

**PRODUCT HIGHLIGHTS SHEET  
BOSWM ASIAN INCOME FUND**

**RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors or authorised committee or persons approved by the Board of BOS Wealth Management Malaysia Berhad and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

**STATEMENT OF DISCLAIMER**

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

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of BOS Wealth Management Malaysia Berhad responsible for the BOSWM Asian Income Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

**PRODUCT HIGHLIGHTS SHEET**

**This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.**

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

**BRIEF INFORMATION ON THE PRODUCT**

**1. What Is This Product About?**

<b>Product Type</b>	Unlisted wholesale fund (open-ended)
<b>Manager</b>	BOS Wealth Management Malaysia Berhad 199501006861 (336059 – U)
<b>Trustee</b>	CIMB Commerce Trustee Berhad 199401027349 (313031-A)

**PRODUCT SUITABILITY**

**2. Who Is This Product Suitable For?**

This Fund is suitable for sophisticated investors who are:

- seeking capital growth and income<sup>□</sup>;
- seeking investments specifically in growth opportunities in emerging markets in the Asian region;
- have a high tolerance for risk with investments in a portfolio that includes stocks and, investment grade, high yield and unrated bonds; and
- have a medium to long-term investment horizon.

<sup>□</sup> *The income is in reference to the Fund's distribution, which will be in the form of cash or units.*

Please note that if you are a US Person, you are not eligible to subscribe to the Fund. We reserve the right to return your investment without advance notice if we become aware that you are US Person who holds any Class of Units of the Fund.

**Unit prices and distributions payable, if any, may go down as well as up. The investor may not get back the full amount invested and the principal amount invested may be at risk.**

**KEY PRODUCT FEATURES**

**3. (a) What Am I Investing In?**

<b>Fund Category</b>	Mixed assets – feeder fund (wholesale)		
<b>Fund Type</b>	Growth and income <sup>□</sup>		
<b>Target Fund</b>	Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund		
<b>Base Currency</b>	Ringgit Malaysia (MYR)		
<b>Financial Year End</b>	31 December		
<b>Distribution</b>	Subject to the availability of income, distribution of income will be on a quarterly basis.		
	Class MYR	Class MYR BOS	Class USD BOS
<b>Issuance Date</b>	12 January 2017	12 September 2019	12 September 2019
<b>Issuance Price</b>	RM1.0000	RM1.0000	USD1.0000

**INVESTMENT OBJECTIVE**

The Fund aims to provide capital growth and income<sup>□</sup> over the medium to long term by investing in the Target Fund.

<sup>□</sup> *The income is in reference to the Fund's distribution, which will be in the form of cash or units.*

### INVESTMENT STRATEGY

The Fund will invest at least 95% of its NAV in the USD Class C (Distribution) and/or USD Class C (Accumulation) of the Target Fund managed by Lion Global Investors Limited and Bank of Singapore Limited. The balance of the Fund's NAV that is not invested in the Target Fund will be invested in liquid assets.

### Asset Allocation

Asset Category	Percentage (%) Of Fund's NAV	
	Minimum	Maximum
Target Fund	95	100
Liquid Assets	0	5

### 3. (b) Who Am I Investing With?

<b>Manager</b>	BOS Wealth Management Malaysia Berhad 199501006861 (336059 – U)
<b>Investment Manager Of The Target Fund</b>	Lion Global Investors Limited (198601745D)
<b>Sub-Investment Manager Of The Target Fund</b>	Bank of Singapore Limited (197700866R)
<b>Trustee</b>	CIMB Commerce Trustee Berhad 199401027349 (313031-A)
<b>Trustee's Delegate</b>	CIMB Bank Berhad 197201001799 (13491-P)
<b>Auditors</b>	PricewaterhouseCoopers PLT ('PWC') (LLP0014401-LCA & AF 1146)
<b>Tax Advisers</b>	Ernst & Young Tax Consultants Sdn Bhd 198901002487 (179793-K)

### 4. What Are The Possible Outcomes Of My Investment?

- The quantum of potential returns of the Fund would depend on the Fund's asset allocation decisions and performance of the underlying investments of the Fund.
- This is a non-guaranteed Fund and the investor may not get back the full amount invested and the principal amount invested may be at risk. Returns are also not fixed or guaranteed.

### KEY RISKS

### 5. What Are The Key Risks Associated With This Product?

The following are the risks associated with the Fund:

- **Target fund risk** – This is a risk particular to a fund which feeds into a single target fund. This risk occurs when there is an underperformance or a non-performance due to less optimal investment management at the Target Fund level, in terms of securities selection and market, sector and economic analysis; the Target Fund is temporarily or no longer\* aligned with the investment objective and strategies of the Fund; or there is an operational and administrative glitch at the Target Fund level. This risk is mitigated by selecting a fund (Target Fund) which is managed by investment managers that have experience in managing equities and debt securities portfolios. The Target Fund is also subject to risk of changes in regulatory environment that would render the Fund to be no longer operational in the way originally intended.
 

\* There is also a risk that the Manager of the Fund (a feeder fund) is unable to find a suitable target fund to replace the Target Fund.
- **Currency risk** – Investing globally means assets are denominated in currencies other than Malaysian Ringgit. Hence, fluctuations in the exchange rates of these foreign currencies may have an impact on a fund's income and asset valuations. This risk applies to the underlying investments of the Target Fund where adverse fluctuations in exchange rates result in capital losses to the Target Fund, which will also lead to losses to the Fund. This risk is not within the control of the Manager of the Fund but dependent on the risk management strategy of the Investment Manager of the Target Fund. Risk is managed by investing in a fund (the Target Fund) that is managed by an investment manager with experience in managing investments denominated in foreign currencies. Notwithstanding the above, the newly introduced Class MYR BOS features currency hedging, where the Manager will passively (regardless of currency outlook, and on best-effort basis) utilize forward contracts to reduce the impact of exchange rate changes between MYR (the currency denomination of Class MYR BOS) and USD (the currency denomination of the Target Fund).
- **Country and/or foreign securities risk** – This refers to the risks of investing in foreign markets, in particular those of emerging markets within the Asian regions. Asian Markets may be subject to higher than usual risks of political changes, government regulations, social instability or diplomatic developments which could adversely affect the economies of the relevant countries and thus the value of investments in those countries. Investment in some Asian and/or emerging Asia often involve a greater degree of risk due to the nature of such markets which do not fully develop services such as custodian and settlement services which are often taken for granted in more developed markets. Any of these occurrence of negative events could result in capital loss to the Target Fund, which in turn result in loss to the Fund. This risk is not within the control of the investment manager of the Fund but is dependent on the investment and risk management strategy of the investment manager of the Target Fund. Risk is reduced by investing in a fund (the Target Fund) that is managed by investment managers with experience managing equities and debt securities portfolios.
- **Liquidity risk** – This refers to the risk of the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid or are difficult to dispose of, the value of the Fund will be negatively affected where such assets will be sold at unfavourable prices, which may subsequently lead to investment loss to its unitholders. The Manager may (in consultation with the Trustee) seek temporary financing to meet redemption request, whilst acting in the best interests of unitholders before considering the suspension of dealing in the Fund's units.

**The following are the risks associated with the Target Fund:**

- **Market risk** – The risks of investing and participating in listed and unlisted securities apply. Prices of securities may go up or down in response to changes in economic conditions, interest rates, and the market's perception of securities. These may cause the price of units to go up or down as the price of units is based on the current market value of the investments of the Target Fund. There are risks of investing in bonds and other fixed income securities. Bond prices may go up or down in response to interest rates with increases in interest rates leading to falling bond prices. The market prices of bonds and other fixed income securities are also affected by credit risks, such as risk of default by issuers and liquidity risk. There are also risks in investments in emerging markets within the Asian region. Some Asian markets may be more volatile than those in the developed countries. The prices of investments in these markets may be influenced by economic and political conditions and interest rates. Some of the investments, which will be made in smaller markets, may be less liquid and the limited liquidity of these markets may therefore affect the ability of the Target Fund to acquire or dispose of securities at the price and time it desires. The emerging markets within the Asian region and some of the Asian markets may not have well-developed securities laws and regulatory frameworks and their disclosure and regulatory standards may be less stringent than those in developed markets. Accounting and auditing standards and requirements may not have been established in some respects or may differ significantly from international standards and, as a result, there may be situations where the information on a company's accounts may not be an accurate reflection of its financial strength.
- **Derivatives risk** – The Target Fund may, from time to time invest in derivatives, which are financial contracts whose value depend on, or is derived from, the value of an underlying asset, reference rate or index for the purposes of hedging, efficient portfolio management and meeting its investment objective. Such assets, rates and indices may include (but are not limited to) bonds, shares, interest rates, currency exchange rates, bond indices and stock indices. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk. As the viability of exercising derivative instruments depends on the market price of the investments to which they relate, it may be the case that the investment managers may from time to time consider it not viable to exercise certain derivatives held by the Target Fund within the prescribed period, in which case any costs incurred in obtaining the derivatives will not be recoverable. There is also the risk that the market price of the relevant investment will not exceed the exercise price attached to the derivative instrument at any time during the exercise period or at the time at which the derivative instrument is exercised and this may result in an immediate loss to the Target Fund. The investment managers intend to utilise the covered call option strategy to allow the Target Fund to outperform a direct investment in the underlying portfolio of equities in all scenarios, other than in a strong rising market scenario (though this is not guaranteed). In addition to the generation of option income, the Target Fund may also benefit from reduced overall portfolio risk (though this is not guaranteed). However, in a strong rising market scenario, such a strategy will cause the Target Fund to give up potential appreciation in the value of equities in its portfolio above the strike price. The Investment Managers of the Target Fund have a comprehensive and structured Compliance Monitoring Program ("CMP"). There is a dedicated compliance team to implement the CMP. Upon the creation of a new fund or client account, investment guidelines will be reviewed by the compliance team and checks will be programmed into Investment Manager of the Target Fund's automated pre-trade compliance system as far as possible. In addition, guidelines which cannot be electronically monitored will be manually checked for compliance. The global exposure of the Target Fund to financial derivatives or embedded financial derivatives will not exceed 100% of the net asset value of the Target Fund at any time. The Investment Manager of the Target Fund may modify the risk management and compliance procedures and controls at any time as the Investment Manager of the Target Fund deem fit and in the interests of the Target Fund. The investment managers currently use the commitment approach as described in Appendix 1 of the Code to determine the Target Fund's exposure to financial derivatives. In determining the Target Fund's exposure to financial derivatives, the investment managers will adopt the calculation methods set out under paragraph 4.10 of Appendix 1 of the Code\*.
  - \* The Code can be downloadable from Monetary Authority of Singapore (MAS) website: [www.mas.gov.sg](http://www.mas.gov.sg).
 The investment managers will ensure that the risk management and compliance procedures and controls adopted are adequate and have been implemented and that they have the necessary expertise to control and manage the risks relating to the use of financial derivatives. The investment managers will attempt to minimise the risks through careful selection of reputable counterparties and constant monitoring of the Target Fund's derivatives positions.
- **Covered call writing risk** –
  - In a situation where the stock market rallies and the investment managers have written a call option on the stocks, there will effectively be a cap to the upside potential and the Target Fund may not be able to obtain the appreciation in the value of the stock.
  - Options are sensitive to the volatility of equity markets. Before expiry of the option, the price of the option can change even though the price of the stock remains unchanged due to time decay volatility.
  - These derivatives strategies used by the investment managers may be affected by market conditions due to regulatory limits and there is no guarantee that the use of such strategies will achieve the desired outcome.
- **Counterparty risk** – The Target Fund may enter into transactions in OTC markets, which will expose the Target Fund to the credit of their counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the relevant Target Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Target Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.
- **Issuer risk** – A fundamental risk to all fixed income securities is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Generally, government

securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer are also factors that may have an adverse impact on an issuer's credit quality and security values.

- **Currency risk** – As the investments of the Target Fund may be denominated in foreign currencies other than base currency which is in USD, fluctuations of the exchange rates of foreign currencies against the relevant currency denomination of the units may affect the value of the units as the investment managers may not fully hedge the foreign currency exposure and correspondingly, you will be exposed to exchange rate risks.

In respect of hedged classes, the investment managers will apply a hedging strategy which aims to mitigate currency risk between the net asset value of the Target Fund and the currency of the hedged class while taking into account practical considerations including transaction costs. All gains/losses or expenses arising from hedging transactions are borne separately by the shareholders of the respective hedged classes.

- **Credit risk** – Bonds and other debt securities are subject to the risk that some issuers of bonds and other debt securities and other investments made by the Target Fund may not make payments on such obligations. Further, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of the Target Fund. A change in the quality rating of a security can also affect the security's liquidity and make it more difficult to sell.

- **Default risk** – Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal, especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific corporate developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

- **Interest rate risk** – Investments in debt securities are also subject to the risk of interest-rate fluctuations, and the prices of debt securities may go up or down in response to such fluctuations in interest rates.

- **Risk of mismanagement by debt issuers** – The debt securities which the Target Fund invests into may be issued by companies in emerging markets within the Asian region. Unlike developed markets, such emerging market companies are generally less transparent, have poorer corporate governance standards and are less well regulated. There are risks that management of such companies may not act at all times in the companies' best interest or may be subject to fraud, corruption or mismanagement, which could have an adverse impact on the companies' credit standing or negatively affect such companies' ability to repay the principal and/or interest on debt securities which may have been invested into by the Target Fund.

- **Other risks** – The Target Fund's investments are also subject to liquidity and regulatory risks, for example, the introduction of new laws, the imposition of exchange controls, the adoption of restrictive provisions by individual companies or where a limit on the holding of the Target Fund in a particular company, sector or country by non-residents (individually or collectively) has been reached.

In addition, the Target Fund will be exposed to the credit risk of parties with whom it trades and will bear the risk of settlement default. The trustee of the Target Fund may also be instructed by the Investment Manager of the Target Fund to settle transactions on a delivery free of payment basis where the Investment Manager of the Target Fund believes that this form of settlement is common market practice. Investors of the Fund should be aware that this may result in a loss to the Target Fund if a transaction fails to settle, and the trustee of the Target Fund will not be liable to the Target Fund for such loss.

Where any of the risks above occur and adversely impact the performance of the Target Fund, the non-performance of the Target Fund will result in capital losses to the Fund.

#### **Specific risks associated with investment in emerging markets within the Asian region**

- **Political risk** – Countries outside Singapore, especially those with emerging markets within the Asian region, may be subject to higher than usual risks of political changes, government regulations, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries. There is also the risk that nationalisation or other similar action could lead to confiscation of assets under which shareholders in those companies would get little or no compensation. The economies in the emerging markets may be heavily dependent on international trade and accordingly, may be adversely affected by trade barriers, or other protectionist measures and international economic developments generally.

- **Liquidity risk** – Trading volume on stock exchanges in emerging markets within the Asian region can be substantially less than on the stock exchanges of the major markets, so that acquisition and disposal of holdings may be time consuming and/or may need to be conducted at unfavourable prices.

#### **Liquidity Risk Management**

The Investment Manager of the Target Fund have established liquidity risk management policies which enable them to identify, monitor, and manage the liquidity risks of the Target Fund. Such policies, combined with the liquidity management tools available, seek to achieve fair treatment of Holders, and safeguard the interests of remaining holders against the redemption behaviour of other investors and mitigate against systemic risk. The Investment Manager of the Target Fund's liquidity risk management policies take into account the Target Fund's liquidity terms, asset class, liquidity tools and regulatory requirements. The liquidity risk management tools available to manage liquidity risk include the following:

- (a) The Target Fund may, subject to the provisions of the Target Fund's Deed, borrow up to 10% of its latest available Net Asset Value (or such other percentage as may be prescribed by the Code) at the time the borrowing is incurred and the borrowing period should not exceed one month, provided always and subject to the borrowing restrictions in the Code;

- (b) The Investment Manager of the Target Fund may, pursuant to the Target Fund's deed, suspend the realisation of units of the Target Fund or class, with the approval of the trustee; and
- The Investment Manager of the Target Fund may, with the approval of the trustee, and pursuant to the Target Fund's deed, limit the total number of units in relation to the Target Fund or class which holders may realise to 10% of the total number of units of the Target Fund then in issue, such limitation to be applied proportionately to all holders in relation to the Target Fund or class (as the case may be) who have validly requested realisations on the relevant dealing day. The Investment Managers of the Target Fund may perform regular stress testing on the Target Fund. Factors considered in stress tests (either independently or concurrently) include:
- (i) a sudden increase in redemptions;
  - (ii) worsening of market liquidity for the underlying assets of the Target Fund; and redemption by the largest unitholder / distributor of the Target Fund.

Target Fund's stress testing scenarios consider historical situations and forward-looking hypothetical scenarios, where appropriate. The reasonableness and relevance of our stress test assumptions are regularly reviewed to ensure that stress tests are based on reliable and up-to-date information.

- **Repatriation risk** – Investments in emerging markets within the Asian region could be adversely affected by delays in, or refusal to grant, relevant approvals for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Consents granted prior to investment being made in any particular country may be varied or revoked, and new restrictions may be imposed.
- **Asian and/or emerging market risk** – Investments by the Target Fund in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and the lack of liquidity which are inherent characteristics of these Asian and/or emerging markets with Asia.
- **Regulatory risk** – The Target Fund's investments in emerging economies are also subject to regulatory risks, for example, the introduction of new laws, the imposition of exchange controls, the adoption of restrictive provisions by individual companies or where a limit on the holding of the Target Fund in a particular company, sector or country by non-residents (individually or collectively) has been reached.
- **Risks associated with investments in certain eligible China A-Shares through The Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, the 'Stock Connect')**

In order to achieve its investment objective, the Target Fund intends to invest in and have direct access to certain eligible China A-shares through the Stock Connect. Investments through the Stock Connect are subject to additional risks, including but not limited to, daily quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A-shares and regulatory risk.

- (i) Daily quota limitations- The Stock Connect is subject to daily quota limitations on investments, which are currently set at RMB13 billion for each Northbound Trading Link and may be adjusted in light of actual operational performance. Daily quota may restrict the Target Fund's ability to invest in China A-shares through the Stock Connect on a timely basis, and the Target Fund may not be able to effectively pursue its investment policy.
- (ii) Suspension risk -The Stock Exchange of Hong Kong ("SEHK") and Shanghai Stock Exchange ("SSE") / Shenzhen Stock Exchange ("SZSE") (as the case may be) reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the Target Fund's ability to access the Mainland China market.
- (iii) Differences in trading day- The Stock Connect only operates on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but Hong Kong investors (such as the Target Fund) cannot carry out any China A-shares trading. The Target Fund may be subject to a risk of price fluctuations in China A-shares during the time when the Stock Connect is not trading as a result.
- (iv) Restrictions on selling imposed by front-end monitoring- Mainland China regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE / SZSE (as the case may be) will reject the sell order concerned SEHK will carry out pre- trade checking on China A-shares sell orders of its participants (i.e. stock brokers) to ensure there is no over-selling.
- (v) Recalling of eligible stocks- When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategy of the Target Fund, for example, when the Target Fund wishes to purchase a stock which is recalled from the scope of eligible stocks.
- (vi) Foreign shareholding restrictions and forced-sale arrangement- The China Securities Regulatory Commission ("CSRC") stipulates that, when holding China A-shares, Hong Kong and overseas investors are subject to the following shareholding restrictions:
  - shares held by a single foreign investor (such as the Target Fund) is not allowed to exceed 10% of the company's total issued shares; and
  - total China A-shares held by all foreign investors (i.e. all Hong Kong and overseas investors) in a listed company is not allowed to exceed 30% of its total issued shares. When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the abovementioned percentages. Should the shareholding of the Target Fund in a China A-share listed company exceed the above restriction, the Target Fund may be required to unwind its position on the excessive shareholding within five trading days for Northbound Trading, otherwise SEHK participants shall apply the forced-sale arrangement on the Target Fund.

As there are limits on the total shares held by all Hong Kong and overseas investors in a listed company in Mainland China, the capacity of the Target Fund to make investments in China A-shares will be affected by the activities of

all Hong Kong and overseas investors investing through the Stock Connect or any other permissible ways to obtain China A-shares investment exposures. If the aggregate foreign shareholding limit is exceeded, SSE / SZSE will notify SEHK the number of shares that are subject to forced sale within five trading days for Northbound Trading. On a last-in-first-out basis, SEHK will identify the relevant trades involved and request the relevant SEHK participants to require the Hong Kong and overseas investors concerned to sell the shares within the timeframe as stipulated by SEHK. If the relevant investors fail to sell the shares before the stipulated deadline, SEHK participants will be required to force-sell the shares for the relevant investors (such as the Target Fund). SSE / SZSE (as the case may be) will publish a notice if the percentage of total foreign shareholding in a listed company reaches 26% and the buy orders are not allowed for the related China A-shares if the aggregate foreign shareholding reaches 28%.

- (vii) Clearing, settlement and custody risks- The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited ("HKEx") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") establish the clearing links and each is a participant of the other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the Mainland China's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Target Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.
- (viii) Operational risk- The Stock Connect provides new channels for investors from Hong Kong and overseas, such as the Target Fund, to access the Mainland China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis. Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. new order routing systems to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Target Fund's ability to access the China A-share market (and hence to pursue its investment strategy) will be adversely affected.
- (ix) Nominee arrangements in holding China-A shares- HKSCC is the "nominee holder" of the SSE securities / SZSE securities (as the case may be) acquired by overseas investors (including the Target Fund) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors such as the Target Fund enjoy the rights and benefits of the SSE securities acquired through the Stock Connect in accordance with applicable laws. The CSRC has clarified and restated in Frequently Asked Questions published on 30 September 2016 that (i) the concept of nominee shareholding is recognised in Mainland China, (ii) overseas investors shall hold SSE securities / SZSE securities (as the case may be) through HKSCC and are entitled to proprietary interests in such securities as shareholders, (iii) Mainland China law does not expressly provide for a beneficial owner under the nominee holding structure to bring legal proceedings, nor does it prohibit a beneficial owner from doing so, (iv) as long as certification of holding issued by HKSCC and its participants is treated as lawful proof of a beneficial owner's holding of SSE securities / SZSE securities (as the case may be) under the Hong Kong Special Administrative Region law, it would be fully respected by CSRC and (v) as long as an overseas investor can provide evidential proof of direct interest as a beneficial owner, the investor may take legal actions in its own name in Mainland China courts.
- Under the rules of the Central Clearing and Settlement System ("CCASS") operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE securities / SZSE securities (as the case may be) in Mainland China or elsewhere. Therefore, although the Target Fund's ownership may be ultimately recognised, the Target Fund may suffer difficulties or delays in enforcing its rights in China A-shares. Moreover, whether Mainland China courts will accept the legal action independently initiated by the overseas investor with the certification of holding in SSE securities / SZSE securities (as the case may be) issued by HKSCC and its participants has yet to be tested.
- (x) Participation in corporate actions- HKSCC will keep CCASS participants informed of the corporate actions of SSE securities / SZSE securities (as the case may be), in particular those that require CCASS participants / investors to take actions. Hong Kong and overseas investors (such as the Target Fund) should note and comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants) in order to participate in the corporate actions relating to their SSE securities / SZSE securities (as the case may be). The time for the Target Fund to take actions for some types of corporate actions of SSE securities / SZSE securities (as the case may be) may be very short. Therefore, the Target Fund may not be able to participate in some corporate actions in a timely manner.
- (xi) Investor compensation- Investments of the Target Fund through Northbound trading under the Stock Connect will not be covered by HongKong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore, the Target Fund is exposed to the risk of default of the broker(s) it engages in its trading in China A-shares through the Stock Connect. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not Mainland China brokers, therefore it is not protected by the China Securities Investor Protection Fund in

- Mainland China.
- (xii) Trading costs- In addition to paying trading fees and stamp duties in connection with China A-shares trading, the Target Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.
  - (xiii) Regulatory risk- The CSRC Stock Connect rules are departmental regulations having legal effect in Mainland China. However, the application of such rules is untested, and it is uncertain how the Mainland China courts will apply such rules, e.g. in liquidation proceedings of Mainland China companies.  
The Stock Connect is novel in nature and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in Mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Target Fund which may invest in Mainland China markets through the Stock Connect may be adversely affected as a result of such changes. Where any of the risks above occur and adversely impact the performance of the Target Fund, the non-performance of the Target Fund will result in capital losses to the Fund.

**The investment manager exercises diligence in minimising the above risks to the Fund. However, it is not always possible to cover all investment risks despite best efforts as financial markets can be highly unpredictable. Investors are encouraged to consult their advisers such as financial/tax consultants, lawyers or bankers for a further understanding of these risks.**

#### FEES AND CHARGES

##### 6. What Are The Fees And Charges Involved?

	Class MYR	Class MYR BOS	Class USD BOS
<b>Sales Charge</b>	Up to 5.00% of the Fund's NAV per unit	Up to 1.00% of the Fund's NAV per unit	Up to 1.00% of the Fund's NAV per unit
	The front end fee on the Target Fund is waived.		
<b>Annual Management Fee</b>	Up to 1.60% of the NAV of the Class of Units	Up to 1.20% of the NAV of the Class of Units	Up to 1.20% of the NAV of the Class of Units
	The annual management fee charged by the Target Fund will be fully rebated to the Fund. The annual management fee is payable on a monthly basis.		
<b>Annual Trustee Fee</b>	UP to 0.04% p.a. of the NAV of the Fund calculated and accrued on a daily basis, subject to a minimum of RM12,000 p.a. (excluding foreign custodian fees and charges). The annual trustee fee is payable on a monthly basis.		
<b>Redemption Charge</b>	There is no redemption charge imposed on unitholders of the Fund.		
<b>Switching Fee</b>	The Manager does not intend to charge any switching fee; however, investors (including the unitholders' of the Fund(s)) performing a switching transaction will have to pay the applicable difference in sales charge between the fund to be switched from and the fund to be switched into, which could be up to 5.50% of net asset value per unit depending on the fund(s) involved in a switching transaction.		
<b>Transfer Fee</b>	There is no transfer fee imposed on unitholders of the Fund.		

**Note: By default, redemption and income distribution proceeds will be made via bank transfer. Request for cheque payment will be subjected to a fee. Kindly refer to the prevailing information memorandum for more information. Despite the maximum fees and charges permitted by the deed, all current fees and charges are as disclosed above. All fees and charges quoted are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.**

#### VALUATIONS AND EXITING FROM INVESTMENT

##### 7. How Often Are Valuations Available?

- As the Target Fund is a foreign fund, the valuation of the Fund's investment in the Target Fund is only available on the next business day (T+1). As such, the valuation of the Fund will be conducted before 5:00 p.m. on the following business day based on the last available NAV per unit of the Target Fund. Daily prices of the Fund will be published on the next business day after the valuation (T+2).
- Fund prices will be published on the Manager's website at [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my).

##### 8. How Can I Exit From This Investment And What Are The Risks And Costs Involved?

- Investors can exit from the investment by completing the transaction form. The duly completed and accepted original transaction form must reach the Manager's head office by 4.00 p.m. on any business day. The Manager will repurchase units at the Fund's NAV per unit calculated at the end of that business day.
- The investor will receive the prevailing price per unit.
- Transaction forms received after 4.00 p.m. will be treated as having been received on the next business day.
- Payments will be made to investors within 10 business days (from the business day the redemption request is accepted).

**CONTACT INFORMATION**

**9. Who Should I Contact For Further Information Or To Lodge A Complaint?**

**Contact Details Of The Manager**

<b>Head Office</b>	BOS Wealth Management Malaysia Berhad 199501006861 (336059 – U) 09-02, Level 9, Imazium No. 8, Jalan SS 21/37, Damansara Uptown, 47400 Petaling Jaya, Selangor Tel: 03-7712 3000 E-mail: ContactUs@boswm.com Website: www.boswealthmanagement.com.my
<b>Institutional Unit Trust Adviser</b>	For more details on the list of appointed Institutional Unit Trust Advisers, please contact the Manager.

Please specify the nature of the complaint and the person(s) involved – stating the date, time and place of occurrence.

- (i) For internal dispute resolution, you may contact at our contact details above.
- (ii) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
  - (a) via phone to: 03-2282 2280
  - (b) via fax to : 03-2282 3855
  - (c) via e-mail to: info@sidrec.com.my
  - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar,  
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
- (iii) You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Consumer & Investor Office:
  - (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail to : aduan@seccom.com.my
  - (d) Via online complaint form available at www.sc.com.my.
  - (e) via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No. 3 Persiaran Bukit Kiara, Bukit Kiara 50490 Kuala Lumpur
- (iv) Federation of Investment Managers Malaysia's (FIMM) Complaints Bureau:
  - (a) via phone to: 03-7890 4242
  - (b) via e-mail to: complaints@fimm.com.my
  - (c) via online complaint form available at www.fimm.com.my.
  - (d) via letter to : Legal & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No.19 Lorong Dungun, Damansara Heights 50490 Kuala Lumpur

**APPENDIX: GLOSSARY**

**Class MYR**

Represents a Class of Unit (of the Fund(s)) denominated in MYR with the Initial Offer Price of RM1.0000.

**Class MYR BOS**

Represents a Class of Units (of the Fund(s)) denominated in MYR with the Initial Offer Price of RM1.0000. For the avoidance of doubt, Class MYR BOS was formerly known as Class MYR 2.

**Class USD BOS**

Represents a Class of Units (of the Fund(s)) denominated in USD with the Initial Offer Price of USD1.0000. For the avoidance of doubt, Class USD BOS was formerly known as Class USD.

**Target Fund**

Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund.

**USD Class C (Distribution)**

A specific class of units of the Target Fund that is denominated in USD. USD Class (Distribution &/ Accumulation) are the specific class(es) of units issued by the Target Fund(s) which the Fund(s) are investing.

**USD Class C (Accumulation)**

A specific class of units of the Target Fund that is denominated in USD. USD Class (Accumulation) are the specific class(es) of units issued by the Target Fund(s) which the Fund(s) are investing.

**US Person**

Means a US citizen or US tax resident individual, (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), a US corporation, US partnership, US trust or US estate for US federal income tax purposes.