

# REPLACEMENT PROSPECTUS

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## TradePlus MSCI Asia ex Japan REITs Tracker

(an exchange-traded fund established and constituted in Malaysia on 14 February 2020)

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The Securities Commission Malaysia has approved the listing of and quotation for units of the TradePlus MSCI Asia ex Japan REITs Tracker (“**the Fund**”) on the Main Market of Bursa Malaysia Securities Berhad and a copy of this Prospectus has been registered by the Securities Commission Malaysia.

The approval, and registration of this Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The Securities Commission Malaysia has not, in any way, considered the merits of the securities being offered for investment.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the management company responsible for the Fund and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Admission to the Official List of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the offering, the Fund or of its Units.

### Manager



**AHAM Asset Management Berhad**  
*(Formerly known as Affin Hwang Asset Management Berhad)*  
(Registration No.: 199701014290 (429786-T))

### Trustee



**TMF Trustees Malaysia Berhad**  
(Registration No.: 200301008392 (610812-W))

**THIS IS A REPLACEMENT PROSPECTUS THAT REPLACES AND SUPERCEDES THE PROSPECTUS DATED 9 JULY 2020 AND THE FIRST SUPPLEMENTAL PROSPECTUS DATED 3 JANUARY 2022.**

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 5.**

**This Prospectus is dated 29 September 2023.**

All terms used are defined under the "Abbreviations/Definitions" section commencing on page vi of this Prospectus.

## RESPONSIBILITY STATEMENTS

The directors of the Manager have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement, or other facts which if omitted, would make any statement in this Prospectus false or misleading.

## 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 Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to the Fund.

This Prospectus can also be viewed or downloaded from Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

No action has been or will be taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Malaysia and therefore, this Prospectus does not constitute an offer or invitation in any jurisdiction in which such offer or invitation is not lawful or in which the person making such offer or invitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or invitation. Investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile for the acquisition, holding or disposal of Units.

## ELECTRONIC PROSPECTUS

The contents of the electronic copy of this Prospectus and the copy of this Prospectus registered with the Securities Commission Malaysia are the same. Prospective investors may obtain a copy of the Electronic Prospectus from the website of the Fund at [www.tradeplus.com.my](http://www.tradeplus.com.my).

The internet is not a fully secured medium. If investors doubt the validity or integrity of an Electronic Prospectus, investors should immediately request from the Manager a paper or printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper or printed copy of this Prospectus, the contents of the paper or printed copy of this Prospectus which are identical to the copy of this Prospectus registered with the Securities Commission Malaysia shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as “**Third Party Internet Sites**”), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, investors acknowledge and agree that:

- (i) each of the Manager and Participating Dealer does not endorse and is not affiliated in any way with the Third Party Internet Sites. Accordingly, each of the Manager and Participating Dealer is not responsible for the availability of, or the contents of any data, files or other material provided on Third Party Internet Sites. Investors bear all risks associated with the access to or use of Third Party Internet Sites;
- (ii) each of the Manager and Participating Dealer is not responsible for the quality of products or services of the Third Party Internet Sites, particularly in fulfilling any terms of agreements with Third Party Internet Sites. Each of the Manager and Participating Dealer is also not responsible for any loss or damage or cost that investors may suffer or incur in connection with or as a result of dealing with Third Party Internet Sites or the use of or reliance on any data, file or other material provided by such parties; and
- (iii) any data, file or other material downloaded from Third Party Internet Sites is done at the investors’ own discretion and risk. Each of the Manager and Participating Dealer is not responsible, liable or under any obligation for any damage to investors’ computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the Fund’s website (i.e. [www.tradeplus.com.my](http://www.tradeplus.com.my)), investors are advised that:

- (i) the Manager is only liable in respect of the integrity of the contents of an Electronic Prospectus to the extent of the contents of the Electronic Prospectus on the web server of the Manager which may be viewed via the investors’ web browser or other relevant software. The Manager is not responsible for the integrity of the contents of an Electronic Prospectus which has been obtained from the web server of the Manager and subsequently communicated or disseminated in any manner to investors or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Manager is not liable (whether in tort or contract or otherwise) for any loss, damage or costs, investors or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault with the web browsers or other relevant software, any fault on investors’ or any third party’s personal computers, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Manager respectively, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on investors’ personal computers.

## LICENSING DISCLOSURE STATEMENT AND CONDITIONS

**The following are statements required to be disclosed in this Prospectus under the Master Licence Agreement entered into between MSCI Limited and the Manager dated 1 October 2019 and any licensing conditions for using the benchmark, including contingency plans in the event of cessation of the availability of the benchmark.**

The Fund is not sponsored, endorsed, sold or promoted by MSCI Inc. (“MSCI”), any of its affiliates, any of its information providers or any other third party involved in, or related to compiling computing or creating any MSCI Index (collectively, the “MSCI Parties”). The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names are service mark(s) of MSCI or its affiliates and have been licensed for the use for certain purposes by the Manager. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of this Fund or any other person or entity regarding the advisability of investing in funds generally or in this Fund particularly or the ability of any MSCI Index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI Indexes which are determined, composed and calculated by MSCI without regard to this Fund or the issuer or owner of this Fund or any other person or entity. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of this Fund or any other person or entity into consideration in determining, composing or calculating the MSCI Indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of prices at, or quantities of this Fund to be issued or in the determination or calculation of the equation by or the consideration into which this Fund is redeemable. Further, none of the MSCI Parties has any obligation of liability to the issuer or owners of this Fund or any other person or entity in connection with the administration, marketing or offering of this Fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI Indexes from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI Index or any data included therein. None of the MSCI parties makes any warranty, express or implied, as the results to be obtained by the issuer of the Fund, owner of the Fund, or any other person or entity, from the use of any MSCI Index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI Index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose with respect to each MSCI Index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

**Please refer to Section 3.5 as well as the section headed “Risks Related to the Benchmark” in Section 2.2 for further information on the Benchmark.**

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## ABBREVIATIONS / DEFINITIONS

In this Prospectus, unless the context requires otherwise, the following words and abbreviations shall have the following meanings:-

Affin Hwang IB	:	Affin Hwang Investment Bank Berhad.
Application	:	A Creation Application and/or a Redemption Application, as the case may be.
Application Fee	:	The fee which will be payable by the Participating Dealer to the Manager (i) on each Creation Application and/or (ii) on each Redemption Application.
Application Cancellation Fee	:	The fee which may, at the discretion of the Manager, be charged to the Participating Dealer upon the cancellation of each Application.
Authorised Securities	:	Any or all of the following: <ul style="list-style-type: none"><li>(i) Index Securities;</li><li>(ii) non-Index Securities which in the opinion of the Manager has a high correlation (i.e. positive correlation coefficient of at least 0.7) to one or more of the Index Securities that it is substituting; and</li><li>(iii) if the Manager is of the opinion there exists liquidity constraints with the Index Securities and/or non-Index Securities, one or more local or foreign collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Fund as determined by the Manager.</li></ul>
Benchmark	:	MSCI AC Asia ex Japan IMI/Equity REITs Custom High Dividend Tilted Capped Index (or such other name by which the index may be known) provided by the Index Licensor or such replacement index as may be determined by the Manager, in accordance with the Deed and as set out in Section 3.5 of this Prospectus.
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd.
Bursa Securities	:	Bursa Malaysia Securities Berhad.
Business Day(s)	:	A day (other than Saturdays, Sundays or public holidays in Kuala Lumpur) on which Bursa Securities is open for trading of securities or such other day as may be agreed upon between the Manager and the Trustee and notified to the Participating Dealer.
Cash Component	:	(i) The amount of cash to be paid per Creation Unit Block which forms part of the In-Kind Creation Basket; or  (ii) the amount of cash to be received per Redemption Unit Block which forms part of the In-Kind Redemption Basket,  as the case may be.
Cash Creation	:	The creation of Units in Creation Unit Block(s) in exchange for the Subscription Amount delivered by the Participating Dealer.
Cash Redemption	:	The redemption of existing Units in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for the Redemption Amount.

CDS	:	Central Depository System.
CDS Account	:	An account established at Bursa Depository for the recording of deposit of securities and for dealing in such securities by the depositor.
Central Depositories Act	:	The Securities Industry (Central Depositories) Act 1991.
CMSA	:	The Capital Markets and Services Act 2007.
Correlation	:	The degree to which the periodically measured return of one investment resembles that of another investment. The performance of the Fund and the Benchmark will vary somewhat due to, among other things, Transaction Costs, market impact and timing variances.
Creation Application	:	An application by the Participating Dealer (in accordance with the terms of the Participating Dealer Agreement) to the Manager for the creation of new Units (in a Creation Unit Block or whole multiples thereof).
Creation Application Fee	:	The fees which may be charged by the Manager to the Participating Dealer on each Creation Application in addition to the Subscription Amount and Transaction Costs.
Creation Date	:	In relation to Units applied for, <ul style="list-style-type: none"> <li>(i) for Cash Creation, the second (2<sup>nd</sup>) Business Day after the Trade Date on which a Creation Application for such Units is received or deemed received; and</li> <li>(ii) for In-Kind Creation, the second (2<sup>nd</sup>) Business Day after the Settlement Date on which a Creation Application for such Units is received or deemed received;</li> </ul> <p>or such other day as may be agreed between the Manager and the Trustee (on either a general or case by case basis) and notified to the Participating Dealer on which Units are to be created.</p>
Creation Securities	:	The Authorised Securities comprised in an In-Kind Creation Basket.
Creation Unit Block	:	The quantity of Units which will be issued upon a successful Creation Application: <ul style="list-style-type: none"> <li>(i) for In-Kind Creation, in respect of one (1) whole In-Kind Creation Basket; and</li> <li>(ii) for Cash Creation, in respect of the Subscription Amount.</li> </ul> <p>The size of a Creation Unit Block may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer.</p>
CVC Capital Partners Asia Fund V	:	Collectively (1) CVC Capital Partners Asia V L.P.; (2) CVC Capital Partners Investment Asia V L.P.; and (3) CVC Capital Partners Asia V Associates L.P.
Dealing Day	:	A day (excluding Saturdays, Sundays and public holidays) on which the Relevant Exchanges in which the Fund is invested in is open for trading. The Manager may declare certain Dealing Days as non-Dealing Days when one or more of the Relevant Exchanges in which the Fund is invested in is closed for trading but shall not include a Dealing Day on which a force majeure event occurs or is continuing.



Dealing Deadline	:	For the purposes of Creation Application(s) and/or Redemption Application(s), such time on any particular Dealing Day as the Manager may, in consultation with the Trustee, from time to time determine and notified to the Participating Dealer.
Deed	:	The deed dated 14 February 2020 as amended by the first supplemental deed dated 25 August 2021 and the second supplemental deed dated 2 June 2023 entered into between the Trustee and the Manager, including any supplemental deed thereto.
eDividend	:	The service which was set up to allow the Manager and/or Trustee to electronically pay cash distributions directly into a Unit Holder's bank account.
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium, including but not limited to CD-ROMs.
eligible markets	:	An exchange, government securities market or an over-the-counter (OTC) market– (i) that is regulated by a regulatory authority of that jurisdiction; (ii) that is open to the public or to a substantial number of market participants; and (iii) on which financial instruments are regularly traded.
ETF	:	Exchange-traded fund.
ETF Guidelines	:	Guidelines on Exchange-traded Funds issued by the SC and any amendments thereafter.
Financial Institutions	:	If – (i) the institution is in Malaysia, any Licensed Bank, Licensed Investment Bank or Licensed Islamic Bank; or (ii) the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Fund	:	TradePlus MSCI Asia ex Japan REITs Tracker.
Fund Assets	:	All the assets (including cash) of the Fund for the time being held or deemed to be held upon trust by the Trustee pursuant to the Deed including realised income of the Fund but excluding any amount which has been allocated for distribution to Unit Holders.
FYE(s)	:	Financial year(s) ended/ending.
In-Kind Creation	:	The creation of new Units in Creation Unit Block(s) in exchange for In-Kind Creation Basket(s) delivered by the Participating Dealer.
In-Kind Creation Basket	:	The portfolio of Creation Securities and Cash Component (if any) determined by the Manager in respect of each Dealing Day, that must be delivered by the Participating Dealer pursuant to a Creation Application in exchange for one (1) Creation Unit Block.
Index Licensor	:	MSCI Limited, the licensor of the Benchmark, who has the right to grant the Manager usage of the Benchmark.
Index Securities	:	The securities or interests issued by the companies that are included in the Benchmark from time to time that may be issued against such securities or interests.

In-Kind Redemption	:	The redemption of existing Units in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for the In-Kind Redemption Basket.
In-Kind Redemption Basket	:	The portfolio of Redemption Securities and Cash Component (if any) determined by the Manager in respect of each Dealing Day, that will be received by the Participating Dealer pursuant to a Redemption Application in exchange for one (1) Redemption Unit Block.
IOPV	:	Indicative Optimised Portfolio Value which serves as an approximation to the NAV per Unit of the Fund between Valuation Points as set out in Section 5.5 of this Prospectus.
Issue Price	:	The price per Unit at which Units are from time to time issued, based on the NAV per Unit and which shall be ascertained in accordance with the provisions of Section 5.4 - "Calculation of Issue Price and Redemption Price" of this Prospectus.
Licensed Bank	:	Has the meaning assigned to it in the Financial Services Act 2013.
Licensed Investment Bank	:	Has the meaning assigned to it in the Financial Services Act 2013.
Licensed Islamic Bank	:	Has the meaning assigned to it in the Islamic Financial Services Act 2013.
Listing	:	Admission to the Official List and the listing of and quotation for the Units on the Main Market of Bursa Securities.
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities.
LPD	:	31 May 2023 being the latest practicable date prior to the registration of this Prospectus.
Manager / AHAM	:	AHAM Asset Management Berhad ( <i>formerly known as Affin Hwang Asset Management Berhad</i> ).
MYR	:	Ringgit Malaysia, the lawful currency of Malaysia.
Net Asset Value or NAV	:	The value of all the Fund Assets less the value of all the Fund's liabilities, at the Valuation Point.
NAV per Unit	:	The Net Asset Value of the Fund at a particular Valuation Point divided by the number of Units in issue, at the same Valuation Point.
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities.
Ordinary Resolution	:	A resolution passed at a meeting of Unit Holders duly convened and held in accordance with the provisions of the Deed by a simple majority of the votes validly cast by the Unit Holders present (in person or by proxy) at the meeting and voting.
Participating Dealer	:	Affin Hwang IB and Malacca Securities Sdn Bhd and shall include any other eligible dealer who enters into a Participating Dealer Agreement in the form and substance acceptable to the Manager and Trustee.
Participating Dealer Agreement	:	The agreement entered into between the Participating Dealer, the Manager and the Trustee setting out, amongst others, the arrangement in respect of the creation and issue of Units and the redemption and cancellation of Units.

Permitted Investments	:	The assets and instruments that the Fund is authorised to invest as set out in Section 3.9 of this Prospectus.
Prospectus	:	This prospectus in respect of the Fund and includes any supplemental or replacement prospectus, as the case may be.
Redemption Amount	:	The cash sum to be delivered to the Participating Dealer in respect of a Cash Redemption equivalent to the Redemption Price multiplied by the number of Units to be redeemed.
Redemption Application	:	An application by the Participating Dealer to the Manager for the redemption of existing Units in a Redemption Unit Block (or whole multiples thereof).
Redemption Application Fee	:	The fee which may be charged by the Manager to the Participating Dealer on each Redemption Application in addition to the Transaction Costs.
Redemption Date	:	In relation to Units applied for, the second (2 <sup>nd</sup> ) Business Day after the Settlement Date on which a Redemption Application for such Units is received or deemed received or such other day as may be agreed between the Manager and the Trustee (on either a general or case by case basis) and notified to the Participating Dealer on which Units are to be redeemed/cancelled.
Redemption Price	:	The price per Unit at which Units are from time to time redeemed, based on the NAV per Unit, and which shall be ascertained in accordance with the provisions of Section 5.4 - "Calculation of Issue Price and Redemption Price" of this Prospectus.
Redemption Securities	:	The Authorised Securities comprised in an In-Kind Redemption Basket.
Redemption Unit Block	:	The quantity of Units which is required to be delivered to the Trustee upon a successful Redemption Application: <ul style="list-style-type: none"> <li>(i) for In-Kind Redemption, in respect of one (1) whole In-Kind Redemption Basket; and</li> <li>(ii) for Cash Redemption, in respect of the Redemption Amount.</li> </ul> <p>The size of a Redemption Unit Block may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer.</p>
Register	:	The register of Unit Holders kept and maintained by the Manager or its appointed agent.
Registrar	:	The Manager or such other party as may be appointed by the Manager from time to time.
REITs	:	Real Estate Investment Trusts.
Relevant Exchanges	:	The stock exchanges in which the Fund may invest, which includes Bursa Securities, Hong Kong Stock Exchange, Singapore Exchange, Korea Stock Exchange, and such other exchanges as may be relevant to the Fund.
Settlement Date	:	The Dealing Day which is two (2) Dealing Days after the relevant Trade Date or such other number of days after the relevant Trade Date as may be agreed between the Trustee and the Manager either generally or in any particular case or cases.
SC	:	Securities Commission Malaysia.

Special Resolution	:	A resolution passed at a meeting of Unit Holders duly convened and held in accordance with the provisions of the Deed, by a majority of not less than seventy five per centum (75%) of the total voting rights of the Unit Holders who are entitled to vote on the resolution at the meeting of Unit Holders, provided that for the purposes of terminating the Fund, a special resolution is passed by a majority in number representing at least seventy five per centum (75%) of the voting rights of the Unit Holders voting at the meeting of Unit Holders.
Subscription Amount	:	The cash sum to be delivered by the Participating Dealer in respect of a Cash Creation equivalent to the Issue Price multiplied by the number of Units to be applied for.
Trade Date	:	The Dealing Day on which the Manager receives/is deemed to have received a valid Application in accordance with the provisions of the Deed and the Participating Dealer Agreement provided that if such valid Application is received after the Dealing Deadline, the next Dealing Day shall be the Trade Date.
Transaction Costs	:	In relation to any particular transaction or dealing, all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies, foreign exchange costs and other duties and charges whether in connection with the Fund Assets or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Fund Assets or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing.
Trustee	:	TMF Trustees Malaysia Berhad.
Unit(s)	:	An undivided beneficial interest in and ownership of the Fund.
Unit Holder(s), you	:	A person entered on the Register as the holder of Units in accordance with the provisions of the Deed.
USD	:	United States Dollar, the lawful currency of the United States of America.
Valuation Point	:	The time as set out in Section 3.13 of this Prospectus.

Reference to a time or a day in this Prospectus shall be a reference to Malaysian time or day, unless otherwise stated. Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a company or a corporation.

Any reference in this Prospectus to any enactment or guideline is a reference to the enactment or guideline as for the time being amended or re-enacted.

The information on the Fund's and the Manager's website or the Index Licensor's website or any website directly or indirectly linked to such websites is not incorporated by reference into this Prospectus and should not be relied on.

# CORPORATE DIRECTORY

## **MANAGER / REGISTRAR**

AHAM Asset Management Berhad  
(Formerly known as Affin Hwang Asset Management Berhad)

### *Registered Office:*

3<sup>rd</sup> Floor, Menara Boustead, 69 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel. No.: 03 – 2142 3700  
Fax No.: 03 – 2142 3799

### *Business Office:*

Ground Floor, Menara Boustead, 69 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel. No.: 03 – 2116 6000  
Fax No.: 03 – 2116 6100  
Toll Free No.: 1-800-88-7080  
E-mail: [customercare@aham.com.my](mailto:customercare@aham.com.my)  
Website: [www.aham.com.my](http://www.aham.com.my)

## **TRUSTEE**

TMF Trustees Malaysia Berhad  
*Registered & Business Address:*  
10<sup>th</sup> Floor, Menara Hap Seng  
No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur  
Tel. No.: 03 – 2382 4288  
Fax No.: 03 – 2026 1451  
E-mail: [malaysia@tmf-group.com](mailto:malaysia@tmf-group.com)  
Website: [www.tmf-group.com](http://www.tmf-group.com)

**For further information on AHAM's delegates, auditor, tax advisers, solicitors, participating dealers, market maker, Index Licensor and the stock exchange where Units are listed, you may obtain details from the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my)**

# 1. KEY DATA

The information set out in this section is only a summary of the salient information on the Fund and is extracted from the full text of this Prospectus. Investors should read and understand the entire Prospectus, including “Risk Factors” in Section 2 of this Prospectus before making an investment decision or deciding whether to invest and if necessary, consult their professional adviser(s). Please keep in mind, however, that no fund should be relied upon as a complete investment program.

## 1.1 The Fund

Item	Brief Description	Sections
Name of Fund	: TradePlus MSCI Asia ex Japan REITs Tracker	-
Category of Fund	: Equity exchange-traded fund	-
Type of Fund	: Index tracking fund	-
Launch Date of the Fund	: 9 July 2020	
	The approval for admission to the Official List and the listing of and quotation for up to 1,000,000,000 Units on the Main Market of Bursa Securities was obtained from Bursa Securities on 23 March 2020.	
Base Currency	: MYR	-
Financial Year End of the Fund	: 31 March	-
Benchmark	: MSCI AC Asia ex Japan IMI/Equity REITs Custom High Dividend Tilted Capped Index	3.5
	<i>Note:</i> <i>IMI means the “MSCI Investable Market Indexes”, which MSCI uses as a methodology to cover all investable large, mid, and small cap securities.</i>	
	<i>High Dividend Tilted Capped means the weighting of the securities is achieved by tilting the market capitalization weights of these securities based on their dividend yield score while capping the weighting of a single security to 10% to prevent the index from concentrating on a single security.</i>	
Investment Objective	: The Fund aims to provide investment results that closely correspond to the performance of the Benchmark.	3.1
Investment Strategy	: The Fund is a passively managed fund. The Manager intends to primarily use a full replication strategy to track the performance of the Benchmark.	3.4
Asset Allocation	: <ul style="list-style-type: none"> <li>➤ A minimum of 90% of the Fund’s NAV is to be invested in Authorised Securities.</li> <li>➤ The remaining balance of the Fund’s NAV is to be invested in money market instruments, money market collective investment schemes and/or deposits.</li> </ul>	3.3



Item	Brief Description	Sections
	➤ Redemption of Units The Participating Dealer (either for its own account or for the account of an investor as its client) can apply for In-Kind Redemption of Units through the delivery of existing Units in exchange for In-Kind Redemption Basket or Cash Redemption through the delivery of existing Units in exchange for the Redemption Amount.	5.2.3 5.2.4
Creation / Redemption Unit Block	: 200,000 Units  This quantity may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer. The Creation/Redemption of Units must be in a Creation/Redemption Unit Block (or whole multiples thereof).	5.2.1 5.2.3
Trading of Units on Bursa Securities	: Investors may trade (buy and sell) Units on the Main Market of Bursa Securities.	5.8
Trading Board Lot Size	: 100 Units	5.8
Manager	: AHAM Asset Management Berhad (Formerly known as Affin Hwang Asset Management Berhad)	7
Trustee	: TMF Trustees Malaysia Berhad	8

## 1.2 Fees, Charges and Expenses

The following are the charges that the investors may incur **directly** when they invest in the Units of the Fund.

### ➤ Through Participating Dealer

All Creation Applications and Redemption Applications must be submitted to the Manager through the Participating Dealer. The creation and redemption of the Units must be implemented in accordance with the terms and conditions set out in the Participating Dealer Agreement.

This table describes the fees and charges (excluding out-of-pocket expenses) to be paid by the Participating Dealer to the Manager and/or Trustee. These fees and charges may either be charged to the investor by the Participating Dealer or may be absorbed by the Participating Dealer. Investors should check with the relevant Participating Dealer on the actual fees and charges which may be incurred.

Fees and Charges	Details	Section
Creation/Redemption Application Fee	: MYR 200 per Creation Unit Block or Redemption Unit Block as applicable (and subject to a maximum of MYR 1,000) payable to the Manager or such other amount as may be determined by the Manager from time to time in consultation with the Trustee.	4.1.1
Creation/Redemption Application Cancellation Fee	: 1.00% of the Subscription Amount or Cash Redemption or 1.00% of the value of the In-Kind Creation Basket or In-Kind Redemption Basket, whichever is applicable, payable to the Manager or such other amount as may be determined by the Manager from time to time, in consultation with the Trustee.	4.1.1



Fees and Charges	Details	Section
Transaction Costs	: The Manager may charge Transaction Costs (incurred by the Fund) to prevent the NAV of the Fund from being diluted.	4.1.1
Other Fees	: The amount (other than the Transaction Costs described above) that may be incurred by the Manager and/or the Trustee from time to time in relation to the Applications submitted by the Participating Dealer, which is charged by Bursa Depository.	4.1.1

➤ **Through Bursa Securities**

This table describes the charges that investors may incur (based on the charges imposed by Bursa Securities as at the date of this Prospectus which charges may be varied from time to time) when they buy or sell Units in the Fund on Bursa Securities. Investors should check with their brokers on the actual fees and charges which may be incurred.

Fees and Charges	Details	Section
Brokerage Fee	: As prescribed by the Bursa Securities.	4.1.2
Bursa Securities Clearing Fee	: 0.03% of the transaction value subject to a maximum of MYR 1,000 per transaction. A MYR 10 minimum fee per transaction is applicable for direct business contracts.	4.1.2

Further information on the charges that investors will incur when trading Units on Bursa Securities can be found at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The following are the charges that the investors may incur **indirectly** when they invest in the Units of the Fund.

Fees and Charges	Details	Section
Annual Management Fee	: Up to 1.00% per annum of the NAV of the Fund	4.2
Annual Trustee Fee	: Up to 0.04% per annum of the NAV of the Fund	4.2
Annual Index Licence Fee	: i) USD 11,400 per annum; and ii) 0.015% per quarter, calculated based on the NAV of the Fund, accrued daily and payable quarterly.	4.2

### 1.3 Other Information

The deed dated 14 February 2020 as amended by the first supplemental deed dated 25 August 2021 and the second supplemental deed dated 2 June 2023 entered into between the Manager and the Trustee.

**Please refer to the relevant sections and pages of this Prospectus as set out above for additional specific information on the respective items on the Fund.**

**As the above strictly represents a summary of the salient information of the Fund, please read and understand the entire Prospectus before making investment decisions or investing in the Units.**

## 2. RISK FACTORS

An investment in the Units involves risk. Prospective investors should rely on their own evaluation and carefully consider the following risk factors in addition to other information contained elsewhere in this Prospectus, before investing in the Fund.

Unless specified or quantified in the relevant risk factors set out herein, the Manager is not in a position to quantify the financial or other implications of any of the risks described in this Section. The following risk factors may not be exhaustive, and additional risks and uncertainties not presently known to the Fund or the Manager, or which are currently deemed to be immaterial may become material in the future, which could have a material adverse effect on the Fund or the price of the Units.

Unit Holders should be aware that the price of the Units may fluctuate. Investors should also note that they may not recoup their original investment fully or at all.

### 2.1 General Risks of Investing in ETFs and the Fund in Particular

➤ **Market Risk**

General movements in the local market and factors that affect the investment climate and investor sentiment could affect the level of trading and therefore the market price of the Units, which can go down in price as well as up. These risks are generally applicable to any investment in listed securities. These risks include market fluctuations caused by factors such as economic and political developments.

➤ **Capital and Returns Not Guaranteed**

Investors should be aware that by investing in the Fund, there is no guarantee of any returns or capital appreciation. Unlike fixed deposits placed directly by the investors into any Financial Institution which carry a specific rate of return, this Fund does not provide a fixed rate of return. There is no guarantee that investors will enjoy any capital appreciation or will not experience any loss of capital invested in the Fund.

➤ **Inflation Risk**

Inflation is one of the long term risks as it creates uncertainty over the future value of the investments. Any investment is subject to the risk that the investments may not grow proportionately with the inflation rate. A return on investment which is lower than inflationary rate would reduce Unit Holder's purchasing power per MYR even though the value of the investment in monetary terms has increased.

➤ **Liquidity Risk**

Although the Units are listed for trading on the Bursa Securities, there is no assurance that an active trading market for such Unit will develop or be maintained. There is no certain basis for predicting the actual price levels at, or volume in which, the Units may trade. Accordingly, if a Unit Holder needs to sell his Units at a time when no active market for them exists, the price he receives for his Units (assuming he is able to sell them) is likely to be lower than the price received if an active market did exist. Whilst the market maker has been appointed by the Manager, there can be no assurance that such liquidity risk will be fully mitigated.

Investors should note, however, that the liquidity in the market for the Units may be adversely affected if the market maker fails or ceases to fulfil its role as a market maker. It is the Manager's intention that there will always be at least one market maker for the Fund.

In addition, the Fund may invest in illiquid securities and such investments may have a negative effect on the returns of the Fund because the Fund may be unable to sell the illiquid securities at an advantageous time or price. Liquid investments may become illiquid or less liquid after purchase by the Fund, particularly during periods of market turmoil or economic uncertainty. If the Fund is forced to sell the underlying securities at reduced prices or under unfavourable conditions to meet redemption requests or for other cash needs, the Fund may suffer a loss.

An inability to sell a particular underlying security or portion of the Fund Assets may have a negative impact to the value of the Fund and may have negative implications for investors being able to redeem, on the primary market, in a timely fashion. Additionally, investors who remain invested in the Fund may also be adversely affected.

We have established liquidity risk management policies to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet any Redemption Applications with minimal impact to the Fund as well as safeguarding the interests of the remaining Unit Holders. To manage the liquidity risk, we have put in place the following procedures:

- a) Regular review on the Fund's investment portfolio including its liquidity stress testing in times of exceptional market conditions;
- b) The Manager may limit the total number of Units that can be redeemed on a Trade Day. If the total number of Units (for which Redemption Applications have been received by the Manager) on a Trade Date exceeds 10% (or such higher percentage as the Manager may determine) of the number of Units of the Fund on that day, the Manager shall be entitled to limit the total number of Units to be redeemed on that day to 10% (or such higher percentage as the Manager may determine) of the number of Units of the Fund;
- c) The Fund may hold a maximum of 10% of its NAV in money market instruments and/or deposits. This will allow the Fund to have sufficient buffer to meet any Redemption Applications;
- d) The Fund may borrow up to 10% of the Fund's NAV for the purpose of meeting Redemption Applications; and
- e) Suspension of Redemption Applications under exceptional circumstances where the market value or fair value of a material portion of the Fund Assets cannot be determined as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Manager. During the suspension period, the Redemption Applications will not be accepted and such Redemption Applications will be dealt on the next Business Day once the suspension is lifted. That said, the action to suspend Redemption Applications shall be exercised only as a last resort by the Manager having considered the best interests of Unit Holders.

Investors should note that there is a risk that the tools available may be ineffective to manage liquidity and redemption risk.

➤ **Units may Trade other than at Net Asset Value**

The trading prices of the Units on Bursa Securities may deviate significantly from the NAV per Unit particularly during periods of market volatility or when there is any suspension of creations or redemptions of Units. The NAV per Unit of the Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the Fund Assets. The trading prices of the Units fluctuate continuously throughout the trading hours based on market supply and demand and economic conditions in Malaysia, rather than the NAV. Any of these factors may lead to the Units trading at a premium or discount to its NAV. On the basis that Units can be created and redeemed by the Participating Dealer in Creation Unit Blocks or Redemption Unit Blocks at the NAV, it is not anticipated that the market price of Units will have large deviations from the NAV per Unit, or even if there is, such deviations will not be sustained. If the Manager suspends creations and/or redemptions of Units, larger deviations to the NAV are expected.

Further, the role of the market maker is intended to minimise the difference between the trade prices on Bursa Securities and the NAV per Unit of the Fund.

➤ **Trading in Units on Bursa Securities may be Suspended or Units may be De-Listed**

Unit Holders and potential Unit Holders will not be able to buy, nor will Unit Holders be able to sell Units on Bursa Securities during any period in which trading of the Units is suspended. Bursa Securities or the Manager may suspend the trading of Units pursuant to Bursa Securities' rules and policies whenever it is appropriate and in the interests of a fair and orderly market to protect Unit Holders. The creation and redemption of Units may also be suspended if the trading of Units is suspended.

Further, Bursa Securities imposes certain requirements for the continuous listing of securities, including the Units, on Bursa Securities. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain the listing of the Units on the Main Market of Bursa Securities or that Bursa Securities will not change the Listing Requirements. The Fund may be terminated if its Units are de-listed from Bursa Securities.

➤ **Suspension of Creations and/or Redemptions**

Dealings of Units on Bursa Securities may not necessarily be suspended in the event that the creation and/or redemption of Units is temporarily suspended by the Manager in accordance with the terms of the Deed. If the creation and/or redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Fund's underlying assets.

➤ **Legal and Regulatory Risks**

The Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objective followed by the Fund. Furthermore, such change in the laws may have an impact on the market sentiment which may, in turn, affect the performance of the Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Fund. In the worst case scenario, a Unit Holder may lose all of his investment in the Fund.

➤ **Reliance on Participating Dealer**

- The creation and redemption of Units may only be effected through the Participating Dealer. The Manager has entered into a Participating Dealer Agreement with the Participating Dealer. This enables the Participating Dealer to request the creation of new Units and/or require the redemption of existing Units. If the existing Participating Dealer were to withdraw at any time and no new or additional participating dealer is appointed and/or enters into a Participating Dealer Agreement with the Manager, no Units may then be created or redeemed.
- Although the Participating Dealer has agreed, pursuant to the Participating Dealer Agreement with the Manager, that it will create and redeem Units for investors, whether or not a Participating Dealer agrees with the investors to create and to redeem Units for them has to be agreed between the relevant investor and that Participating Dealer. The Participating Dealer may charge a fee for providing this service. The Participating Dealer will not be able to create or redeem Units during a suspension period.

## 2.2 Specific Risks of Investing in the Fund

➤ **Risk Associated with Investment in REITs**

Any adverse effect on the REITs which the Fund is investing in will impact the performance of the Fund. Investing in REITs carry the similar risks that is associated with direct ownership of real estate, including but not limited to possible declines in real estate's value, increase in interest rates and real estate borrowing costs, changes in property taxes, higher operating expenses, and damages from natural or man-made disasters and fall in market rental rates. As a result, the NAV of the Fund will be adversely affected as the performance of the Fund is dependent on the performance of the respective REITs.

➤ **Country Risk**

Investment 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.

➤ **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. Investor 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.

➤ **Minimum Redemption Size**

Units can only be redeemed in a Redemption Unit Block (or whole multiples thereof). Investors who do not hold Redemption Unit Blocks will only be able to realise the value of their Units by selling their Units on Bursa Securities at the trading market prices. As set out in this Prospectus, the market prices of Units traded on Bursa Securities may deviate from the NAV per Unit.

➤ **Tracking Error Risk**

There may not be perfect Correlation between the NAV with the Benchmark. Factors such as fees and expenses of the Fund, Transaction Costs, liquidity of the market, imperfect Correlation of returns between the Fund Assets and the securities constituting the Benchmark, the rounding of share prices, changes to the underlying indices and regulatory policies may affect the Manager's ability to achieve close Correlation with the Benchmark and to reconstitute the Fund's holdings of Index Securities and/or non-Index Securities in response to changes in the constituents of the Benchmark. Further, the Fund may receive income (such as interests and dividends) from its assets while the Benchmark does not have such sources of income. There is no guarantee or assurance of exact or identical replication at any time of the performance of the Benchmark.

Although the Manager regularly monitors the tracking error of the Fund, there can be no assurance that the Fund will achieve any particular level of tracking error relative to the performance of its Benchmark.

➤ **Risks Related to the Benchmark**

There may be changes in the constituent securities of the Benchmark from time to time. For example, a constituent security may be de-listed or a new eligible security may be added to the Benchmark. In such circumstances, in order to achieve the investment objective of the Fund, the Manager may reconstitute the composition of the Fund. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Benchmark as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units.

The process and the basis of computing and compiling the Benchmark and any of its related formula, constituent companies and factors may also be changed or altered by the Index Licensor at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the Benchmark, its computation or any information related thereto.

The Manager has been granted a licence by the Index Licensor to use the Benchmark in connection with the Fund. The Manager is unlikely to be able to fulfil the investment objective in the event that the licence is terminated or if the Fund is unable to use the Benchmark for any reason whatsoever. The licence is valid until terminated in accordance with the terms of the licence.

➤ **Passive Investment Management**

The Fund is not actively managed. The Fund invests in the Index Securities and/or non-Index Securities included in or reflecting its Benchmark regardless of their investment merit. The Manager does not attempt to select securities individually or to take defensive positions in declining markets. Accordingly, the lack of discretion to adapt to market changes due to the inherent investment nature of the Fund means that falls in the Index Securities and/or non-Index Securities are expected to result in a corresponding fall in the NAV of the Fund.

➤ **Securities Lending Transactions Risk**

As the Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines (SBL Guidelines), the Fund may be exposed to additional risks. For example, the borrower may fail to return the securities in a timely manner or may encounter operational difficulty which may result in a delay or failure of settlement. As a result, it may impact the Fund's ability to meet payment obligations from redemption requests. To mitigate this risk, the Manager will take necessary steps to ensure that not all of the Fund Assets are loaned out at any one point during the lifetime of the Fund. In addition, the Fund may

also suffer a loss as a result of the delay in recovering the securities lent out. While, the Manager will receive collateral for the loan where it seeks to replace the loaned securities in an occurrence of a default event by the borrower, there is no assurance that this risk could be mitigated all together. Further information regarding Securities Borrowing and Lending can be found in Section 3.10 of this Prospectus.

➤ **Risk Associated with Investments in Collective Investment Schemes**

Any adverse effect on the collective investment scheme which the Fund is investing in will impact the NAV of the Fund. For example, the respective collective investment schemes may underperform its benchmark due to poor market conditions and as a result, the NAV of the Fund will be adversely affected as the performance of the Fund is dependent on the performance of the respective collective investment schemes. In addition, any mismanagement of the collective investment scheme or poor decisions taken on the collective investment scheme may adversely affect the net asset value of the collective investment scheme and hence the Fund.

➤ **Credit and Default Risk**

Credit risk relates to the creditworthiness of the issuers of the money market instruments and the Financial Institutions where the deposits are placed (hereinafter referred to as “investment”) and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer and/or Financial Institution may impact the value as well as liquidity of the investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or a Financial Institution of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.

➤ **Interest Rate Risk**

This risk refers to the impact of interest rate changes on the valuation of money market instruments (hereinafter referred to as “investment”). Generally, movement in interest rates affects the prices of investment inversely. For example, when interest rates rise, prices of investment will fall. The fluctuations of the prices of investment will also have an impact on the NAV of the Fund. This risk can largely be eliminated by holding investment until their maturity. We also manage interest rate risk by considering each investment’s sensitivity to interest rate changes. When interest rates are expected to increase, the Fund would then likely seek to switch to investment that are less sensitive to interest rate changes. For investment in deposits, the fluctuations in the interest rates will not affect the placement of deposits but will result in the opportunity loss by the Fund if the placement of deposits is made at lower interest rate.

### **3. ABOUT TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

The Fund is an ETF established under the terms of the Deed and the Fund is governed by the laws of Malaysia.

#### **3.1 Investment Objective**

The Fund aims to provide investment results that closely correspond to the performance of the Benchmark.

*Any material change to the Fund's investment objective will require the approval of the Unit Holders by way of a Special Resolution.*

#### **3.2 Investor's Profile**

The Fund is suitable for investors who:

- seek exposure into Asia ex Japan real estate investment trusts;
- seek regular income distribution; and
- have a high risk tolerance level.

#### **3.3 Asset Allocation**

- A minimum of 90% of the Fund's NAV is to be invested in Authorised Securities; and
- The remaining balance of the Fund's NAV is to be invested in money market instruments, money market collective investment schemes and/or deposits.

#### **3.4 Investment Strategy**

To achieve the investment objective of the Fund, the Manager will primarily adopt a full replication strategy. Under the full replication strategy, the Manager will invest substantially in the Index Securities in the same approximate weightings or proportions as they appear in the Benchmark.

However, if the Manager believes that the full replication technique is not the most efficient method to track the Benchmark, the Manager may utilize a representative sampling strategy. Under the representative sampling strategy, the Manager will invest in a representative sample of securities consisting of the Index Securities and non-Index Securities selected by the Manager using amongst others, a quantitative analytical model in a technique known as "portfolio sampling". The non-Index Securities selected shall have a high Correlation (i.e. positive correlation coefficient of at least 0.7) with one or more of the Index Securities which it is substituting, and where it is expected to mirror the performance of those of the Index Securities to be substituted.

For liquidity purposes, the remaining balance of the Fund's NAV will be invested in money market instruments, money market collective investment schemes and/or deposits. The Fund will be passively managed, leaving the Fund to be highly invested at all times, irrespective of the outlook on the underlying assets.

#### **3.5 The Benchmark**

##### **Introduction**

The Benchmark is a modified float-adjusted market capitalisation weighted index which is designed to measure the performance of REITs that are listed in Asia ex Japan.

The Benchmark is compiled, calculated, maintained and published by the Index Licensor. It was launched with the base date of 2 July 2019 and was constructed based on reference value of 1,000.

The Benchmark is a price return index where the performance of the index constituents is calculated without adjustments for regular cash dividends.

The end of day index values are available through Bloomberg PM723666 and the Fund’s website at [www.tradeplus.com.my](http://www.tradeplus.com.my).

The Index Licensor is not a related corporation of the Manager.

**Constituents of the Benchmark**

To be eligible for inclusion in the Benchmark, the securities must be classified under the Equity Real Estate Investment Trusts sectors of the Global Industry Classification Standard (“GICS”) within the MSCI AC Asia ex Japan IMI Index (“Parent Index”).

The securities that passed the dividend sustainability and persistence screening shall be included as the constituents of the Benchmark. When applying the dividend sustainability screening, securities with zero or negative payout ratios, and securities with an extremely high payout ratio are not considered for inclusion. Under this screen, the top 5% of securities by number within the universe of securities with positive payout, are also not considered for inclusion in the Benchmark. Subsequently, the dividend persistence screening will exclude securities with a negative 5 year Dividend per Share (“DPS”) growth or if the securities have insufficient data to calculate a 5 year DPS growth rate.

The constituents are then weighted by the product of their market capitalization weight in the Parent Index and the dividend yield score, which will then be normalised to 100%. Each constituent will also be capped at a maximum weight of 10%.

This table details the top ten (10) constituents of the Benchmark and the respective weightings, as at LPD:

No.	Company Name	Weightings (%)
1	CapitaLand Integrated Commercial Trust	10.68
2	Mapletree Pan Asia Commercial Trust	10.22
3	Frasers Logistics & Commercial Trust	9.86
4	Mapletree Logistics Trust	9.22
5	Embassy Office Parks REIT	9.17
6	Link REIT	8.83
7	Keppel REIT	7.68
8	Mapletree Industrial Trust	6.88
9	Keppel DC REIT	4.70
10	Lendlease Global Commercial REIT	3.08

Source: Bloomberg

Note: The weight of a constituent changes in accordance with its market price, hence may exceed its capped weight of 10% during the period between the Benchmark’s reconstitution dates.

**There is no guarantee or assurance of exact or identical replication at any time of the performance of the Benchmark.**

**Composition of the Benchmark may change and securities may be de-listed.**

**There is a lack of discretion for the Fund to adapt to market changes due to the inherent investment nature of the Fund and that falls in the Benchmark are expected to result in corresponding falls in the value of the Fund.**

**The investments of the Fund will be concentrated primarily in REITS.**

**Please refer to Risk Associated with Investment in REITs under the specific risks of investing in the Fund.**



## **Review and Reconstitution of the Benchmark**

Benchmark maintenance can be described as follow:

- Semi-annual reconstitution  
The Index Licensor conducts semi-annual reconstitution to be effective on the first business day of June and December. Any changes will be announced with proper advanced notice, where possible.
- Changes to Benchmark composition, weight adjustments and deletion  
In order to account for corporate events such as mergers, takeovers, acquisitions, de-listings or bankruptcies, the Benchmark composition and its related weight could be adjusted or removed entirely from the Benchmark between rebalancing. Any changes will be announced with proper advanced notice, where possible.

## **Replacement of the Benchmark**

In accordance to the Deed, the Manager may, after taking into account the interests of the Unit Holders and subject to the approval of the SC, replace the Benchmark with another index in the event any of the following occurs:

- The Benchmark ceases to exist;
- A release of a new index replacing the Benchmark;
- The Index Licensor increases its licence fee that is considered too high by the Manager; or
- All or part of the securities forming the Benchmark has become difficult, illiquid or impossible for the Manager to invest.

The Manager may change the name of the Fund if the Benchmark is replaced. Replacement of the Benchmark would require the SC's prior approval.

**The Benchmark may be replaced in the event of cessation of the availability of the Benchmark.**

## **Further Information on the Benchmark**

Latest information and other important news on the Benchmark will be published on MSCI Limited's website at <https://www.msci.com/index-methodology> (for index ground rules and methodology) and the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my) (for end of day index values).

## **3.6 Tracking Error & Strategies to Minimise such Tracking Error**

**Investors should note that there is no guarantee or assurance that the investment results of the Fund will exactly correspond to the performance of the Benchmark.**

Tracking errors may occur when comparing the performance of the Fund against the Benchmark. Although the Fund's primary investment strategy is to adopt a full replication strategy, there is no assurance that the replication can be perfect. The Fund may also adopt a representative sampling strategy if the Manager believes that the full replication technique is not the most efficient method to track the Benchmark. As such, the difference between the Fund's portfolio compositions with the Benchmark's compositions would result in a high tracking error. Additionally, expenses of the Fund would also contribute to tracking error.

In order to minimize tracking error, the Manager shall closely monitor the Fund's performance, its Correlation with the Benchmark and the Fund's portfolio with the Benchmark constituents and will make adjustments to reconstitute the Fund's portfolio when necessary.

## **3.7 Risk Management Strategies & Techniques**

The risk management strategies and techniques employed by the Manager include the use of full replication strategy or representative sampling strategy, as well as reconstituting the Fund's portfolio when required, to achieve the investment objective of the Fund and to minimize tracking error.

### 3.8 Policy on Reconstituting the Investment Portfolio

Reconstitution of the Fund's portfolio could be performed when there is creation and/or redemption of Units or when the Manager believes that there is a need to rectify the divergence in tracking error.

### 3.9 Permitted Investments & Investment Restrictions

#### Permitted Investments:

- Authorised Securities;
- Units or shares in collective investment schemes;
- Money market instruments;
- Deposits; and
- Any other investments permitted by the SC from time to time.

#### Investment Restrictions:

- (i) The value of the Fund's investments in units or shares of any collective investment scheme must not exceed 20% of the NAV of the Fund. This limit may be increased to 35% of the NAV of the Fund if the index is composed solely of constituents which are non-equities.
- (ii) The value of the Fund's placement in deposits with a single Financial Institution must not exceed 20% of the Fund's NAV. The single Financial Institution limit above does not apply to placements of deposits arising from:
  - Subscription monies received prior to the commencement of investment by the Fund;
  - Liquidation of investments prior to the termination of the Fund, where the placement of deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
  - Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various Financial Institutions would not be in the best interest of Unit Holders.
- (iii) The value of the Fund's investment in money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
- (iv) The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
- (v) The Fund's investments in foreign markets are limited to eligible markets.
- (vi) The Fund may enter into any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

Please note that the above limits and restrictions do not apply to securities or instruments issued by or guaranteed by the Malaysian government or Bank Negara Malaysia.

The abovementioned restrictions and limits will be complied with at all times based on the up-to-date value of the Fund, and the value of its investments and instruments. Any breach as a result of any (a) appreciation or depreciation in value of the Fund's underlying investments; (b) repurchase of Units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, must be rectified as soon as practicable within three months from the date of the breach unless otherwise specified in the ETF Guidelines. Nevertheless, the three-month period may be extended if it is in the best interests of Unit Holders and the Trustee's consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.

## 3.10 Securities Borrowing and Lending

### Securities Lending

The Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines (“SBL Guidelines”), with the objective of earning additional income for the Fund. Securities may be lent out to qualified institutional borrowers through the Fund’s appointed lending agents, with processes and procedures as well as terms that are acceptable to the Trustee on the advice of the Manager.

### Policy and Procedures

The Fund shall appoint a lending agent to facilitate activities in relation to the lending of securities. The lending agent shall be authorised to perform the following functions such as but not limited to:

- (a) negotiate lending fees with borrowers;
- (b) collect and hold the cash collateral pledged by the borrowers in custody;
- (c) collect or arrange for the collection of any interest, dividends, other distributions / payments on the loaned securities and pay the same to the Fund.

The functions of the lending agent shall be reviewed and agreed by the Trustee, in consultation with the Manager and shall be governed by the Securities Lending Agency Agreement.

The total value of securities to be lent out will be capped at a value not exceeding 50% of the Fund’s total NAV, or such other value agreed upon by the Trustee on the advice of the Manager.

The loaned securities may be recalled by the Fund at any point in time, and are required to be secured at all times by a cash collateral equivalent to a minimum of 105% of the market value of the loaned securities. The market value of the loaned securities is determined at the close of each Business Day. In the event of market fluctuation, the cash collateral received by the lending agent on behalf of the Fund would be required to be increased.

The Fund will be entitled to securities lending income, represented by the lending fees earned from the borrower, less cost incurred. These costs may include, but will not be limited to, fees due to the lending agent, as well as operational costs incurred by the Manager in relation to the lending activities of the Fund. As accepted by the Trustee on the advice of the Manager, the lending agent shall receive a maximum of 30% of the lending fees, whilst the Manager shall retain a maximum of 10% of the lending fees as operational costs. The Fund will retain a minimum 70% of the lending fees as lending income.

During the term of the loan, the Fund is also entitled to all distributions made on, or in respect of the loaned securities, along with all other economic benefits due to the owner of the loaned securities.

### Risk Management

#### i) Securities lending risk

The Fund may engage in securities lending, which exposes the Fund to the risk of financial losses caused by the lending agent’s failure to return the loaned securities on a timely manner. The Fund is also exposed to the risk of losing money in the event collateral for the loaned securities are not at market value and a default occurs.

To mitigate this risk, the Fund would only be transacting with the lending agent, who will in turn, be carrying out the necessary due diligence process with the borrowers. As such, the Fund would only be lending out its securities to a prequalified list of counterparties. The borrowers are also required to meet the cash collateral requirement, which shall be no less than the market value of the loaned securities at the close of each Business Day.

ii) Liquidity risk from securities lending

This risk may arise from the risk of delay in obtaining the loan securities upon recall. Under such circumstances, the lending agent may utilise the cash collateral put forth by the borrower to purchase identical securities to that of the loaned securities to be returned to the Fund.

iii) Operational dependency on lending agent risk from securities lending

This risk may arise from the dependency that the Fund has toward the lending agent where ownership of loaned securities is transferred during the tenure of the loan, while the Fund continues to maintain economic benefits of owning the loaned securities.

To mitigate this risk, the Manager has ensured that its valuation agent has in place internal systems to cross reference securities that are lent out by the Fund. Processes are also put in place to ensure that the lending agent obtains adequate cash collateral for all loaned securities to ensure that the Fund has the necessary recourse if required.

iv) Risk of conflict of interest from securities lending

This risk may arise from the Manager investing into securities for the Fund with the intention of lending the securities to increase the Fund's revenue. This risk is mitigated as the Fund stipulates within its investment strategy that it will only invest into securities to replicate the Benchmark's component securities, and to replicate as closely as possible the weightage of the Benchmark. Furthermore, as an ETF, the Fund's securities are not actively traded, and will be maintained in the portfolio over the medium-to-longer term, or until the next reconstitution exercise for the Benchmark by the Index Licensor.

### **Borrowing**

The Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the SBL Guidelines) in connection with its activities. However, the Fund may borrow or obtain cash for the purpose of meeting redemption requests and for short-term bridging requirements. Such borrowings are subjected to the following:

- the Fund's borrowings are only on a temporary basis and not persistent;
- the borrowing period must not exceed one month;
- the aggregate borrowings of the Fund must not exceed 10% of the Fund's NAV at the time the borrowing is incurred; and
- the Fund only borrows from Financial Institutions.

### **3.11 Income Distribution Policy**

The Fund will distribute income on a quarterly basis (subject to income availability), after the end of its first financial year.

The Fund's income distributions are non-guaranteed and may not be the same as the yield of the Benchmark.

Details of the entitlement dates, distribution amounts, ex-entitlement dates and payment dates for the distributions will be published on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

Income distribution (if any) will be made in the following manner:

- By way of eDividend;
- By way of a cheque sent to the Unit Holder's postal address; or
- Such other method to be determined by the Manager and the Trustee, and allowed under the relevant rules and regulations in Malaysia.

Please note that all income distributions will be paid in Ringgit Malaysia only. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit Holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution.

### **3.12 Valuations of the Fund Assets**

The Manager will ensure that the valuation of the Fund is carried out in a fair manner in accordance with the relevant laws and ETF Guidelines. The Manager will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance with the Malaysian Financial Reporting Standard 9 issued by the Malaysian Accounting Standards Board.

The valuation bases for the permitted investments of the Fund are as below:

#### **Listed Securities**

Valuation of investments in listed securities shall be based on closing price or last known transacted price on the eligible market on which the listed securities are quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the listed securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such listed securities will be valued at fair value as determined in good faith by the Manager or its delegate, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

#### **Money Market Instruments**

Valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency (BPA) registered with the SC. For non-MYR denominated money market instruments, valuation will be done using the average of quotations by reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.

#### **Deposits**

Deposits placed with Financial Institutions are valued by reference to the principal value of such investments and the interests accrued thereon for the relevant period.

#### **Collective Investment Schemes**

An unlisted collective investment schemes will be valued based on its last published repurchase price. For listed collective investment schemes, the valuations shall be done in the same manner as listed securities described above.

#### **Any Other Investment**

The valuation will be at 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.

### **3.13 Valuation Point for the Fund**

The Fund and the Fund Assets will be valued at 5.00 p.m. on each Business Day other than where there is a suspension of calculation of the NAV of the Fund.

**Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Units as a prescribed security. In consequence thereof, the Units offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Units will be carried out in accordance with the Central Depositories Act and the rules of Bursa Depository.**

## 4. FEES & CHARGES

### 4.1 Charges directly incurred by an investor

#### 4.1.1 Charges for the Creation and Redemption of Units through the Participating Dealer

All Creation Applications and Redemption Applications must be submitted to the Manager through the Participating Dealer and the creation and redemption of Units must be implemented in accordance with the terms and conditions set out in the Participating Dealer Agreement.

This table describes the fees and charges (excluding out-of-pocket expenses) to be paid by the Participating Dealer to the Manager and/or Trustee. These fees and charges may either be charged to the investor by the Participating Dealer or may be absorbed by the Participating Dealer. Investors should check with the relevant Participating Dealer on the actual fees and charges which may be incurred.

Fees and Charges	Details
Creation/Redemption Application Fee	: MYR 200 per Creation Unit Block or Redemption Unit Block as applicable (and subject to a maximum of MYR 1,000) payable to the Manager or such other amount as may be determined by the Manager from time to time in consultation with the Trustee.
Creation/Redemption Application Cancellation Fee	: 1.00% of the Subscription Amount or Cash Redemption or 1.00% of the value of the In-Kind Creation Basket or In-Kind Redemption Basket, whichever is applicable, payable to the Manager or such other amount as may be determined by the Manager from time to time, in consultation with the Trustee.
Transaction Costs	: The Manager may charge Transaction Costs (incurred by the Fund) to prevent the NAV of the Fund from being diluted.
Other Fees	: The amount (other than the Transaction Costs described above) that may be incurred by the Manager and/or the Trustee from time to time in relation to the Applications submitted by the Participating Dealer, which is charged by Bursa Depository.

Additionally, investors should note that they may have to pay fees and expenses to the Participating Dealer for its services for and in connection with applying for the creation and redemption of Units through the Participating Dealer. These fees and expenses are charged by the Participating Dealer for providing its services and to meet the expenses in connection therewith.

#### 4.1.2 Charges for the Buying and Selling of Units on Bursa Securities

This table describes the charges that investors may incur (based on the charges imposed by Bursa Securities as at the date of this Prospectus which charges may be varied from time to time) when they buy or sell Units in the Fund on Bursa Securities. Investors should check with their brokers on the actual fees and charges which may be incurred.

Fees and Charges	Details
Brokerage Fee	: As prescribed by the Bursa Securities.
Bursa Securities Clearing Fee	: 0.03% of the transaction value subject to a maximum of MYR 1,000 per transaction. A MYR 10 minimum fee per transaction is applicable for direct business contracts.

Further information on the charges that investors will incur when trading Units on Bursa Securities can be found at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## 4.2 Fees and expenses indirectly incurred by an investor

Fees and Charges	Details
Annual Management Fee <sup>(1)</sup>	: Up to 1.00% per annum of the NAV of the Fund.
Annual Trustee Fee <sup>(1)</sup>	: Up to 0.04% per annum of the NAV of the Fund.
Annual Index Licence Fee	: i) USD 11,400 per annum; and ii) 0.015% per quarter, calculated based on the NAV of the Fund, accrued daily and payable quarterly.

Note:

(1) Calculated based on the NAV of the Fund, accrued daily and payable monthly in the Fund's base currency. This fee is subject to such increase / variation as permitted by the Deed.

There will be other fees or expenses incurred by the Fund such as audit fees, tax agent's fees, printing and stationery, bank charges, lodgement fees for annual reports and other expenses permitted by the Deed. In addition, there will be miscellaneous expenses such as professional and legal fees.

All of the abovementioned fees and expenses will be deducted from the Fund Assets.

## 4.3 Permitted Expenses

The Trustee and/or the Manager shall be entitled to pay the following fees, costs and expenses from the Fund Assets to the extent they have been incurred in relation to the Fund:-

- any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the Index Licensor entered into by the Manager in respect of the Fund;
- the processing or handling fees levied by any person for rendering services to effect any acquisition, disposal or any other dealings whatsoever in the Fund Assets and any expenses in relation thereto including commissions or fees paid to brokers and/or dealers in effecting dealings in the permitted investments of the Fund;
- all fees, charges, expenses and disbursements of any legal adviser or counsel, accountant, auditor, valuer, broker, banker, tax adviser or other professional advisers employed or engaged by the Trustee or the Manager in the establishment of the Fund, in maintaining, preserving and protecting the Fund Assets and in the ongoing performance of their respective duties and obligations under the Deed, or otherwise in connection with the Fund;
- all fees, charges, expenses and disbursements incurred in relation to the safe custody, acquisition, holding, registration, realisation of or other dealing with any foreign investments of the Fund Assets and all transactional fees as may be agreed from time to time between the Manager and the Trustee in relation to all transactions involving the whole or any part of the Fund Assets;
- all charges and expenses incurred for any meeting of Unit Holders other than convened by and for the benefit of the Manager and the Trustee;
- the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of and quotation for the Units on Bursa Securities and/or the authorisation or other official approval or sanction of the Fund under the CMSA or any other applicable laws or regulations;
- the fees and expenses incurred in connection with depositing and holding Units with Bursa Depository and Bursa Malaysia Securities Clearing Sdn Bhd (and in any other securities depository or clearing system);

- all charges, costs and expenses incurred by the Manager and/or the Trustee in respect of and/or in connection with the maintenance of a website or webpages (as the case may be) dedicated entirely to the Fund and communications with and/or notification to the Unit Holders, the Registrar and/or any relevant authorities including notifications made in relation to the Fund in Bursa Securities, newspaper(s) in Malaysia and such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine;
- all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Deed and in respect of preparing any agreement in connection with the Fund other than those for the benefit of the Manager or the Trustee;
- all costs incurred in respect of the preparation, publication and distribution of the annual reports and of all cheques, statements, notices and other documents relating to the Fund;
- all fees and expenses incurred in connection with the removal of the Manager, the Trustee or the auditor of the Fund or the appointment of a new management company, a new trustee or a new auditor other than those for the benefit of the Manager or the Trustee;
- all expenses incurred in the collection of income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities) or the determination of taxation;
- all expenses associated with the distributions declared pursuant to the Deed including without limitation fees for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- all fees and expenses incurred by the Manager and the Trustee in terminating the Fund;
- costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent; and
- such other charges, costs, expenses and disbursements (including but not limited to any tax and other duties imposed by any government and other authorities) as permitted or required (as the case may be) under the applicable laws which the Manager or the Trustee is entitled to charge to the Fund.

#### 4.4 Policy on Rebates and Soft Commissions

The Manager or any delegate thereof must not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the Fund Assets. Accordingly, any rebate or shared commission must be directed to the account of the Fund.

The soft commission can be retained by the Manager provided that:-

- The soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- Any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- The availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager must not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

**All fees and charges payable by investors are subject to all applicable taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.**



## 5. DEALING INFORMATION

The Manager may issue new classes of Units or introduce new trading currencies from time to time.

### 5.1 Applications for the Purchase and Sale of Units

#### 5.1.1 There are two (2) methods of subscribing for or redeeming Units -

- (i) Creation / Redemption of Units via the Participating Dealer (primary market)

A Participating Dealer (either acting for itself or for an investor as its client) may apply for the creation or redemption of Units. Investors who wish to apply for the creation or redemption of Units can only do so through the Participating Dealer.

Creation of Units can be done via Cash Creation or In-Kind Creation in a Creation Unit Block (or whole multiples thereof). Redemption of Units can be done via Cash Redemption or In-Kind Redemption in a Redemption Unit Block (or whole multiples thereof).

Under certain circumstances, the Manager, in consultation with the Trustee, may substitute the Authorised Securities comprised in an In-Kind Creation/Redemption Basket with cash (as set out in Sections 5.2.2 (v) and 5.2.4 (v) of this Prospectus).

See Section 5.2 for more details on the application for the creation and redemption of Units procedure.

- (ii) Buying / Selling of Units on Bursa Securities (secondary market)

Units of the Fund can be traded in MYR. Investors can purchase Units in MYR through brokers or any of the share dealing services offered by Financial Institutions or other financial advisers.

Further details are set out in Section 5.8 of this Prospectus.

#### 5.1.2 Investors and the Participating Dealer

Where investors choose to apply for the creation or redemption of Units via the Participating Dealer (primary market) in the manner described above, the following should be noted –

- (i) The application for the creation and/or redemption of Units can only be made through the Participating Dealer.
- (ii) Investors who apply for the creation and/or redemption of Units through the Participating Dealer should note that the Participating Dealer may, for its own account, charge fees and expenses not set out in this Prospectus for providing its services and apply its own conditions for application for or redemption of Units in addition to those set out in this Prospectus.
- (iii) Investors should contact the Participating Dealer for further details, procedures and requirements before submitting an application to the Participating Dealer.
- (iv) The Participating Dealer has agreed with the Manager that it will accept requests received from investors, subject to normal market conditions, agreement as to fees and completion of client acceptance procedures, to create and/or redeem Units on behalf of such investors. Investors should note that although the Manager has a duty to closely monitor the operations of the Fund, neither the Manager nor the Trustee is empowered to compel the Participating Dealer to disclose its fees agreed

with specific investors or other proprietary or confidential information to the Manager or the Trustee, or to accept any such application requests received from investors.

- (v) Investors should note that the arrangements set out between the Participating Dealer and the investor are solely a contractual arrangement between the investor and the Participating Dealer and have nothing to do with the Manager, the Trustee or the Fund. The Trustee and the Manager are not parties to these arrangements which are outside the ambit of the Fund. Therefore, neither the Trustee nor the Manager shall be held responsible to the respective investors for these arrangements. An investor should contact the Participating Dealer and obtain further details before entering into any such arrangement.

## 5.2 Procedures for Creation and Redemption of Units via the Participating Dealer (primary market)

The procedures set out in this Section are in relation to the creation and redemption of Units.

- (i) Both Creation Applications and Redemption Applications may be made by the Participating Dealer before the Dealing Deadline on any Dealing Day. If the Creation Applications and Redemption Applications are received on a day which is not a Dealing Day or received after the Dealing Deadline of a Dealing Day, such Applications will be treated as having been received on the following Dealing Day;
- (ii) Applications can only be made by the Participating Dealer in MYR;
- (iii) Creation Applications by the Participating Dealer must be made by way of Cash Creations or In-Kind Creation of Units in a Creation Unit Block (or whole multiples thereof) only; and
- (iv) Redemption Applications by the Participating Dealer must be made by way of Cash Redemption or In-Kind Redemption of Units in a Redemption Unit Block (or whole multiples thereof).

The Issue Price and Redemption Price for the Units shall be ascertained in accordance with the provisions of Section 5.4 of this Prospectus.

Units issued pursuant to Creation Applications made by the Participating Dealer, will be registered in the name of the Participating Dealer in the Register and will be deposited with the Bursa Depository on the Creation Date relating thereto. Subject to the agreement between an investor and the Participating Dealer, the Units applied for or on behalf of the investor will thereafter be credited to the CDS Account of the investor.

### 5.2.1 Procedures for In-Kind Creation and Cash Creation

- (i) The In-Kind Creation Basket and/or Subscription Amount will be determined by the Manager on each Dealing Day and published on the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my) and Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) prior to the opening of the market on the following Business Day.
- (ii) For a Creation Application to be valid, it must:
  - be submitted by the Participating Dealer in accordance with the Participating Dealer Agreement; ✓
  - include the certifications required under the Participating Dealer Agreement, and such other certificates and opinion of counsel as the Trustee and the Manager may consider necessary to ensure compliance with applicable laws; ✓
  - specify the number of Creation Unit Blocks (the current size of one (1) Creation Unit Block is 200,000 Units); and ✓

- specify the person making the Creation Application or on whose behalf the Creation Application is being made. ✓
- (iii) Upon receipt of a valid Creation Application, the Manager will instruct the Trustee to do the following:

In-Kind Creation	Cash Creation
<ul style="list-style-type: none"> <li>• Create and issue new Units</li> <li>• Receive the Creation Securities and Cash Component (if any)</li> </ul>	<ul style="list-style-type: none"> <li>• Create and issue new Units, which will be settled in cash</li> </ul>

- (iv) The new Units will be created and issued, and the Register will be updated on the Creation Date. The Issue Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date.

### 5.2.2 Provisions applicable for In-Kind Creation and Cash Creation

- (i) The Manager and/or the Trustee reserves the right in its/their sole discretion, provided that it is reasonable, to reject or suspend a Creation Application if:
- the Creation Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or the Trustee);
  - the Creation Securities and the Cash Component (if any) do not correspond with the In-Kind Creation Basket for the applicable Dealing Day;
  - the aggregate of the Creation Unit Block(s) in respect of a Creation Application and the number of Units then in issue exceeds the authorised size of the Fund;
  - the Manager reasonably believes that the acceptance of the Creation Securities would be unlawful;
  - if any of the Relevant Exchanges are closed; or
  - the Manager has suspended the rights of the Participating Dealer to make Creation Applications pursuant to the Deed.
- (ii) In addition, the Trustee may (by notice to the Manager) refuse to:
- create Units; or
  - create Units in the number instructed by the Manager;

if the Trustee considers that such creation is not in the interest of the Unit Holders or that it would result in a breach of the provisions of the Deed and other applicable laws.

- (iii) Cancellation of Units created pursuant to a Creation Application for In-Kind Creation:
- The Manager may instruct the Trustee to cancel the Units created (but not yet issued) pursuant to a Creation Application if:
    - (a) the Creation Securities have not vested upon the Fund or to the Trustee's satisfaction;
    - (b) the Cash Component (if any) has not been received in cleared funds by or on behalf of the Trustee;
    - (c) the Creation Application Fee and Transaction Costs (if any) have not been received in cleared funds by or on behalf of the Manager (in the case of Creation Application Fee) and the Trustee for the account of the Fund (in the case of Transaction Costs); or
    - (d) the aggregate of the value of the Creation Securities delivered to the Trustee and the amount of cash paid to the Trustee in respect of the Cash Component (if any) does not equal to the consideration (being the price payable for Units applied for);

by such time and date as determined by the Manager (in consultation with the Trustee) in accordance with the Participating Dealer Agreement.

- If any Units are cancelled as described above, the Creation Securities (if already vested upon the Fund) and the Cash Component (if already received in cleared funds by the Trustee) shall be delivered to the Participating Dealer.

The relevant cancelled Units shall be deemed to never have been created and the Participating Dealer shall have no right or claim against the Manager or the Trustee in respect of such cancellation. Further, the Manager may, but shall not be bound to charge the Participating Dealer the Application Cancellation Fee.

(iv) Cancellation of Units created pursuant to a Creation Application for Cash Creation:

- The Manager may instruct the Trustee to cancel the Units created (but not yet issued) pursuant to a Creation Application if:
  - (a) the full Subscription Amount has not been received in cleared funds by or on behalf of the Manager and/or the Trustee (as the case may be); or
  - (b) the Creation Application Fee and Transaction Costs (if any) have not been received in cleared funds by or on behalf of the Manager (in the case of Creation Application Fee) and the Trustee for the account of the Fund (in the case of Transaction Costs);

by such time and date as determined by the Manager (in consultation with the Trustee) in accordance with the Participating Dealer Agreement.

- If any Units are cancelled as described above, the Subscription Amount (if already received by the Trustee) shall be delivered to the Participating Dealer.

The relevant cancelled Units shall be deemed to never have been created and the Participating Dealer shall have no right or claim against the Manager or the Trustee in respect of such cancellation. Further, the Manager may, but shall not be bound to:

- (a) charge the Participating Dealer the Application Cancellation Fee;
- (b) charge the Participating Dealer any losses arising from the acquisition of Authorised Securities and any costs incurred by the Fund in connection with such cancelled creation; and
- (c) require the Participating Dealer to pay to the Trustee (for the account of the Fund) in respect of each Unit so cancelled, the amount (if any) by which the Issue Price (as at the Trade Date of the Creation Application) exceeds the Redemption Price (which would have been applicable if the Manager had received a Redemption Application on the date on which such Units are cancelled).

(v) Substitution of Creation Securities with cash pursuant to a Creation Application for In-Kind Creation:

- Following a Creation Application by the Participating Dealer,
  - (a) if the Manager determines in its discretion that an Authorised Security is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee; or
  - (b) if the Manager is satisfied that the Participating Dealer is prevented by regulation or otherwise from investing or engaging in a transaction in any Authorised Securities,

then the Manager, in consultation with the Trustee, may substitute the Authorised Securities comprised in an In-Kind Creation Basket with cash.

- If the Manager exercises its discretion pursuant to the abovementioned, the cash in lieu amount should be equal to the market value of the substituted Authorised Securities at the Valuation Point for the relevant Trade Date and shall comprise part of the Cash Component (if any). Such substituted Authorised Securities shall not be deemed to be a Creation Security comprising part of the In-Kind Creation Basket.
  - The Manager, in consultation with the Trustee, is entitled to charge the Participating Dealer (for which cash is paid in lieu of delivering any Creation Securities), in addition to the Transaction Costs, such other fees that may be incurred by the Manager and/or the Trustee in relation to the creation of the Units and/or the Creation Application.
- (vi) Once a Creation Application is submitted, it cannot be revoked or withdrawn without the consent of the Manager, unless a suspension period has been declared by the Manager in accordance with the Deed.
- (vii) Any commission, remuneration or other sum payable by the Manager in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the Fund Assets.

### 5.2.3 Procedures for In-Kind Redemption and Cash Redemption

- (i) The In-Kind Redemption Basket and/or Redemption Amount will be determined by the Manager on each Dealing Day and published on the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my) and Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) prior to the opening of the market on the following Business Day.
- (ii) For a Redemption Application to be valid, it must:
- be submitted by the Participating Dealer in accordance with the Participating Dealer Agreement; ✓
  - include the certifications required under the Participating Dealer Agreement, and such other certificates and opinion of counsel as the Trustee and the Manager may consider necessary to ensure compliance with applicable laws; ✓
  - specify the number of Redemption Unit Blocks (the current size of one (1) Redemption Unit Block is 200,000 Units); and ✓
  - specify the person making the Redemption Application or on whose behalf the Redemption Application is being made. ✓
- (iii) Upon receipt of a valid Redemption Application, the Manager will instruct the Trustee (by notice in writing) to effect the redemption, which will be settled in the following manner:

In-Kind Redemption	Cash Redemption
<ul style="list-style-type: none"> <li>• Cancel the Units</li> <li>• Transfer of the Redemption Securities and payment of the Cash Component (if any)</li> </ul>	<ul style="list-style-type: none"> <li>• Cancel the Units</li> <li>• Payment of proceeds in cash</li> </ul>

- (iv) The Units will be redeemed and cancelled and the Register will be updated on the Redemption Date. The Redemption Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date.

The Fund size shall be reduced by the number of Units cancelled.

For In-Kind Redemption, the Trustee shall transfer the applicable Redemption Securities out of the Fund Assets to the Participating Dealer and pay the Cash Component (if any).

For Cash Redemption, the Trustee shall pay the Redemption Amount out of the Fund Assets to the Participating Dealer.

#### **5.2.4 Provisions applicable for In-Kind Redemption and Cash Redemption**

- (i) The Manager and/or the Trustee reserves the right in its/their discretion, provided that it is reasonable to reject or suspend a Redemption Application if:
- the Redemption Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or the Trustee);
  - the number of Units in respect of which Redemption Applications are received by the Manager exceeds the limit set out in this Section, item (vi) below;
  - the Manager has suspended the rights of the Participating Dealer to make Redemption Applications pursuant to the Deed;
  - if any of the Relevant Exchanges are closed; or
  - in the reasonable opinion of the Manager, the Redemption Application may breach any of the terms or conditions of the Participating Dealer Agreement and/or the Deed.

- (ii) In addition, the Trustee may (by notice to the Manager) refuse to:
- redeem Units; or
  - redeem Units in the number instructed by the Manager;

if the Trustee considers that such redemption is not in the interest of the Unit Holders or that it would result in a breach of the provisions of the Deed and other applicable laws.

- (iii) Transfer of Redemption Securities and payment of Cash Component for In-Kind Redemption:

The Redemption Securities transferable and Cash Component payable (if any) to the Participating Dealer in respect of the redemption of Units shall be transferable and payable (if required) on the Redemption Date provided that:

- the Redemption Application is valid and has been received by the Manager in accordance with the Deed;
- the Units to be redeemed have been delivered to the Trustee; and
- the Cash Component (if negative, after deduction of the Redemption Application Fee payable) has been paid in full.

- (iv) Payment of Redemption Amount for Cash Redemption:

The Redemption Amount in respect of the redemption of Units shall be payable to the Participating Dealer on the Redemption Date provided that:

- the Redemption Application has been received by the Manager in accordance with the Deed;
- the Units to be redeemed have been delivered to the Trustee; and
- the Redemption Application Fee has been paid in full.

Upon receipt of the Redemption Amount, the Participating Dealer will pay the Redemption Amount to the Unit Holders within 7 Business Days. If the limit on redemption per Trade Date exceeds the limit as described under the section "Limit on Redemption per Trade Date" in this chapter, a longer

redemption payment period would be needed. The timeline would be dependent on matters such as volume of redemption, and the redemption value as a total of the Fund's NAV.

- (v) Substitution of Redemption Securities with cash for In-Kind Redemption:
- Following a Redemption Application by the Participating Dealer,
    - (a) if the Manager determines in its discretion that an Authorised Security is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Unit by the Participating Dealer; or
    - (b) if the Manager is satisfied that the Participating Dealer is prevented by regulation or otherwise from investing or engaging in a transaction in any Authorised Security,then the Manager, in consultation with the Trustee, may substitute the Redemption Securities comprised in an In-Kind Redemption Basket with cash.
  - If the Manager exercises its discretion pursuant to the abovementioned, the cash in lieu amount should be equal to the market value of the substituted Authorised Securities at the Valuation Point for the relevant Trade Date and shall comprise part of the Cash Component (if any). Such substituted Authorised Securities will then cease to be Redemption Securities comprising part of the In-Kind Redemption Basket.
  - The Manager, in consultation with the Trustee, is entitled to charge the Participating Dealer (for which cash is paid in lieu of delivering any Redemption Securities), in addition to the Transaction Costs, such other fees that may be incurred by the Manager and/or the Trustee in relation to the redemption of the Units and/or the Redemption Application.
- (vi) Limit on Redemption per Trade Date:
- If the total number of Units (for which Redemption Applications have been received by the Manager) on a Trade Date exceeds 10% (or such higher percentage as the Manager may determine) of the number of Units of the Fund on that Trade Date, the Manager shall be entitled to limit the total number of Units to be redeemed on that day to 10% (or such higher percentage as the Manager may determine) of the number of Units of the Fund.
  - Any Units which are not redeemed in respect of a particular Trade Date ("**First Relevant Dealing Day**") as a result of the limit imposed by the Manager (as set out above) shall be carried forward for redemption on the Dealing Day following the First Relevant Dealing Day (such Dealing Day being hereinafter referred to as "**Second Relevant Dealing Day**").
  - The Manager will inform the Participating Dealer of the higher percentage (if any) and of the number of Units the redemption of which have been deferred, within one (1) Dealing Day after the First Relevant Dealing Day and these Units shall be redeemed on the Second Relevant Dealing Day.
  - If Redemption Applications are carried forward, any other Redemption Application received after the First Relevant Dealing Day and before the Second Relevant Dealing Day shall also be carried forward, and be deemed to be a Redemption Application submitted on the Second Relevant Dealing Day. Redemption Applications carried forward from the First Relevant Dealing Day shall be redeemed in priority to Redemption Applications received after such First Relevant Dealing Day.
- (vii) The Manager may deduct and set-off the Redemption Application Fee and Transaction Costs (if any) against any Cash Component or Redemption Amount payable to the Participating Dealer.
- (viii) If the Units to be redeemed are not delivered to the Trustee in accordance with the provisions of the Deed:
- the Redemption Application shall be deemed never to have been made (except that the Redemption Application Fee shall remain due and payable); and

- the Manager may charge the Participating Dealer:
  - (a) the Application Cancellation Fee;
  - (b) any Transaction Costs; and
  - (c) any losses arising from the acquisition of the Authorised Securities and any costs incurred by the Fund in connection with such failed redemption; the amount (if any) by which the Issue Price (which would have been applicable if the Manager had received a Creation Application on the date on which such Units were cancelled) exceeds the Redemption Price (as at the Trade Date of the Redemption Application).

### 5.3 Computation of NAV

The valuation of the Fund will be done in the Fund's base currency. As such, the assets and cash denominated in any other currencies will be translated to the Fund's base currency for valuation purposes.

The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund Assets, at a particular Valuation Point. Please refer to Section 3.13 of this Prospectus on details of the valuation point for the Fund.

### 5.4 Calculation of Issue Price and Redemption Price

The Deed provides that the Issue Price or Redemption Price of each Unit for any relevant Dealing Day will, subject to the qualification below, be calculated by the Manager and shall be based on the NAV of the Fund as at the Valuation Point on the Trade Date divided by the number of Units in issue, truncated to four (4) decimal places, or in such manner as may be determined by the Manager from time to time in consultation with the Trustee. The benefit of any such adjustment shall accrue to the Fund.

The Manager may, in consultation with the Trustee, add to the Issue Price (but not include within it) such sum (if any) as the Manager may consider representative of the appropriate provision for Transaction Costs which shall be for the account of the Fund.

### 5.5 IOPV

As the NAV per Unit of the Fund will be calculated at the Valuation Point, the IOPV per Unit is calculated by the Manager at an interval of one and a half hour starting at 9.30 a.m. followed by 11.00 a.m., 2.30 p.m. and 4.00 p.m. on each Business Day to serve as an approximation to the NAV of the Fund. The IOPV per Unit, which is the estimated NAV per Unit of the Fund, is calculated as follows:

- (i) the price of the Fund Assets at the respective interval on a Business Day, including liquid assets (to be translated to the Fund's base currency);
- (ii) minus the liabilities of the Fund (in the Fund's base currency); and
- (iii) dividing the aggregation of sub-paragraphs (i) and (ii) above by the number of Units in issue.

The Manager will monitor and publish its IOPV per Unit at an increased interval of half an hour throughout the relevant day to provide investors with an updated estimation to the NAV per Unit in the event of high fluctuations within the Fund's underlying investments. The Manager deems these high fluctuation scenarios as the Benchmark price movement exceeding a +/- 2% range from its last IOPV Valuation Point.

Once the fund reaches a fund size of MYR 200 million or when a subsidy from Bursa Securities is obtained, whichever is earlier, the determination of the IOPV per Unit will be carried out on a regular basis within a day on a real-time or near real time basis.



## 5.6 Provisions for Suspension of the calculation of the NAV and dealing in Units of the Fund

Subject to applicable laws, the Manager may, in consultation with the Trustee and having considered the interests of Unit Holders, suspend dealing in Units of the Fund due to exceptional circumstances, including but not limited to the following:

- (i) any period when any of the Relevant Exchanges are closed;
- (ii) any period when dealings of the Units on Bursa Securities are restricted or suspended upon a direction issued by the SC or Bursa Securities;
- (iii) any period when the dealings of Authorised Securities on the Relevant Exchanges, or where an Authorised Security has its primary listing is restricted or suspended;
- (iv) any period when settlement or clearing of Authorised Securities in the relevant clearing and settlement depository is disrupted;
- (v) any period when there is a market disruption event or a settlement disruption event in any of the Relevant Exchanges;
- (vi) the existence of any state of affairs as a result of which the delivery of Authorised Securities comprised in an In-Kind Creation Basket or In-Kind Redemption Basket or acquisition or disposal of Authorised Securities for the time being comprised in the Fund Assets cannot, in the opinion of the Manager and the Trustee, be effected normally or without prejudicing the interests of the Unit Holders;
- (vii) any period when, in the opinion of the Manager and the Trustee, funds cannot be normally remitted from the Fund Assets without prejudicing the interests of the Unit Holders;
- (viii) any period when the Benchmark is not compiled or published;
- (ix) any breakdown in the means normally employed in determining the NAV of the Fund or the NAV per Unit or the liabilities or when for any other reason the value of any permitted investments for the time being comprised in the Fund Assets or the liabilities cannot be promptly and accurately ascertained;
- (x) the existence of any state of affairs which in the opinion of the Manager and the Trustee, might seriously prejudice the interests of the Unit Holders as a whole or the Fund Assets;
- (xi) any forty eight (48) hours period (or such longer period as the Manager and the Trustee may agree) prior to the date of any meeting of Unit Holders (or any adjourned meeting thereof);
- (xii) any period when the operations of the Manager and/or the Trustee cease and/or are suspended at the direction of the SC; or
- (xiii) any period when the business operations of the Manager or the Trustee in relation to the operation of the Fund is substantially interrupted or closed as a result of or arising from a force majeure event,

where there is good and sufficient reason to do so and where applicable, the market value or fair value of a material portion of the Fund Assets cannot be determined. Where such suspension is triggered, the Manager shall notify all Unit Holders in a timely and appropriate manner of its decision to suspend the dealing in Units.

The Manager shall publish the fact that the calculation of the NAV of the Fund and dealing in Units of the Fund are suspended immediately following such suspension and at least once a month during such suspension period in such newspaper or newspapers in Malaysia or elsewhere as the Manager, in consultation with the Trustee, may from time to time think fit. An immediate notice informing Unit Holders on the suspension of the Fund will also be made on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and on the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my)

## 5.7 Obtaining information on the NAV and IOPV

Details of the NAV of the Fund and the NAV per Unit of each Dealing Day will be made available the following Business Day while the IOPV per Unit will be made available on each Business Day by the Manager on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and on the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my).

## 5.8 Trading of the Units on Bursa Securities (secondary market)

Units of the Fund can be bought and sold on Bursa Securities throughout the trading day like any other publicly-traded shares. Units are generally purchased and sold in “board lots” of 100 Units. However, brokerage firms may permit investors to purchase or sell Units in smaller “odd-lots”, although prices of Units traded in “odd-lots” may differ from Units purchased and sold in “board lots”.

**However, investors should note that transactions in the secondary market on Bursa Securities will occur at quoted market prices which may differ from the daily NAV per Unit due to market demand and supply, liquidity and trading spread for the Units in the secondary market. As a result, the market price of the Units in the secondary market may be higher or lower than the daily NAV per Unit.**

When buying or selling Units through a broker, investors will incur customary brokerage and clearing fees.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Units as a prescribed security. In consequence thereof, the Units will be deposited directly with Bursa Depository and any dealings in these Units will be carried out in accordance with the Central Depositories Act and the rules of Bursa Depository.

As an investor, the Unit Holder is the beneficial owner of the Units as shown in the records of Bursa Depository. Bursa Depository serves as the securities depository for all Units of the Fund. The Unit Holder is not entitled to receive physical delivery of Unit certificates or to have Units registered in its name, and it is not considered a registered owner of Units. Therefore, to exercise any right as the beneficial owner of Units, the Unit Holder must rely upon the procedures of Bursa Depository. These procedures are the same as those that apply to securities listed on Bursa Securities.

## 5.9 Unit Trading Prices

The trading prices of Units on Bursa Securities may differ from their daily NAV per Unit and IOPV per Unit and can be affected by market forces such as supply and demand, economic conditions and other factors. Unit Holders may keep track of the current market price of the Units via Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com) on a daily basis.

## 5.10 Market Making

It is the intention of the Manager to facilitate the provision of liquidity for Unit Holders through the appointment of the market maker who is required to maintain a market for the Units. In maintaining a market for Units, the market maker may realise profits or sustain losses. Any profit made by the market maker may be retained by it for its absolute benefit and it shall not be liable to account to the Fund in respect of such profits.

Although the market maker may buy and sell Units just like retail investors via Bursa Securities, there is no guarantee or assurance as to the price at which a market for the Units will be made. Additional market maker(s) may be appointed in future by the Manager. A list of market makers appointed by the Manager for the Fund may be obtained from Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and on the Fund’s website at [www.tradeplus.com.my](http://www.tradeplus.com.my). The Manager will also notify Bursa Securities of any changes to the list of market makers.

## 6. Salient Terms of the Deed

**This Section is meant to disclose the salient terms of the Deed and it is not meant to be exhaustive. Investors should refer to the Deed itself to confirm specific information or for a detailed understanding of the Fund. The Deed is available for inspection at the registered office of the Manager.**

The Deed had been entered into between the Manager and the Trustee of the Fund. The Fund is constituted by the Deed and regulated primarily by the CMSA and the ETF Guidelines. The terms and conditions of the Deed is binding on each of the Unit Holders and all persons claiming through or under such Unit Holders as if they had:-

- (i) been a party to and had executed the Deed and any such supplemental deed;
- (ii) thereby covenanted for themselves and for all such persons to observe and be bound by all the provisions thereof; and
- (iii) thereby authorised the Trustee and the Manager respectively to do all such acts and things as the Deed or any such supplemental deed may require or authorise the Trustee or the Manager (as the case may be) to do.

### 6.1 Rights of Unit Holders

A Unit Holder has the right, among others, to the following:

- (i) to inspect the Register, free of charge, at any time during normal working hours at the registered office of the Manager, and obtain such information pertaining to its Units as permitted under the Deed and the ETF Guidelines;
- (ii) to receive distributions declared by the Fund (if any), and to other rights and privileges as set out in the Deed;
- (iii) to vote for the removal of the Trustee or the Manager through a Special Resolution; and
- (iv) to receive annual reports or any other reports of the Fund.

Unit Holders' rights may be varied by changes to the Deed, the ETF Guidelines or judicial decisions or interpretation.

### 6.2 Liabilities and limitations of Unit Holders

#### 6.2.1 Liabilities

- (i) A Unit Holder need not indemnify the Trustee or the Manager or any creditor of any one or more of them if there is a deficiency of Fund Assets compared with liabilities.
- (ii) The right of the Trustee or the Manager or any such creditor to seek indemnity is limited to having recourse to the Fund.

#### 6.2.2 Limitations

A Unit Holder cannot:

- (i) interfere with the rights or powers of the Manager and/or the Trustee in their dealings with the Fund;
- (ii) assert an interest in any particular part of the Fund Assets;
- (iii) require the transfer to the Unit Holder of any particular part of the Fund Assets;
- (iv) attend meetings whether of shareholders, creditors, ratepayers or otherwise or to take part in or to consent to any action concerning any property, corporation or scheme in connection with the Fund Assets;
- (v) exercise any rights, powers or privileges in respect of any of the Fund Assets;

- (vi) lodge with a government authority or any person any caveat or other notice whether under the provisions of any regulation, legislation, rule or otherwise:
  - (a) prohibiting the government authority or person (either conditionally or absolutely) from taking the action specified in the caveat or notice or forbidding (either conditionally or absolutely) the registration of any person as transferee or proprietor of, or of any instrument or thing affecting any particular part of the Fund Assets; or
  - (b) claiming any estate or interest in any particular part of the Fund Asset; or
- (vii) interfere in any way with the Fund.

For full details of the rights of a registered Unit Holder of the Fund, please refer to the Deed.

### 6.3 Maximum fees and charges permitted by the Deed

This table describes the maximum fees permitted by the Deed and payable indirectly by investors.

Fees	Details
Management Fee	3.00% per annum of the NAV of the Fund.
Trustee Fee	0.10% per annum of the NAV of the Fund (excluding foreign sub-custodian fees and charges).

A lower fee and/or charges than what is stated in the Deed may be charged, all current fees and/or charges will be disclosed in this Prospectus.

Any increase of the fees and/or charges that is stated in the current Prospectus may be made provided that:

- (i) In relation to the Manager,
  - (a) the higher management fee does not exceed the maximum rate stipulated in the Deed;
  - (b) the Manager has notified the Trustee in writing of the higher management fee and the Trustee agrees after considering the matters required under the ETF Guidelines;
  - (c) the Manager has announced to Bursa Securities of the higher management fee and its effective date;
  - (d) thirty (30) days have elapsed since the date of the announcement in Section 6.3(i)(c) above; and
  - (e) a supplementary or replacement prospectus stating the higher management fee and its effective date, has been registered, lodged and issued.
- (ii) In relation to the Trustee,
  - (a) the higher trustee fee does not exceed the maximum rate stipulated in the Deed;
  - (b) the Trustee has notified the Manager in writing of the higher trustee fee and the Manager agrees after considering the matters required under the ETF Guidelines;
  - (c) the Manager has announced to Bursa Securities of the higher trustee fee and its effective date;
  - (d) thirty (30) days have elapsed since the date of announcement in Section 6.3(ii)(c) above; and
  - (e) a supplementary or replacement prospectus stating the higher trustee fee and its effective date, has been registered, lodged and issued.

Any increase in the maximum rates for the management fee and trustee fee stipulated in the Deed and this Section 6.3 may only be made by way of supplementary deed and in accordance with the requirements of the CMSA.

## 6.4 Expenses permitted by the Deed

The Trustee and/or the Manager shall be entitled to pay the following fees, costs and expenses from of the Fund Assets to the extent they have been incurred in relation to the Fund:

- (i) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the Index Licensor entered into by the Manager in respect of the Fund;
- (ii) the processing or handling fees levied by any person for rendering services to effect any acquisition, disposal or any other dealings whatsoever in the Fund Assets and any expenses in relation thereto including commissions or fees paid to brokers and/or dealers in effecting dealings in the permitted investments of the Fund;
- (iii) all fees, charges, expenses and disbursements of any legal adviser or counsel, accountant, auditor, valuer, broker, banker, tax adviser or other professional advisers employed or engaged by the Trustee or the Manager in the establishment of the Fund, in maintaining, preserving and protecting the Fund Assets and in the ongoing performance of their respective duties and obligations under the Deed, or otherwise in connection with the Fund;
- (iv) all fees, charges, expenses and disbursements incurred in relation to the safe custody, acquisition, holding, registration, realisation of or other dealing with any foreign investments of the Fund Assets and all transactional fees as may be agreed from time to time between the Manager and the Trustee in relation to all transactions involving the whole or any part of the Fund Assets;
- (v) all charges and expenses incurred for any meeting of Unit Holders other than convened by and for the benefit of the Manager and the Trustee;
- (vi) the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of and quotation for the Units on Bursa Securities and/or the authorisation or other official approval or sanction of the Fund under the CMSA or any other applicable laws or regulations;
- (vii) the fees and expenses incurred in connection with depositing and holding Units with Bursa Depository and Bursa Malaysia Securities Clearing Sdn Bhd (and in any other securities depository or clearing system);
- (viii) establishment Costs of the Fund;
- (ix) all charges, costs and expenses incurred by the Manager and/or the Trustee in respect of and/or in connection with the maintenance of a website or webpages (as the case may be) dedicated entirely to the Fund and communications with and/or notification to the Unit Holders, the Registrar and/or any relevant authorities including notifications made in relation to the Fund in Bursa Securities, newspaper(s) in Malaysia and such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine;
- (x) all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Deed and in respect of preparing any agreement in connection with the Fund other than those for the benefit of the Manager or the Trustee;
- (xi) all costs incurred in respect of the preparation, publication and distribution of the annual reports and of all cheques, statements, notices and other documents relating to the Fund;
- (xii) all fees and expenses incurred in connection with the removal of the Manager, the Trustee or the auditor of the Fund or the appointment of a new management company, a new trustee or a new auditor other than those for the benefit of the Manager or the Trustee;
- (xiii) all expenses incurred in the collection of income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities) or the determination of taxation;
- (xiv) all expenses associated with the distributions declared pursuant to the Deed including without limitation, fees for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- (xv) all fees and expenses incurred by the Manager and the Trustee in terminating the Fund;
- (xvi) costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent; and

- (xvii) such other charges, costs, expenses and disbursements (including but not limited to any tax and other duties imposed by any government and other authorities) as permitted or required (as the case may be) under the applicable laws which the Manager or the Trustee is entitled to charge to the Fund.

## **6.5 Retirement of the Manager**

The Manager may retire from the management of the Fund upon giving to the Trustee twelve (12) months' notice in writing of its desire to do so or such lesser time as the Manager and the Trustee may agree upon.

The retiring Manager, subject to the approval required by applicable laws, may appoint in writing any other suitably qualified corporation approved by the Trustee and the SC (if required) as the new management company in its stead.

The Trustee shall take reasonable steps to remove and replace the Manager as soon as practicable after becoming aware of any such circumstances as stated under Section 6.6 below.

## **6.6 Power of the Trustee to remove or replace the Manager**

The Manager may be removed by the Trustee under certain circumstances as specified in the Deed which include the following events:

- (i) if the Manager goes into liquidation or provisional liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation or some similar purpose upon terms previously approved in writing by the Trustee) or is placed under official management or ceases to carry on business or if a receiver, or receiver and manager is appointed in relation to all or a substantial portion of the property of the Manager and is not removed or withdrawn within thirty (30) days of appointment or if any encumbrances shall take possession of any of its assets;
- (ii) if the Trustee is of the reasonable opinion that the Manager has, to the prejudice of the Unit Holders, failed to comply with any provision or covenant under the Deed or contravened any of the provisions of the CMSA and within such period as is specified by the Trustee in a written notice to the Manager, the contravention(s) have not been remedied;
- (iii) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit Holders for the Trustee to remove the Manager provided that:
  - (a) the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and the Trustee has considered any representations made by the Manager in respect of that opinion;
  - (b) after consultation with the SC; and
  - (c) a Special Resolution has been duly passed by the Unit Holders;
- (iv) if the Unit Holders by a Special Resolution resolve that the Manager shall be removed; or
- (v) if the Manager ceases to be an approved management company under the provisions of the CMSA and applicable regulations.

In any of the above said grounds, the Manager for the time being shall upon receipt of a written notice by the Trustee cease to be the management company and the Trustee shall subject to any approval required by applicable laws, is entitled to appoint in writing some other suitably qualified corporation to be the management company for the Fund with the approval of Unit Holders by way of a Special Resolution at a meeting convened in accordance with the Deed.

The purported appointment of a new management company has no effect until the new management company executes a deed under which it covenants to act as the management company in accordance with the Deed.

## **6.7 Retirement of the Trustee**

The Trustee may retire as trustee of the Fund upon giving to the Manager twelve (12) months' notice in writing of its desire to do so, or such lesser period of notice as the Manager and the Trustee may agree upon.

The retiring Trustee, subject to the approval required by applicable laws, may appoint in writing any other suitably qualified corporation approved by the Manager and the SC (if required) as the new trustee in its stead.

The Manager shall take reasonable steps to remove and replace the Trustee as soon as practicable after becoming aware of any such circumstances as stated under Section 6.8 below.

## **6.8 Power of the Manager to remove or replace the Trustee**

The Trustee may be removed by the Manager under certain circumstances as specified in the Deed which include the following events:

- (i) if the Trustee ceased to exist;
- (ii) if the Trustee has not been validly appointed;
- (iii) if the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any applicable law;
- (iv) if the Trustee goes into liquidation or provisional liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation or some similar purpose upon terms previously approved in writing by the Manager) or is placed under official management or ceases to carry on business or if a receiver, or receiver and manager, is appointed in relation to all or a substantial portion of the property of the Trustee and is not removed or withdrawn within thirty (30) days of the appointment or if any encumbrances shall take possession of any of its assets;
- (v) if the Trustee ceases to be an approved trustee under the provisions of the CMSA and applicable regulations;
- (vi) if the Unit Holders by Special Resolution resolve that the Trustee should be removed;
- (vii) if the Trustee has contravened its obligation to the Unit Holders in a manner that, in the reasonable opinion of the Manager, adversely affects those Unit Holders and, within such period as is specified by the Manager in a written notice to the Trustee, the contravention(s) have not been remedied; or
- (viii) if the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any applicable law.

In any of the above said grounds, the Trustee for the time being shall upon receipt of a written notice by the Manager cease to be the trustee and the Manager, subject to any approval required by applicable laws, is entitled to appoint in writing some other suitably qualified corporation to be the trustee of the Fund with the approval of Unit Holders by way of Special Resolution at a meeting convened in accordance with the Deed.

The purported appointment of a new trustee has no effect until the new trustee executes a deed under which it covenants to act as trustee in accordance with the Deed.

## **6.9 Termination of the Fund**

6.9.1 The Fund may be terminated by the Trustee in accordance with the provisions of the CMSA upon the occurrence of any of the following events:

- (i) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (ii) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or

- (iii) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law.

Upon a Special Resolution to terminate the Fund is passed by the Unit Holders at a meeting of Unit Holders summoned by the Trustee pursuant to Sections 6.9.1(i), (ii) and (iii) above, the Trustee shall apply to the court for an order confirming such Special Resolution.

- 6.9.2 The Fund may be terminated by the Trustee or the Manager by notice in writing to the Unit Holders in the event the Fund ceases to be approved under the CMSA.
- 6.9.3 Notwithstanding Sections 6.9.1 and 6.9.2 above, the Fund may be terminated at any time by Special Resolution of the Unit Holders and such termination shall take effect from the date on which such Special Resolution is passed or such later date (if any) as the Special Resolution may provide.
- 6.9.4 Notwithstanding the aforesaid, the Manager may, in consultation with the Trustee, determine the trust created and wind up the Fund without having to obtain the prior approval of the Unit Holders upon the occurrence of any of the following events:
  - (a) if any new law shall be passed which renders it illegal; or
  - (b) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund and the termination of the Fund is in the best interests of the Unit Holders.

If the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

## **6.10 Unit Holders' meeting**

- 6.10.1 The Trustee or the Manager may respectively at any time convene a meeting of Unit Holders at such time or place in Malaysia as the party convening the meeting may think fit.
- 6.10.2 The Manager shall call for a meeting of Unit Holders if not less than fifty (50) Unit Holders or ten per cent (10%) of all Unit Holders, whichever is less, direct the Manager to do so in writing delivered to the registered office of the Manager for the purpose of:
  - (i) considering the most recent financial statement of the Fund;
  - (ii) giving the Trustee such directions as the meeting thinks proper; or
  - (iii) considering any other matter related to the Deed.
- 6.10.3 Where the meeting is convened to pass:
  - (i) an Ordinary Resolution, at least fourteen (14) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unit Holders by the Manager or the Trustee in the manner provided in the Deed; or
  - (ii) a Special Resolution, at least twenty one (21) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unit Holders by the Manager or the Trustee in the manner provided in the Deed; or
  - (iii) where resolution which requires approval by not less than two-thirds (2/3) of all Unit Holders at a Unit Holders' meeting, at least twenty one (21) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unit Holders by the Manager or the Trustee in the manner provided in the Deed.



Such notices shall be given to the Unit Holders in the following manner as contemplated under the Deed:

- (i) in writing to the Unit Holder by letter addressed to the Unit Holder at the Unit Holder's address appearing in the Register;
- (ii) by publication in a national language daily national newspaper and in one (1) other newspaper as may be approved by the SC; or
- (iii) by such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine.

- 6.10.4 The notice shall be in the form of a circular and shall specify the place, time of meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed thereat. A copy of the notice shall be sent to the Trustee unless the meeting is convened by the Trustee and a copy thereof shall also be sent to the SC. The Manager or the Trustee shall publish an advertisement giving the relevant notice of the Unit Holders' meeting in at least one nationally circulated Bahasa Malaysia or English daily newspaper. The Unit Holders' meeting shall be held not later than two (2) months after the notice was given at the place and time specified in the notice and advertisement.
- 6.10.5 (a) The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy; however, 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.
- (b) 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.
- (c) 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.
- 6.10.6 Every Unit Holder (being an individual) who is present in person or by proxy or (being a corporation) is represented by one of its representatives or by proxy shall, on a poll, have one vote for every Unit of which he or it is the Unit Holder and need not cast all the votes to which he or it is entitled in the same way.
- 6.10.7 Each Unit Holder shall be entitled to attend and vote at any meeting of Unit Holders, and shall be entitled to appoint another person (whether or not a Unit Holder) as his proxy to attend and vote. Where the Unit Holder is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with units standing to the credit of the said securities account. Where a Unit Holder appoints two (2) proxies in accordance with this provision the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. Such proxy shall have the same rights as the member to vote, to speak and to be reckoned in a quorum.
- 6.10.8 Any Unit Holder being a corporation may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Unit Holders, and a person so authorised shall at such meeting be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise as if it were an individual Unit Holder.
- 6.10.9 In the case of an equality of votes the chairman of a meeting of Unit Holders shall have a casting vote in addition to his votes (if any) as a Unit Holder.
- 6.10.10 Every question arising at a general meeting of Unit Holders shall be decided by a poll.
- 6.10.11 Upon any question decided by a poll, each Unit Holder present in person or by proxy shall have one vote for each fully paid Unit.

## 7. ABOUT THE MANAGER

### 7.1 Corporate Information

AHAM Asset Management Berhad (*formerly known as Affin Hwang Asset Management Berhad*) (Registration No.: 199701014290 (429786-T)) was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. AHAM has more than 20 years' experience in the fund management industry. In late 2022, AHAM's ultimate major shareholder is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners ("CVC"), which has approximately 68.35% controlling interest in AHAM. CVC is a global private equity and investment advisory firm with approximately USD125 billion of assets under its management. AHAM is also 20% owned by Nikko Asset Management Co., Ltd., a Tokyo -based asset management company, and 7% owned by Lembaga Tabung Angkatan Tentera.

The Manager's head office is located in Kuala Lumpur and has another 7 main sales offices located in Peninsular and East Malaysia. They are in Penang, Ipoh, Johor Bahru, Melaka, Kuching, Miri and Kota Kinabalu.

### 7.2 Board of Directors

The board of directors of AHAM ("Board") is responsible for the overall management of the Manager and its funds. The Board not only ensures corporate governance is practised but policies and guidelines are adhered to. The Board will meet at least four (4) times every year, or more should the need arise.

**Members of the Board of Directors:** -

**General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) (Chairman, Independent Director)**

*75 years of age*

Tan Sri Zahidi has been on several esteemed boards of many public and private companies. He currently sits on the boards of Cahya Mata Sarawak Berhad, Genting Plantations Berhad, Genting Malaysia Berhad, Only World Group Holdings Berhad, SOGO (K.L.) Department Store Sdn Bhd and Nishiin-Panmatex (M) Sdn Bhd. He brings with him a wealth of corporate experience especially in the areas of governance and transparency. Tan Sri Zahidi had a very impressive career including a six-year tenure as the Chief of Defence Forces in Malaysia. He holds a Masters in Science Degree in Defence and Strategic Studies and has completed a Program for Senior Executives in National and International Security at Harvard University's John F. Kennedy School of Government in the United States. During his military career, he had extensive international experience in various peacekeeping missions and regional exercises around the globe. Tan Sri Zahidi was appointed as Chairman and Independent Non-Executive Director of the Manager on 29 July 2022.

**Dato' Teng Chee Wai (Non-independent Director)**

*56 years of age*

Dato' Teng is the founder of the Manager. In his capacity as the managing director and executive director of the Manager, Dato' Teng manages the overall business and strategic direction as well as the management of the investment team. His hands on approach sees him actively involved in investments, product development and marketing. Dato' Teng's critical leadership and regular participation in reviewing and assessing strategies and performance has been pivotal in allowing the Manager to successfully navigate the economically turbulent decade. Dato' Teng's investment management experience spans more than 25 years, and his key area of expertise is in managing absolute return mandates for insurance assets and investment-linked funds in both Singapore and Malaysia. Prior to his current appointments, he was the assistant general manager (investment) of Overseas Assurance Corporation (OAC) and was responsible for the investment function of the Group Overseas Assurance Corporation Ltd. Dato' Teng began his career in the financial industry as an investment manager with NTUC Income, Singapore. He is a Bachelor of Science graduate from the National University of Singapore and has a Post-Graduate Diploma in Actuarial Studies from City University in London.

**Mr. Xuan Wang (Non-independent Director)**

*36 years of age*

Mr. Xuan Wang is a Managing Director at CVC Capital Partners and is an experienced professional in private equity and corporate finance. Mr. Xuan Wang started his career with UBS AG's investment banking department in Hong Kong in 2009, focusing on helping leading banks and insurance companies in the region to raise capital and pursue mergers and acquisition transactions. Mr. Xuan Wang joined CVC Asia Pacific Limited in 2012, based in Hong Kong and Singapore. He focuses on private equity investment across Southeast Asia. He was a director on the board of SPI Global, a leading outsourced digital services company headquartered in the Philippines, from 2015 to 2017 and a director on the board of Ngern Tid Lor, a leading non-bank lender and insurance broker in Thailand, from 2019 to 2020. Mr. Xuan Wang was appointed as Non-Independent Non-Executive Director of the Manager on 29 July 2022.

**Mr. Alvin Lim Chiaw Beng (Non-independent Director)**

*52 years of age*

Mr. Alvin Lim has been with CVC Capital Partners for over 5 years and currently heads up Singapore and Malaysia. Prior to joining CVC, he has more than 20 years of experience in the investment banking sector advising clients on Mergers & Acquisitions ("M&A"), Divestitures, Leveraged Financings, Equity Capital Markets and Debt Capital Markets transactions across a wide variety of sectors in Asia and Europe. Alvin has a BSc Economics degree from the London School of Economics specialising in Accounting and Finance and he is also a qualified Chartered Financial Analyst. Mr. Alvin Lim began his career with the Corporate Finance division of Coopers and Lybrand before joining the Asian M&A team at Schroders International Merchant Bankers ("Schroders") in Singapore. He subsequently moved to London, United Kingdom with Schroders and became part of the Citigroup Investment Banking team when it acquired Schroders in 2000. In the United Kingdom, Mr. Alvin Lim worked on a variety of European cross border transactions before returning to Singapore in 2004 to join Ascott Singapore for a brief stint as Vice President of Business Development. He then joined the Investment Banking division of Hongkong and Shanghai Banking Corporation (HSBC) where he headed the Southeast Asian team before he left in 2016. At HSBC, he was also part of the Singapore Executive Committee and looked after the entire Southeast Asian operations ranging from regulatory, risk and strategy functions. In his current role at CVC, Mr. Alvin Lim is responsible for all activities within Singapore and Malaysia. He led the investment into Munchy's in 2018 and successfully exited with the sale to Universal Robina Corporation (URC) in 2021. He was a member of the Board of Directors at Munchy's driving value creation at the company. Mr. Alvin Lim was appointed as Non-Independent Non-Executive Director of the Manager and its wholly owned Islamic asset management subsidiary, AIIAMAN Asset Management Sdn Bhd on 29 July 2022.

**Ms. Eleanor Seet Oon Hui (Non-independent Director)**

*46 years of age*

Ms. Eleanor joined Nikko Asset Management in 2011 as the President and Director of the Singapore entity. She became the Head of Asia ex-Japan in 2015 with expanded responsibility for driving the growth of Nikko Asset Management Asia Limited (Nikko AM) in the region. In 2017, she was conferred the IBF Fellow distinction by the Institute of Banking and Finance Singapore. She has oversight of Nikko AM's Singapore and Hong Kong offices and joint venture relationships in China and Malaysia and is a board member of the Manager. Ms. Eleanor is a pioneer in the asset management industry with over 20 years of experience. Prior to joining Nikko AM Asia, she led the distribution efforts for iShares concentrating on the wealth segments across Asia ex Japan. Previously, she spent 12 years at AllianceBernstein, where she was responsible for building and developing the firm's distribution channels and business. In that capacity, she was responsible for the overall strategy and execution of the firm's product offerings in South East Asia via intermediaries. She graduated with a Bachelor of Economics from the University of New South Wales, Sydney. Ms. Eleanor was also appointed as Non-Independent Non-Executive Director of AIIAMAN Asset Management Sdn Bhd on 29 July 2022.

**Ms. Faridah binti Iskandar**

*43 years of age*

Ms. Faridah has approximately 20 years' experience working across the public and private sectors in the United Kingdom and Malaysia. Around half of that time was in management consulting. She has a BA(Hons) and MA in Natural Sciences from University of Cambridge, and an MSc in Forensic Science from University of Strathclyde. Ms. Faridah spent six years as a scientist before transitioning to analytical postings in the United Kingdom government's Ministry of Justice. During this time, she gained invaluable exposure to processes around policy proposals and reviews, cross-ministerial/departmental relationship building and stakeholder management. She then entered management consulting with Capgemini Consulting in London (now Capgemini Invent), primarily working on analytics and organisational focused projects, before returning to Malaysia. In Malaysia, Ms. Faridah joined Boston Consulting Group in Kuala Lumpur. During her time there she led and delivered multiple strategy and implementation engagements for clients in Southeast Asia, across public sector, government-linked companies (GLCs), energy and real estate. She managed diverse teams to develop and deliver tangible insights and outcomes, leading client engagements and advising senior management and Board of Directors. In her current role as Head of Southeast Asia for Copperleaf Technologies, a global software company that specialises in decision analytics, Ms. Faridah leads all regional business development and growth activities and oversees cross-functional teams. As a member of the senior leadership team within the rapidly growing Asia Pacific & Japan business of Copperleaf, Ms. Faridah is involved in all business-critical activities from strategy and operating model evolution, recruitment and people development, product enhancement, business growth strategies to brand awareness and marketing. Ms. Faridah was appointed as Independent Non-Executive Director of the Manager on 29 July 2022.

### **7.3 Key Personnel & Designated Fund Manager**

**Key Personnel:-**

- **Dato' Teng Chee Wai (Managing Director)**  
(Please refer to the above)
- **Mr. David Ng Kong Cheong (Chief Investment Officer)**  
*51 years of age*

Mr. David joined the Manager in 2002 as Head of Equities and assumed the role of Chief Investment Officer in September 2006. He has been responsible for successfully steering the Manager's investments through a tumultuous decade of multiple crisis. His astute and decisive guidance on broad investment strategies which includes interpreting market signals and making timely asset allocation calls has allowed the Manager to remain ahead of its peers. A decade later, he has built the investment team from just four (4) fund managers to a 40 strong group of fund managers featuring an impressive resume across different investment specialties, coverage and geographies. Under his foresight and vision, the team has evolved from being equity-heavy to encompass strong local and regional multi-asset and sector investment capabilities. His absolute return investment philosophy and bottom-up stock selection technique has garnered recognition for the Manager with its multiple award wins, having been voted "CIO of the Year" for Malaysia by Asia Asset Management 2013 awards. Mr David's philosophy of subscribing to the long-term, not taking excessive risk, and investing into quality throughout all the portfolios has set the blueprint for the Manager's investments in years to come. He is well-known in the industry for his discipline, prudence and reasonable attitude to investing. He graduated with a double degree in Bachelor of Commerce (Accounting) and Bachelor of Law from Monash University in Melbourne, Australia and is also a Chartered Financial Analyst (CFA) charterholder. He is the designated fund manager of the Fund.

### **7.4 Roles, Duties and Responsibilities of the Manager**

The Manager is responsible for managing the Fund's portfolio, issuing Units and preparing and issuing this Prospectus. The Manager is also responsible for setting the investment policy for the Fund and implementing strategies to meet these objectives. The Manager is subject to the provisions of the Deed and shall carry out all activities as may be deemed necessary for the management of the Fund and its business. The Manager shall, in

managing the Fund, undertake primary management activities in relation to the Fund, including but not limited to overall strategy, new acquisition and disposal analysis, marketing and communications, individual asset performance and business planning, market performance analysis and other activities as provided under the Deed.

In addition, the Manager has covenanted with the Trustee, among others, to do the following:

- (a) carry out and conduct its business activities in a proper and diligent manner and manage and administer the Fund in a proper, diligent and efficient manner in accordance with the Deed, the CMSA, the securities laws, the ETF Guidelines and other applicable laws at all times and acceptable and efficacious business practice within the unit trust industry;
- (b) manage the Fund's assets and liabilities for the benefit of the Unit Holders;
- (c) set the investment policy of the Fund and submit proposals to the Trustee on the acquisition, divestment or enhancement of Fund Assets;
- (d) issue an annual report and semi-annual report of the Fund to the Unit Holders within two (2) months of the Fund's FYE;
- (e) ensure that the Fund is managed within the ambit of the Deed, the CMSA, the securities laws, the ETF Guidelines and other applicable laws;
- (f) observe high standards of integrity and fair dealing in managing the Fund to the best and exclusive interest of the Unit Holders;
- (g) act with due care, skill and diligence in managing the Fund, and effectively employ the resources and procedures necessary for the proper performance of the Fund;
- (h) ensure that the Deed and this Prospectus are in compliance with the CMSA, the securities laws, the relevant guidelines and other applicable laws at all times;
- (i) take all necessary steps to ensure that the investments and other assets of the Fund are adequately protected and properly segregated; and
- (j) unless otherwise specified in writing by the SC, ensure that the Fund has, at all times, an appointed trustee.

## **7.5 Material Litigation and Arbitration**

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

## **7.6 Direct and Indirect Unit Holding in the Fund**

The substantial shareholders, directors or the key personnel of the Manager may hold Units, direct or indirect, in the Fund.

Units held by the substantial shareholders, directors, or the key personnel of the Manager, directly or indirectly, are reported in the Fund's annual report.

**For further information on AHAM and/or AHAM's delegate and any subsequent changes to such information, you may obtain the details from our website at [www.aham.com.my](http://www.aham.com.my) or the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my).**

## **8. ABOUT THE TRUSTEE**

The Trustee is obliged under the Deed, the CMSA and the ETF Guidelines to act as the custodian for all the Fund Assets and safeguard the interests of Unit Holders.

The Trustee must ensure that the Manager administers the Fund in accordance with the objectives of the Fund and adheres strictly to the provisions of the Deed, the CMSA, the ETF Guidelines and other securities law.

### **8.1 Corporate Information**

TMF Trustees Malaysia Berhad was incorporated in Malaysia on 1 April 2003 and registered as a trust company under the Trust Companies Act 1949 on 9 October 2003. Its registered and business address is at 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 and 3, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The Trustee is part of TMF Group, an independent global service provider in the trust and fiduciary sector. The group has more than 125 offices in over 83 jurisdictions in the world. TMF group started in Malaysia in 1992 with its first office in Labuan International Business Financial Centre (IBFC), providing trust and fiduciary services. The Kuala Lumpur office was established in 2003 to support the Labuan office in servicing Malaysian clients and to undertake domestic trust business.

The Trustee provides various types of trustee services, such as trustee for private debt securities (PDS), corporate administrator to asset-backed securities (ABS), trustee for unit trust funds and private trust. The TMF group provides a more comprehensive range of corporate secretarial services, financial accounting, human resource administrative and payroll outsourcing services.

### **8.2 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 Unit Holders. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, the CMSA and the ETF Guidelines. Apart from being the legal owner of the Fund Assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, the CMSA and the ETF Guidelines.

### **8.3 Delegation of the Trustee's Function**

The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as the custodian of the quoted and unquoted investments of the Fund. SCBMB was incorporated in Malaysia under the same name on 29 February 1984 under the Companies Act 1965 (now known as the Companies Act 2016) as a public limited company and is a subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Financial Services Act 2013.

SCBMB is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instructions from the Trustee.

### **8.4 Material Litigation and Arbitration**

As at the LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and there are no facts likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee and any of its delegates.

## **8.5 Trustee's Responsibility Statement**

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 the laws, regulations, guidelines, rules and official requirements, guidance notes, practice notes (whether or not having the force of law) applicable to ETFs from time to time including the CMSA, the ETF Guidelines, the Listing Requirements, the rules of Bursa Depository and taxation laws and rulings.

## 9. APPROVALS AND CONDITIONS

The SC had on 22 January 2020, approved the following proposals subject to the following terms:-

- (i) the establishment of the Fund with an initial fund size of up to 1 billion units; and
- (ii) the Listing of and quotation for up to 1 billion units of the Fund on the Main Market of Bursa Securities.



## **10. RELATED PARTY TRANSACTIONS**

### **10.1 Existing and Potential Related Party Transactions**

#### **10.1.1 The Manager**

The Manager and each of its directors including the person(s) or members of a committee undertaking the oversight function of the Fund will at all times act in the best interests of the Unit Holders and will not conduct itself in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Fund is not disadvantaged.

In the unlikely event that the Manager faces conflicts in respect of its duties to the Fund and its duties to other investment funds that it manages, the Manager is obliged to act in the best interests of all its investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

All transactions with related parties are to be executed on terms which are best available to the Fund and which are no less favourable to the Fund than an arm's length transaction between independent parties. Such transactions may include dealings on sale and purchase of securities and instruments by the Fund and holding of Units by related parties.

#### **10.1.2 The Trustee**

As at LPD, there are no existing or proposed related party transactions involving the Trustee and/or any person connected to it.

### **10.2 Conflict of Interest**

As at LPD, save as disclosed in Sections 10.1 and 10.4, the Manager is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest situation in its capacity as the Manager to the Fund.

### **10.3 Policies on Dealing with Conflict of Interest Situation**

#### **10.3.1 Manager**

The Manager has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, the Manager will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where the interests of the directors or the interests of the person(s) or members of a committee undertaking the oversight function of the Fund may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staffs of the Manager are required to seek prior approval from the executive director or the managing director before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are no less favourable to the Fund than an arms-length transaction between independent parties.

#### **10.3.2 Trustee**

The Trustee has in place policies and procedures to deal with conflicts of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund Assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

#### **10.4 Declaration of Conflict of Interest as at LPD**

- (i) The Trustee has confirmed that as at the LPD, it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as trustee in respect of the Fund.
- (ii) Deloitte Tax Services Sdn Bhd has confirmed that as at the LPD, it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as tax adviser in respect of the Fund.
- (iii) PricewaterhouseCoopers has confirmed that as at the LPD, it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as the auditor in respect of the Fund.
- (iv) Messrs. Wei Chien & Partners has confirmed that as at the LPD, it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as solicitors in respect of the Fund.
- (v) Affin Hwang IB has confirmed that as at the LPD, it is not aware of any other circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as the Participating Dealer and market maker in respect of the Fund.
- (vi) Malacca Securities Sdn Bhd has confirmed that as at the LPD, it is not aware of any other circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as the Participating Dealer in respect of the Fund.

# 11. TAXATION

16 June 2023

The Board of Directors

**AHAM Asset Management Berhad**

**[Formerly known as (“f.k.a”) Affin Hwang Asset Management Berhad]**

Ground Floor, Menara Boustead

69, Jalan Raja Chulan

50200 Kuala Lumpur

Dear Sirs

**TradePlus MSCI Asia ex Japan REITs Tracker**

**Taxation of the Fund and Unit Holders**

1. This letter has been prepared for inclusion in the Replacement Prospectus (hereinafter referred to as “the Prospectus”) in connection with the offer for sale of units in the TradePlus MSCI Asia ex Japan REITs Tracker (hereinafter referred to as “the Fund”).

The following is general information based on Malaysian tax law in force at the time of lodging the Prospectus with the Securities Commission Malaysia (“SC”) and investors should be aware that the tax law may change at any time. The application of tax law depends upon an investor’s individual circumstances. The information provided below does not constitute tax advice. The Manager therefore recommends that investors consult their tax adviser regarding the specific application of the tax law relating to their specific tax position.

## 2. Taxation of the Fund

### 2.1 Income Tax

As the Fund’s Trustee is a tax resident in Malaysia, the Fund is regarded as a tax resident in Malaysia. The taxation of the Fund is governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 (“MITA”).

Pursuant to the Section 2(7) of MITA, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah. The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia or received in Malaysia from outside Malaysia is liable to income tax. The Fund may be receiving income such as exit fee which will be subject to tax at the prevailing tax rate applicable on the Fund. Gains on disposal of investments by the Fund will not be subject to income tax.

The income tax rate applicable to the Fund is 24%.

Tax exempt interest as listed in the Appendix attached received by the Fund are not subject to income tax.

With effect from 1 January 2014, Malaysia has fully moved to a single-tier income tax system. The Fund is not liable to tax on any Malaysia sourced dividends paid, credited or distributed to the Fund under the single-tier tax system, where the company paying such dividend is not entitled to deduct tax under the MITA. The tax deductibility of

other deductions by the Fund against such dividend income will be disregarded in ascertaining the chargeable income of the Fund.

In addition to the single-tier dividend that may be received by the Fund, the Fund may also receive Malaysian dividends which are tax exempt from investments in companies which had previously enjoyed or are currently enjoying various tax incentives provided under the laws of Malaysia. The Fund is not subject to income tax on such tax exempt dividend income.

The Fund may also receive interest, dividends, profits and other income from investments derived from sources outside of Malaysia. Prior to 1 January 2022, income arising from sources outside Malaysia and received in Malaysia was exempted from Malaysian income tax pursuant to Paragraph 28 of Schedule 6 of the MITA. Effective from 1 January 2022, Paragraph 28 of Schedule 6 of the MITA was amended to only exempt a non-resident person from foreign sourced income received in Malaysia. Unit trusts funds with a trustee who is tax resident in Malaysia are considered tax residents of Malaysia and would not qualify for the exemption under the amended Paragraph 28 of Schedule 6 of the MITA.

The Ministry of Finance of Malaysia issued the gazette orders, Income Tax (Exemption) (No. 5) Order 2022 [P.U.(A) 234/2022] and Income Tax (Exemption) (No. 6) Order 2022 [P.U.(A) 235/2022] on 19 July 2022 which took effect from 1 January 2022. The orders grant exemption on foreign sourced income as follows:

- Dividend income received by companies and limited liability partnerships; and
- All types of foreign sourced income received by individuals, except for those carrying on a partnership business in Malaysia.

However, as the unit trust fund is not a “company”, “limited liability partnership” or “individual”, the above gazette orders do not apply to unit trust funds.

The income of the Fund which is received in Malaysia from outside Malaysia during the period 1 January 2022 until 30 June 2022 is subject to tax at the rate of 3% on gross foreign sourced income received in Malaysia. Foreign sourced income received in Malaysia from 1 July 2022 onwards will be taxed based on the prevailing income tax rate applicable to the Fund, i.e. 24%.

The foreign sourced income of the Fund may be subject to foreign tax in the country from which the income is derived. Pursuant to Schedule 7 of the MITA, where an income is chargeable to tax in Malaysia as well as in a foreign country, a relief shall be given by way of credit known as bilateral credit if the source country has a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 100% of foreign tax suffered and unilateral credit if the source country does not have a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 50% of foreign tax suffered. Please note that claiming of bilateral credit and unilateral credit is subject to the approval of the Inland Revenue Board upon review of the requisite supporting documentation.

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into. Generally, any gain or loss relating to the principal portion will be treated as capital gain or loss. Gains or losses relating to the income portion would normally be treated as revenue gains or losses. The gain or loss on revaluation will only be taxed or claimed upon realisation. Any gain or loss on foreign exchange is treated as capital gain or loss if it arises from the revaluation of the principal portion of the investment.

Generally, income from distribution by the Malaysia Real Estate Investment Trusts (“REITs”) will be received net of withholding tax of 10%. No further tax will be payable by the Fund on the distribution. Distribution from such income by the Fund will also not be subject to further tax in the hands of the Unit Holders.

Expenses being manager’s remuneration, maintenance of register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage, which are not allowed under the general deduction rules, qualify for a special deduction, subject to a minimum of 10% and a maximum of 25% of such expenses pursuant to Section 63B of the MITA.

## 2.2 Gains on Disposal of Investments

Gains on disposal of investments by the Fund will not be subject to income tax but where the investments represent shares in real property companies, such gains may be subject to Real Property Gains Tax (“RPGT”) under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties or shares in real property companies with a market value of not less than 75% of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

## 2.3 Service Tax

The issuance of units by the Fund to investors will not be subject to Service Tax. Any distributions made by the Fund to unitholders are also not subject to Service Tax. For management fees, this specifically excludes fees charged by any person who is licensed or registered with the Securities Commission for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007.

To the extent that the Fund invests in any financial services products (e.g. securities, derivatives, units in a fund or unit trust), the acquisition of these interests will also not be subject to Service Tax.

If the Fund acquires any imported taxable services from a service provider outside of Malaysia, these services would be subject to 6% Service Tax. The Fund would be required to file an SST-02A return on an ad hoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department.

## 3. Taxation of Unit Holders

### 3.1 Taxable Distribution

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent such income is distributed to them. Unit Holders are also liable to pay income tax on the taxable income distributions paid by the Fund. Taxable income distributions carry a tax credit in respect of the tax chargeable on that part of the Fund. Unit Holders will be subject to tax on an amount equal to the net taxable income distribution plus attributable underlying tax paid by the Fund. No withholding tax will be imposed on the income distribution of the Fund.

Income distributed to Unit Holders is generally taxable as follows in Malaysia:-

Unit Holders	Malaysian Tax Rates for Year of Assessment 2022	Malaysian Tax Rates for Year of Assessment 2023 (*)
<p><b>Malaysian tax residents:</b></p> <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> <li>▪ Trust bodies</li> <li>▪ Corporate Unit Holders               <ul style="list-style-type: none"> <li>i. A company with paid up capital in respect of ordinary shares of not more than RM2.5 million where the paid</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 28%</li> <li>▪ Progressive tax rates ranging from 0% to 24%</li> <li>▪ 24%</li> <li>▪ 17% for every first RM600,000 of chargeable income</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 28%</li> <li>▪ Progressive tax rates ranging from 0% to 24%</li> <li>▪ 24%</li> <li>▪ 15% for every first RM150,000 of chargeable income</li> </ul>

Unit Holders	Malaysian Tax Rates for Year of Assessment 2022	Malaysian Tax Rates for Year of Assessment 2023 (*)
<p>up capital in respect of ordinary shares of other companies within the same group as such company is not more than RM2.5 million (at the beginning of the basis period for a year of assessment) and having gross income from source or sources consisting of a business of not more than RM50 million for the basis period of a year assessment</p> <p>ii. Companies other than those in (i) above</p> <p><b>Non-Malaysian tax residents:</b></p> <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24% for chargeable income in excess of RM600,000</li> <li>▪ 24%</li> <li>▪ 33% for chargeable income in excess of RM100,000,000 for the year of assessment 2022 only</li> <li>▪ 30%</li> <li>▪ 24%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 17% for chargeable income of- RM150,001 to RM600,000</li> <li>▪ 24% for chargeable income in excess of RM600,001</li> <li>▪ 24%</li> <li>▪ 30%</li> <li>▪ 24%</li> </ul>

\* Finance Act 2023.

The tax credit attributable to the income distributed to the Unit Holders will be available for set off against tax payable by the Unit Holders. There is no withholding tax on taxable distributions made to non-resident Unit Holders.

Non-resident Unit Holders may be subject to tax in their respective tax jurisdictions depending on the provisions of the relevant tax legislation in the jurisdiction they report their income taxes. Any Malaysian income tax suffered by non-resident Unit Holders may be eligible for double tax relief under the laws of the non-resident Unit Holder's jurisdiction subject also to the terms of the double tax agreement with Malaysia (if applicable).

### 3.2 Withholding Tax on Distribution from Retail Money Market Fund ("RMMF") to Unit Holders

Distribution of income of a unit trust fund that is a RMMF to its Unit Holders (other than the distribution of interest income to non-individual Unit Holders) is exempted from tax in the hands of the Unit Holders. Non-individual Unit Holders will be chargeable to tax on the income distributed to the Unit Holder from the interest income of a RMMF exempted under Paragraph 35A of Schedule 6 of the MITA with effect from 1 January 2022 as follows:-

Types of Unit Holders	Malaysian Tax Rates for Year of Assessment 2022	Malaysian Tax Rates for Year of Assessment 2023 (*)
<p><b>Non-individual residents:</b></p> <ul style="list-style-type: none"> <li>▪ Withholding tax rate</li> <li>▪ Withholding tax mechanism</li> <li>▪ Due date of payment</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ Income distribution carries a tax credit, which can be utilised to set off against the tax payable by the Unit Holders</li> <li>▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ Income distribution carries a tax credit, which can be utilised to set off against the tax payable by the Unit Holders</li> <li>▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>
<p><b>Non-individual non-residents:</b></p> <ul style="list-style-type: none"> <li>▪ Withholding tax rate</li> <li>▪ Withholding tax mechanism</li> <li>▪ Due date of payment</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ Withholding tax deducted will be regarded as a final tax</li> <li>▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ Withholding tax deducted will be regarded as a final tax</li> <li>▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>

\* Finance Act 2023.

As the Fund is not a RMMF, the above withholding tax on distribution of interest income that is exempted under Paragraph 35A of Schedule 6 of the MITA will not be applicable to the non-individual Unit Holders of the Fund.

### 3.3 Tax Exempt Distribution

Tax exempt distributions made out of gains from realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian tax in the hands of Unit Holders, whether individual or corporate, resident or non-resident. All Unit Holders do not pay tax on that portion of their income distribution from the Fund's distribution equalisation account.

### 3.4 Distribution Voucher

To help complete a Unit Holder's tax returns, the Manager will send to each Unit Holder a distribution voucher as and when distributions are made. This sets out the various components of the income distributed and the amount of attributable income tax already paid by the Fund.

### **3.5 Sale, Transfer or Redemption of Units**

Any gains realised by a Unit Holder on the sale, transfer or redemption of his units are generally tax-free capital gains unless the Unit Holder is an insurance company, a financial institution or a person trading or dealing in securities. Generally, the gains realised by these categories of Unit Holders constitute business income on which tax is chargeable. Unit Holders should consult their respective tax advisors based on their own tax profiles to determine whether the gain from sale, transfer or redemption of units would qualify as capital gains or trading gains.

### **3.6 Reinvestment of Distribution**

Unit Holders who receive their income distribution by way of investment in the form of the purchase of new units will be deemed to have received their income distribution after tax and reinvested that amount in the Fund.

### **3.7 Unit Splits**

Unit splits issued by the Fund are not taxable in the hands of the Unit Holders.

### **3.8 Service Tax**

Pursuant to the Lampiran A of the First Schedule of the Service Tax Regulations 2018 (“First Schedule”), only taxable services listed in the First Schedule are subject to service tax. Investment income or gains received by the Unit Holder are not prescribed taxable services and hence, not subject to Service Tax.

The legal fees, consultant fees and management fees may be subject to service tax at 6% if the service providers are registered for Services Tax. Effective from 1 January 2019, the imposition and scope of service tax has been widened to include any imported taxable service.

We hereby confirm that the statements made in this tax adviser letter correctly reflect our understanding and the interpretation of the current Malaysian tax legislations and the related interpretation and practice thereof, all of which may subject to change. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully

**Mohd Fariz bin Mohd Faruk**  
Executive Director  
Deloitte Tax Services Sdn Bhd



**Tax Exempt Income of Unit Trusts**

1. Interest or discount paid or credited to any individual, unit trust and listed closed-end fund in respect of the following will be exempt from tax:-
  - Securities or bonds issued or guaranteed by the Government; or
  - Debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the SC; or
  - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

[Para 35 of Schedule 6 of the MITA]
2. Income of a unit trust in respect of interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 (“FSA”) or the Islamic Financial Services Act 2013 (“IFSA”) or any development financial institution regulated under the Development Financial Institutions Act 2002 (“DFIA”).  
 Provided that the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.  

[Para 35A of Schedule 6 of the MITA]
3. Interest in respect of any savings certificates issued by the Government. [Para 19 of Schedule 6 of the MITA]
4. Interest paid or credited to any person in respect of Sukuk originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved or authorized by, or lodged with, the SC or approved by the Labuan Financial Services Authority. [Para 33B of Schedule 6 of the MITA]
5. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia. [Income Tax (Exemption) (No. 5) Order 2001]
6. Interest income derived from bonds (other than convertible loan stocks) paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad (“MESDAQ”) (now known as Bursa Malaysia Securities Berhad ACE Market). [Income Tax (Exemption) (No. 13) Order 2001]
7. Income derived from the Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc. [Income Tax (Exemption) (No. 31) Order 2002]
8. Discount or profit received from the sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad within and outside Malaysia. [Income Tax (Exemption) (No. 6) Order 2003]
9. Income derived from the Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad. [Income Tax (Exemption) Order 2010]
10. Gain or profit received from the investment in Islamic securities, other than convertible loan stock, which are issued in accordance with the principles of *Mudharabah*, *Musarakah*, *Ijarah*, *Istisna’* or any other principle approved by the Shariah Advisory Council established by the SC under the Capital Markets and Services Act 2007. [Income Tax (Exemption) (No. 2) Order 2011]
11. Gains or profits in lieu of interest, derived from the Sukuk Wakala in accordance with the principle of *Al-Wakala Bil Istithmar*, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad. [Income Tax (Exemption) (No. 4) Order 2011]
12. Income derived from Sukuk Kijang is exempted from the payment of income tax pursuant to Income Tax (Exemption) (No. 10) Order 2013. For the purpose of this order, “Sukuk Kijang” means the Islamic Securities of nominal value of up to two hundred and fifty million United States dollars (USD\$250,000,000) issued or to be issued in accordance with the Shariah principle of Ijarah by BNM Kijang Berhad. [Income Tax (Exemption) (No. 10) Order 2013]
13. Gains or profits derived, in lieu of interest, derived from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (USD1,500,000,000.00) in accordance with the principle of *Wakala Bil Istithmar*, other than a convertible loan stock, issued by the Malaysia Sovereign Sukuk Berhad. [Income Tax (Exemption) (No. 3) Order 2015]
14. Gains or profits derived, in lieu of interest from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (US\$1,500,000,000.00) in accordance with the principle of *Wakala*, other than a convertible loan stock, issued by the Malaysia Sukuk Global Berhad (formerly known as 1Malaysia Sukuk Global Berhad). [Income Tax (Exemption) (No. 2) Order 2016].

## 12. RELEVANT INFORMATION

### 12.1 Keeping abreast with developments of the Fund

The Manager shall deliver a copy of the annual report of the Fund to Unit Holders without charge within two (2) months of the end of the financial year of the Fund. Unit Holders may request for additional copies of the said report during normal business hours subject to the payment of a reasonable sum as may be determined by the Manager and the Trustee.

Where applicable, the Manager will send to Unit Holders their tax vouchers which set out such information that is needed to complete a tax return.

The Manager will publish important news and information with respect to the Fund on the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my) and/or as announced/published on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) from time to time.

Some of the information which will be made available on the Fund's website and/or Bursa Securities' website includes:

- the annual reports and semi-annual reports (if any);
- NAV per Unit;
- IOPV per Unit;
- fees and charges in relation to the Fund;
- the Fund's portfolio on daily (end of day) basis;
- Prospectus; and
- Benchmark.

Further information on the Manager and Manager's delegate may be obtained from the Manager's website at [www.aham.com.my](http://www.aham.com.my)

It is the investors' responsibility to consider such information. Please refer to the section headed "Avenue for Advice" in Section 12.3 of this Prospectus for the warning and the disclaimer regarding information contained in such website.

### 12.2 Material Agreements

Save as disclosed below, there are no other material agreements which have been entered into in relation to the Fund as at the date of this Prospectus:-

- The deed dated 14 February 2020, first supplemental deed dated 25 August 2021 and second supplemental deed dated 2 June 2023 entered into between the Trustee and Manager;
- The Master Licence Agreement dated 1 October 2019 entered into between the Manager and Index Licensor; and
- The Participating Dealer Agreement dated 12 June 2020 entered into between the Participating Dealers, Manager and Trustee.

### 12.3 Avenue for Advice

All queries, notices and communications to the Manager should be made in writing and sent to the following addresses:

3<sup>rd</sup> Floor, Menara Boustead  
69 Jalan Raja Chulan  
50200 Kuala Lumpur

Toll free number: 1-800-88-7080  
Email: [customercare@aham.com.my](mailto:customercare@aham.com.my)

Information of the Fund can be obtained at the Fund's website, [www.tradeplus.com.my](http://www.tradeplus.com.my).

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist the investors to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. Neither the Manager nor the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources as well as information provided by the Participating Dealer relating to the arrangements between the Participating Dealer and investors/Unit Holders, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Fund's website at [www.tradeplus.com.my](http://www.tradeplus.com.my).

Investors should exercise an appropriate degree of caution when assessing the value of such information.

### 12.4 Documents for Inspection

Copies of the following documents may be inspected at the principal office of the Manager and/or Trustee during normal business hours:-

- The Deed;
- The latest annual report of the Fund;
- The material agreements referred to in Section 12.2 of this Prospectus;
- The Tax Adviser's Letter referred to in Section 11 of this Prospectus;
- Each consent given by the parties as disclosed in this Prospectus;
- This Prospectus; and
- The audited financial statements of the Manager and the Fund for the three (3) most recent financial years or such shorter period that the Fund has been in existence, preceding the date of this Prospectus.

### 12.5 Consent

The Trustee, Trustee's delegate (custodian), solicitor, auditor, Participating Dealers and Index Licensor have given their consent to the inclusion of their names and statements in the form and context in which they appear in this Prospectus and have not been subsequently withdrawn such consent before the issuance of this Prospectus.

The tax adviser has given its consent to the inclusion of its name and tax adviser's letter in the form and context in which they appear in this Prospectus and have not been subsequently withdrawn such consent before the issuance of this Prospectus.

## 12.6 Policies and Procedures to Prevent Money Laundering Activities

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLATFPUAA”) and SC’s Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market, it is the Manager’s responsibility to prevent itself from being used for money laundering and terrorism financing activities. To this end, the Manager has established an Anti-Money Laundering/Counter- Financing of Terrorism Framework (AML/CFT Framework) and put in place anti-money laundering processes and procedures to combat such activities. This includes a robust due diligence process and procedures for client on-boarding (such as know-your-client procedures and customer due diligence) as well as ongoing monitoring of clients’ transactions to detect any suspicious transactions.

To meet regulatory obligations to verify the identity of the investors and to verify the source of funds, the Manager may request for additional information from investors. Information requested may include, but not limited to, supporting documents, documentary evidence to support information given and could extend to documents regarding identity of beneficial owners (if applicable). The Manager reserves the right to reject an application to invest in the Fund should investors fail to provide the information required. Furthermore, where a particular transaction is deemed suspicious, the Manager has an obligation under the AMLATFPUAA to notify the relevant authority of the transaction.