

# INFORMATION MEMORANDUM

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## FORTRESS OPPORTUNISTIC GROWTH FUND

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(constituted by way of Deed on 17 June 2022)

### Manager

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

### Trustee

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

**This Information Memorandum is dated 23 June 2022**  
*(the date of the information memorandum is also the launch date of the Fund)*

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

**UNITS OF THE FORTRESS OPPORTUNISTIC GROWTH FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.**

## **Responsibility Statements**

This Info Memo 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**

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 Info Memo, 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 Info Memo.

**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 the Info Memo that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Info Memo 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.

**Investors should note that the Fund is a Malaysian domiciled fund.**

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## 1. CORPORATE DIRECTORY

<b>MANAGER</b>	Fortress Capital Asset Management (M) Sdn Bhd (Registration No.: 200201031372 (599035-W))
<b>REGISTERED OFFICE</b>	No. 177-3, Floor 3, Jalan Sarjana, Taman Connaught, Cheras, 56000 Kuala Lumpur.
<b>BUSINESS OFFICE</b>	Unit 19.08 Plaza 138 No. 138, Jalan Ampang 50450 Kuala Lumpur Tel No.: 03 - 2162 1622 Fax No.: 03 - 2166 1622
<b>TRUSTEE</b>	CIMB Commerce Trustee Berhad (Registration No.: 199401027349 (313031-A))
<b>REGISTERED OFFICE</b>	Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur Tel : 03 – 2261 8888 Fax : 03 – 2261 0099
<b>BUSINESS OFFICE</b>	Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur Tel : 03 – 2261 8888 Fax: 03 – 2261 9894

## 2. DEFINITIONS

In this Info Memo, the following abbreviations or words shall have the following meanings unless otherwise stated:

Act	means the Capital Markets and Services Act 2007 as may be amended from time to time.
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.
Business Day	means a day on which Bursa Malaysia is open for trading. The Manager may also declare certain Business Day as non-Business Day when one (1) or more of the foreign markets in which the Fund is invested therein is closed for trading.
Deed	means the deed in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee from time time.
deposits	has the same meaning as defined in the Financial Services Act 2013.
ETFs	means exchange-traded funds.
Fund	means Fortress Opportunistic Growth Fund.
Guidelines	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 and any other relevant guidelines issued by the SC.
Info Memo	refers to the information memorandum of the Fund.
Initial Offer Period / IOP	means five (5) Business Day which is on the date of this Info Memo.
Initial Offer Price	means the fixed price per Unit during the IOP.
Manager / Fortress Capital	refers to Fortress Capital Asset Management (M) Sdn Bhd (Registration No.: 200201031372 (599035-W)).
medium to long term	means a period of three (3) years and above.
MYR	means Ringgit Malaysia.
NAV of the Fund	means the value of all the Fund's assets minus its liabilities at the valuation point.
NAV per Unit	means the NAV of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point.
REITs	means real estate investment trusts.

SC	refers to the Securities Commission Malaysia.
Sophisticated Investors	<p>means any person who:</p> <ul style="list-style-type: none"> <li>(a) falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act; or</li> <li>(b) acquires unlisted capital market products where the consideration is not less than MYR250,000.00 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise.</li> </ul>
Special Resolution	means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority of not less than three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy" means three-fourths (3/4) of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, "Special Resolution" means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths (3/4) of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
Trustee	refers to CIMB Commerce Trustee Berhad (Registration No.: 199401027349 (313031-A)).
Unit(s)	refers to a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund.
Unit Holder(s)	means a Sophisticated Investor for the time being who is registered pursuant to the Deed as a holder of Units of the Fund.
U.S. (United States) Person(s)	<p>means:</p> <ul style="list-style-type: none"> <li>(a) a U.S. citizen (including those who hold dual citizenship or a greencard holder);</li> <li>(b) a U.S. resident alien for tax purposes;</li> <li>(c) a U.S. partnership;</li> <li>(d) a U.S. corporation;</li> <li>(e) any estate other than a non-U.S. estate;</li> <li>(f) any trust if: <ul style="list-style-type: none"> <li>(i) a court within the U.S. is able to exercise primary supervision over the administration of the trust; and</li> <li>(ii) one (1) or more U.S. Persons have the authority to control all substantial decisions of the trust;</li> </ul> </li> <li>(g) any other person that is not a non-U.S. Person; or</li> <li>(h) any definition as may be prescribed under the Foreign Account Tax Compliance Act, as may be amended from time to time.</li> </ul>
Valuation Day	means a day on which the price of the Fund is calculated, and shall be on every Business Day for the Fund.

### 3. KEY DATA

<b>INFORMATION ON THE FUND</b>	
<b>Name of the Fund</b>	Fortress Opportunistic Growth Fund
<b>Fund Category</b>	Mixed Assets
<b>Fund Type</b>	Growth
<b>Base Currency</b>	MYR
<b>Initial Offer Period (IOP)</b>	Five (5) Business Day which is on the date of this Info Memo.
<b>Initial Offer Price</b>	MYR1.00
<b>Commencement Date</b>	The next Business Day after the end of the Initial Offer Period.
<b>Investment Objective</b>	The Fund aims to provide medium to long term capital appreciation.
<b>Investment Strategy</b>	<p>The Fund aims to achieve its investment objective by investing primarily in equities and equity-related securities which are value driven.</p> <p>The Fund may invest up to 100% of its NAV in the permitted investments, primarily in equities, equity-related securities (such as warrants and rights issues) and unlisted securities, with the flexibility to shift the asset allocation of the Fund to other asset classes to achieve a potentially higher return by changing the risk degree of the Fund's portfolio according to current market conditions.</p> <p><i>The investment strategy is further elaborated in Section 4.2 below.</i></p>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• 0% - 100% of the NAV of the Fund will be invested in equities and equity-related securities;</li> <li>• 0% - 100% of the NAV of the Fund will be invested in fixed income securities, money market instruments and/or deposits;</li> <li>• 0% - 100% of the NAV of the Fund will be invested in collective investment schemes (including but not limited to REITs and ETFs including inverse ETFs); and</li> <li>• 0% - 20% of the NAV of the Fund will be invested in derivatives and embedded derivatives.</li> </ul>
<b>Reference Benchmark</b>	<p>Absolute return of 7% per annum.</p> <p><i>The risk profile of the Fund is different from the risk profile of the reference benchmark.</i></p> <p><i>This is not a guaranteed return and is only a measurement of the Fund's performance.</i></p> <p><i>The Fund may or may not achieve 7% 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></p>

<b>Financial Year End</b>	30 June.
<b>Distribution Policy</b>	<p>The Fund is not expected to make any 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 realised income and/or gain.</p>
<b>Distribution Mode</b>	<p>Any income distribution payable will be automatically reinvested.</p> <p>The Manager will create such Units based on the NAV per Unit at the income payment date (which is within ten (10) Business Days from the ex-distribution date). The Manager will not charge any fee for such reinvestment.</p>
<b>Communication with Unit Holders</b>	<p><b>Statement of Accounts</b></p> <p>A Unit Holder's statement showing details of the amount invested in the Fund shall be made available to the Unit Holders on a monthly basis.</p> <p><b>Unit Price</b></p> <p>Unit Holders will be able to obtain the price of a Unit for a particular Valuation Day from <b>www.fortresscapital.com.my</b> after <b>2:00 p.m.</b> two (2) Business Days after the Fund's Valuation Day. The price of a Unit would also be made available upon request by the Unit Holders.</p> <p><b>Financial Reports</b></p> <p>The Manager will provide Unit Holders with an annual report within two (2) months of the Fund's financial year-end and quarterly reports within two (2) months of the end of the period covered. A financial statement audited by the Fund's appointed auditors will be included in the annual report.</p>
<b>TRANSACTION DETAILS</b>	
<b><i>Investors in Malaysia intending to invest in foreign currencies (other than in MYR) are required to have a foreign currency account with any financial institution in Malaysia as all transactions relating to the foreign currencies will be made by electronic transfers.</i></b>	
<b>Minimum Initial Investment<sup>^</sup></b>	MYR250,000
<b>Minimum Additional Investment<sup>^</sup></b>	MYR50,000
<b>Minimum Holdings<sup>^</sup></b>	50,000 Units
<b>Minimum Redemption Amount<sup>^</sup></b>	<p>100,000 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>



<sup>^</sup> or such other amount or number of Units as may be determined by the Manager at its discretion.

<p><b>Transfer Facility</b></p>	<p>Unit Holders are allowed to transfer their Units, fully or partially, to a transferee who must be a Sophisticated Investor. There is no minimum number of Units required to effect a transfer except that the transferor and transferee must both hold the minimum holdings of Units to remain as a Unit Holder.</p>
<p><b>Switching Facility</b></p>	<p>Unit Holders are allowed to switch their Units into any of our funds provided that the fund is denominated in the same currency as the Fund that you intend to switch out and subject to the minimum holdings of Units of the Fund and the terms and conditions of the fund that you intend to switch into.</p>
<p><b>Subscription of Units</b></p>	<p>Unit Holders must be a Sophisticated Investor to invest in this Fund. Please refer to the “Definitions” chapter of this Info Memo for the definition of “Sophisticated Investor”.</p> <p>Purchase requests/applications can be made on any Business Day subject to payment of a sales charge.</p> <p>For any purchase request/application received via fax notification by the Manager as well as cleared funds received <b>on or before the cut-off time of 2:00 pm</b>, the Units would be created based on the NAV per Unit as at the next valuation point after the request for purchase of Units is received and accepted by the Manager. Any purchase request/application received after this cut-off time would be considered as being transacted on the following Business Day.</p> <p><i>Note: Please refer to the Manager on the relevant forms and supporting documents which Unit Holders are required to provide to the Manager and on how to make payment for the purchase requests/applications.</i></p>
<p><b>Redemption of Units and Payment of Redemption Proceeds</b></p>	<p>Redemption requests/applications can be made on any Business Day.</p> <p>For any redemption request/application received via fax notification by the Manager <b>on or before the cut-off time of 2:00 pm</b>, the Units would be redeemed based on the NAV per Unit as at the next valuation point after the request for redemption of Units is received and accepted by the Manager. Any redemption request/application received after this cut-off time would be considered as being transacted on the following Business Day.</p> <p>Redemption proceeds will be paid out within ten (10) Business Days from the day the redemption request is received by the Manager provided that all documentations are completed and verifiable. The redemption proceeds will be transferred to the Unit Holder’s banking account.</p> <p>Transaction costs such as charges for electronic transfers, if any, will be borne by the Unit Holders and set-off against the redemption proceeds.</p>

<b>FEES AND CHARGES</b>	
<i><b>This table describes the fees and charges that you may directly incur when you purchase or redeem Units of the Fund.</b></i>	
<b>Sales Charge</b>	Up to 5.00% of the NAV per Unit. The Manager may at its absolute discretion reduce or waive the sales charge imposed on any investor from time to time.
<b>Penalty Charge</b>	Nil.
<b>Switching Fee</b>	MYR10 per switch.
<b>Transfer Fee</b>	MYR10 per transfer.
<i><b>This table describes the fees and charges that you may indirectly incur when you invest in the Fund.</b></i>	
<b>Annual Management Fee</b>	Up to 1.50% per annum of the NAV of the Fund.
<b>Annual Trustee Fee</b>	Up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), subject to a minimum fee of MYR15,000 per annum.
<b>Fund Expenses</b>	Only fees and expenses that are directly related and necessary to the operation and administration of the Fund may be charged to the Fund as stated in the Deed.

**Prospective Unit Holders should read and understand the contents of the Info Memo and, if necessary, consult their adviser(s).**

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

**The Manager will not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Notwithstanding the aforesaid, the Manager may receive goods and services by way of soft commissions provided always that the goods and services bring direct benefit or advantage to the management of the Fund and may include research and advisory services.**

**The Fund may create new classes of Units including but not limited to classes of Units with different currency denominations, fees and/or charges in the future. Unit Holders will be notified in writing of the launch of the new classes of Units and prospective investors will be notified of the same by way of a supplemental or replacement information memorandum.**

#### **4. THE FUND**

##### **4.1 Investment Objective**

The Fund aims to provide medium to long term capital appreciation.

## 4.2 Investment Strategy

The Fund aims to achieve its investment objective by investing primarily in equities and equity-related securities which are value driven.

The Fund may invest up to 100% of its NAV in the permitted investments, primarily in equities, equity-related securities (such as warrants and rights issues) and unlisted securities, with the flexibility to shift the asset allocation of the Fund to other asset classes to achieve a potentially higher return by changing the risk degree of the Fund's portfolio according to current market conditions. The Fund holds the flexibility to invest into opportunities in any market where the Manager deems attractive.

The investment selection for the Fund is unconstrained by any country, sector or market capitalisation. The Fund may invest in a single security.

The Fund may also invest in collective investment schemes (including but not limited to REITs and ETFs including inverse ETFs) and place deposits with financial institutions.

### Temporary Defensive Position

In times of extreme market volatility, we may take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation.

## 4.3 Asset Allocation

- 0% - 100% of the NAV of the Fund will be invested in equities and equity-related securities;
- 0% - 100% of the NAV of the Fund will be invested in fixed income securities, money market instruments and/or deposits;
- 0% - 100% of the NAV of the Fund will be invested in collective investment schemes (including but not limited to REITs and ETFs including inverse ETFs); and
- 0% - 20% of the NAV of the Fund will be invested in derivatives and embedded derivatives.

## 4.4 Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there is no inconsistency with the investment objective of the Fund, the Fund will invest in the following permitted investments:

- (1) equities and equity-related securities;
- (2) unlisted securities;
- (3) fixed income securities;
- (4) money market instruments;
- (5) deposits;
- (6) collective investment schemes (including REITs and ETFs);
- (7) embedded derivatives;
- (8) derivatives; and
- (9) any other investments which are in line with the Fund's objective.

## 4.5 Investment Restrictions and Limits

The Fund is not subject to any investment restrictions and limits.

**Unit Holders should be aware that the Deed allows the Fund to utilise leverage on its investments. However, the Manager does not intend to do so at this juncture. Unit Holders will be notified in writing if the Manager intends to use such leverage for the investments of the Fund and prospective investors will be notified of the same by way of a supplemental or replacement information memorandum.**

## **5. GENERAL RISKS AND SPECIFIC RISKS OF THE FUND**

### **5.1 General Risks of Investing in the Fund**

(a) 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.

(b) Liquidity Risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

(c) 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 the investors' purchasing power even though the value of the investment in monetary terms has increased.

(d) Manager's Risk

This risk refers to the day-to-day management of the Fund by the Manager which will impact 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.

(e) Loan Financing Risk

This refers to the risk of Unit Holders investing in the Fund with borrowed money and is not able to service the loan repayments. In the event Units are used as collateral, Unit Holders may be required to top-up existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan.

(f) 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 losses to the Fund, there is always a risk that losses may be suffered by the Fund. For example, if the Manager is forced to dispose off any investment of the Fund at loss to resolve the non-compliance.

Notwithstanding that, the Manager has imposed stringent internal compliance controls to mitigate this risk.

(g) 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 Unit Holders. The Manager will regularly review its internal policies and system capability to mitigate this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.

## 5.2 Specific Risks of the Fund

(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 risk of investing in equity-related securities is generally higher than their underlying equities. The pricing of the equity-related securities will depend on the price movements of their 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, embedded derivatives, fixed income securities 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

The Fund is a tactical asset allocation fund where the strategies employed shifts the asset mix of the Fund between equities and equity-related securities, fixed income 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.

(g) Derivatives Risk

The Fund may utilise derivatives mainly for hedging purposes. The NAV of the Fund will be impacted by the valuation of the derivatives. These include, but are not limited to, price movement of the underlying assets, volatility of the underlying assets, interest rate levels and the correlation of the underlying assets. Any change in the aforesaid factors would either positively or negatively impact the valuation of the derivatives hence impacting the NAV of the Fund.

(h) Collective Investment Schemes Risk

Investing in collective investment schemes may be more costly to the Fund than if the Fund had invested in the underlying investments directly as the Fund will indirectly be paying the fees and expenses of the collective investment schemes. The Fund's investments in ETFs may subject the Fund to additional risks (such as risks related to the changes in the constituent securities of the index that the ETF is tracking which may result in the rise or fall of the price of the ETF or cessation of the index that the ETF is tracking which may result in the termination of the ETF) than if the Fund would have invested directly in the constituent securities of the index. Any adverse price movements of such ETFs will adversely affect the Fund's NAV.

### 5.3 Risk Management Strategy and Technique

The Manager seeks to mitigate the identified risks associated with the Fund by imposing stringent internal controls, compliance monitoring, and by virtue of its experience, skills, governance and diligence.

**Investors are advised to read the Info Memo and obtain professional advice before subscribing to the Fund.**

**It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investment against all risks.**

**The investments of the Fund carry risks and we recommend that you read the whole Info Memo to assess the risks of the Fund.**

## 6. PRICING POLICY AND FEES

### 6.1 Pricing Policy

#### NAV and NAV per Unit

The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, as at the valuation point.

The NAV per Unit is the NAV of the Fund divided by the number of Units in circulation, at the same valuation point.

#### Selling Price

The selling price shall be equivalent to the NAV per Unit. Any applicable sales charge shall be payable separately from the selling price. During the IOP, the selling price is equivalent to the Initial Offer Price. After the IOP, forward pricing will be used to determine the selling price of the Fund, which is the NAV per Unit 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 Initial Offer Price during IOP and thereafter, the NAV per Unit. Any sales charge payable by the Unit Holder would be calculated as a percentage of the Initial Offer Price during IOP and thereafter, of the NAV per Unit.

*For illustration purposes, we would assume the following during the IOP:*

Amount invested:	MYR250,000.00
Sales charge:	5.00% of the Initial Offer Price
Initial Offer Price:	MYR1.00 (selling price)

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

Items	Calculation	Amount
Amount invested	-	MYR250,000.00
Number of Units purchased	Amount invested divided by the Initial Offer Price = MYR250,000.00 ÷ MYR1.00	250,000 Units
Sales charge of 5.00% on the Initial Offer Price	Sales Charge x Initial Offer Price x No. of Units = 5.00% x MYR1.00 x 250,000 Units	MYR12,500.00

Total amount invested = MYR 250,000.00

Add sales charge paid @ 5.00% of the Initial Offer Price = MYR 12,500.00

**Total amount paid by Unit Holder = MYR 262,500.00**

**The same calculation shall be applicable after the IOP except that the selling price shall be the NAV per Unit.**

## Redemption Price

The redemption price shall be equivalent to the NAV per Unit. During the IOP, the redemption price is equivalent to the Initial Offer Price. After the IOP, forward pricing will be used to determine the redemption price of the Fund, which is the NAV per Unit as at the next valuation point after the redemption request is received by the Manager.

### *Illustration – Calculation of redemption price*

The redemption price shall be the Initial Offer Price during the IOP and thereafter, the NAV per Unit. Any penalty charge payable by the Unit Holder would be calculated as a percentage of the Initial Offer Price during the IOP and thereafter, of the NAV per Unit.

*For illustration purposes, we would assume the following after the IOP:*

Total of Units to be redeemed: 100,000 Units  
Penalty charge: Nil  
NAV per Unit: MYR1.00 (redemption price)

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

Items	Calculation	Amount
Number of Units redeemed	-	100,000 Units
Amount redeemed	Total Units redeemed x NAV per Unit = 100,000 Units x MYR1.00	MYR100,000.00
Penalty charge is 0% of the NAV per Unit	Penalty charge x amount redeemed = 0% x MYR100,000.00	MYR0

Total amount redeemed and amount paid to Unit holder = MYR100,000.00  
Less penalty charge of 0% of NAV per Unit = MYR 0  
**Total amount paid to Unit Holder = MYR100,000.00**

## 6.2 Fees Charged to the Fund

### Annual Management Fee

The annual management fee is up to 1.50% per annum of the NAV of the Fund.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is MYR100 million on the Valuation Day, the management fee that would be accrued to the Fund for that day would be:

$\frac{\text{MYR100 million} \times 1.50\%}{365 \text{ days}} = \text{MYR4,109.59 per day}$

The management fee is accrued daily and payable monthly to the Manager.



## Annual Trustee Fee

The Trustee will be entitled to an annual trustee fee of up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), subject to a minimum fee of MYR15,000 per annum.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is MYR100 million on the Valuation Day, the trustee fee that would be accrued to the Fund for that day would be:

$$\frac{\text{MYR100 million} \times 0.04\%}{365 \text{ days}} = \text{MYR109.59 per day}$$

The trustee fee is accrued daily and payable monthly to the Trustee.

## Other Expenses

Only fees and expenses that are directly related and necessary to the operation and administration of the Fund may be charged to the Fund, which include but are not limited to the following:

- commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- costs, fees and expenses properly incurred by the auditor of the Fund;
- 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;
- 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;
- charges and fees paid to sub-custodians for taking into custody any foreign assets of the Fund;
- 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;
- costs, fees and expenses incurred by the registrar and transfer agency in relation to the Fund;
- costs, fees and expenses incurred for the fund valuation and accounting of the Fund; and
- any other fees and expenses permitted by the Deed.

## 7. VALUATION POINT AND VALUATION OF ASSETS OF THE FUND

### 7.1 Valuation Point

The Fund will be valued at **11:00 am** on every Business Day except during the IOP. If the foreign market in which the Fund is invested in is closed for business on the Business Day, we will value the investment based on the latest available price as at the day the particular foreign market was last opened for business.

The Manager shall ensure that the assets of the Fund are valued fairly and appropriately.

For currency translation of foreign investments to the Fund's base currency (MYR), the valuation shall be based on the bid exchange rate quoted by Bloomberg or Reuters at United Kingdom time 4:00 pm which is equivalent to 11:00 pm or 12:00 midnight

(Malaysian time) on the same day, or such other time as may be prescribed from time to time by the Federation of Investment Managers Malaysia or any relevant laws.

The Manager shall convert all expenses and income of the Fund denominated in currencies other than MYR into the Fund's base currency, MYR.

## 7.2 Valuation of Assets of the Fund

**Listed equities, listed equity-related securities and listed collective investment schemes ("listed securities")** will be valued based on the last done market price.

However, if:-

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

then the listed securities 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.

**Unlisted securities** will be valued based on the cost price at the point of purchase.

**Fixed income securities** will be valued based on the last price quoted and derived from Bloomberg Generic Price ("BGN").

**Deposits** placed with financial institution(s) will be valued by reference to the principal value of such deposits and the interests/profits accrued thereon for the relevant period.

**Money market instruments** will be valued based on the last price quoted and derived from 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 accretion of discount over their par value at the time of acquisition, less provision for any diminution in value.

**Derivatives and embedded derivatives** are valued based on marked-to-market price.

**Unlisted collective investment schemes** are valued based on the last published repurchase price.

**Any other investment** will be valued at 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.

## 8. COMPUTATION OF NAV AND NAV PER UNIT

***Illustration on computation of NAV and NAV per Unit on a particular Valuation Day***

Assets of the Fund	100,000,000.00
Add: Income	30,000,000.00
Gross asset value/ GAV	130,000,000.00
Less: Fund expenses	(650,000.00)

NAV of the Fund (before deduction of management fee and trustee fee)	129,350,000.00
Less:	
Management fee for the day (1.50% of the NAV)	(5,315.75)
Trustee fee for the day (0.04% of the NAV)	(141.75)
NAV of the Fund (after deduction of management fee and trustee fee)	129,344,542.50
Total of Units in circulation for that day	100,000,000
<b>NAV per Unit (MYR)</b>	<b>MYR 1.2934</b>

**Note:**

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

**9. PARTIES TO THE FUND**

**9.1 Manager**

Background and Experience

Fortress Capital Asset Management (M) Sdn Bhd 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.

**9.2 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 due diligence and vigilance in carrying out its functions and duties as trustee and act with care, skill and diligence as can be reasonably expected from a person exercising the position of a trustee, and in accordance with the Deed and all relevant laws in carrying out its duties and responsibilities.

#### 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.

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

### **10.1 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 Manager or the Trustee 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 assets 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.

## **10.2 Liabilities of Unit Holders**

No Unit Holder shall be 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 and any charges payable in relation thereto.

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 pursuant to this clause shall be limited to recourse to the Fund.

## **10.3 Termination of the Fund**

The Manager may, in its absolute discretion and without having to obtain the prior approval of the Unit Holders, terminate the Fund if the termination of the Fund is in the best interest of the Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Fund. If the Fund is left with no Unit Holders, the Manager shall be entitled to terminate the Fund.

## **10.4 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 direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

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

provided always that the Manager shall not be obliged to summon 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 of the Fund, 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 or if it be a question which under the Deed requires a Special Resolution, in which case a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one (1) vote.

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

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

- (ii) if the Fund has only two (2) Unit Holders, the quorum required for a meeting of the Unit Holders 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.

If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders.

## **11. ANTI-MONEY LAUNDERING POLICY**

The Manager has established a set of policies and procedures to prevent money laundering activities and to report transactions if it appears to be suspicious, in compliance with the provisions of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“**AMLA**”). In view of these, the Manager has the duty to ensure the following are strictly adhered to:

- i) compliance with laws: the Manager shall ensure that laws and regulations are adhered to, the business is conducted in conformity with high ethical standards and that service is not provided where there is good reason to suspect that transactions are associated with money laundering activities.
- ii) co-operation with law enforcement agencies: The Manager shall co-operate fully with law enforcement agencies. This includes taking appropriate measures such as disclosure of information by the Manager to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia.
- iii) policies, procedures and training: The Manager shall adopt policies consistent with the principles set out under the AMLA and ensure that the staff is informed of these policies and provide adequate training to such staff on matters provided under the AMLA.
- iv) know your customer: The Manager shall obtain satisfactory evidence of the customer’s identity and have effective procedure for verifying the bona fides of the customer.

## **12. 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 services 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 the Info Memo.