

**Phillip Wholesale Income Fund**

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# **INFORMATION MEMORANDUM**

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This Information Memorandum is dated 3 May 2021

**MANAGEMENT COMPANY**

Phillip Capital Management Sdn Bhd  
Registration No.: 199501004372 (333567-D)

**TRUSTEE**

PB Trustee Services Berhad  
Registration No.: 196801000374 (7968-T)

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**INVESTORS ARE ADVISED TO READ THIS INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO UNITS OF THE FUND.**

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" UNDER SECTION 5.**

**UNITS OF PHILLIP WHOLESALE INCOME FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.**

## **RESPONSIBILITY STATEMENTS**

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

## **STATEMENT OF DISCLAIMER**

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

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.**

## **RISK DISCLOSURE STATEMENTS**

In the event some of the underlying investments of the Phillip Wholesale Income Fund are not actively traded, potential investors are warned that under such circumstances, they may face difficulties in redeeming their investments.

Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to Units of the Phillip Wholesale Income Fund.

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

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## 1. GLOSSARY

In this Information Memorandum, the following abbreviations or words shall have the following meanings unless otherwise stated:

<b>“BNM”</b>	means Bank Negara Malaysia;
<b>“BPA”</b>	means a bond pricing agency registered with the SC;
<b>“Bursa Malaysia”</b>	means the stock exchange managed and operated by Bursa Malaysia Securities Berhad;
<b>“Business Day”</b>	means a day on which Bursa Malaysia is open for trading;
<b>“CMSA”</b>	means Capital Markets and Services Act 2007;
<b>“Deed”</b>	means the deed dated 20 April 2012 relating to the Fund entered into between the Manager and the Trustee and any supplemental deed(s) thereto;
<b>“Deposit”</b>	has the same meaning as defined in the Financial Services Act 2013;
<b>“financial institution”</b>	means: -  (a) if the institution is in Malaysia: (i) licensed bank; (ii) licensed investment bank; (iii) licensed Islamic bank; or (iv) development financial institution regulated under the Development Financial Institutions Act 2002;  (b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services;
<b>“Fund”</b>	means Phillip Wholesale Income Fund;
<b>“Guidelines”</b>	means the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC as may be amended from time to time;
<b>“Information Memorandum”</b>	means this information memorandum in respect of the Fund;
<b>“MARC”</b>	means Malaysian Rating Corporation Berhad;
<b>“Net Asset Value or NAV”</b>	means the value of all the Fund’s assets minus its liabilities at the valuation point;
<b>“NAV per Unit”</b>	means the NAV of the Fund at a particular valuation point divided by the total number of Units of the Fund in circulation at the same valuation point;
<b>“PCM”, “Manager”, “Us”, “We” or “Management Company”</b>	Phillip Capital Management Sdn Bhd;
<b>“RAM”</b>	means RAM Rating Services Berhad;
<b>“RM”</b>	Ringgit Malaysia;
<b>“SC”</b>	Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993;
<b>“short to medium term”</b>	means a period of one (1) to three (3) years;
<b>“Sophisticated Investors”</b>	means – (a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds RM3 million or its equivalent in foreign currencies, excluding the value of the individual’s primary residence; (b) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;

- (c) 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;
- (d) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
- (e) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- (f) 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;
- (g) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under CMSA and has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (h) a pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967;
- (i) a statutory body established by an Act of Parliament or an enactment of any State;
- (j) Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009;
- (k) a holder of a capital markets services licence;
- (l) an executive director or chief executive officer of a holder of a capital markets services licence;
- (m) a unit trust scheme or a prescribed investment scheme;
- (n) a closed-end fund approved by the SC;
- (o) a licensed bank as defined in the Financial Services Act 2013 or a licensed Islamic bank as defined in the Islamic Financial Services Act 2013;
- (p) a Labuan bank as defined under the Labuan Financial Services and Securities Act 2010;
- (q) a licensed insurer as defined in the Financial Services Act 2013;
- (r) an insurance licensee as defined in the Labuan Financial Services and Securities Act 2010;
- (s) a takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010;
- (t) a licensed takaful operator as defined in the Islamic Financial Services Act 2013;
- (u) a private retirement scheme as defined in CMSA; and
- (v) 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;

**“Trustee”**

means PB Trustee Services Berhad;

**“Unit Holder(s)”**

means the person or persons for the time being who is registered pursuant to the Deed as holder/holders of the Fund;

**"Unit"**

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.

## 2. CORPORATE DIRECTORY

### THE MANAGER

**PHILLIP CAPITAL MANAGEMENT SDN BHD**  
**Registration No.: 199501004372 (333567-D)**

Registered Office:  
No. 3-1 Jalan Indrahana 2  
Off Jalan Kuchai Lama  
58200 Kuala Lumpur

Tel: 603-7983 0354  
Fax: 603-7981 9912

Business Office:  
B-3-6, Block B Level 3  
Megan Avenue II  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

Tel: 603-2783 0300  
Fax: 603-2166 5099  
Website: [www.phillipcapital.com.my](http://www.phillipcapital.com.my)  
E-mail: [pcm@poems.com.my](mailto:pcm@poems.com.my)

### THE TRUSTEE

**PB Trustee Services Berhad**  
**Registration No.: 196801000374 (7968-T)**

Registered Office and Business Office:  
17<sup>th</sup> Floor, Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur

Tel: 603-2176 6760  
Fax: 603-2164 6197  
Website: [www.publicbank.com.my](http://www.publicbank.com.my)

### SOLICITOR

**Wei Chien & Partners**  
D-20-02 Menara Suezcap 1  
No.2, Jalan Kerinchi  
Gerbang Kerinchi Lestari  
59200 Kuala Lumpur

Tel:603-7931 9622  
Fax:603-7931 9612

### 3. FUND'S DETAILS

Manager	Phillip Capital Management Sdn Bhd Registration No.: 199501004372 (333567-D)					
Trustee	PB Trustee Services Berhad Registration No.: 196801000374 (7968-T)					
Fund Name	Phillip Wholesale Income Fund					
Category of Fund	Fixed Income					
Type of Fund	Income					
Initial Offer Period	One (1) day, from the date of the Information Memorandum					
Initial Offer Price	RM1.00					
Investment Objective	The Fund aims to provide regular income to investors.					
Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Type</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Fixed income instruments, Deposits and money market instruments</td> <td>Minimum 0% to maximum of 100%</td> </tr> </tbody> </table>		Asset Type	% of the Fund's NAV	Fixed income instruments, Deposits and money market instruments	Minimum 0% to maximum of 100%
Asset Type	% of the Fund's NAV					
Fixed income instruments, Deposits and money market instruments	Minimum 0% to maximum of 100%					
Investment Style and Strategy of the Fund	<p>The Fund seeks to achieve its objective by investing primarily in fixed income instruments, Deposits and money market instruments. The Fund will be actively managed and the strategy is to provide Unit Holders with liquidity access to their investments and returns higher than savings and investment accounts that will depend on the general market condition, market outlook, changes in interest rates, yield curve changes and other various factors.</p> <p>The Fund's investments will follow a stringent selection process. As such, the instruments invested by the Fund will carry at least an investment grade credit rating of "A3" or "P2" as rated by RAM, or its equivalent rating by MARC. Should the credit rating of the instruments of the Fund be downgraded to lower than "A3" or "P2", we reserve the right to deal with the said investment in the best interest of the Unit Holders including to withdraw the invested instruments within a reasonable time frame.</p> <p>In attempting to respond to adverse market conditions, economic, political, or any other conditions, we may take temporary defensive positions in the investment position that may be inconsistent with the Fund's principal strategy by increasing the Fund's exposure into liquid assets to protect the Fund's capital.</p>					
Performance Benchmark	Maybank's 1-month fixed deposit rate  (Source: <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a> )					
Investor's Profile	<p>This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>• are conservative and have low risk tolerance;</li> <li>• prefer a short to medium term investment horizon;</li> <li>• seek regular income.</li> </ul>					
Principal Risks of the Fund (Please refer to Section 5 for details)	<ul style="list-style-type: none"> <li>• Liquidity Risk</li> <li>• Interest Rate Risk</li> <li>• Credit and Default Risk</li> <li>• Counterparty Risk</li> </ul>					

Permitted Investments	<p>The Fund will invest in the following investments:</p> <ul style="list-style-type: none"> <li>(a) Cash or cash equivalents;</li> <li>(b) Money market instruments;</li> <li>(c) Placement in Deposits with financial institution;</li> <li>(d) Domestic debt securities issued or guaranteed by the Malaysian Government, Bank Negara Malaysia, any other government related or quasi-government related bodies;</li> <li>(e) Domestic debt securities issued by investment banks or financial institution such as Banker's Acceptances, Negotiable Certificates of Deposits, sub-debt, etc;</li> <li>(f) Listed or unlisted and rated or unrated securities including those convertible into equity. These include commercial papers, medium-term notes, promissory notes, corporate bonds, loan stocks, subordinated debts, irredeemable convertible loan stocks or redeemable convertible loan stocks, innovative tier one capital etc;</li> <li>(g) Repurchase agreement, reverse repo and credit-linked deposits of any fixed income securities mentioned above;</li> <li>(h) Units or shares in other collective investment schemes including unit trust schemes, wholesale funds, exchange traded scheme, restrictive investment schemes; and</li> <li>(i) Any other form of instruments as may be agreed upon by the Manager and Trustee from time to time.</li> </ul>
Investment Restrictions and Limits	<p>The Fund will be managed in accordance with the following investment restrictions and limits:</p> <ul style="list-style-type: none"> <li>(a) There are no restrictions or limits for placement of Deposits with any single financial institution including banks, investment banks, or other financial institutions, including Islamic financial institutions, licensed by the relevant authorities including SC, Bank Negara Malaysia or the Ministry of Finance of Malaysia;</li> <li>(b) There is no single or group issuer limit for the Fund's investments;</li> <li>(c) No restriction or limits for single issuer for securities issued or guaranteed by the Malaysian Government, Bank Negara Malaysia, any other government related or quasi-government related bodies. Such instruments include Malaysian Government Securities, Treasury Bills, Bank Negara Bills and others.</li> </ul>
Financial Year End	30 <sup>th</sup> day of April



#### 4. FEES AND CHARGES

There are fees involved and you are advised to consider the fees before investing in the Fund. We reserve the right to waive or reduce the fees and charges involved at our absolute discretion.

Note: All fees, charges and expenses stated herein are exclusive of taxes and/or duties imposed by law or required to be paid in connection with the products or services provided by us and/or the Trustee. You and/or the Fund (as the case may be) are responsible to pay the applicable amount of taxes and/or duties in addition to the fees, charges and expenses stated herein.

Our fees and charges are subject to changes at the Manager's discretion.

<b>Sales Charge</b>	Up to 1.00% of the NAV per Unit
<b>Redemption Charge</b>	Nil
<b>Switching Fee</b>	Switching of Units from the Fund to a fund to be switched into will be processed based on the respective fund's net asset value per unit calculated at the end of the Business Day, and a switching fee equal to the sales charge of the fund to be switched into.
<b>Transfer Fee</b>	Nil
<b>Annual Management Fee</b>	Up to 1.00% per annum of the NAV of the Fund.
<b>Annual Trustee Fee</b>	0.015% per annum of the NAV of the Fund (excluding foreign sub-custodian fees and charges), subject to a minimum of RM12,000 per annum.

<p><b>Expenses Related To The Fund</b></p>	<ul style="list-style-type: none"> <li>• commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes (if any);</li> <li>• taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>• costs, fees and expenses properly incurred by the auditor;</li> <li>• costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;</li> <li>• costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;</li> <li>• costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;</li> <li>• costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;</li> <li>• costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;</li> <li>• costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;</li> <li>• costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;</li> <li>• costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;</li> <li>• costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed by the Fund);</li> <li>• costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;</li> <li>• (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;</li> <li>• expenses and charges incurred in connection with the printing and postage for the annual or quarterly report, tax certificates and other services associated with the administration of the Fund;</li> <li>• all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and</li> <li>• any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred above.</li> </ul>
<p><b>Other Charges Incurred Indirectly</b></p>	<p>In executing transactions upon Unit Holders request, certain charges may be incurred, for instance bank charges on remittance of money. Investors shall bear these transaction charges.</p>

## 5. RISK FACTORS

Investment in the Fund involves certain risks. Investors should be aware that the value of Units may fall as well as rise, and past performance is not an indicator of future results and any such purchase should be made only after consultation with independent qualified sources of investment, legal and tax advice. Whilst it is the intention of the Fund to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. Please note that the following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Fund.

### 5.1 GENERAL RISKS OF INVESTING IN A WHOLESALE FUND

Below are some of the general risks that can affect you when investing in a wholesale fund. The below mentioned risks which investors should consider before investing in a wholesale fund should not be considered to be an exhaustive list.

- **Market Risk**  
Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.
- **Inflation Risk**  
This is the risk that investors' investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
- **Manager Risk**  
This is the risk of the Manager making poor investment decisions which may adversely affect the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
- **Non-Compliance Risk**  
This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deed, securities law or guidelines which may adversely affect the performance of the Fund.
- **Financing Risk**  
This is the risk of investing with financing, which includes the investor's inability to service the financing payments, where the investor may be subject to higher financing instalments.

### 5.2 SPECIFIC RISKS OF THE FUND

- **Liquidity Risk**  
Liquidity risk refers to the ease of liquidating an investment depending on the investment's volume traded in the market. If the Fund holds fixed income instruments that are illiquid, or are difficult to dispose of, the value of the Fund may be negatively affected when it has to sell such fixed income instruments at an unfavourable price.

- **Interest Rate Risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income instruments and/or money market instruments. When interest rates rise, fixed income instruments and/or money market instruments prices generally decline and this may lower the market value of the Fund's investment in fixed income instruments and/or money market instruments. The reverse may apply when interest rates fall. Meanwhile, fixed income instruments and/or money market instruments with longer maturities and lower interest rates are more sensitive to interest rate changes.

In addition, the Fund's placement in Deposits will also be affected by interest rate changes. In the event of a decreasing interest rate environment, banks may offer Deposits with lower interest rates, effectively reducing the potential returns of Deposits. Interest rates offered by the financial institutions will fluctuate according to the overnight policy rate ("OPR") determined by BNM and this has direct correlation with the Fund's placement in Deposits. The Fund will benefit from the higher interest income when interest rates rise and vice versa. Upon the revision of the OPR, rates for pre-existing Deposit placements will remain unchanged. The change in the OPR will only affect new placements made after such change.

- **Credit and Default Risk**

Credit risk relates to the creditworthiness of the issuers of fixed income instruments, money market instruments and/or the financial institutions where the Deposits are placed and their expected ability to make timely payment of interests and/or principal. Any adverse situations faced by the issuer of the fixed income instruments, money market instruments and/or the financial institutions where the Deposits are placed may impact the value as well as liquidity of the fixed income instruments, money market instruments and/or Deposits. In the case of rated fixed income instruments, money market instruments and financial institutions, this may lead to a credit downgrade.

Default risk relates to the risk that an issuer of a fixed income instruments, money market instrument or a financial institution where the Deposits are placed either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income instruments, money market instruments and Deposits. This could adversely affect the NAV of the Fund.

- **Counterparty Risk**

Counterparty risk refers to a risk that relates to the credit standing of counterparties when over-the-counter transactions (such as that of fixed income instruments or money market instruments) are carried out and is generally not applicable to transactions performed through exchanges. In the event where counterparties of a contract fail to live up to its contractual obligations, the Fund will suffer from financial losses. The Manager may mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of the counterparties, prior to commencement of the investment.

### **5.3 RISK MANAGEMENT STRATEGIES AND TECHNIQUES**

Prudent strategies will be adopted in structuring the Fund's portfolio as the Manager will assess the investment prospects of the investments to the underlying key risks factors, market outlook and other prevailing factors.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE OR EXHAUSTIVE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR ADVISERS BEFORE DECIDING TO INVEST IN THE FUND.**

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## 6. TRANSACTION INFORMATION

### 6.1 TRANSACTION DETAILS

Minimum Initial Investment	RM100,000.00 or such lower amount at the Manager's discretion
Minimum Additional Investment	RM10,000.00 or such lower amount at the Manager's discretion
Frequency of Investment and Repurchase	Unlimited
Minimum Amount for Switching	10,000 Units or such lower amount at the Manager's discretion
Minimum Amount for Transfers	Not applicable
Minimum Holding	10,000 Units or such lower amount at the Manager's discretion
Minimum Redemption Amount	10,000 Units or such lower amount at the Manager's discretion
Redemption Notice	Any Business Day
Currency	Ringgit Malaysia

### 6.2 VALUATION POLICY AND VALUATION BASIS

#### Valuation Point

The Fund will be valued at least once every Business Day. The valuation of the Fund will be carried out in a fair and accurate manner.

#### Valuation of Assets

We will ensure that the assets of the Fund are valued fairly and appropriately.

**Fixed income instruments** will be valued based on the last done prices as at the close of the Business Day of the respective markets on the same calendar day.

However, if:

- (a) a valuation based on the market price does not represent the fair value of the fixed income instruments, for example during abnormal market conditions; or
- (b) no market price is available, including in the event of a suspension in the quotation of the fixed income instruments for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee,

then the fixed income instruments would be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

Investments in fixed income instruments which are not listed on any recognised stock exchange will be valued on each Business Day by reference to the fair value prices quoted by BPA.

In a case where we are of the view that the price quoted by BPA for a specific unlisted fixed income instruments differs from our view of the market price by more than twenty (20) basis points, we may use the market price for valuation, provided that we record its basis for using such price, obtains the necessary internal approvals to use such price and keeps an audit trail of all decisions and basis for adopting such price.

**Deposits** placed with financial institution, valuation will be performed by reference to the principal value provided by the financial institution that issues or provides such investments including interest accrued thereon for the relevant period, if any.

**Money market instruments** are valued each day at cost, adjusted for amortisation of premium or accretion of discount over their par value at the time of acquisition, less provision for any diminution in value.

For investments in Malaysian Government Security (MGS) or Government Investment Issue (GII), it will be amortised under the effective interest rate method.

**Units or shares in collective investment schemes** will be valued based on the last published redemption price per unit or share of such collective investment scheme at the valuation point.

**Any other investments** will be valued based on fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

### 6.3 COMPUTATION OF NET ASSET VALUE AND NET ASSET VALUE PER UNIT

The NAV of the Fund is determined daily at the valuation point by deducting the value of the Fund's liabilities from the value of the Fund's assets. For the purpose of computing the annual management fee, performance fee and annual trustee fee, the NAV of the Fund is inclusive of the fees for the relevant day. The NAV per Unit is then determined by dividing the NAV of the Fund by the number of Units in circulation at the valuation point.

An illustration of how the daily NAV per Unit is calculated:

	RM
<b>Assets</b>	
Investment of the Fund	100,000,000.00
Cash	100,000.00
	100,100,000.00
<b>Less Liabilities</b>	(80,000.00)
<b>NAV before deducting management fee for the day</b>	<b>100,020,000.00</b>
Less management fee for the day (1.00% per annum) [1.00%xRM100,020,000.00/365 days]	(2,740.27)
Less trustee fee for the day (0.015% per annum) [0.015%xRM100,020,000.00/365 days]	(41.10)
<b>NAV (after deducting management fee and trustee fee)</b>	<b>100,017,218.63</b>
<b>Units in circulation</b>	<b>100,000,000.00</b>
<b>NAV per Unit</b>	<b>1.00017</b>
<b>NAV per Unit (rounded to 4 decimal places)</b>	<b>1.0002</b>

#### Rounding Adjustment

The NAV per Unit of the Fund will be rounded up to four decimal places or as agreed between the Manager and Trustee.

### 6.4 FORWARD PRICING

The prices of Units of the Fund are determined by using the forward pricing formula where prices are based on the NAV per unit of the Fund at the end of a Business Day after the application for Units or redemption request is received by us.

### 6.5 SINGLE PRICING POLICY

The Fund will be based on single pricing policy meaning that all purchases and redemptions are quoted and transacted on a single price. The price of Units of the Fund is determined by using the forward pricing formula where the price is based on the NAV per unit of the Fund at the end of a Business Day after an application for Units or a request for redemption of Units is received by the Manager.

#### Investment Amount and Units Settlement

An illustration on how the sales charge is calculated when making an investment. Figures and examples are meant for illustration purposes only.

Assuming NAV per Unit of the Fund = RM1.00  
Sales charge of the Fund = 1.0%

Formula for Net Investment Amount:  $RM10,000 / [1+0.01]$

An investor who wishes to invest RM10,000 in the Fund will be informed that there will be a sales charge of 1.0% of NAV per unit to be incurred for services rendered, which is payable in addition to the amount invested.

i)	Amount to be invested in the Fund	= RM10,000.00
ii)	Less: Sales charge incurred by investor	= RM 99.01 (i.e. RM10,000/1.01 X 0.01)
iii)	Net investment amount	= RM 9,900.99
iv)	Units issued to investor	= RM 9,900.99 @ RM1.00 per unit = 9,900.99 Units of the Fund

### Redemption Value

The redemption price of a Unit of the Fund is the NAV per Unit of the Fund at the end of a Business Day after an application for Units or a request for redemption of Units is received by the Manager. The Manager does not impose any redemption charge on the redemption of Units by the Unit Holders.

Assuming the Unit Holder wishes to redeem 100,000 Units from the Fund before 9.45 a.m. on any Business Day and there is no redemption charge imposed, the total amount to be paid to the Unit Holder will be as follows:

i)	Number of Units to be repurchased	= 100,000 Units
ii)	Multiply by NAV per Unit	= RM 1.00
iii)	Redemption Value	= RM 100,000.00
iv)	Less: Repurchase Charge	= RM 0.00 = RM 100,000.00

Total amount to be paid to the Unit Holder will be RM100,000.00.

## 6.6 HOW TO PURCHASE

Investors need to complete an application form to subscribe for Units.

## 6.7 APPLICATIONS FOR SUBSCRIPTIONS AND REDEMPTIONS

### 6.7.1 DEALING CUT-OFF TIME FOR SUBSCRIPTION

Complete applications, accompanied by all relevant supporting documents and payment in cleared funds, must be received by the Manager before the cut-off time of 10.30 a.m. on any Business Day. Any application received after 10.30 a.m. on any Business Day will be taken as an application made on the next Business Day.

### 6.7.2 DEALING CUT-OFF TIME FOR REDEMPTION

A redemption request must be received by the Manager before the cut-off time of 9.45 a.m. on any Business Day. Any redemption request received after 9.45 a.m. will be taken as a redemption request made on the next Business Day.

We reserve the right to reject any application that is not completed in full and / or not accompanied by the required documents. No applications will be accepted on non-Business Day.

## 6.8 PAYMENT METHODS FOR INVESTMENT

Payment for postal application should be made by cheque or online transfer (telegraphic-transfer) only. Cheque should be payable to Phillip Capital Management Sdn Bhd – Client Account One and crossed 'Account Payee Only'. Payment by outstation cheques should include bank commission charges. Application for Units will be processed on the date which the completed documents are received or deemed to have received by PCM (dealing cut-off time will apply). The transaction is completed once the money is cleared by the bank.

Payments can be deposited directly into our bank account at any of the Maybank Berhad branches. Please fax or post a copy of the Deposit Slip to the Manager. Please note that the instruction to purchase Units will be executed on the date on which the completed documents are received and the transaction is completed when the money is cleared by the bank.

### 1. Cheques / Bank Drafts

Cheques and bank drafts must be drawn at a bank located in Malaysia in Ringgit Malaysia (RM), crossed and made payable to Phillip Capital Management Sdn Bhd – Client Account One and crossed 'Account Payee Only' and attached to the application. Post-dated cheques will not be accepted.

2. **Telegraphic Transfers/ Online Payment**

A copy of the receipt from the forwarding bank must be sent together with the application. Please note that any bank charges and / or other fees levied by the remitting bank for undertaking a telegraphic transfer will have to be borne by the Unit Holders.

**6.9 REDEMPTION SETTLEMENT**

For the first RM30 million or below, redemption proceeds shall be paid to Unit Holders no later than 5 Business Days after the redemption request is received by the Manager. For amount above RM30 million, the payment of the redemption proceeds shall not be later than 30 Business Days after the redemption request is received by the Manager. Redemption proceeds shall be payable via online transfer or Interbank GIRO (IBG) to the primary registered account holders or by cheque and posted to the address registered with the Manager or self-collected by the registered account holders. Payment to third party is not allowed. For amount above RM10,000.00 the investor may request to receive payment via telegraphic transfer or RENTAS. All bank charges will be borne by Unit Holders. The charges will be deducted from the redemption amount before being paid to the Unit Holders' relevant bank account.

**6.10 DISTRIBUTION POLICY**

Subject to availability of income, the Fund intends to distribute its income on a monthly basis whenever possible or at least quarterly.

If the distribution available is too small or insignificant, the Manager may choose not to distribute the income as the distribution may not be beneficial to the Unit Holders as the total cost to be incurred in such distribution may be higher than the amount available for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit Holders.

**6.11 MODE OF DISTRIBUTION**

All distribution (if any) from the Fund will be automatically reinvested into additional Units of the Fund based on the NAV per Unit at no cost on the distribution declaration date unless the Unit Holders inform the Manager that they would like to receive the distribution via cash payment.

The reinvestment will be made on the first Business Day immediately following the Distribution Declaration Date.

**6.12 UNCLAIMED MONEYS POLICY**

If the cheques for the payment of moneys to Unit Holders are not presented for payment, and those moneys remain unclaimed for such period as may be prescribed by the Unclaimed Moneys Act, 1965, we shall lodge such moneys with the registrar of unclaimed moneys in accordance with the provisions of the Unclaimed Moneys Act, 1965.

**6.13 SWITCHING**

Unit Holders may switch between unit trust funds under the management of the Manager that allow switching of units by forwarding the completed form of request to switch to the Manager's business office or any of its sales offices or any of its authorised distributors before their respective cut-off times. Switching will be made at the prevailing net asset value per unit of the fund to be switched from and the intended fund to be acquired on a Business Day, when the switching request is received by the Manager (subject to availability of units for subscription and the terms of the intended fund). There are no restrictions as to the number of Units a Unit Holder may switch from the Fund or the frequency of switching.

**6.14 TRANSFER**

Transfer facility is not available for the Fund.

**6.15 OTHER INFORMATION**

Our Customer Service Department can be contacted at 03-2783 0300 from 9:00 am to 6:00 pm, should you need further assistance on our products and services.



## 7. THE MANAGEMENT COMPANY

### 7.1 ROLES AND DUTIES OF THE MANAGER

The Manager is a licensed fund manager and responsible for managing the investment and dealing of the Fund so as to meet the investment objective of the Fund. The Manager shall have discretionary authority over the investment of the Fund under their management subject to the Guidelines issued by the SC and other relevant applicable regulations. The Manager's investment team will meet at least once every month to review the investment strategy and performance of the Fund and discuss matters relating to the Fund. Apart from the monthly meetings, the investment team will meet more frequently should the circumstances require.

PCM was incorporated on 13 February 1995. PCM is a capital markets services license holder under the CMSA and is part of the PhillipCapital Group of companies, a financial services conglomerate that offers a full range of financial services and products. The fund management service of the PhillipCapital Group is available globally through several subsidiaries, namely Phillip Capital Management Pte Ltd (Singapore), Walker Crips, Weddle, Beck Plc (United Kingdom), Sovereign Asset Management Limited (Australia), Phillip Securities (Hong Kong) and Phillip Securities (Singapore).

PCM offers investment management expertise to institutions, corporations and high net-worth individuals. PCM has more than 20 years' experience in the fund management industry.

PCM combines top-down macroeconomic approach for asset allocation decision and bottom-up research for optimum stock selection.

### 7.2 BOARD OF DIRECTORS

The Board of Directors ("Board") is responsible for overseeing the activities of the company. Besides that, the Board is responsible for determining the company's mission and objective, providing adequate resources, managing resources efficiently and monitoring the company's programs and services.

Mr. Saw Leong Aun  
Datin Hajjah Nona Binti Salleh  
En. Mohd Fadzli Bin Mohd Anas  
Major (R). Chai Chung Bin  
Mr. Alfred Loke Ka Wai

### 7.3 KEY MANAGEMENT STAFFS

Datin Hajjah Nona Binti Salleh – *Executive Chairperson*  
En. Mohd Fadzli Bin Mohd Anas – *Executive Director*  
Mr. Ang Kok Heng – *Chief Investment Officer*  
Major (R). Chai Chung Bin – *Chief Operations Officer*  
Ms. Tan Sze Nee – *Head of Fixed Income*  
En. Ahmad Syazni Hafriz Bin Mohamad – *Head of Marketing*  
En. Ramli bin Abd Hamid – *Head, Legal Compliance & Risk Management*  
Ms. Sally Chan Pui Ying – *Manager Operations*  
Mr. Yap Cheng Sun – *Head, Finance & Accounts*  
Mr. Kasi Pandiarajan – *Head of Information Technology*  
Puan. Nurul Farziana Mohd Rashid – *Head, Human Capital & Administration*

## 8. THE TRUSTEE

PB Trustee Services Berhad ("PBTBSB") is the Trustee of the Fund. PBTBSB was incorporated on 24 August 1968 and commenced its operations on 22 January 1969, with its registered and business office at 17th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. PBTBSB has an authorized share capital of MYR1,050,000 and a paid-up share capital of MYR525,000.

### Experience in the trustee business

PBTBSB's experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include corporate bonds, writing of wills, administration of estates, trusteeship for golf clubs, recreational clubs and timesharing schemes. PBTBSB is also acting as a custodian in its capacity.

### **Trustee's roles, duties and responsibilities**

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of the Unit holders of the Fund. The general function, duties and responsibility of the Trustee include, but are not limited to, the following:

- act in accordance with the provisions of the Deed, the CMSA, the Guidelines and securities laws;
- take into its custody the investments of the Fund and hold the investments in trust for the Unit holders;
- ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, the CMSA, the Guidelines and acceptable business practice within the unit trust industry;
- ensure that it is fully informed of the investment policies of the Fund and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit holders, it shall instruct the Manager to take appropriate action as the Trustee deems fit and/or summons a Unit Holders' meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;
- as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deed, the Guidelines and any other matters which in the Trustee's opinion may indicate that the interests of Unit holders are not being served;
- exercise due care, skill, diligence and vigilance in carrying out its functions and duties, in actively monitoring the administration of the Fund by the Manager and in safeguarding the interests of Unit holders;
- maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Fund; and
- require that the accounts be audited at least annually.

### **Trustee's Disclosure of Material Litigation**

As at 15 April 2021, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened and is not aware of any facts likely to give any proceedings which might materially affect the business/financial position of Trustee or any of its delegates.

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## **9. SALIENT TERMS OF THE DEED**

### **9.1 RIGHTS OF THE UNIT HOLDERS**

A Unit Holder has the right, amongst others:

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

No Unit Holder shall be entitled to require the transfer to him of any of the Fund's asset or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such assets.

### **9.2 LIABILITIES OF UNIT HOLDERS**

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

A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund's assets, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

### **9.3 TERMINATION OF THE FUND**

The Fund shall terminate in the event a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

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

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed.

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

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

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

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll is demanded. On a voting by show of hands every Unit Holder who is present or by proxy shall have one vote.

The quorum for a meeting of Unit Holders of the Fund is five (5) Unit Holders, whether present in person or by proxy, however:

- (a) if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; or
- (b) if the Fund has only two (2) Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be one (1) Unit Holder, whether present in person or by proxy.

If the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation of the Fund at the time of the meeting.

## **10. RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

### **10.1 RELATED-PARTY TRANSACTIONS**

The holding company of PCM, Phillip Capital Holdings Sdn Bhd and other related companies in Malaysia are allowed to invest in any of the funds managed by PCM. Transactions made by the holding company and other PhillipCapital Group companies are processed as per any transactions made by other corporate clients. Transactions from employees of PhillipCapital Group companies in Malaysia are processed as per any transactions made by investors.

The Manager may act as an investment manager to other funds with the same investment objectives as those of the Fund. The Manager and its affiliates may engage in or possess an interest in other business ventures of every kind and description, including: (i) investments for their own account in securities held by the Fund from time to time, and investment advisory or supervisory services with respect to securities or other types of financial instruments; or (ii) managing other investment funds or other entities with substantially the same or different objectives.

### **10.2 CONFLICT OF INTEREST**

#### **10.2.1 CONFLICT OF INTEREST BETWEEN UNIT HOLDERS**

As the Manager, we shall act in the best interest of the Unit Holders at all times. Conflicts of interest that may arise between Unit Holders and us shall be avoided at all costs.

We have in place policies and procedures to deal with any conflict of interest situation that may arise, such as the full disclosure of securities dealing by all employees to its Compliance Officer for verification.

The directors and members of the investment team shall avoid conflicts of interest arising, or if a conflict arises, ensure that the Fund is not disadvantaged by the transaction concerned. In the event any of the directors or members of the investment team are directly or indirectly involved, he or she would have to abstain from being involved in any decision making process of the said transaction. We have in place sufficient segregation of duties to ensure that there is a proper check and balance in the areas of investment, operations and marketing.

#### **10.2.2 CONFLICT OF INTEREST BETWEEN THE MANAGER AND UNIT HOLDERS**

The Manager will maintain high standards of integrity and fair dealing in the best interest of the Unit Holders. The Manager will not conduct transactions in any manner that will result in unnecessary cost and risk to the Fund.

To the best knowledge of the Manager, transactions undertaken by or on behalf of the Fund are done in the interest of the Unit Holders. Where a conflict of interest arises due to a director or member of the investment team holding substantial shareholdings or directorship of a company and the Fund invests in that particular company's securities, the said director or member shall refrain from any decision-making relating to that particular company's securities.

In addition, all employees of the Manager must disclose their shareholding interest or personal dealings, which are monitored by a Compliance Officer. The Manager shall ensure that the following are strictly adhered:

1. Any transactions or investments carried out by or on behalf of the Fund shall be executed on an arm's length transaction.
2. The Fund will not participate in the lending of derivatives within the meaning of the Securities Borrowing and Lending Guidelines.
3. The Manager shall not make improper use of its position in managing the Fund to gain directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of Unit Holders of the Fund.
4. Cash and liquid assets of the Fund may only be placed in any current or deposit account with a licensed institution and other institutions licensed or approved to accept Deposits.

## 11. ADDITIONAL INFORMATION

### 11.1 CUSTOMER SERVICES AVAILABLE

Hotline : 03-2783 0300  
E-Mail : pcm@poems.com.my

### 11.2 STATEMENT OF ACCOUNTS

A statement showing details of the amount invested in the Fund shall be sent to you via email on a monthly basis.

### 11.3 FUND'S REPORTS

We will provide you with a quarterly report and an audited annual report within two (2) months of the end of the period covered. No interim report shall be provided.

The reports shall provide a snapshot of the key risk factors of the Fund and the Fund's investment outlook for that reporting period. The reports will also contain the Fund's financial performance, changes in key investment team (if any), details on portfolio exposure and volatility. The report shall be sent to you via email within 2 months from the end of the Fund's financial period. The Fund's report is also available on our corporate website [www.phillipcapital.com.my](http://www.phillipcapital.com.my).

Please inform the Manager if you would like to receive the hardcopy of the Fund's Report.

### 11.4 DISTRIBUTION CHANNELS

Units of the Fund can be purchased or redeemed at PCM's office at B-3-6, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

## 12. DIRECTORY OF OFFICE

### PHILLIP CAPITAL MANAGEMENT SDN BHD

Registration No.: 199501004372 (333567-D)

B-3-6, Block B Level 3 Unit 6

Megan Avenue II

No. 12, Jalan Yap Kwan Seng

50450 Kuala Lumpur

Tel: 603-2783 0300

Fax: 603-2166 5099

Website:

[www.phillipcapital.com.my](http://www.phillipcapital.com.my)

E-mail:

[pcm@poems.com.my](mailto:pcm@poems.com.my)