYR1.00. By purchasing Units in the Class MYR, you will receive more Units for every MYR invested in the Fund (i.e. 10,000 Units) compared to purchasing Units in a Class (other than Class MYR) (i.e. 2,381 Units).</p> <p>Upon a poll every Unit Holder present in person or by proxy shall be proportionate to the value of Unit held by him or her. Hence, holding more number of Units may not give you an advantage when voting at Unit Holders meetings. You should note that in a Unit Holders' meeting to terminate or wind up the Fund, a Special Resolution may only be passed by a majority in number representing at least three-fourths (<math>\frac{3}{4}</math>) of the value of the Units held by Unit Holders voting at the meeting, and not based on number of Units held.</p>

#### 4. About the Target Fund

Nomura Funds Ireland PLC ("the Company") is an open-ended investment company with variable capital, incorporated in Ireland on 13<sup>th</sup> April, 2006 under the Ireland Companies Act, 2014 (and every amendment or re-enactment of the same) with registration number 418598. The Company has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The Target Fund is a sub-fund of Nomura Funds Ireland PLC ("the Company"). The Company is an open-ended umbrella type investment company with segregated liability between each of its sub-funds authorised by the Central Bank of Ireland (the "Central Bank") on 30<sup>th</sup> August, 2006 as a UCITS pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different sub-funds each comprising

one or more classes. The Company has segregated liability between each of its sub-funds. The Shares issued in each sub-fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular class, dividend policy, the level of fees and expenses to be charged or the minimum subscription and minimum holding applicable. The assets of each sub-fund will be invested separately on behalf of such sub-fund in accordance with the investment objective and policies of such sub-fund. A separate portfolio of assets is not maintained for each class. The investment objective and policies and other details in relation to each sub-fund are set out in the relevant Supplement which forms part of and should be read in conjunction with the prospectus of the Company.

The Company has appointed Nomura Asset Management U.K. Ltd (“the Investment Manager”) to act as investment manager of the Company. The Investment Manager was incorporated in England in 1984 and is a wholly owned subsidiary of Nomura Asset Management Co., Ltd., Tokyo.

The Investment Manager had in excess of US\$17.4 billion of assets under management as of 30 October 2016.

The Investment Manager has a long established reputation for the management of Far Eastern equities including the emerging markets in the region. The Investment Manager is authorised and regulated by the Financial Conduct Authority in United Kingdom.

The Investment Manager has the responsibility for the investment management, on a discretionary basis, of the assets of the Target Fund. Under the terms of the Investment Management Agreement, the Investment Manager is responsible, subject to the overall supervision and control of the directors of the Company, for managing the assets and investments of Target Fund in accordance with the investment objective and policies of the Target Fund. The Company shall not be liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Manager or for its own acts or omissions in following the advice or recommendations of the Investment Manager.

<b>Name of the Target Fund</b>	Nomura Funds Ireland – Global High Conviction Fund
<b>Type of Class</b>	Class A USD Shares
<b>Base Currency</b>	USD
<b>Date of Establishment</b>	21 December 2015
<b>Target Fund Investment Manager</b>	Nomura Asset Management U.K. Ltd
<b>Custodian</b>	Brown Brothers Harriman Trustee Services (Ireland) Ltd
<b>Country of Origin</b>	Ireland
<b>Regulatory Authority</b>	Central Bank of Ireland
<b>Investment Objective</b>	To achieve long-term capital growth through investment in a concentrated, actively managed portfolio of global equity securities.
<b>General Investment Policy</b>	The Target Fund shall invest, under normal market conditions, primarily (at least 65% of net assets) in Equity and Equity-Related Securities listed or traded on a Recognised Exchange in an Index Country.

The Target Fund may also invest from time to time in Equity and Equity-Related Securities listed or traded on a Recognised Exchange in a non-Index Country, when market opportunities so arise.

The Target Fund may also hold exposure to Index and non-Index Countries through investment in such instruments as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), Non-Voting Depositary Receipts (NVDRs) or Participatory Notes (PNotes) (as further described in Section 8 of the Supplement) and which will be listed on a Recognised Exchange.

The Target Fund may invest in Equity and Equity-Related Securities (such as convertible securities) with embedded derivative instruments. While these securities may embed a derivative element, (such as an option, which would give the holder the option to buy the underlying asset at a predetermined price), they will not embed any leverage.

It is anticipated that the Target Fund will invest on a long-only basis across a range of capitalisations but generally this will be from medium cap to high cap. There is no particular industry / sector focus to the Target Fund's investments.

The Target Fund will be highly concentrated in that it will own approximately 20 stocks and aims to generate a higher excess return than is available from a more diversified portfolio. Investors should note that due to the highly concentrated nature of the portfolio, the Target Fund is likely to have a higher annualised absolute volatility than a more diversified portfolio. Annualised volatility can be described as the distribution of periodic returns recalculated in such a way to show the level of volatility as if over a one year period. A more concentrated portfolio is likely to experience higher volatility of returns than a less concentrated portfolio as the impact on portfolio returns from the movement in one holding will, by definition, be higher when the weight of that holding within the portfolio is higher.

While it is intended to monitor the performance of the Target Fund as against the Index, the Target Fund will not replicate the Index and may, by the nature of the bottom-up stock picking investment approach adopted by the Investment Manager, take positions in Equity and Equity-Related Securities which differ significantly from the weight of such Equity and Equity-Related Securities in the Index.

The Investment Manager has a disciplined process for selecting securities. It is ultimately based on detailed analysis of company fundamentals such as revenue, operating profit and capital expenditure and estimation of intrinsic value using discounted cash flow (a technique for calculating the present value of cash flows expected in the future). However, to focus the efforts of the investment analysis the Investment Manager utilises screening tools. The primary function of the screening tools is to focus analytical efforts on companies that the Investment Manager believes could be attractive investments. These screens use dividend yield (dividend per share divided by share price), dividend growth (increase in dividend over preceding years), return on capital (after tax operating profit of a company divided by the value of capital invested in it) and size by market capitalisation as factors and results in a group of approximately 1000 stocks globally. The Investment Manager then uses further analytical tools such as an internal scoring and ranking system, simple discounted cash flow analysis and judgement to shorten the list to around 200-300 stocks that could be candidates for the Target Fund and then selects approximately 20 based on a judgemental assessment of quality and valuation upside.

The Target Fund may hold up to 10% of net assets in Debt and Debt-Related Securities, which are listed or traded on Recognised Exchanges, that it receives or purchases in connection with its ownership of certain Equity and Equity-Related Securities and accordingly, holding such Debt and Debt-Related Securities will be as a result of investment in Equity and Equity-Related Securities. This occurs in circumstances where the Target Fund has purchased Equity and Equity-Related Securities which have subsequently been subject to a corporate action which results in the issuance of Debt and Debt-Related Securities. These Debt and Debt-Related Securities are held by the Target Fund until they can be sold at a price which the Investment Manager believes reflects the underlying value of the security. Such Debt and Debt-Related Securities will be issued by corporations, limited liability companies or limited partnerships, other forms of enterprise and sovereign and quasi-sovereign entities and may be rated either investment grade or non-investment grade by at least one rating agency (such as Moody's, Standard and Poors, Fitch or Rating and Investment Information Inc.).

The Target Fund may invest up to 30% of net assets in emerging market countries at any given time.

The Target Fund may invest up to 10 % of net assets in Russian markets provided that the Target Fund will only invest in securities that are listed / traded on the Moscow Exchange.

#### General

Any changes to the investment objective of the Target Fund and any material changes to the investment policy may not be made without the prior written approval of all Shareholders or approval on the basis of a majority of votes cast at a general meeting of Shareholders of the Target Fund. Any such changes may not be made without the approval of the Central Bank. In the event of a change in investment objective and/or a change to the investment policy, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of such change.

The Target Fund's investments are subject to the investment restrictions as set out in Appendix I of the prospectus of the Company and highlighted below in Permitted Investments and Investment Restrictions.

A list of the stock exchanges and markets in which the Target Fund is permitted to invest, in accordance with the requirements of the Central Bank, is contained in Appendix II to the prospectus of the Company and should be read in conjunction with, and subject to, the Target Fund's investment objective and investment policy, as detailed above. The Central Bank does not issue a list of approved markets. With the exception of permitted investments in unlisted securities and over the counter derivative instruments, investment will be restricted to those stock exchanges and markets listed in Appendix II to the prospectus of the Company.

There can be no assurance that the Target Fund may achieve its investment objective or avoid substantial losses.

#### *Use of Derivatives*

The Target Fund may employ (subject to the conditions and within the limits laid down by the Central Bank) financial derivative instruments and techniques for efficient portfolio management and/or hedging. Efficient portfolio management transactions may be entered into by the Investment Manager



with one of the following aims a) a reduction of risk b) a reduction of cost with no increase or a minimal increase in risk; c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return).

The financial derivative instruments and techniques which may be used by the Target Fund for efficient portfolio management and/or to hedging are futures and forward currency contracts.

#### *Futures*

Futures are contracts to buy or sell a standard quantity of a specific underlying at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures may also be cash settled. Futures contracts allow investors to hedge against risk or gain exposure to the underlying asset (details of which are set out below). Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying prior to the contract's expiry date. Futures may be used where its market access is easier, more liquid or more cost-efficient than direct exposure to the underlying itself. Futures can be used to express both positive and negative views on the underlying, hence, they can create a synthetic short position.

The Target Fund may use the following futures:

**Foreign exchange futures** which may be used to take a long or short position in or hedge a currency exposure. For example in order to express the view that the USD will depreciate against the EUR the Investment Manager may choose to enter into a long EUR short USD future.

**Index futures** which may be used to take long or short exposure to a particular index such as an equity index. For example in order to express a positive view on emerging market stocks the Investment Manager may choose to go long on an MSCI emerging market future.

**Equity futures** may be used to purchase or sell a stock on a specified date at a predetermined price, for example instead of buying a certain stock outright in physical format the Investment Manager may choose to go long a future on such stock.

**Dividend futures** allow the Investment Manager to take positions on future dividend payments on a single company, a basket of companies or on an equity index. Dividend futures may be used to take a long or short position in dividends, for example in order to express a positive view on dividends the Investment Manager may choose to go long a dividend future, or, in order to take a negative view on dividends, the Investment Manager may choose to short a dividend future.

#### *Forwards*

The Target Fund may also enter into forward contracts. In a forward, the contract holders are obliged to buy or sell a particular underlying at a specified price in a specified quantity and on a specified future date. Forwards may also be cash settled. In contrast to futures, forwards are not traded on an exchange, but in the OTC market. Forward contracts may be used to hedge or generate exposure. They can be used to express both positive and negative views on the underlying assets, hence they can create a synthetic short position.

	<p>The Target Fund may use foreign exchange forwards. Foreign exchange forwards may be used to hedge or take a long or short position in a currency exposure, for example in order to express the view that the USD will depreciate against the EUR the Investment Manager may choose to enter into a long EUR short USD forward.</p> <p>The use of financial derivative instruments by the Target Fund may create leverage. To the extent that leverage is employed, leverage will be measured using the commitment approach of measuring risk, whereby such leverage cannot exceed 100 % of the Net Asset Value of the Target Fund. In practice, it is anticipated that the use of financial derivative instruments by the Target Fund will be minimal and, therefore, the actual level of leverage will be in the region of 10% of the Net Asset Value of the Target Fund. It is possible that the Target Fund may be leveraged up to 100% of Net Asset Value at any point in time.</p> <p>The Target Fund may, subject to the conditions and limits laid down by the Central Bank, enter into stock lending, repurchase agreements and reverse repurchase agreements for the purpose of efficient portfolio management only.</p> <p>It is expected that the use of financial derivative techniques and instruments may increase the Target Fund's risk level.</p>
<b>Permitted Investments and Investment Restrictions</b>	<p><b>1. Permitted Investments</b></p> <p>Investments of the Target Fund are confined to:</p> <ol style="list-style-type: none"> <li>1.1. Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.</li> <li>1.2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year</li> <li>1.3. Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market</li> <li>1.4. Units of UCITS.</li> <li>1.5. Units of non-UCITS as set out in the Central Bank's Guidance Note 2/03.</li> <li>1.6. Deposits with credit institutions as prescribed in the UCITS Notices</li> <li>1.7. Financial derivative instruments as prescribed in the UCITS Notices.</li> </ol> <p><b>2. Investment Restrictions</b></p> <ol style="list-style-type: none"> <li>2.1. The Target Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.</li> <li>2.2. The Target Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Target Fund in certain United States of America ("US") securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> </ul> </li> </ol>

- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.
- 2.3. The Target Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4. Subject to the approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. If the Target Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Target Fund.
- 2.5. The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6. The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7. The Target Fund may not invest more than 20% of net assets in deposits made with the same credit institution.  
Deposits with any one credit institution, other than
  - a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
  - a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
  - a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
 held as ancillary liquidity, must not exceed 10% of net assets.  
This limit may be raised to 20% in the case of deposits made with the trustee/custodian.
- 2.8. The risk exposure of the Target Fund to a counterparty arising from over the counter ("OTC") derivatives and efficient portfolio management techniques may not exceed 5% of net assets.  
This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
  - investments in transferable securities or money market instruments;
  - deposits, and/or
  - risk exposures arising from OTC derivatives transactions.
- 2.10. The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35%

of net assets.

2.11. Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

2.12. The Target Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members, drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority.

The Target Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### **3. Investment in Collective Investment Schemes ("CIS")**

3.1. Unless otherwise stated in the Target Fund's Supplement, the Target Fund may not invest more than 10% of net assets in aggregate in underlying CIS.

3.2. The CIS are prohibited from investing more than 10 per cent of net assets in other CIS.

3.3. When the Target Fund invests in the units of other CIS that are managed, directly or by delegation, by any company with which the Target Fund is linked by common management or control, or by a substantial direct or indirect holding, that other company may not charge subscription, conversion or redemption fees on account of the Target Fund's investment in the units of such other CIS.

3.4. Where a commission (including a rebated commission) is received by the Target Fund/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Target Fund.

3.5. The Target Fund may not invest in another sub-fund of the Company, which itself holds shares in other sub-funds of the Company.

3.6. In the event that the Target Fund invests in another sub-fund of the Company, the Investment Manager may not charge an annual management fee on the relevant portion of the assets of the investing sub-fund and/or the underlying sub-fund in order to avoid double charging of its annual management fee.

### **4. General Provisions**

4.1. The Target Fund, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

4.2. The Target Fund may acquire no more than:

- (i) 10% of the non-voting shares of any single issuing body;

- (ii) 10% of the debt securities of any single issuing body;
- (iii) 25% of the units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

4.3. 4.1 and 4.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by the Target Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices 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. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 4.1, 4.2, 4.4, 4.5 and 4.6, and provided that where these limits are exceeded, paragraphs 4.5 and 4.6 below are observed;
- (v) Shares held by the Target Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

4.4. The Target Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

4.5. The Central Bank may allow a recently authorised sub-fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

4.6. If the limits laid down herein are exceeded for reasons beyond the control of the Target Fund, or as a result of the exercise of subscription rights, the Target Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

4.7. The Target Fund may not carry out uncovered sales of:

- transferable securities;
- money market instruments;
- units of CIS; or
- financial derivative instruments.

4.8. The Target Fund may hold ancillary liquid assets.

## **5. Financial Derivatives Instruments ("FDIs")**

5.1. The Target Fund's global exposure (as prescribed in the UCITS

	<p>Notices) relating to FDI must not exceed its total net asset value.</p> <p>5.2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities, money market instruments or collective investment undertakings, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the Investment Manager will look through the FDI (including embedded FDI) to determine the resultant position exposure. This position exposure will be taken into account in the issuer concentration calculations. It will be calculated using the commitment approach. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.)</p> <p>5.3. The Target Fund may utilise FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</p> <p>5.4. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.</p> <p><b>6. Restrictions on Borrowing and Lending</b></p> <p>6.1. The Target Fund may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. The Target Fund may charge its assets as security for such borrowings.</p> <p>6.2. The Target Fund may acquire foreign currency by means of a "back to back" loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the borrowing restrictions set out at (a) above provided that the offsetting deposit:</p> <ul style="list-style-type: none"> <li>(i) is denominated in the base currency of the Target Fund; and</li> <li>(ii) equals or exceeds the value of the foreign currency loan outstanding.</li> </ul>
Preliminary charge	<b>No preliminary charge will be imposed</b>
Repurchase fee	<b>No repurchase fee will be imposed</b>
Management fee	<p>Up to 1.4% per annum of the net asset value of Class A Shares in the Target Fund</p> <p><b><i>Please note that management fee will only be charged once at the Fund level. The management fee charged to the Target Fund by the Investment Manager will be rebated back to the Fund.</i></b></p>
Other fees	<p>The Fund will incur certain indirect fees which are charged to the Target Fund. Such fees may include, among others, fund administrator fee, custodian fee, trustee fee, directors' fees, taxes, audit fees, statutory fees and other miscellaneous and operating charges payable by the Target Fund.</p> <p><b>UNIT HOLDERS SHOULD BE AWARE THAT THEY WILL BE SUBJECTED TO HIGHER FEES ARISING FROM THE LAYERED INVESTMENT STRUCTURE.</b></p>



Please take note of Page 50 of the prospectus of the Company:-

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of a Sub-Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed. Redemption requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Fund may, with the consent of the individual Shareholders and subject to the approval of the Custodian, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the relevant Sub-Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder. The selection of assets of the relevant Sub-Fund to be transferred in specie shall be subject to the approval of the Custodian.

## 5. Understanding the risks of the Fund and the Target Fund

Below are the risks associated with the investments of the Fund and the Target Fund. Before investing, you should first consider these factors. You are recommended to read the whole Information Memorandum to assess the risk of the Fund and the Target Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk.

### GENERAL RISKS OF THE FUND

#### Market risk

Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.

**Fund management risk**

The performance of the Fund depends on the experience and expertise of the fund manager to generate returns. Lack of any of the above mentioned may adversely affect the performance of the Fund.

**Performance risk**

This Fund is a feeder fund which invests in another collective investment scheme, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund. If the Target Fund does not perform in accordance with its objective, the performance of the Fund will also be impacted negatively. The performance of the Target Fund and consequently of this Fund may go down as well as up, depending on the circumstances prevailing at a particular given time. On that basis, there is never a guarantee that investing in the Fund will produce a positive investment returns in accordance with its objective.

**Inflation risk**

Inflation risk is the risk of loss in the purchasing power due to general increase of consumer prices. Inflation erodes the nominal rate of your return giving you a lower real rate of return. Inflation is thus one of the major risks to you and results in uncertainty over the future value of investments. You are advised to take note that this Fund is not constituted with the objective of matching the inflation rate of Malaysia. The Fund has a specified objective that it seeks to achieve without having regard to the inflation rate. If your investment objective is to match the inflation rate (so as not to lose your purchasing power over time), this Fund may not be suitable for you.

**Loan financing risk**

If you intend to purchase Units of this Fund by means of borrowed/ financed moneys and pledging those Units as collateral for the borrowed/ financed moneys, you should be aware that if the NAV attributable to the Units falls below the borrowed/ financed amount, the lender may require you to provide additional forms of collateral. You should be aware that the cost of borrowing may rise if the interest rates move up especially if your borrowing is based on floating interest rates (i.e. not a fixed rate). Thus, the cost of borrowings may even be higher than any returns that you may eventually make from your investments in this Fund.

**Risk of non-compliance**

This refers to the risk where the Manager does not comply with the applicable rules, laws, regulations or the Deed. Although not every non-compliance will necessarily result in some losses to the Fund, there is always a risk that losses may be suffered by the Fund. For instance, if the Manager is forced to dispose off any investments of the Fund at loss to resolve the non-compliance. Notwithstanding that, the Manager has imposed stringent internal compliance controls to mitigate this risk.

**Operational risk**

This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to you. The Manager will regularly review its internal policies and system capability to mitigate instances of this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.

## SPECIFIC RISKS OF THE FUND

### **Concentration risk**

The Fund is a feeder fund which invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as the Manager is allowed to take temporary defensive positions in response to adverse market conditions. The Manager is also able to substitute the Target Fund with another fund with similar objective of the Fund if, in the Manager's opinion, the Target Fund no longer meets the Fund's objective subject to Unit Holders' approval with prior notification to SC.

### **Liquidity risk**

This is the risk that the units of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of units of the Target Fund. The Investment Manager may suspend the realisation of units, or delay the payment of realisation proceeds in respect of any realisation request received, during any periods in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders. In managing liquidity risk, the Manager will maintain a sufficient liquidity level for the purposes of meeting repurchase requests.

### **Country risk**

Since the Fund invests in the Target Fund which is established in Ireland and may invest globally, the Fund will be exposed to risks specific to Ireland as well as globally. The changes or developments in the regulations, political environment and the economy of the above countries may impact the Target Fund which will in turn affect the Fund.

### **Currency risk**

Currency risk is also known as foreign exchange risk where the risk is associated with the Fund's underlying investments which are denominated in different currencies than the Fund's Base Currency, i.e. USD. The impact of the exchange rate movement between USD and the currencies of the underlying investments may result in depreciation or appreciation of the value of the Fund's investments as expressed in USD.

Investors should also be aware that currency risk is applicable to Classes which are in different currencies than the Fund's Base Currency, i.e. USD. The impact of the exchange rate movement between the base currency of the Fund and the currencies of the respective Classes may result in depreciation or appreciation of the investors' holdings as expressed in USD.

### **Target Fund Manager risk**

As a feeder fund, the Fund invests into the Target Fund which is managed by the Investment Manager. The Manager has no control over the investment technique and knowledge, operational controls and management of the Investment Manager. In the event of any mismanagement of the Target Fund, the NAV of the Fund, which invests substantially all of its assets into the Target Fund, would be affected adversely.

## SPECIFIC RISKS OF THE TARGET FUND

### **Market Capitalisation Risk**

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

### **Market risk**

Some of the Recognised Exchanges in which the Target Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which the Target Fund may liquidate positions to meet redemption requests or other funding requirements.

### **Exchange Control and Repatriation risk**

It may not be possible for the Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. The Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

### **Political, Regulatory, Settlement and Sub-Custodian risk**

The value of the Target Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As the Target Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of the Target Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the custodian will have no liability.

### **Legal Infrastructure**

Company laws in some of the targeted countries may be at an early stage of development. As these countries develop, certain new laws might have a negative impact on the value of an investment which cannot be foreseen at the time the investment is made. As the efficacy of such laws are as yet uncertain, there can be no assurance as to the extent to which rights of foreign Shareholders can be protected. In addition, there may also be a shortage of qualified judicial and legal professionals to interpret or advise upon recently enacted and future laws in some jurisdictions.

### **Liquidity risk**

Not all securities or instruments invested in by the Target Fund will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The

Target Fund may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### **Redemption risk**

Large redemptions of Shares in the Target Fund might result in the Target Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### **Credit risk**

There can be no assurance that issuers of the securities or other instruments in which the Target Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. The Target Fund will also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

### **Currency risk**

Assets of the Target Fund may be denominated in a currency other than the Base Currency of the Target Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Target Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial derivative instruments.

The Target Fund may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. The Target Fund will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of the Target Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of the Target Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Target Fund may not correspond with the securities positions held.

The Target Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of the Target Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

### **Investing in Fixed Income Securities**

Investment in fixed income securities is subject to interest rate, sector, security, default and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, the Target Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

### **Changes in Interest Rates**

The value of Shares may be adversely affected by substantial movements in interest rates.

### **Amortised Cost Method**

Some or all of the investments of the Target Fund may be valued at amortised cost. Investors' attention is drawn to the Section of the prospectus of the Company entitled "Net Asset Value and Valuation of Assets" for further information. The amortised cost method may only be used to value the Target Fund which is a money market fund or to value securities with a residual maturity not exceeding six months.

In periods of declining short-term interest rates, the inflow of net new money to the Target Fund from the continuous issue of Shares will likely be invested in portfolio instruments producing lower yields than the balance of the Target Fund's portfolio, thereby reducing the current yield of the Target Fund. In periods of rising interest rates, the opposite can be true.

### **Valuation risk**

The Target Fund may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Directors or their delegate in good faith in consultation with the Investment Manager as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

### **Accounting, Auditing and Financial Reporting Standards**

The accounting, auditing and financial reporting standards of many of the countries in which the Target Fund may invest may be less extensive than those applicable to US and European Union companies.

### **Derivatives and Techniques and Instruments risks**

#### *General*

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Target Fund's securities and (4) the possible absence of a liquid market for any particular



instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

The Target Fund may be invested in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

#### *Liquidity of Futures Contracts*

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Target Fund from liquidating unfavourable positions.

#### *Futures and Options Risk*

The Investment Manager may engage in various portfolio strategies on behalf of the Target Fund through the use of futures and options. Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Target Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the Target Fund. On execution of an option the Target Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

#### *Foreign Exchange Transactions*

Where the Target Fund utilises derivatives which alter the currency exposure characteristics of transferable securities held by the Target Fund the performance of the Target Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Target Fund may not correspond with the securities positions held.

#### *Forward Trading*

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to the Target Fund.

#### *Over-the-Counter Markets Risk*

Where the Target Fund acquires securities on over-the-counter markets, there is no guarantee that the Target Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

#### *Correlation*

Derivatives prices may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded derivatives may also be subject to changes in price due to supply and demand factors.

#### *Loss of Favourable Performance*

The use of derivatives to hedge or protect against market risk or to generate additional revenue by writing covered call options may reduce the opportunity to benefit from favourable market movements.

#### *Counterparty exposure and legal risk*

The use of over the counter derivatives, such as forward contracts, swap agreements and contracts for differences, will expose the Target Fund to credit risk with respect to the counterparty involved and the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

#### *Margin*

The Investment Manager will be obliged to pay margin deposits and option premiums to brokers in relation to futures and option contracts entered into for the Target Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the Target Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The Investment Manager will seek to minimise this risk by trading only through brokers, which are in the opinion of the Investment Manager, high quality or reputable names.

#### *Volatility*

The Net Asset Value of the Target Fund may have a high volatility due to the use of derivatives and the management techniques used. The possible effect on the risk profile of the Target Fund from the use of these instruments and techniques could be to increase volatility when taking additional market or securities exposure although the intention is that volatility should not be markedly different from the Target Fund directly holding the underlying investments.

### **Money Market Instruments Risk**

The Target Fund may invest in deposits or money market instruments. Potential investors and Shareholders should note that an investment in the Target Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares of the Target Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down. An investment in the Target Fund involves certain investment risks, including the possible loss of principal.

### **Securities Lending Risk**

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as the Target Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, the Target Fund, investing collateral, will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

### **Investment Manager Valuation Risk**

The administrator of the Target Fund may consult the Investment Manager with respect to the valuation of certain investments. Since the fees of the Investment Manager are based on the value of the Target Fund's investments (which fees will increase as the value of the Target Fund's investments increases), there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of the Target Fund's investments and the

Investment Manager's other duties and responsibilities in relation to the Target Fund. The Investment Manager has in place pricing procedures designed to ensure fair pricing of all unlisted investments, which follows industry standards for valuing such investments.

### **Tax Risk**

Any change in the Fund's tax status or in taxation legislation could affect the value of the investments held by the Fund and affect the Fund's ability to provide investor returns. Potential investors and Shareholders should note that the statements on taxation which are set out herein and in the Supplement are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of the prospectus of the Company and the Supplement. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely. The attention of potential investors is drawn to the tax risk associated with investing in the Fund. See section headed 'TAXATION' in the prospectus of the Target Fund.

### **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement with respect to the implementation of FATCA (see section entitled "Compliance with US reporting and withholding requirements" for further detail) on 21<sup>st</sup> December 2012. The Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. The supporting most recent Guidance Notes were issued by the Revenue Commissioners on 1 October 2014.

Prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Company.

### **Charging Expenses to Capital Risk**

Where recurring fees and expenses, or a portion thereof, are charged to capital, Shareholders should note that capital may be eroded and income shall be achieved by foregoing the potential for future capital growth. Thus, on redemptions of holdings Shareholders may not receive back the full amount invested. The policy of charging recurring expenses, or a portion thereof, to capital seeks to maximise distributions but it will also have the effect of lowering the capital value of your investment and constraining the potential for future capital growth.

### **Investment in Emerging Markets**

Investing in emerging markets involves risks and special considerations not typically associated with investing in other more established economies or securities markets. Investors should carefully consider their ability to assume the risks listed below before making an investment in the Target Fund. Investing in emerging markets is considered speculative and involves the risk of total loss. Because the Target Fund's investments will be subject to the market fluctuations and risks inherent in all investments, there can be no assurance that the Target Fund's stated objective will be realized. The Target Fund's Investment Manager will seek to minimize these risks through professional management and investment diversification. As with any long-term investment, the value of shares when sold may be higher or lower than when purchased.

### **Investments in ADRs, GDRs, NVDRs and PNotes**

American Depositary Receipts (ADRs) are depository receipts typically issued by a U.S. bank or trust company that evidence ownership of underlying equity securities issued by a foreign corporation. Global Depositary Receipts (GDRs) are typically issued by foreign banks or trust companies, although they also may be issued by U.S. banks or trust companies, and evidence ownership of underlying equity securities issued by either a foreign or a United States corporation. Generally, depository receipts in registered form are designed for use in the U.S. securities market, and depository receipts in bearer form are designed for use in securities markets outside the United States. For purposes of the Target Fund's investment policies, the Target Fund's investments in depository receipts will be deemed investments in the underlying securities.

Non-Voting Depositary Receipts (NVDRs) are trading instruments issued in Thailand by the Thai NVDR Co Ltd. The main purpose of NVDRs is to stimulate trading activity in the Thai stock market. Foreign investors who are interested in investing in these companies may be prevented from doing so because of foreign ownership restrictions under Thai law. NVDRs provide an alternative option for foreign investors. By investing in NVDRs, investors receive the same financial benefits (i.e., dividends, right issues or warrants), as those who invest directly in a company's ordinary shares. The only difference between investing in NVDR and company shares is in regard to voting.

Participatory Notes (PNotes) are instruments issued by registered foreign institutional investors (FII) to overseas investors, who wish to invest in the Indian stock markets without registering themselves with the market regulator, the Securities and Exchange Board of India - SEBI.

### **Investment in Russia**

Investments in companies organized in or who principally do business in the independent states that were once part of the Soviet Union, including the Russian Federation pose special risks, including economic and political unrest and may lack a transparent and reliable legal system for enforcing the rights of creditors and Shareholders of the Target Fund. Furthermore, the standard of corporate governance and investor protection in Russia may not be equivalent to that provided in other jurisdictions. While the Russian Federation has returned to growth, is generating fiscal and current account surpluses, and is current on its obligations to bondholders, uncertainty remains with regard to structural reforms (e.g. banking sector, land reform, and property rights), the economy's heavy reliance on oil, unfavorable political developments and/or government policies, and other economic issues. Evidence of legal title to shares in a Russian company is maintained in book entry form. In order to register an interest of the Target Fund's shares an individual must travel to the company's registrar and open an account with the registrar. The individual will be provided with an extract of the share register detailing his interests but the only document recognised as conclusive evidence of title is the register itself. Registrars are not subject to effective government supervision. There is a possibility that the Target Fund could lose its registration through fraud, negligence, oversight or catastrophe such as a fire. Registrars are not required to maintain insurance against these occurrences and are unlikely to have sufficient assets to compensate the Target Fund in the event of loss. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Target Fund may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Target Fund may find it impossible to enforce its right against third parties. Neither the Fund, the Investment Manager, the custodian or any of their agents make any representation or warranty in respect of, or in guarantee of, the operations or performance of any registrar.

## **6. What Are the Fees and Charges Involved?**

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

***The fees, charges and expenses quoted in this Information Memorandum are exclusive of GST. The Trustee, other service providers of the Fund and the Manager will charge GST at the prevailing rate of 6% on the fees, charges and expenses in accordance with the Goods and Services Tax Act 2014.***

***The following are the charges that may be directly incurred by you.***

<b>Sales Charge</b>	Up to 5.00% of the initial offer price of a Class during the initial offer period, thereafter, on the NAV per Unit of a Class.  Note: The Manager reserves the right to waive or reduce the sales charge from time to time at its absolute discretion.  Investors may negotiate for a lower sales charge through the sales and promotional campaigns from time to time or alternatively, investors may negotiate with their preferred Distributors for a lower sales charge. Investment through the Distributors shall be subject to their respective terms and conditions.
<b>Repurchase Charge</b>	Not applicable
<b>Transfer Fee</b>	Not applicable.
<b>Switching Fee</b>	You are allowed to switch from the Fund into other funds managed by us and to which CIMB Bank Berhad is the registrar and transfer agent for that other fund and provided that the currency denomination of the fund that you intend to switch into is the same as the Fund. A switching fee of up to 1% of the NAV per Unit of the Class switched out from the Fund may be charged within the first six (6) months from the date of your investment.  Note: There is a minimum number of Units that are required to be held within the Fund after a switching transaction is carried out. The minimum holding of Units vary between Classes. Please refer to <i>Section 7 – “Dealing Information”</i> for further details.

***The following are the fees and expenses that you may indirectly incur when you invest in the Fund***

With the issuance of multiple Classes in this Fund, the **indirect** fees and/or charges for the Fund are apportioned based on the size of the Class relative to the whole Fund. This means that the multi-class ratio is calculated by taking the “*value of a Class before income & expenses*” for a particular day and dividing it with the “*value of the Fund before income & expenses*” 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 USD100 and assuming further the size of the Class USD over the size of the Fund is 60% whereas the size of the Class MYR over the size of the Fund is 40%, the ratio of the apportionment based on the percentage will be 60:40, 60% being borne by the Class USD.

<b>Annual Management Fee</b>	<p>The annual management fee is up to 1.80% per annum of the NAV of the Fund. The management fee is calculated and accrued daily and payable monthly to us.</p> <p>Assuming that the NAV of the Fund is USD100 million for the day, then the daily accrued management fee would be:-</p> $\frac{\text{USD 100 million} \times 1.80\%}{365 \text{ days}} = \text{USD 4,931.51 for the day}$ <p>Annual management fee charged by the Investment Manager to the Target Fund will be rebated back to the Fund.</p> <p>The management fee is apportioned to each Class based on the multi-class ratio.</p> <p>Note: For Unit Holders of a Class other than USD Class, the management fee payable shall be reflected in MYR in the Fund's financial report.</p>
<b>Annual Trustee Fee</b>	<p>The Fund pays an annual trustee fee of up to 0.02% per annum of the NAV of the Fund or its equivalent in the Base Currency (excluding foreign custodian fees and charges) or a minimum yearly fee of RM9,000. The Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.</p> <p>The trustee fee is calculated and accrued daily and payable monthly to the Trustee.</p> <p>Assuming that the NAV of the Fund is USD 100 million for the day, then the daily accrued trustee fee would be:-</p> $\frac{\text{USD 100 million} \times 0.02\%}{365 \text{ days}} = \text{USD 54.79 for the day}$ <p>The trustee fee is apportioned to each Class based on the multi-class ratio.</p> <p>Note: For Unit Holders of a Class other than Class USD, the trustee fee payable shall be reflected in MYR in the Fund's financial report.</p>
<b>Administrative Fee</b>	<p>Only fees and expenses that are directly related and necessary to the business of the Fund may be charged to the Fund. These include the following:</p> <ul style="list-style-type: none"> <li>(a) Commissions or fees paid to brokers and dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;</li> <li>(b) (where the custodial function is delegated by the Trustee for the custody of foreign investments) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;</li> <li>(c) Tax and other duties charged on the Fund by the government and/or</li> </ul>



	<p>other authorities;</p> <p>(d) Costs, fee and other expenses properly incurred by the auditor appointed for the Fund;</p> <p>(e) Costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;</p> <p>(f) Costs, fees and expenses incurred for any modification of the Deed save where modification is for the benefit of the Manager and/or the Trustee;</p> <p>(g) 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 Trustee;</p> <p>(h) 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</p> <p>(i) Other fees and expenses related to the Fund allowed under the Deed.</p> <p>All expenses are apportioned to each Class based on the multi-class ratio.</p>								
Maximum Rate of Fees And Charges Allowable By The Deed	<p>We may impose higher fees and charges up to the following stated maximum rate.</p> <table border="1"> <tr> <td>Sales Charge</td><td>5.00% of the NAV per Unit</td></tr> <tr> <td>Repurchase Charge</td><td>3.00% of the NAV per Unit</td></tr> <tr> <td>Annual Management Fee</td><td>3.00% per annum of the NAV of the Fund calculated and accrued daily</td></tr> <tr> <td>Annual Trustee Fee</td><td>0.10% per annum of the NAV of the Fund, but subject to a minimum fee of RM18,000.00 per annum (excluding foreign custodian fees and charges)</td></tr> </table> <p>Note: The fees and charges that are currently applicable are reflected above in pages 28 to 31.</p>	Sales Charge	5.00% of the NAV per Unit	Repurchase Charge	3.00% of the NAV per Unit	Annual Management Fee	3.00% per annum of the NAV of the Fund calculated and accrued daily	Annual Trustee Fee	0.10% per annum of the NAV of the Fund, but subject to a minimum fee of RM18,000.00 per annum (excluding foreign custodian fees and charges)
Sales Charge	5.00% of the NAV per Unit								
Repurchase Charge	3.00% of the NAV per Unit								
Annual Management Fee	3.00% per annum of the NAV of the Fund calculated and accrued daily								
Annual Trustee Fee	0.10% per annum of the NAV of the Fund, but subject to a minimum fee of RM18,000.00 per annum (excluding foreign custodian fees and charges)								

## 7. Dealing Information

You are advised not to make payment in cash to any individual agent when purchasing Units of the Fund.

**If you are intending to invest in a Class other than Class MYR, you are required to have a foreign currency account with any Financial Institutions as all transactions relating to the particular foreign currency will ONLY be made via telegraphic transfers.**

Pricing of Units	The Selling Price and the Repurchase Price of the Fund shall be equivalent to the NAV per Unit of the Fund.
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	<p>For the Class USD, during the initial offer period, the Selling Price per Unit and the Repurchase Price per Unit is equivalent to USD1.00. After the initial offer period for the Class USD Class, forward pricing will be used to determine the Selling Price per Unit and Repurchase Price per Unit of the Fund, which is the NAV per Unit as at the next valuation point after the purchase and repurchase request has been received by us.</p> <p>The price of Units will revert to the initial offer price in the event where there are no Units in circulation and no NAV per Unit at any point during the tenure of the Fund.</p> <p>For avoidance of doubt, once there are no Units in circulation or Unit Holders, no liabilities will be borne by the Fund. Subsequently after such event, any purchase (or purchases if more than 1 investment application form is received on the same Business Day) of Units will be at the initial offer price.</p>
<p><b>How Can I Invest?</b></p>	<p>You can obtain the Information Memorandum, account opening form and investment application form from our office listed in <b>Section 1</b> or from any of our authorised Distributors.</p> <p>The Fund's application form can be handed directly to us or any of the Distributors, or sent by mail, together with proof of payment of the telegraphic transfer. Bank charges (if applicable) will be borne by you.</p> <p>Please note that other than telegraphic transfer, no other form of payment is allowed.</p> <p>Units will be sold on any Business Day between 9.00 a.m. to 3.30 p.m. at our office or any of the Distributors' offices.</p> <p><b><u>For first time investors</u></b></p> <p>Individual or joint-application must be accompanied by a copy of the applicant's identity card or passport or other document of identification. Application by a corporation must be accompanied by a certified true copy of its Memorandum and Articles of Association, Certificate of Incorporation, Form 24, Form 44, Form 49, the latest audited financial statement of the corporation and board resolution relating to the investment, a list of the corporation's authorised signatories, their respective photo identification and specimen signatures of the respective signatories.</p> <p><b>Please note that if you are a US Person, you are not eligible to subscribe to the Units of the Fund. If we become aware that you are a US Person who holds Units of the Fund, we will issue a notice requiring you to:-</b></p> <ol style="list-style-type: none"> <li><b>1. withdraw your Units of the Funds; or</b></li> <li><b>2. transfer your Units to a non-US Person;</b></li> </ol> <p><b>within thirty (30) days from the date of the said notice.</b></p>

How Can I Redeem?	<p>You may repurchase your Units by completing a repurchase application form and returning it to us or any of the Distributors on any Business Day between 9:00 a.m. to 3.30 p.m. Repurchase of Units must be made in terms of Units and not in MYR or USD value.</p> <p>You will receive the proceeds via telegraphic transfer transferred to your account.</p> <p>Any bank charges or fees incurred due to a withdrawal by way of telegraphic transfer will be borne by you.</p>		
TRANSACTION DETAILS			
Classes of the Fund	Class USD	Class MYR	
Minimum Initial Investment*	USD 5,000	MYR 10,000	
Minimum Additional Investment*	USD 2,500	MYR 5,000	
Minimum Units Held*	5,000 Units	10,000 Units	
	If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, you will be required to make an additional investment in order to meet the required minimum balance of investment. Otherwise, we may withdraw all your holding of Units in the Fund and pay the proceeds to you.		
Frequency and Minimum Units Redeemed	<p>There are generally no limits in the frequency of redemption. However, unit holders will be required to comply with the minimum units held (which may change at the discretion of the Manager).</p> <p>Applications for repurchase must be submitted to us or any of the Distributors on any Business Day between 9.00 a.m. to 3.30 p.m. Such repurchase requests are deemed received only if all documents and forms received by us are duly and correctly completed.</p>		
Period of Payment of Redemption Proceeds	<p>You will be paid within fourteen (14) days from the day the repurchase request is received by us and provided that all documentations are completed and verifiable.</p> <p>However, if the request to the Trustee to repurchase or cancel the Units results in the sale of assets of the Fund, or sale of assets which cannot be liquidated at an appropriate price or on adequate terms and is as such not in the interest of existing Unit Holders, the Trustee may refuse the said request in accordance to the Deed.</p>		
Transfer Facility	Not applicable		

\* Subject to the Manager's discretion, the investor may negotiate for a lower amount or value.

<b>Switching Facility</b>	<p>There are no restrictions on the frequency of switching; however, the switching facility is available if the currency denomination of the other fund that you intend to switch into is the same as the Fund and to which CIMB Bank Berhad is the registrar and transfer agent for that other fund.</p> <p>The minimum number of Units for switching between funds are dependent on the minimum amount required by the other fund that you intend to switch to.</p> <p><b>provided</b> You are to note that we reserve the right to reject any switching requests:</p> <ol style="list-style-type: none"> <li>(1) that it regards as disruptive to efficient portfolio management; or</li> <li>(2) if deemed by us to be contrary to the best interest of the Fund or the existing Unit Holders of a particular Class.</li> </ol> <p><b>Switching from the Fund into other funds managed by us</b></p> <p>You are permitted to switch from and into other funds managed by us and to which CIMB Bank Berhad is the registrar and transfer agent for that other fund, so long as the currency denomination of the fund that you intend to switch into is the same as the Fund. A switching fee of up to 1% of the NAV per Unit of the Class switched out from the Fund may be charged within the first six (6) months from the date of your investment.</p> <p>The switching will be made at the prevailing NAV per Unit of the Fund and the intended fund to be switched into on a Business Day when the switching request is received or deemed to have been received by us (subject to availability and terms of the fund that you intend to switch into, if any).</p> <p>If you wish to switch into another fund (e.g. fund A) and the Sales Charge paid by you is less than the sales charge of fund A, you shall pay the difference between the two (2) funds. Conversely, no sales charge on fund A will be imposed on you, should it be less than or equal to the Sales Charge you have paid for the Fund.</p> <p>Under no circumstances you are entitled to any refund on the Sales Charge that you have paid when you invested in the Fund if it exceeds the sales charge of the fund that you intend to switch into.</p>
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## 8. Valuation policy and valuation basis

<b>Valuation of Fund</b>	<p>The Fund will be valued at 6.00 p.m. on every Business Day (or "trading day" or "T" day). However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or "T + 1").</p> <p>All foreign assets are translated into the Base Currency based on the mid-market exchange rate quoted by Bloomberg or Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 a.m. midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.</p>
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	<p>If the foreign market in which the Fund is invested in is closed for business, we will value the underlying assets based on the latest available price as at the day the particular foreign market was last opened for business.</p>
<b>Valuation of Assets</b>	<p>In valuing the Fund's investments, we will ensure that all the assets of the Fund will be valued at fair value and in accordance to the Financial Reporting Standard 139 issued by the Malaysian Accounting Standards Board.</p> <p><b>Unlisted Collective Investment Schemes</b> Investments in unlisted collective investment schemes shall be valued based on the last published Repurchase Price.</p> <p><b>Fixed Deposit</b> Valuation of fixed deposits placed with Financial Institutions will be done by reference to the principal value of the fixed deposits and the interests accrued thereon for the relevant period.</p> <p><b>Money Market Instruments</b> Valuation of money market instruments will be based on amortised costs.</p> <p><b>Derivatives</b> The valuation of derivatives will be based on the rates provided by the respective issuers. For foreign exchange forward contracts ("FX Forwards"), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg. If the rates are not available on the Bloomberg, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where we are unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance to fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p><b>Any Other Investment</b> Fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>

## 9. Relevant parties to the Fund

### About Us – Nomura Asset Management Malaysia Sdn Bhd

Nomura Asset Management Malaysia Sdn Bhd (NAMM) was incorporated on 27 September 2006 under the Companies Act 1965 and is licensed under the Capital Markets and Services Act 2007 for the regulated activity of fund management. NAMM is a wholly-owned subsidiary of Nomura Asset Management Singapore Ltd. which, in turn is wholly-owned by Nomura Asset Management Co., Ltd.

(NAM Tokyo). NAM Tokyo is the ultimate holding company for Nomura's asset management business. As of 31 October 2016, Nomura Asset Management group operates in 16 offices globally.

NAMM is a full-fledged asset management company with on the ground resources to support the investment management, middle- and back-office functions. NAMM manages local equities, fixed income and developed markets equities from Kuala Lumpur as well as leverages on its global network of resources for other investment capabilities including Japanese equities, regional and emerging markets equities and global fixed income, amongst others.

As at 31 October 2016, NAMM has a staff force of twenty three (23), of whom, twenty one (21) are executive staff and two (2) are non-executive staff. Its sister company, Nomura Islamic Asset Management Sdn Bhd (NIAM), has a staff force of ten (10), of whom, nine (9) are executive staff and one (1) is non-executive staff. NIAM is being positioned as the global hub for Nomura's Islamic asset management business. NIAM manages Shariah-compliant local and developed markets equities, local and global sukuk from Kuala Lumpur.

As at 31 October 2016, the total value of funds under management of NAMM stood at approximately RM 13.74 billion.

#### **Key Personnel at Nomura Asset Management Malaysia Sdn Bhd**

##### **Ms Nor Rejina Abdul Rahim – Managing Director**

Ms. Rejina is the Managing Director of NAMM and the Country Head for Malaysia. She joined NAMM in October 2006 and was instrumental in driving the development of Nomura Asset Management's business in Malaysia. Rejina started off her career as a legal officer with a local stock broking house before joining a local fund management outfit in 1998 where she was exposed to various roles from compliance, legal, risk management, product development to marketing and client services. Rejina has actively contributed towards the development of compliance for both the unit trust and asset management industry through close works with the industries' associations and the Securities Commission.

Rejina holds a LLB (Hons) from University of Kent at Canterbury, United Kingdom. She also holds a Capital Markets Services Representative License and is the Secretary for the Malaysian Association of Asset Managers.

##### **Mr Toshihiko Matsunaga – Executive Advisor and Director**

Mr Matsunaga is the executive advisor and director of Nomura Islamic Asset Management Sdn Bhd. He joined Nomura Securities Co., Ltd in 1978, and he has over 30 years of direct experience in the capital market and financial services industry. He has contributed by helping to expand the marketing and institutional sales activities across various entities in the Nomura Group at Mexico, New York, Tokyo, Bahrain and London.

Mr Matsunaga has held several senior management positions in both Nomura Securities and Nomura Asset Management group of companies including the position of chief executive officer at Nomura Investment Bank (Middle East) in Bahrain as well as at Nomura Asset Management UK Ltd. where his main focus of business was in the Gulf Cooperation Council countries for the past 17 years.

Mr Matsunaga holds a Bachelor in Arts obtained in 1978. Mr Matsunaga holds a Capital Markets Services Representative License.



### **Our Role as the Manager**

We are responsible for the investment management and marketing of the Fund; servicing Unit Holders' needs; keeping proper administrative records of Unit Holders and the Fund; ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

### **Our Investment Team**

Our investment team comprises a group of portfolio managers who possess the necessary expertise and experience to undertake the fund management of its unit trust funds. The investment team will meet at least once a week or more should the need arise. The designated fund manager of the Fund is:-

#### **Mr Leslie Yap Kim Loong – Head of Investments, Malaysia**

Leslie is the Head of Investments in NAMM. He oversees the developed markets equities team based in Kuala Lumpur and is responsible for the investment management of developed markets equities (including ethical and Shariah-compliant listed equities). Leslie's team works closely with Nomura Asset Management's London office where dedicated global sector specialists sit. As at 31 October 2016, Leslie and team manages assets totalled MYR 2.7 billion (equivalent to USD 647 million), on behalf of local institutions. Leslie is also a contributing member of a number of investment committees within the Nomura Asset Management group.

Leslie brings with him over 19 years of industry experience in the area of funds management and research coverage. He was managing Malaysian equities fund for a local insurance company prior to relocating to a research house in Shanghai where he expanded his research coverage to include Hong Kong and Chinese companies. Leslie holds a Bachelor of Engineering in Manufacturing and Operations Management from the University of Nottingham in United Kingdom. Leslie also holds a Capital Markets Services Representative License.

### **The Manager's Delegate**

#### **Fund Valuation Functions**

The Manager has appointed CIMB Commerce Trustee Berhad to undertake the accounting and valuation function for the Fund. The function includes, but are not limited to, maintaining proper accounts, carrying out daily valuation and pricing, and forwarding the Unit prices for publication in the newspaper.

All fees and expenses arising out of this appointment are not charged to the Fund and are solely borne by the Manager.

Please refer to the section below for information on CIMB Commerce Trustee Berhad.

#### **Registrar and Transfer Agent**

The Manager has appointed CIMB Bank Berhad as the registrar and transfer agent for the Fund.

CIMB Bank's roles and duties include, but are not limited to, maintaining the register of Unit Holders, transaction processing, reconciliation and preparing relevant communication to investors.

All fees and expenses arising out of this appointment are not charged to the Fund and are solely borne by the Manager.

CIMB Bank Berhad was incorporated in Malaysia on 30 December 1972 under the Companies Act, 1965. CIMB Bank Berhad is 99.99% owned by CIMB Group Sdn Bhd ("CIMB Group") which is

99.99% owned by CIMB Group Holdings Berhad. CIMB Group offers a wide range of businesses in consumer banking, wholesale banking, Islamic banking and asset management under a dual banking model of conventional and Islamic banking. CIMB Bank provides a comprehensive suite of financial products and services solutions which include registrar and transfer agency.

## About the Trustee – CIMB Commerce Trustee Berhad

### Corporate Information

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

### Experience as Trustee to Unit Trust Funds

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

### Trustee's Delegate

CIMB Commerce Trustee Berhad has appointed CIMB Bank Berhad (CIMB Bank) as the Custodian of the Fund's assets. CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company in Bursa Malaysia and currently the second largest financial services provider in Malaysia. CIMB Bank provides full fledged custodial services, typically clearing, settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

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

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

### Duties and Responsibilities of the Trustee

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

- (a) Take into custody the investments of the Fund and hold the investments in trust for the Unitholders;
- (b) Ensure that the Manager, operates and administers the Fund in accordance with the provisions of the Deed, SC Guidelines and acceptable business practice within the unit trust industry;
- (c) As soon as practicable, notify the Securities Commission of any irregularity or breach of the provisions of the Deed, SC Guidelines and any other matters which in the Trustee's opinion, may indicate that the interests of Unitholders are not served;

- (d) Exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operations and management of the Fund by the Manager to safeguard the interests of Unitholders;
- (e) Maintain, or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Fund to be formed and to ensure that the Fund is operated and managed in accordance with the Deed of the Fund, Prospectus, the SC Guidelines and securities law; and
- (f) Require that the accounts be audited at least annually.

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

## 10. Related Information

### Your Rights and Liabilities

You have the right, among others, to the followings:-

- (a) To receive the distribution of income, participate in any increase in the value of the Units and to other such rights and privileges as set out under the Deed for the Fund;
- (b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution; and
- (c) To receive quarterly and annual reports.

However, you would not have the right to require the transfer to you of any of the investments or assets of the Fund. Neither would you have the right to interfere with or question the exercise by the Trustee or the Manager on his behalf, of the rights of the Trustee as the registered owner of the assets of the Fund.

You are not liable to the followings:-

- (a) For any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased and any charges payable in relation thereto;
- (b) For any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the NAV of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

### Provisions Regarding Unit Holders' Meetings

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

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund or of a particular Class of Units, as the case may be, summon a meeting of the Unit Holders of the Fund or of that 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 or Unit Holders of a particular Class of Units, as the case may be; and
- (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.

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; or
- (d) giving to the Trustee such directions as the meeting thinks proper;

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 the Unit Holders of a particular Class of Units.

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

Unless otherwise required or allowed by the relevant laws, the Manager or Trustee may convene a Unit Holders' meeting by giving Unit Holders of the Fund or a particular Class of Units, as the case may be, by:

- (a) sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the SC.

#### Quorum Required for Convening a Unit Holders' Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders (irrespective of the Class), whether present in person or by proxy, provided that if the Fund or a Class of Units has five (5) or less Unit Holders (irrespective of the Class), the quorum required for a meeting of the Unit Holders of the Fund or a Class of Units shall be two (2) Unit Holders (irrespective of the Class), 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 (irrespective of the Class) of the Fund or the particular Class of Units at the time of the meeting.

### **Termination of the Fund**

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

- (a) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the trust; or
- (b) if in the reasonable opinion of that Manager, it is impracticable or inadvisable to continue this Fund.

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

### **Termination of a 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.

### Goods And Services Tax

The Royal Malaysian Customs Department has announced the implementation of GST with effect from 1 April 2015 onwards pursuant to the Goods and Services Tax Act 2014. Collective investment schemes are generally exempted from GST. However, some fees, charges and expenses of the Manager, Trustee or the Fund are subject to GST which includes:

- (a) Sales Charge (if any);
- (b) Repurchase Charge (if any);
- (c) Switching fee (if any);
- (d) Transfer fee (if any);
- (e) Management fee;
- (f) Trustee fee; and
- (g) Any other expenses of the Fund that may be confirmed to be GST taxable by the Royal Malaysian Customs Department.

The Trustee, other service providers of the Fund and us will charge GST at the prevailing rate of 6% on the abovementioned fees, charges and expenses in accordance with the Goods and Services Tax Act 2014. You should be aware that all fees, charges and expenses referred to or quoted in the Information Memorandum (including any supplemental information memorandum) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of GST.

### Incorrect Pricing

Subject to any relevant law, if there is an error in the pricing of the NAV per Unit of a particular Class, we will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursement of money as follows if the error is at or above the significant threshold of 0.5% of the NAV per Unit attributable to a Class of Units unless the total impact on a Unit Holder's account of each Class of Units is less than USD10.00, or its foreign currency equivalent:

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

The Manager retains the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit of each Class and where the total impact on an individual account is less than USD10.00 or its foreign currency equivalent in absolute amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

### Policy on Gearing and Minimum Liquid Assets Requirements

The Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the SC's Guidelines on Securities Borrowing and Lending [SBL Guidelines]) in connection with its activities.

Except for securities lending as provided under the SBL Guidelines, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. In structuring the portfolio of the Fund, we will maintain sufficient liquid assets to ensure short term liquidity in the Fund to meet operating expenses.

#### **Policy on Stockbroking Rebates and Soft Commissions**

We or any of our delegates thereof will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker/dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Fund.

#### **Anti-Money Laundering Policies and Procedures**

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, it is our responsibility to prevent the use of the Fund for money laundering and terrorism financing activities. To this end, we have put in place anti-money laundering policies and procedures to combat such activities. Amongst others, prior to the establishing or conducting business relations, particularly when opening new accounts for clients and entering into a fiduciary transaction with a client, we will conduct a "Know Your Customer" procedures to identify and verify the client through documents such as identity card, passport, birth certificate, driver's licence, constituent documents or any other official documents, whether in the possession of a third party or otherwise. Such documents shall be filed and retained by us in accordance with relevant laws. We will thereafter perform a Customer Due Diligence (CDD) to identify the risk profile of each customer and will continuously monitor each customers risk profile should there be any changes. Enhanced Customer Due Diligence (EDD) is performed on customers deemed as high risk and senior management's approval is required before a business relationship is entered into or an account is opened with such customers.

Where we suspect that a particular transaction may not be genuine, a Suspicious Transactions Form (STF) shall be completed and the matter will be discussed with senior management. If senior management ascertains that there is a reasonable ground to suspect the transaction to be a money laundering or terrorism financing activity, a STF will then be submitted to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia.

### **11. Investors Information**

How will I be informed of my investment?

We will send you:-

- (a) a financial reports with an annual report within two (2) months of the Fund's financial year-end and a quarterly report within two (2) months of the end of the period covered. In both annual and quarterly reports, we will state our view on the performance of the portfolio and market review for the reporting period.
- (b) a monthly statement confirming the current shareholdings and transactions relating to your Units in the Fund.

You can also seek assistance from our personnel at our office or at any of our authorised Distributors' offices during office hour. Alternatively, you can communicate via email to [namm@nomura-asset.com.my](mailto:namm@nomura-asset.com.my).