

FIRST SUPPLEMENTARY INFORMATION MEMORANDUM

FORTRESS FOCUS SELECT ASIA FUND

(constituted by way of Deed on 5 May 2016 and launched on 18 May 2016)

Manager

Fortress Capital Asset Management (M) Sdn Bhd
200201031372 (599035-W)

Trustee

CIMB Commerce Trustee Berhad
199401027349 (313031-A)

This First Supplementary Information Memorandum dated 1 July 2021 must be read together with the Information Memorandum dated 18 May 2016.

INVESTORS ARE ADVISED TO READ THIS FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 1 JULY 2021 TOGETHER WITH THE INFORMATION MEMORANDUM DATED 18 MAY 2016 AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

UNITS OF THE FORTRESS FOCUS SELECT ASIA FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.

Responsibility Statements

This First Supplementary Information Memorandum has been seen and approved by the directors of Fortress Capital Asset Management (M) 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.

Statements of Disclaimer

A copy of this First Supplementary Information Memorandum has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of the Manager and takes no responsibility for the contents of this First Supplementary 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 First Supplementary 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.

Additional Statements

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

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

Unless otherwise provided in this First Supplementary Information Memorandum, all the capitalised terms used herein shall have the same meanings ascribed to them in the Information Memorandum dated 18 May 2016 (“Information Memorandum”).

This First Supplementary Information Memorandum is issued to inform investors that:

- the corporate directory has been updated;
- the definitions of “Bursa Malaysia”, “Manager / Fortress Capital” and “Trustee” have been updated;
- the information in relation to Goods and Services Tax Act 2014 and the references to “GST” have been deleted;
- the valuation basis for money market instruments has been amended;
- the profiles of the parties to the Fund have been updated; and
- the tax adviser’s letter has been deleted.

1. AMENDMENT TO THE CORPORATE DIRECTORY

The corporate directory in “Chapter 1 – Corporate Directory” on pages 1 – 2 of the Information Memorandum is hereby deleted and replaced with the following:

MANAGER Fortress Capital Asset Management (M) Sdn Bhd
200201031372 (599035-W)

REGISTERED OFFICE No. 177-3, Floor 3, Jalan Sarjana
Taman Connaught, Cheras
56000 Kuala Lumpur

BUSINESS OFFICE Unit 19.08 Plaza 138
No. 138, Jalan Ampang
50450 Kuala Lumpur
Tel No.: 03 – 2162 1622
Fax No.: 03 – 2166 1622

TRUSTEE CIMB Commerce Trustee Berhad
199401027349 (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

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

INVESTMENT ADVISOR Aletheia Analyst Network Limited (*formerly known as IND-X Advisors Limited*)

REGISTERED OFFICE AND BUSINESS OFFICE Level 8, Kinwick Centre
32 Hollywood Road
Central, Hong Kong

2. AMENDMENT TO THE DEFINITION OF “BURSA MALAYSIA”

The definition of “Bursa Malaysia” in “Chapter 2 – Definitions” on page 3 of the Information Memorandum is hereby deleted and replaced with the following:

Bursa Malaysia means the stock exchange managed and operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)) and includes any changes to the name or the operator of the Malaysian stock exchange.

3. DELETION OF THE DEFINITION OF “GST”

The definition of “GST” in “Chapter 2 – Definitions” on page 4 of the Information Memorandum is hereby deleted in its entirety.

4. AMENDMENT TO THE DEFINITION OF “MANAGER / FORTRESS CAPITAL”

The definition of “Manager / Fortress Capital” in “Chapter 2 – Definitions” on page 4 of the Information Memorandum is hereby deleted and replaced with the following:

Manager / Fortress Capital refers to Fortress Capital Asset Management (M) Sdn Bhd (Registration No.: 200201031372 (599035-W)).

5. AMENDMENT TO THE DEFINITION OF “TRUSTEE”

The definition of “Trustee” in “Chapter 2 – Definitions” on page 5 of the Information Memorandum is hereby deleted and replaced with the following:

Trustee refers to CIMB Commerce Trustee Berhad (Registration No.: 199401027349 (313031-A)).

6. AMENDMENT TO CHAPTER 3 – “KEY DATA”

The second last paragraph in “Chapter 3 – Key Data” on page 11 of the Information Memorandum is hereby deleted and replaced with the following:

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

7. AMENDMENT TO THE SELLING PRICE

The information on selling price in “Chapter 9 – Pricing Policy” on pages 15 – 16 of the Information Memorandum is hereby deleted and replaced with the following:

The selling price shall be equivalent to the NAV per Unit of the respective Class. Any applicable sales charge shall be payable separately from the selling price. Forward pricing will be used to determine the selling price of the respective Class, which is the NAV per Unit of each Class as at the next valuation point after the purchase request is received by the Manager.

Illustration – Calculation of selling price

Units will be sold at the NAV per Unit of the respective Class. Any sales charge payable by the Unit Holder would be calculated as a percentage of the NAV per Unit of the respective Class.

The following illustration would be similar for a Class:

Investment amount: USD/MYR/SGD100,000.00
 Sales charge: 5.00% of the NAV per Unit
 NAV per Unit: USD/MYR/SGD0.50 (selling price)
 (of a Class)

The investment amount, number of Units purchased and sales charge payable by the Unit Holder are as follows:

Items	Calculation	Amount
Investment amount	-	USD/MYR/SGD100,000.00
Number of Units purchased (of a Class)	Investment amount divided by the NAV per Unit = USD/MYR/SGD100,000.00 ÷ USD/MYR/SGD0.50	200,000 Units
Sales charge of 5.00% on the NAV per Unit (of a Class)	Sales charge x NAV per Unit x No. of Units = 5.00% x USD/MYR/SGD0.50 x 200,000 Units	USD/MYR/SGD5,000.00

Total investment amount =USD/MYR/SGD100,000.00

Add sales charge paid @ 5.00% of the NAV per Unit =USD/MYR/SGD5,000.00

Total amount paid by Unit Holder =USD/MYR/SGD105,000.00

8. AMENDMENT TO THE REDEMPTION PRICE

The information on redemption price in “Chapter 9 – Pricing Policy” on pages 16 – 17 of the Information Memorandum is hereby deleted and replaced with the following:

The redemption price shall be equivalent to the NAV per Unit of the respective Class. Any applicable penalty charge shall be payable separately from the redemption price. Forward pricing will be used to determine the redemption price of the respective Class, which is the NAV per Unit of each Class as at the next valuation point after the redemption request is received by the Manager.

Illustration – Calculation of redemption price

The redemption price of all Classes shall be the NAV per Unit of the respective Class. Any penalty charge payable by the Unit Holder would be calculated as a percentage of the NAV per Unit of a Class.

The following illustration would be similar for a Class.

Units to be redeemed:	200,000 Units
Penalty charge:	0.50%
NAV per Unit: (of a Class)	USD/MYR/SGD0.50 (redemption price)

The redemption proceeds payable to the Unit Holders are as follows:

Items	Calculation	Amount
Number of Units redeemed (of a Class)	-	200,000 Units
Amount redeemed	Total Units redeemed x NAV per Unit = 200,000 Units x USD/MYR/SGD0.50	USD/MYR/SGD100,000.00
Penalty charge is 0.50% of the NAV per Unit (of a Class)	Penalty charge x amount redeemed = 0.50% x USD/MYR/SGD100,000.00	USD/MYR/SGD500.00

Total amount redeemed =USD/MYR/SGD100,000.00

Less penalty charge of 0.50% of the NAV per Unit =USD/MYR/SGD500.00

Total amount paid to Unit Holder =USD/MYR/SGD99,500.00

9. AMENDMENT TO VALUATION BASIS FOR MONEY MARKET INSTRUMENTS

The information on the valuation basis for money market instruments in “Chapter 10 – Valuation of Assets” on page 18 of the Information Memorandum is hereby deleted and replaced with the following:

Money market instruments will be valued daily based on the last price quoted and derived from Bloomberg Generic Price (“BGN”). If the price of the money market instruments are not available on the BGN, the money market instruments will be valued daily at cost, adjusted for amortisation of premium or accreditation of discount over their par value at the time of acquisition, less provision for any diminution in value.

10. AMENDMENT TO THE ILLUSTRATION ON COMPUTATION OF NAV PER UNIT

The illustration on computation of NAV per Unit for a particular day in “Chapter 11 – Computation of NAV and NAV per Unit” on pages 19-20 of the Information Memorandum is hereby deleted and replaced with the following:

Illustration on computation of NAV per Unit for a particular day:-

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	Fund (USD)	Class A USD (USD)	Class A MYR (USD Equivalent)	Class A SGD (USD Equivalent)
Venue of the Fund/ Class before Income & Expenses	50,000,000.00	25,000,000.00	20,000,000.00	5,000,000.00
Multi-class ratio [^]	100.00%	50.00%	40.00%	10.00%
Add: Income	1,000,000.00	500,000.00	400,000.00	100,000.00
Gross asset value/ GAV	51,000,000.00	25,500,000.00	20,400,000.00	5,100,000.00
Less: Fund Expenses	(50,000.00)	(25,000.00)	(20,000.00)	(5,000.00)
NAV of the Fund (before deduction of Management and Trustee Fees)	50,950,000.00	25,475,000.00	20,380,000.00	5,095,000.00
Less: Management fee (% p.a.)	-	1.85%	1.85%	1.85%
Management fee for the day	(2,582.40)	(1,291.20)	(1,032.96)	(258.24)
Trustee fee (% p.a.)	-	0.065%	0.065%	0.065%
Trustee fee for the day	(90.73)	(47.37)	(36.29)	(9.07)
NAV of the Fund (after deduction of management and trustee fees)	<u>50,947,326.87</u>	<u>25,473,663.43</u>	<u>20,378,930.75</u>	<u>5,094,732.69</u>
Total Units in Circulation for that day	224,285,000	50,000,000	160,000,000	14,285,000
NAV per Unit* (in Class A USD)		0.5095	0.1274	0.3566
Forex Rate		1.000	0.2500	0.7000
¹ NAV per Unit*		0.5095	0.5096	0.5094

Note:

¹ - The following calculations would be similar for the respective Classes. However, for illustration purposes, we would assume that the investment has been made in MYR. The NAV per Unit of the Class A MYR is translated based on the foreign exchange rate on the valuation day. Assuming the foreign exchange rate of MYR is MYR1 = USD0.2500 on that

day, the NAV per Unit of the Class A MYR will then be calculated based on the base currency divided by the said rate, i.e $USD0.1274 \div 0.2500 = MYR0.5096$.

^ - Multi-class ratio is apportioned based on the size of the Class relative to the whole Fund. This means the multi-class ratio is calculated by taking the *Value of a Class before Income and 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.

* - NAV per Unit of a Class is derived from the following formula:-

$$= \frac{\text{NAV of the particular Class}}{\text{Units in Circulation for the particular Class}}$$

Note: *The Manager's rounding policy is four (4) decimal points for the purposes of publication of the NAV per Unit per Class. However, the rounding policy will not apply when calculating the sales charge and penalty charge payable by investors.*

11. AMENDMENT TO THE PARTIES TO THE FUND

The information in "Chapter 12 – Parties to the Fund" on pages 20 – 25 of the Information Memorandum is hereby deleted and replaced with the following:

12.1 Manager

Background and Experience

Fortress Capital Asset Management (M) Sdn Bhd (FCAM) is a licensed fund manager under the Capital Markets & Services Act 2007. It is an independent asset management and private investment group that manages mainly Malaysia and Asia Pacific equity portfolios with the objective of delivering above average earnings' growth over the long term.

Fund Management Team and Designated Fund Manager

Thomas Yong Peng Tak, Chief Executive Officer and executive director
Loo Kok Yuen, Executive director
Yap Pin Keat, Executive director and investment manager
Geoffrey Ng Ching Fung, Executive director and designated fund manager

12.2 Investment Advisor

Functions of Investment Advisor

The Manager has appointed Aletheia Analyst Network Limited (*formerly known as IND-X Advisors Limited*) ("AAN") as the investment advisor for the Fund. AAN shall provide investment advisory services to the Manager in accordance with the investment objective of the Fund and its Deed, and subject to the investment restrictions of the Fund.

Background of AAN

AAN is a limited company registered in Hong Kong and is wholly owned by Aletheia Capital Limited ("ACL"), a limited company registered in Hong Kong. AAN is regulated by the Hong Kong Securities and Futures Commission. AAN is also a registered investment advisor with the U.S. Securities and Exchange Commission and is regulated by the Financial Conduct Authority.

Enzard Limited was founded in 2003 by Richard Wallace to market independent Asian research to institutional investors globally. In 2012, Enzard Limited was acquired by Leading Investment & Securities Co Ltd (“Leading”) of Korea and was merged with Leading’s subsidiary, AAN (then known as IND-X Advisors Limited). In March 2019, AAN was acquired by ACL.

Designated Investment Advisor

Dr. Andrew Stotz, CFA

Andrew spent 20 years as a financial analyst, with his final 8 years spent as Head of Research and Strategist.

Prior to being the Strategist with Maybank Kim Eng, Andrew was Head of Research at CLSA Thailand. Prior to this, Andrew worked at Citigroup, Macquarie/ING and various investment banks.

Andrew has been a lecturer in finance for more than 20 years at various universities in Thailand. He served two terms as the President of the CFA Society of Thailand and is a member of the International Advisory Board at Thammasat University’s Business School. Andrew graduated with a Bachelor of Science degree in finance and an MBA from California State University. He also earned his PhD in finance at the University of Science and Technology of China.

12.3 Trustee

Background

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 in Trustee Business

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, private retirement schemes and exchange-traded funds.

Duties and Responsibilities of the Trustee

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

- a) take into custody the investments of the Fund and hold the investments in trust for the Unit Holders;
- b) ensure that the Manager, operates and administers the Fund in accordance with the provisions of the Deed, Guidelines and acceptable business practice within the unit trust industry;
- c) as soon as practicable, notify the SC of any irregularity or breach of the provisions of the Deed, Guidelines and any other matters which in the Trustee’s opinions may indicate that the interests of Unit Holders are not served;

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

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

Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law.

Trustee's Delegate

CIMB Commerce Trustee Berhad has delegated its custodian function to CIMB Bank Berhad ("CIMB Bank"). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Bank provides full-fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client based, both locally and overseas.

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

12. AMENDMENT TO THE GOODS AND SERVICES TAX ACT 2014

The information in "Chapter 15 – Goods and Services Tax Act 2014" on page 28 of the Information Memorandum is hereby deleted and replaced with the following:

15. TAX

All fees and charges payable to the Manager and the Trustee are subject to applicable tax as may be imposed by the government or other authorities from time to time. Where tax is applicable to the extent that service is provided to the Fund and/or the Unit Holders, the amount of tax payable on any related fee, charge and/or expense will be borne by the Unit Holder and/or the Fund, as the case may be, in addition to the applicable fees, charges and expenses stated in this Info Memo.

13. DELETION OF THE TAX ADVISER'S LETTER

The tax adviser's letter in "Chapter 16 – Tax Adviser's Letter" on pages 29 – 31 of the Information Memorandum is hereby deleted in its entirety.