

FORTRESS ABSOLUTE RETURN FUND

(“the Fund”)

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Fortress Capital Asset Management (M) Sdn Bhd and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the Fortress Absolute Return Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Fortress Absolute Return Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Fortress Absolute Return Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Fortress Capital Asset Management (M) Sdn Bhd responsible for the Fortress Absolute Return Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This Product Highlights Sheet only highlights the key features and risks of the Fortress Absolute Return Fund. Investors are advised to request, read and understand the information memorandum before deciding to invest.

1. What is Fortress Absolute Return Fund?

The Fund is a mixed assets fund managed by Fortress Capital Asset Management (M) Sdn Bhd. The Fund aims to provide long term* capital appreciation.

* Long term means a period of 3 years and above.

2. Fund Suitability

The Fund is suitable for Sophisticated Investors* who:

- wish to gain exposure to the equity markets;
- seek capital growth through an equity fund; and
- have a long term** investment horizon.

* Please refer to the definition of “Sophisticated Investors” in the information memorandum for more details.

** long term means a period of 3 years and above.

3. Investment Objective

The Fund aims to provide long term capital appreciation.

4. Key Product Features

| | |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fund Type | Growth. |
| Fund Category | Mixed Assets. |
| Investment Strategy | The Fund aims to achieve its objective by adopting a tactical asset allocation strategy where the Fund may invest up to 100% of its net asset value (“NAV”) in a range of asset classes. |
| Reference Benchmark | Absolute return of 8% per annum. <i>The risk profile of the Fund is different from the risk profile of the reference benchmark.</i> <i>This is not a guaranteed return and is only a measurement of the Fund’s performance.</i> <i>The Fund may or may not achieve 8% of the Fund’s NAV per annum growth rate in any particular financial year but targets to achieve this growth over the long term.</i> |
| Launch Date | 18 October 2019 |
| Manager | Fortress Capital Asset Management (M) Sdn Bhd |
| Annual Management Fee | Up to 1.00% per annum of the NAV of the Fund. |
| Annual Performance Fee | 20% per annum on the appreciation in the NAV per unit over and above the Hurdle Value during a particular Performance Period. The performance fee is calculated and adjusted on a daily basis. Although the calculation is on a daily basis, |

| | |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>the performance fee is only payable to the Manager at the end of each Performance Period if there is an appreciation in the NAV per unit over and above the Hurdle Value, which is HWM plus 8%, at the end of the particular Performance Period.</p> <p><i>Please refer to Section 6.2 of the information memorandum for further information.</i></p> |
| Sales Charge | <p>Up to 5.00% of the NAV per unit.</p> <p>The Manager may at its absolute discretion reduce or waive the sales charge imposed on any investor from time to time.</p> |
| Redemption Charge | Nil. |
| Switching Fee | USD10 per switch. |
| Transfer Fee | USD10 per transfer. |
| Trustee | CIMB Commerce Trustee Berhad |
| Annual Trustee Fee | 0.04% per annum of the NAV of the Fund (excluding foreign custodian fee), subject to a minimum fee of USD4,000 per annum. |
| Minimum Initial Investment[^] | USD10,000 |
| Minimum Additional Investment[^] | USD10,000 |
| Minimum Holdings[^] | 1,500 units. |
| Minimum Redemption Amount[^] | <p>5,000 units.</p> <p>If the unit holdings of a unit holder are, after a redemption request, below the minimum holdings of units for the Fund, a request for full redemption is deemed to have been made and the Manager will pay the redemption proceeds to the unit holder.</p> |
| [^] or such other amount or number of units as may be determined by the Manager at its discretion. | |
| Distribution Policy | <p>The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.</p> <p>The source of income, if any, for the purpose of distribution shall be derived from the realised income and/or gain.</p> |

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

5. Asset Allocation

| Asset Type | % of the Fund's NAV |
|-----------------------------------------------------------------|----------------------------|
| Equities and equity-related securities | 0% - 100% |
| Money market instruments and/or deposits | 0% - 100% |
| Collective investment schemes (including exchange-traded funds) | 0% - 100% |
| Derivatives and structured products | 0% - 10% |

6. Key Risks

Specific Risks

(a) Stock Specific Risk

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.

(b) Currency Risk

As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency of the Fund and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

(c) Country Risk

Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall.

(d) Equity-related Securities Risk

The pricing of the equity-related securities will depend on the price movements of its underlying equities. Any change to the pricing of the underlying equities would either positively or negatively impact the value of the equity-related securities hence impacting the NAV of the Fund.

(e) Credit/Default/Counterparty Risk

This risk refers to the inability of the issuers to fulfil their financial obligations to the Fund in a timely manner. This risk concerns the Fund's investment in equity-related securities, derivatives and money market instruments. To reduce this risk, the Manager emphasizes

on stringent credit selection process in selecting issuers and maintain monitoring mechanism to manage this risk.

(f) Tactical Asset Allocation Fund Risk

This Fund is a tactical asset allocation fund where the strategies employed shifts the asset mix of the Fund between equities and equity-related securities, money market instruments, deposits and collective investment schemes depending on the prevailing market outlook. The Manager's investment decision on the asset allocation may adversely affect the Fund's performance if the assessment concluded by the Manager is not consistent with the market outlook.

Investors are reminded that the risks listed above may not be exhaustive and if necessary, they should consult their adviser(s), e.g. their bankers, lawyers, stockbrokers or independent professional advisers for a better understanding of the risks.

For more details, please refer to section 5.1 in the information memorandum for the general risks of investing in the Fund.

Note: If your investments are made through an institutional unit trust adviser ("Distributor") which adopts the nominee system of ownership, you would not be deemed to be a unit holder under the deed and as a result, your rights as an investor may be limited. Accordingly, we will only recognize the Distributor as a unit holder of the Fund and the Distributor shall be entitled to all the rights conferred to it under the deed.

7. Valuation of Investment

The Fund will be valued **daily** at **11:00 am** on the next business day except during the initial offer period. If the foreign market in which the Fund is invested in is closed for business, the Manager will value the investment based on the latest available price as at the day the particular foreign market was last opened for business.

Unit holders will be able to obtain the price of a unit for a particular business day from **www.fortresscapital.com.my** after **2:00 pm** two (2) business days after the Fund's valuation point. The price of a unit would also be made available upon request by the unit holders.

8. Exiting from Investment

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Submission of Redemption Request | The cut-off time for redemption of units shall be at 2:00 pm on a business day. |
| Payment of Redemption Proceeds | Redemption proceeds will be paid out within ten (10) business days from the day the redemption request is received by the Manager. |
| Remittance of Redemption Proceeds | The Manager shall remit the redemption proceeds to the unit holder's segregated personal or corporate banking account. |

9. Contact Information

- I. For internal dispute resolution, you may contact:

Clients Servicing Personnel

Tel : 03-2162 1622
Fax : 03-2166 1622
Email : client.services@fortresscapital.com.my
Website : www.fortresscapital.com.my

- II. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

a. via phone to : 03-2282 2280
b. via fax to : 03-2282 3855
c. via email to : info@sidrec.com.my
d. via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

- III. You can also direct your complaint to the Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

a. via phone to : 03-6204 8999
b. via fax to : 03-6204 8991
c. via email to : aduan@seccom.com.my
d. via the online complaint form available at www.sc.com.my
e. via letter to : Consumer & Investor Office
Securities Commission Malaysia
No. 3, Persiaran Bukit Kiara
Bukit Kiara, 50490 Kuala Lumpur