

# PROSPECTUS

## BOSWM DYNAMIC INCOME FUND

*NOTE: THIS DOCUMENT IS A REPLACEMENT PROSPECTUS. IT SUPERSEDES ALL THE PREVIOUSLY ISSUED DISCLOSURE DOCUMENTS (I.E. PROSPECTUSES AND SUPPLEMENTARY PROSPECTUSES) PERTAINING TO THE FUND.*

### MANAGER

**BOS WEALTH MANAGEMENT MALAYSIA BERHAD 199501006861 (336059-U)**

A company incorporated in Malaysia under the Companies Act 2016

### TRUSTEE

**CIMB COMMERCE TRUSTEE BERHAD 199401027349 (313031-A)**

This Prospectus is dated 16 January 2023.

BOSWM Dynamic Income Fund (the "Fund") is constituted on 2 October 2019.

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 9.**

**THIS FUND IS ESTABLISHED AS A MULTI-CLASS FUND AND IS ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER**



## **DIRECTOR'S RESPONSIBILITY STATEMENTS**

This Prospectus has been reviewed and approved by the directors of BOS Wealth Management Malaysia Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, 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 this Prospectus false or misleading.

## **STATEMENTS OF DISCLAIMER**

The Securities Commission Malaysia has authorised the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and registration of this Prospectus, should not be taken to indicate that 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 is not liable for any non-disclosure on the part of the Manager responsible for the Fund and takes no responsibility for the contents in this Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

## **ADDITIONAL STATEMENTS**

While it is the duty of the Manager to ensure the Fund is being correctly valued or priced, the Manager cannot be held liable for any error in prices published on the websites of our distributors for the Fund. Pursuant to the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia, where there is incorrect valuation or pricing of units, the Manager will take immediate remedial action to rectify the error, which extends to reimbursement of money by the Manager to the Fund and/or from the Fund to the Unit Holders or former Unit Holders. Rectification need not be extended to any reimbursement where it appears to the Trustee that the incorrect pricing is of minimal significance.

While it is the duty of the Manager to ensure that all comments given to the media is accurate and true at the time the comments were given, misquotation may still occur either by the media or third parties, which are out of the Manager's control. In such situations, the Manager and its employees hold no responsibility for any claims and liabilities due to the misquotations by the media and/or third parties, and are under no obligation to fulfil any expectation or demand in relation to the misquoted statements.

The distribution of this Prospectus and offering, purchase, sale or transfer of units of the Fund in certain jurisdictions may be restricted by law. In these jurisdictions, other than Malaysia, the Manager has not applied to allow the distribution of this Prospectus or units of the Fund. Therefore, this Prospectus does not constitute an offer or invitation to purchase units of the Fund in any jurisdiction in which such offer or invitation would be unlawful.

Investors should be aware that for investments of the Fund made via our Institutional Unit Trust Advisers (IUTA), where applicable, any investment transactions are subject to the terms and conditions of the respective IUTA.

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws 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.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

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# 1 DEFINITIONS

<b>Business Day(s)</b>	Refers to a day (other than Saturdays, Sundays and public holidays) on which banks in Kuala Lumpur are open for business and a day on which Bursa Malaysia is open for trading in securities.  Note: The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as in the event of market disruption.
<b>BOS</b>	Bank of Singapore Ltd.
<b>BOSWM MY / Manager / we / our</b>	BOS Wealth Management Malaysia Berhad 199501006861 (336059-U).
<b>Class(es)</b>	Any class of units (including any new class of units which may be introduced by the Manager on any later dates) representing similar interests in the assets of the Fund.
<b>Class BOS MYR</b>	Represents a Class denominated in MYR.  <i>Note: Different Class(es) may have different features (e.g. income distribution frequency, currency denomination, fees structure, etc.) Kindly read the relevant section(s) of this Prospectus for details.</i>
<b>CMSA</b>	Capital Markets and Services Act 2007.
<b>Deed</b>	Refers to the principal deed and all supplemental deeds entered into between the Manager and the Trustee in relation to the Fund.
<b>Financial Institution(s)</b>	In the context of the Fund,  a) if the institution is in Malaysia– (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank;  b) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorised by the relevant banking regulator to provide financial services.  Notes:  "licensed bank" & "licensed investment bank" have the same meanings assigned to it under the Financial Services Act 2013.  "licensed Islamic bank" has the same meaning assigned to it under the Islamic Financial Services Act 2013.
<b>Fitch</b>	Fitch Ratings, Inc.
<b>Fund</b>	BOSWM Dynamic Income Fund.
<b>Guidelines</b>	Refers to the <i>Guidelines on Unit Trust Funds</i> issued by the SC, as may be amended from time to time.
<b>Institutional Unit Trust Adviser "IUTA"</b>	Means a corporation registered with Federation of Investment Managers Malaysia (FIMM) and authorised to market and distribute unit trust schemes of another party.
<b>Management fee</b>	Refers to a percentage of the NAV of the Class(es) that is paid to the Manager for managing the portfolio of the Fund.  <i>Explanatory note: If the Fund only offers a single Class, NAV of that Class is equal to NAV of the Fund.</i>
<b>MARC</b>	Malaysian Rating Corporation Berhad.
<b>Moody's</b>	Moody's Investors Service, Inc.
<b>MYR/RM</b>	Ringgit Malaysia.

<b>OTC</b>	Over-the-counter.
<b>NAV</b>	The value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point; where the Fund has more than one Class, there shall be a net asset value of the Fund attributable to each Class.
<b>NAV per unit</b>	NAV of the Fund at a particular valuation point divided by the number of units in circulation at the same valuation point; where the Fund has more than one Class, there shall be a NAV per unit for each Class of units; the NAV per unit of a Class at a particular valuation point shall be the NAV of the Fund attributable to that Class of units divided by the number of units in circulation for that Class of units at the same valuation point.
<b>Prospectus</b>	The offering document(s) in relation to the Fund issued by us, including this document.
<b>RAM</b>	RAM Rating Services Berhad.
<b>SC</b>	Securities Commission Malaysia.
<b>Special Resolution</b>	A resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths of the Unit Holders present and voting at the meeting in person or by proxy" means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund and/or Class(es), "Special Resolution" means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths of the value of the units held by the Unit Holders present and voting at the meeting in person or by proxy.
<b>S&amp;P</b>	Standard & Poor's Financial Services LLC.
<b>Trustee</b>	CIMB Commerce Trustee Berhad 199401027349 (313031-A).
<b>Unit Holder(s)</b>	Refers to the registered holder for the time being of a unit of any Class including persons jointly registered.
<b>US Person</b>	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.

## 2 CORPORATE DIRECTORY

### MANAGER

**BOS Wealth Management Malaysia Berhad**  
199501006861 (336059-U)

#### Business Office

09-02, Level 9, Imazium,  
No. 8 Jalan SS 21/37,  
Damansara Uptown,  
47400 Petaling Jaya, Selangor Darul Ehsan  
Tel: 03-7712 3000  
E-mail: [customercare@boswm.com](mailto:customercare@boswm.com)  
Website: [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my)

#### Registered Office

19<sup>th</sup> Floor, Menara OCBC,  
No. 18 Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel: 03-2783 3996; 03-2783 3648

### TRUSTEE

**CIMB Commerce Trustee Berhad**  
199401027349 (313031-A)

#### Business Office

Level 21, Menara CIMB  
Jalan Stesen Sentral 2,  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur  
Tel: 03-2261 8888 Fax: 03-2261 9889  
Website: [www.cimb.com](http://www.cimb.com)

#### Registered Office

Level 13, Menara CIMB,  
Jalan Stesen Sentral 2,  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur  
Tel: 03-2261 8888 Fax: 03-2261 0099  
Website: [www.cimb.com](http://www.cimb.com)



### 3 THE FUND

It is important to note that the Fund is established with a multi-class structure where the Deed allows for the establishment of more than one (1) Class with similar interests in the assets of the Fund. Therefore, new Class(es) may be established in any future dates without your prior consent. The following consist of information in relation to the Fund:

#### 3.1 BOSWM Dynamic Income Fund (“Fund”)

Base currency	: MYR
Fund category / type	: Fixed Income / Growth and Income
Class(es) available for subscription	: Class BOS MYR
Initial offer price(s)	: RM1.0000 (Class BOS MYR)

Note: The initial offer price is provided in this Prospectus only for your reference. Please note that the Fund will have a daily NAV per unit which will be published at our website.

#### 3.2 Investment Objective of the Fund

The Fund aims to deliver total return for its Unit Holder(s).

Notes:

- Any material change to the investment objective of the Fund would require Unit Holders' approval.
- 'total return' refers to income (in the form of income distribution) and potential capital growth.

#### 3.3 Investment Policy & Strategy of the Fund

The Fund adopts a conservative investment approach, where the stability of the Fund's NAV per unit is the top priority. Nevertheless, the Fund is not a passive fund as it may engage in active trading and dynamically adjust its portfolio to achieve its investment objective. Investment decision will be guided by the Manager's outlook on interest rate by taking into account various factors, such as inflation expectation, monetary policies as well as economic growth.

The Fund is expected to invest majority of its NAV in investments (i.e. fixed income securities, money market instruments and term deposits) with shorter-term maturity (i.e. up to 3 years), while the balance will be invested in investment with longer-term maturity (i.e. more than 3 years). Having said that, it will be up to the Manager to decide on the Fund's allocation between the investments with shorter-term and longer-term maturity. Take for example, if the market condition permits (i.e. optimistic outlook), the Manager may seize the opportunity to hold more of the investments with longer-term maturity in order to obtain higher yield.

On the selection of rated fixed income securities, the Fund will only purchase those with a minimum long-term credit rating of single 'A' rated by RAM (or an equivalent<sup>1</sup> long-term credit rating rated by other global or domestic bond-rating agencies<sup>2</sup>). Should the long-term credit rating of the fixed income securities held by the Fund is being downgraded, the Manager shall have full discretion to decide whether to hold or to sell the fixed income securities, but should not increase its holdings in such fixed income securities as long as their long-term credit rating is below the minimum long-term credit rating as mentioned above.

The Fund may opt to purchase unrated fixed income securities if the Manager is convinced that the purchase of such unrated fixed income securities is not expected to contribute significantly to the volatility of the Fund's NAV per unit. For efficiency and diversification purposes, the Fund may utilise collective investment scheme(s) to gain exposure in fixed income securities, and may have exposure in financial derivatives instruments for hedging purpose.

The Fund adopts a dynamic portfolio management where the Manager may adjust the Fund's exposure actively between different permitted investments for the purpose of optimising its risk-adjusted return.

**Note: The Fund is neither a capital guaranteed fund nor a capital protected fund.**

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<sup>1</sup> By having their own proprietary rating systems and methodologies, credit rating granted by the respective credit rating agencies may vary. It will be up to the Manager to determine the equivalency of the credit rating granted by the respective credit rating agencies.

<sup>2</sup> Refers to S&P, Moody's, Fitch, MARC and any other credit rating agencies approved by the relevant regulators.

## Risk Management

To manage the Fund's risks, the Manager will regularly assess and monitor the Fund's investment holdings to ensure that the Fund's risk exposure is under control, and if necessary, to adjust its holdings so that the Fund will be able to operate within the relevant investment restrictions and limits while meeting its investment objective. The exposure in OTC derivatives will also be closely monitored. The Manager may unwind its position in an OTC derivative in the event of a downgrade in the rating of its issuer.

To mitigate any potential liquidity risk, the Manager will take liquidity factor into consideration in the securities selection process (e.g. maturity period, investment concentration level, etc.), and will keep a certain level of cash to fulfil redemption request from time to time.

## Summary of the Fund's Asset Allocation

- Up to 100% in fixed income securities (i.e. corporate bonds, securities and instruments issued or guaranteed by governments and central banks), money market instruments and/or term deposits.
- The balance, if any, in cash (i.e. cash kept at the Fund's trust account).

## Cross-trade

The Manager may undertake cross trades between funds it is currently managing (including the Funds) through approved licensed financial institutions subject to and in accordance with the provisions of relevant laws, regulations and guidelines. The Manager's policy on cross trades shall apply as follows:

- i) A cross trade arises when a security is sold from one portfolio to another on the same day. Cross trades are effected through approved licensed financial institutions, with supporting justification for the cross trades indicating purpose of disposal from the selling portfolio and purchase for the investing portfolio.
- ii) All cross trades for equity and fixed income securities must be approved by the Managing Director and all transactions are to be verified by a compliance officer and reported to the committee undertaking the oversight function of the Fund.
- iii) There should be proper documents made available for audit in respect of the above transactions.

## **3.4 Performance Benchmark of the Fund**

Maybank Overnight Deposit Rate.

Note:

1. Maybank Overnight Deposit Rate is replacing 3-month KLIBOR to be the performance benchmark of the Fund. This is due to the potentially discontinuation of the Kuala Lumpur Interbank Offered Rate (KLIBOR) as a financial benchmark rate by Bank Negara Malaysia.
2. The performance benchmark is for comparison purpose only. You are advised that the risk profile of the Fund is different from the risk profile of the performance benchmark. It is available from the website: [www.maybank2u.com.my](http://www.maybank2u.com.my) on a daily basis. It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

## **3.5 Distribution Policy of the Fund**

<b>Class BOS MYR</b>	Declaration of income distribution (if any) is at least once a year.
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Notes

- For the avoidance of doubt in regards to the Manager's discretion on income distribution, the Manager's decision will be guided based on the level of realised profit and realised gain of the Fund at the relevant period.
- Kindly see section 6.8 below for the details on mode of distribution.
- The Fund's distribution of income (if any) may only be paid from the Fund's realised gains and/or realised income.

### 3.6 Permitted Investments, Limits and Restrictions of the Fund

#### Permitted Investments

The Fund may invest in any of the following:

- (a) fixed income securities;
- (b) unit/shares of collective investment schemes which are in line with the Fund's objective;
- (c) derivative instruments for hedging purpose, including but not limited to options, futures contracts, forward contracts and swaps;
- (d) money market instruments;
- (e) term deposits with any Financial Institutions; and
- (f) any other form of investments as may be determined by us (and concurred by the Trustee) from time to time that is in line with the Fund's investment objective.

#### Limits and Restrictions

Subject to the Guidelines, the purchase of permitted investments stated above shall not contravene the following limits and restrictions:

##### Investment Spread Limits

- (a) the value of the Fund's investments in fixed income securities issued by any single issuer must not exceed 20% of the Fund's NAV;
- (b) the single issuer limit in (a) above may be increased to 30% if the fixed income securities are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;
- (c) the value of the Fund's investments in fixed income securities issued by any one group of companies must not exceed 30% of the Fund's NAV;
- (d) the aggregate value of the Fund's investments in fixed income securities, money market instruments, deposits and OTC derivative instruments issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV;
- (e) for the purpose of (d) above, where the single issuer limit is increased to 30% pursuant to (b) above, the aggregate value of the Fund's investment must not exceed 30%;
- (f) the value of the Fund's placement in deposits with any single financial institution must not exceed 20% of the Fund's NAV;
- (g) for investments in derivatives:
  - i. the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines; and
  - ii. the value of the Fund's OTC derivatives transaction with any single counterparty must not exceed 10% of the Fund's NAV.
- (h) the value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV;

##### Investment Concentration Limits

- (i) the Fund's investments in fixed income securities must not exceed 20% of the fixed income securities issued by any single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition, the gross amount of fixed income securities in issue cannot be determined;
- (j) the Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size; and
- (k) the Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

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

Any limit or restriction imposed is permitted where the limit or restriction is breached as a result of:

- i. appreciation or depreciation in value of the Fund's asset;
- ii. redemption of units or payment made out of the Fund;
- iii. change in capital of a corporation in which the Fund has invested in; and
- iv. downgrade in or cessation of a credit rating.

The Manager shall not make any further acquisition to which the relevant limit is breached, and the Manager shall, within reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

### **3.7 How to Keep Abreast of Development in the Fund**

You can have immediate access to the daily NAV per unit of the Class(es) which are published on our website, [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my) or you may contact any of our client relations personnel at 03-7712 3000 or e-mail us at [customercare@boswm.com](mailto:customercare@boswm.com). While it is our duty to ensure that the Fund is being correctly valued or priced, we, however, cannot be held liable for any error in prices published on the websites of our authorised distributors (if any).

In addition, you can also constantly keep abreast of the Fund's developments via its reports. We will send (electronically or otherwise) the Fund's annual and semi-annual reports to you within two months after the end of the Fund's financial year/semi-annual period.

You may also opt for hard copy of the annual and semi-annual reports (instead of electronic copy) by notifying us via email at [customercare@boswm.com](mailto:customercare@boswm.com) or write in your request to our head office.

The Fund's performance and other information will also be featured in our website:  
[www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my)

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**The Fund's annual report is available upon request.**

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### 3.8 Financial Year End of the Fund

The Fund's financial period is a 12-month period ending on the 30<sup>th</sup> day of June each year, save and except that the first financial period shall commence on the date of the Prospectus. For the avoidance of doubt, the first financial period must not be more than eighteen (18) months.

### 3.9 The Constituting Deed(s) of the Fund

The Fund is governed by its deed and supplemental deed(s) as follows:

Fund	Deed(s)
BOSWM Dynamic Income Fund	Principal Deed: 15 August 2019 First Supplemental Master Deed: 5 October 2020 Second Supplemental Deed: 8 November 2022

### 3.10 Financing and Securities Lending

The Fund is prohibited from borrowing other assets (including borrowing of securities within the meaning of Securities Borrowing and Lending Guidelines) and engage in repurchase transaction in connection with its activities.

Subject to the relevant provisions of the Guidelines and where permitted by the Deed, the Fund may borrow cash for the purpose of meeting redemption requests and for short-term bridging requirements.

The Fund will not participate in the lending of securities.

## 4 RISK FACTORS

This section describes the risk factors that we have identified are relevant for you to consider before investing in the Fund. The list of risk factors identified is by no means exhaustive. You should be aware that investing in the Fund may expose you to other risk factors from time to time. If in doubt, please consult professional advisers for better understanding of the risk factors.

### 4.1 General Risks of Investing in Unit Trust Funds

#### Inflation risk

Inflation risk refers to the risk that an investor's investment in a unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

#### Market risk

Market risk refers to the possibility that an investment in a unit trust fund will lose value because of a general decline in the financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's net asset value.

#### Manager risk

This risk refers to the day-to-day management of a fund by its manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or Guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

#### Regulatory risk

Regulatory risk arises when a change of law(s) has a negative impact on a unit trust fund. For example, if capital controls are abruptly introduced and applicable to the fund (that is established to invest in foreign countries), then the fund may have difficulty to place its investments in foreign countries. Such constraint may render the fund to be no longer operational in the way that it was originally intended.

### 4.2 Specific Risks Associated with the Investment Portfolio of the Fund

#### Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income securities. When interest rates rise, fixed income securities prices generally decline and this may lower the market value of the Fund's investment in fixed income securities. The reverse may apply when interest rates fall.

In order to mitigate interest rate risk, the Manager will need to manage the fixed income portfolio taking into account the coupon rate and time to maturity of the fixed income securities.

**The change in interest rate environment may also have implication on the interest rates offered by term deposits and money market instruments. In a low interest rate environment, the Fund may have to accept term deposits and money market instruments that offer low interest rate. This will result in lower return for the Fund.**

#### Credit & default risk

Credit risk relates to the creditworthiness of the issuers of the fixed income securities and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income securities. In the case of rated fixed income securities, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a fixed income securities either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income securities.

Both credit and default risk could adversely affect the value of the Fund should the Fund invest in fixed income securities which are subsequently downgraded and/or their issuers defaulting in payments or failing to make payments in a timely manner.

### **Country risk**

The Fund may invest in foreign investment and it 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 country in which the Fund invests in. For example, the deteriorating economic conditions of a country may adversely affect the value of the investments undertaken by the Fund in that country. This in turn may cause the NAV or NAV per unit of a Class to fall.

### **Currency risk**

As the Fund may consist of investments denominated in foreign currencies (i.e. non-MYR), the Fund will be exposed to currency risk. As a multi-class fund, currency risk is applicable at two levels:

#### **a) Currency risk at the Fund's portfolio level**

The impact of the exchange rate movement between the base currency of the Fund and the currency of its underlying investments may result in a depreciation of the value of the investments as expressed in the base currency of the Fund; and

#### **b) Currency risk at the class level**

The impact of the exchange rate movement between the base currency of the Fund and the currency of the respective Class(es) may result in a depreciation of the investor's holdings as expressed in the base currency of the Fund.

Note: Currency risk at the class level is not applicable to any Class(es) which are offered in the currency of MYR.

The Manager may utilise derivatives for currency hedging purpose. Currency hedging at the Fund's portfolio level (if any) is subject to the Manager's discretion. As for the respective Class(es), currency hedging (if any) depends on their respective currency hedging feature. For the avoidance of doubt, Class BOS **MYR** does not feature currency hedging.

### **Liquidity Risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices, which may subsequently lead to investment loss to its Unit Holders. The Manager may (in consultation with the Trustee) seek temporary financing to meet redemption request, considering which is in the best interests of Unit Holders before consider the suspending the dealing in the Fund's units. Please refer to Section 6.4 Suspension of Dealing in Units for more details. The Manager is unable to process redemption request (if any) during suspension. Thus, Unit Holder will not be able to receive his/her redemption proceeds within the 7 business days as stipulated in section 6.5. Redemption of Your Investment in the Class(es) of the Fund – e.g. redemption request can only be processed following the cessation of suspension.

## 5 FEES, CHARGES AND EXPENSES

### 5.1 Sales Charge

The sales charge is a charge levied on the purchase of units of the Class(es), and is used to pay for marketing, advertising and distribution expenses of the Fund. The sales charge is deducted upfront from the purchase amount, leaving only the net amount invested in the Fund. The sales charge is calculated based on the Fund's NAV per unit of the Class(es) as at the next valuation point after the completed application is received and accepted by the cut-off time of 4:00 p.m. on any Business Day. The rate of sales charge to be imposed on the Units Holders is as follows:

<b>Class BOS MYR</b>	Up to 2% of the NAV per unit of the Class.
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For illustration on the calculation of sales charges, please refer to section 6.3.

The sales charge quoted is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

Note: Despite the sales charge disclosed above, investors may negotiate for a lower sales charge.

### 5.2 Redemption Charge

There is no redemption charge to be imposed on Unit Holders of the Fund.

Note:

By default, redemption proceeds will be paid out via bank transfer. Thus, it is important for you to furnish us your bank account details upon your subscription of the Class(es). The request for payment of redemption proceeds via cheque will be considered on a case-to-case basis only and subject to the Manager's approval. You will be charged a service fee of up to RM50 for each cheque requested and you will receive your redemption proceeds net of the service fee. You are encouraged to opt for bank transfer for redemption as there will be no such service fee imposed. Kindly contact us at 03-7712 3197 for details.

### 5.3 Annual Management Fee

The annual management fee is a fee charged for the ongoing portfolio management and administration of the Fund (e.g. to maintain Unit Holders' register, proper records of the Fund and to administer the investments). The annual management fee for the Class(es) is as follows:

<b>Class BOS MYR</b>	Up to 0.5% per annum of the NAV of the Class.
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The annual management fee is calculated based on the NAV of the Class(es), accrued on a daily basis and is paid out of the Fund. The annual management fee is payable on a monthly basis.

The annual management fee quoted is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

### 5.4 Annual Trustee Fee

The annual trustee fee is a fee paid to the Trustee for the custodial management and administration of the Fund's assets (e.g. transaction settlement, custody and administration costs). The annual trustee fee for the Fund is 0.04% per annum of the NAV of the Fund, subject to a minimum fee of RM8,400 per annum. The annual trustee fee is calculated based on the NAV of the Fund, calculated and accrued on a daily basis and is paid out of the Fund. The annual trustee fee is payable on a monthly basis.

The annual trustee fee quoted is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.



## 5.5 Switching Fee

The Manager does not intend to charge any switching fee; however, investors 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. The following table describes the charges applicable to the Fund:

### **For Class BOS MYR of the Fund**

<b>Switch Out</b>					
From \ To		Another Fund Managed by the Manager			
		with zero sales charge	with maximum sales charge of 2.00% of net asset value per unit	with maximum sales charge of 5.00% of net asset value per unit	with maximum sales charge of 5.50% of net asset value per unit
The Fund		Nil	Nil	Subject to sales charge of up to 3.0% of net asset value per unit.	Subject to sales charge of up to 3.5% of net asset value per unit.
<b>Switch In</b>					
From \ To		The Fund			
Another fund managed by the Manager	with Zero sales charge	Subject to sales charge of up to 2.00% of net asset value per unit.			
	with maximum sales charge of 2.00% of net asset value per unit	Nil			
	with maximum sales charge of 5.00% of net asset value per unit	Nil			
	with maximum sales charge of 5.50% of net asset value per unit	Nil			

Note:

Kindly refer to section 6.6 below for more information about the switching facility of the Fund, including the relevant terms and conditions.

The charge(s) above are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

## 5.6 Transfer Fee

There is no transfer fee to be imposed on Unit Holders of the Fund.

## 5.7 Permitted Expenses of the Fund

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund or each Class may be charged to the Fund or each Class respectively. These would include (but are not limited to) the following:

- a. commissions or fees (if any) paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- b. taxes and other duties charged on the Fund by the government and/or other authorities;
- c. costs, fees and expenses properly incurred by the auditor of the Fund;
- d. fees for the valuation of any investment of the Fund;
- e. costs, fees and expenses incurred for any modification of the Deed in relation to the Fund save where such modification is for the benefit of the Manager and/or the Trustee;
- f. costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- g. costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- h. costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- i. costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- j. costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- k. costs, fees and expenses incurred in the termination of the Fund or a Class or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- l. costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed by the Fund);
- m. remuneration and out of pocket expenses of person or committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- n. costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- o. (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- p. expenses and charges incurred in connection with the printing and postage for the annual or semi-annual report, tax certificates and other services associated with the administration of the Fund;
- q. all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and
- r. any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

## 5.8 The Manager's Policy on Rebates and Soft Commissions

The Manager will not retain rebate (if any) from, or otherwise share in monetary commission with, any broker or dealer in consideration for directing dealings in the assets of the relevant fund(s) managed by the Manager. Any rebate or shared monetary commission will be directed to the account of the relevant fund(s).

However, the Manager will retain soft commissions (if any) if:

- a. the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- b. any dealing by the broker or dealer is executed on terms which are most favourable for the Fund; and
- c. 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 or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

Note: As the Fund is a bond fund, the Manager does not expect to derive any rebates and/or soft commission from managing the Fund.

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

**All fees and charges payable to the Manager and/or the Trustees are subject to any applicable taxes and /or duties as may be imposed by the government or other authorities from time to time. All fees, charges and expenses are rounded to two decimal places.**

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## 6 TRANSACTION INFORMATION

### 6.1 Valuation Bases of the Fund's Assets

Pursuant to the Guidelines, all assets of the Fund should be valued in a fair and accurate manner at all times. The Fund is generally valued in accordance with the respective asset classes. The Fund's assets will be valued based on the following principle:

Investment instruments	Valuation basis
Investment instruments that are listed and quoted on an exchange	The official closing price or last known transacted price on the eligible market on which the investment is quoted.  However, if the price is not representative or not available to the market, the investments should be valued at fair value.
Investment instruments not listed or quoted on an exchange	a. Fair value*; or b. For money market instruments, amortised cost accounting may be used provided the instruments' remaining term to maturity is not more than 90 calendar days at the time of acquisition.  <i>*means the price that the Fund would reasonably expect to receive upon the current sale of the investment instruments. The Manager must ensure that fair value be determined with due care and in good faith, and the basis for determining the fair value is approved by the Trustee (after appropriate technical consultation).</i>

### 6.2 Valuation Point & Pricing Policy of the Fund

The buying and selling price of a Class of the Fund is quoted based on a single price i.e. the NAV per unit of the Class of the Fund. All other transaction charges, if any, will be expressed separately from the price of the Class.

#### Valuation of NAV of the Fund

The valuation of the Fund's NAV is calculated once at the end of every<sup>3</sup> Business Day. The Fund's NAV attributable to the Class(es) will then be calculated, and the daily NAV per unit of the Class(es) will be published on the next Business Day after the valuation (T+1).

Kindly read further to understand how the NAV and NAV per unit of Class(es) are derived.

#### Valuation of the Class(es) of the Fund

The Fund adopts "forward pricing" in its valuation method for its Class(es). This means that we will process your transactions request based on the unit pricing on a Business Day (i.e. the NAV per unit of a Class) that we receive and accept the duly completed application forms from you. Take for example, if the transactions are made by 4:00 p.m. on a Business Day, we will process the transactions using the unit pricing for that Business Day. For transactions made after 4:00 p.m., we will process the transactions using the unit pricing on the next Business Day.

In contrary to the above, if the Fund has foreign exposure, the unit pricing will only be available on the **next** Business Day.

The Fund's base currency is MYR. As such, all the assets and liabilities of each Class will be translated into MYR<sup>4</sup> for valuation purposes. Valuation of the Class(es) is based on the NAV of the Class(es) which in turn is based on the Fund's NAV, and is **calculated once at the end of every Business Day**.

The NAV per unit of a Class is determined based on the formula as illustrated below:

$$\text{NAV per unit of the Class} = \frac{\text{NAV of the Class}}{\text{Number of units in circulation of the Class}}$$

The NAV per unit of a Class may be rounded to four (4) decimal places. An incorrect valuation and pricing of the Class shall be **considered of minimal significance** if the error involves a discrepancy of less than 0.5% of the

<sup>3</sup> The Fund's valuation point will fall on the next Business Day if the Fund has foreign exposure. Should that be the case, the NAV per unit of the Class(es) will only be published on T+2.

<sup>4</sup> The value of the Fund's assets & liabilities denominated in foreign currencies (if any) will be translated to MYR for valuation purpose. They are translated using the bid foreign exchange rate quoted by either Reuters or Bloomberg, at United Kingdom time 4:00 p.m. on the same day, or such method and basis as stipulated in the Investment Management Standard issued by Federation of Investment Managers Malaysia, which may be amended, updated or superseded from time to time.

NAV per unit of the Class. Any pricing discrepancy of 0.5% or more of a Class will be rectified as stated in the Deed unless the total impact of the discrepancy on an individual account is less than RM10.00 (or in the case of a foreign currency class of units, less than 10.00 denominated in the respective foreign currency denomination, subject to any requirements under the relevant law, if any).

An incorrect valuation and/or pricing **not considered to be of minimal significance** by the Trustee shall result in reimbursement of moneys in the following manner. Subject to the Fund's Deed, the reimbursement shall be made to the disadvantaged parties resulted from the incorrect pricing. The reimbursement may be made:

- a) by us to the Fund;
- b) by the Fund to us; and/or
- c) by us to Unit Holders and/or former Unit Holders.

### **Multi-class Structure**

As mentioned, the Fund is established as a multi-class fund. The Fund has launched a single Class (i.e. Class BOS MYR ) and may launch additional Class(es) on later dates. It is important to understand how a multi-class fund's net asset value per unit(s) is derived as shown below:

	fund (MYR)	class 1 (MYR)	class 2 (MYR)
Net asset value of the fund before income and expenses	200,000,000	180,000,000	20,000,000
% of the total net asset value of the fund	100%	90.00%	10.00%
Add: income	10,000	9,000	1,000
Less: expenses	-1,000	-900	-100
Net asset value of the fund before management fee and trustee fee	200,009,000	180,008,100	20,000,900
<b>a</b> Less: management fee ( <i>assuming 0.5% p.a for class 1 and 0.4% p.a for class 2</i> )	-2,685	-2,466	-219
<b>b</b> Less: trustee fee ( <i>up to 0.04% p.a</i> )	-219	-197	-22
Net asset value of the fund	200,006,096	180,005,437	20,000,659
Units in circulation	249,000,000	170,000,000	35,000,000
<b>c</b> Net asset value per unit		<b>1.0589</b>	<b>0.5715</b>
<b>Notes:</b>			
a & b - Management fee and trustee fee are calculated based on the respective Class net asset value *[(fee in p.a. ÷ (365 or 366)) × net asset value before management fee and trustee fee. As both management fee and trustee fee are quoted in per annum basis, the fees will be converted into daily basis first before the payable fees are derived.			

### 6.3 Subscription for the Class(es) of the Fund

To subscribe to the Class(es) of the Fund, please complete the relevant documentations<sup>5</sup> (in relation to subscription application) and forward the documentations to our head office or our authorised distributors (if any) as disclosed in section 13 below.

Your subscription application for the Class(es) of the Fund and payment must reach our head office **by 4:00 p.m.** on any Business Day. Any duly completed and original documentations and payment received after this cut-off time is considered a submission on the next Business Day.

In addition to the submission of the relevant forms, you may be required to forward to us additional documents to authenticate your identification. We may for any reason at any time, waive existing procedures, and/or prescribe applications for subscription in any other form or manner whether for all/any particular investor, at our discretion.

Please note that if you are a US Person, you are not eligible to subscribe to the Fund(s). We reserve the right to return your investment without advance notice if we become aware that you are a US Person who holds any Class of Units of the Fund(s). Such rule will only take effect 20 Business Days from the date of this Prospectus.

#### **Value-added service (additional way to subscribe – applicable to individual investors only):**

If you are an existing BOSWM MY's customer (i.e. individual(s) with valid investment account(s) with us), you may top up your investment (including in the fund(s) you are not currently holding) with us via email with the following terms and conditions:

- You accept that we shall not be held responsible for any delay or losses experienced by you in circumstances which are beyond our control (e.g. our email is unreachable).
- You accept that we reserve the right to carry out due verification with you via telephone, of which the call may be recorded.
- You accept that your subscription instruction will only be carried out upon our receipt of your payment, proof of payment, the necessary documentation, and the completion of the due verification (if any) before the same cut-off time indicated above.
- You accept that your risk profile (in our record) must at least match or be higher than the risk classification of the fund(s) you wish to invest.

It is important to note that this is a value-added service for your convenience. We shall not be held responsible for the authenticity of your instructions, which we reasonably believe to be genuine. You may always opt for subscription via hard-copy documentation (as shown above) if you find the value-added service is not for you.

You are advised to contact us at 03-7712 3000 to understand the details (e.g. documents required) for this value-added service before utilising it.

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<sup>5</sup> Kindly contact us to know more about the forms and documentations required. Investment via our IUTA (if any) are subject to different forms and documentations.

### **The Price of the Class(es) of the Fund**

<b>Class BOS MYR</b>
<b>Prevailing NAV per unit</b> (based on the NAV per unit of Class BOS MYR as at the next valuation point after the original application form and payment is received by the Manager ("forward pricing")).

<b>Illustration (e.g. Class BOS MYR)</b>							
<table border="1"><tr><td>Prevailing NAV per unit</td><td>: RM1.0054</td></tr><tr><td>Sales charge</td><td>: 2.00% of NAV per unit</td></tr><tr><td>Applicable taxes (if any)</td><td>: Nil</td></tr></table>		Prevailing NAV per unit	: RM1.0054	Sales charge	: 2.00% of NAV per unit	Applicable taxes (if any)	: Nil
Prevailing NAV per unit	: RM1.0054						
Sales charge	: 2.00% of NAV per unit						
Applicable taxes (if any)	: Nil						
Assuming the Class BOS MYR (NAV per unit) on 7 March 2019 to be RM1.0054 and if you make a payment of RM1,000,000.00, the amount to be invested in Class BOS MYR and, the sales charge and applicable taxes (if any) to be paid by you are calculated as follows:							
Total amount invested	= RM1,000,000.00						
Total sales charge (2.00%) incurred (2.00% x RM1,000,000.00)	= RM20,000.00						
Applicable tax (if any)	= Nil						
Total amount to be paid by you	<u>RM1,020,000.00</u>						
Units issued to you	RM1,000,000.00/RM1.0054= <b>994,629.00 units</b>						

### **Minimum Initial Investment & Additional Investment of the Class(es) of the Fund**

The following are the minimum initial and additional investment applicable to Class BOS MYR :

#### Minimum Initial Investment

<b>Class BOS MYR</b>
RM500,000.00

#### Minimum Additional Investment

<b>Class BOS MYR</b>
RM250,000.00

Note: We have the discretion to accept a lower amount than that disclosed in the Prospectus as we deem fit.

### **Cooling-off Period of the Fund**

If you are a first-time individual investor of the Manager, you are given a cooling-off period of six Business Days. Within these six Business Days from the date we receive your subscription application, you have the right to call for withdrawal of your investment. However, this is not applicable to:

- Staff of the Manager and their immediate family members; and  
Persons registered with a body approved by the SC to deal in unit trusts.

The refund pursuant to an exercise of a cooling-off right must be as follows:

- If the original price of a unit is higher than the price of a unit at the point of exercise\* of the cooling-off right ("market price"), the cooling-off proceeds will be based on the market price at the point of cooling-off; or
- If the market price is higher than the original price, the cooling-off proceeds will be based on the original price at the point of cooling-off.
- The cooling-off proceeds (including the sale charge imposed on the day the units were purchased) will be refunded to you within seven (7) business days.

\* forward pricing is applicable.

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**Warning: Investors must not make payment in cash to any individual agent (including our relationship manager) when subscribing to units of the Class(es) of the Fund.**

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### **6.4 Suspension of Dealing in Units**

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale and/or redemption of Units due to exceptional circumstances, such as where the market value or fair value of a material portion of the Fund's assets cannot be determined. For avoidance of doubt, difficulties in realising the Fund's assets or temporary shortfalls in liquidity may not, on their own, be sufficient justification for suspension. Suspension will only be exercised as the last resort after exhausting all possible options (including borrowing – please refer to Section 3.10 Financing and Securities Lending on page 8).

Please note that during the suspension period, there will be no NAV per Unit available and hence, we will not accept any transactions for the applications, redemptions, switching and/or transfers of Units. If we have earlier accepted your request for redemptions and switching of Units, please note that the requests will only be processed on the next business day after the cessation of suspension of the Fund. You will be notified of the suspension and when the suspension is lifted.

### **6.5 Redemption of Your Investment in the Class(es) of the Fund**

To redeem your investment in the Class(es) of the Fund, please complete the relevant documentations<sup>6</sup> (in relation to redemption application) and forward the documentation to our head office as disclosed in section 13 below.

Upon receipt of the duly completed and accepted documentations, which must reach the Manager's head office **by 4:00 p.m.** on any Business Day, we will process your redemption application based on the NAV per unit (of a Class of the Fund) calculated at the next valuation point. Payment will be made to you within 7 business days from our receipt of your redemption application.

We will not be held responsible for any loss/delay in the events below (which are beyond the control of the Manager or the Trustee):

1. Real Time Electronic Transfer of Funds and Securities (RENTAS) experiencing problems; and
2. Inaccurate details, including but not limited to identity card number and account number furnished by you.

**Value-added service (additional way to redeem – applicable to individual investors only):** you will also be able to redeem your investment via fax or email with the following terms and conditions:

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<sup>6</sup> Kindly contact us to know more about the forms and documentations required. Investment via our IUTA (if any) is subject to different forms and documentations.



- You accept that we shall not be held responsible for any delay or losses experienced by you in circumstances which are beyond our control (e.g. our email or fax is unreachable).
- You accept that we reserve the right to carry out due verification with you via telephone, of which the call may be recorded.
- You accept that your redemption instruction will only be carried out upon our receipt of the necessary documentation and the completion of the due verification (if any) before the same cut-off time indicated above.

It is important to note that this is a value-added service for your convenience. We shall not be held responsible for the authenticity of your instructions, which we reasonably believe to be genuine. You may always opt for redemption via hard-copy documentation (as shown above) if you find the value-added service is not for you.

You are advised to contact us at 03-7712 3197 to understand the details (e.g. documents required) for this value-added service before utilising it.

Terms and Condition in Connection to Redemption Application of the Class(es) of the Fund

	<b>Class BOS MYR</b>
<b>Minimum redemption amount</b>	<b>No restriction</b>
<b>Minimum balance unit (after an application for redemption)</b>	<b>500,000 units</b> or such lower number of units as decided by the Trustee and the Manager from time to time.  Should the units in your account are less than the minimum balance unit after the redemption application is made, all units in your account will be redeemed automatically.
<b>Frequency of redemption</b>	<b>No restriction</b>
<b>Price</b>	<b>Prevailing NAV per unit</b> (based on the NAV per unit of the Class as at the next valuation point after the original application form is received by the Manager ("forward pricing")).

By default, the Manager does not pay redemption proceeds via cheque. All redemption proceeds will be paid out via bank transfer. Thus, it is important for you to furnish us your bank account details upon your subscription of the Fund's Class(es).

The request for payment of redemption proceeds via cheque is to be considered on a case-to-case basis, where a service fee of up to RM50 will be imposed for each cheque requested and subject to full discretion by the Manager. You will receive your redemption proceeds net of the service fee if you opt for payment by cheque.

## 6.6 Switching Facility for the Fund

Switching refers to a transaction where an investor switches his investment from one fund to another fund.

To carry out a switching application, all you need to do is to complete the relevant documentations<sup>7</sup> (in relation to switching application) and forward the documentations to our head office by 4:00 p.m. on any Business Day.

There are no restrictions on the number of switching transactions that you may carry out; however, switching application for the Class(es) of the Fund is subject to the following conditions:

	<b>Class BOS MYR</b>
Switch out to other funds	<ul style="list-style-type: none"> <li>You may switch your investments from the Fund into all other funds managed by the Manager (including wholesale funds<sup>8</sup>), and subject to the availability of switching facility of the fund you wish to switch into.</li> <li>The fund that you intend to switch into must be denominated in MYR only. Switching between units with different currency denomination is unavailable.</li> <li>The minimum number of units to be switched is 1,000 units and the value of units switched must meet the minimum investment amount of the fund you wish to switch into, whichever is higher.</li> <li>For partial switching to other funds, the minimum balance unit (as indicated in section 0) applies, where the balance unit of the Fund must not be less than 500,000 units after switching.</li> <li>For the avoidance of doubt, switching application is subject to the terms and conditions of the IUTA should your subscription of the Class(es) of the Fund be made via IUTA.</li> </ul>
Switch in from other funds	<ul style="list-style-type: none"> <li>Subject to the terms and conditions of the fund you wish to switch from to the Fund. Kindly refer to the relevant offering documents of the fund.</li> <li>The minimum investment amount of the Fund applies, where the amount switched from another fund to the Fund must meet the Fund's minimum investment amount.</li> <li>For the avoidance of doubt, switching application is subject to the terms and conditions of the IUTA should your subscription be made via IUTA.</li> </ul>

Switching will be carried out accordingly based on net asset value per unit of the funds you wish to switch from and switch into. The switching process will be carried out in accordance to the funds' respective next valuation points upon receiving your switching application by 4:00pm on any Business Day.

Kindly refer to section 5.5 on page 12 for the details pertaining to switching fee applicable to the Fund.

<sup>7</sup> Kindly contact us to know more about the forms and documentations required. Investment via our IUTA (if any) is subject to different forms and documentations.

<sup>8</sup> Provided you are a sophisticated investor. Sophisticated investor means any person who falls within any of the categories of investors set out in Part I, Schedules 6 and 7 of the of the Capital Markets And Services Act 2007.

**Value-added service (additional way to switch – applicable to individual investors only):** you will also be able to switch your investment from one fund to another fund via email with the following terms and conditions:

- You accept that we shall not be held responsible for any delay or losses experienced by you in circumstances which are beyond our control (e.g. our email).
- You accept that we reserve the right to carry out due verification with you via telephone, of which the call may be recorded.
- You accept that your switching instruction will only be carried out upon our receipt of the necessary documentation, the completion of the due verification (if any) before the same cut-off time as indicated above.
- You accept that your risk profile (in our record) must at least match or be higher than the risk classification of the fund(s) you wish to switch into.

It is important to note that this is a value-added service for your convenience. We shall not be held responsible for the authenticity of your instructions, which we reasonably believe to be genuine. You may always opt for switching via hard-copy documentation (as shown above) if you find the value-added service is not for you.

You are advised to contact us at 03-7712 3000 to understand the details (e.g. documents required) of this value-added service before utilising it.

## 6.7 Transfer Facility for the Fund

Transfer refers to a transaction where a Unit Holder transfers his ownership of units in the Fund to another person(s).

For the Fund, the transfer form must be completed in the presence of a witness. The minimum units for transfer must not be less than 500,000 units or such lower number of units as decided by the Manager from time to time. For partial transfer, the minimum balance to be maintained in your unit trust account must be 500,000 units or such lower number of units as decided by the Trustee and the Manager from time to time.

## 6.8 Mode of Distribution

Distribution of income (if any) may be in the form of cash or reinvested as additional units.

You may opt for income distributions to be paid out to you directly in cash by way of any relevant mode of payments as determined by the Manager (i.e. by default, the Manager does not pay income distribution via cheque. All income distribution proceeds will be paid out via bank transfer. Thus, it is important for you to furnish us your bank account details upon your subscription of the Fund's Class(es). We will reinvest your income distribution proceeds if the bank details you provided us is inaccurate resulting in a failed bank transfer).

In the absence of written instructions to the contrary, distributions declared by the Fund will be automatically reinvested into additional units of the Class(es) of the Fund based on the NAV per unit of the Class(es) of the Fund by the fourth Business Day (T+4) after the declaration of distributions at no cost.

Income distribution amounting to less than or equal to the amount of RM200 will be automatically reinvested by the fourth Business Day (T+4).

The request for payment of income distribution proceeds via cheque is to be considered on a case-to-case basis, where a service fee of RM50 will be imposed for each cheque request and subject to full discretion by the Manager.

## 6.9 Unclaimed Moneys

For any distribution cheques (if any) which are left uncashed upon lapse of the six-month cheque validity period, we shall reinvest the distribution into additional units of the Fund on your behalf, based on the Fund's NAV per unit (of the Class(es)) on the said expiry date.

For other cases, the unrepresented cheques will be deemed as unclaimed moneys and shall be dealt with in accordance with the Unclaimed Moneys Act 1965.

## 6.10 Policies and Procedures to Prevent Money Laundering Activities

We have policies and procedures in place to comply with the legislation in force in Malaysia to prevent money laundering activities. In order to implement these procedures, investors will be required to provide detailed verification of identity including but not limited to proof of identity, residential or registered address, occupation or business, funds or source of income when buying or redeeming units and to periodically update their records. Until satisfactory evidence has been received, we reserve the right to refuse or accept the application form from investors to buy or redeem units or to pay the proceeds of the redemption of units. We may delay or refuse any application without giving any reason for doing so where this is in accordance with our anti-money laundering obligations. We also reserve the right to request additional information including the identity of any beneficial owners as may be required to support the verification of information and to allow us to carry out due diligence exercise on the investors in compliance with the relevant legislation.

Any suspicious transaction will be reported to the relevant authority.

## 6.11 Prudent Control

The Compliance department within the Manager is responsible for compliance matters and liaises with the SC to ensure that all laws, regulations, code of conduct and prudential limits are followed.

The Head of Compliance is the designated person responsible for compliance and reports to the Board of Directors of the Manager ("Board") on compliance matters. In the event that the Head of Compliance is absent, or has resigned, the next-person-in-line will be the designated person responsible for compliance matters until such position is filled.

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**Warning: Unit prices and distributions payable, if any, may go down as well as up.**

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## **7 THE MANAGER – BOS WEALTH MANAGEMENT MALAYSIA BHD**

### **7.1 Background**

BOS Wealth Management Malaysia Berhad (“Manager”) has over two decades of investment experience in managing and offering a comprehensive range of unit trust funds, wholesale funds as well as portfolio management services for both institutional and individual investors.

Note: Further information on the Manager can be found on our website at [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my).

### **7.2 Roles and Responsibilities**

The roles and responsibilities of the Manager are:

- Investment functions which include:
  - o Conducting investment research.
  - o Determining the Fund's investment strategy.
  - o Investing the assets of the Fund.
  - o Reviewing the Fund's portfolio and investment performance.
- Administrative functions which include:
  - o Maintaining the Unit Holders' register.
  - o Valuation of portfolio and computation of the daily NAV per unit of the Class(es) of the Fund.
  - o Preparing the Fund's financial statements, semi-annual and annual reports.
  - o Keeping proper records on Unit Holders' transactions.

### **7.3 The Board of Directors of the Manager**

The board of directors of the Manager (“Board”) meets on a quarterly basis and is involved in determining the corporate policies and direction of the Manager.

Note: The profiles of the Board members can be found on our website at [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my).

### **7.4 The Investment Committee of the Fund**

The investment committee of the Fund (“Investment Committee”) is responsible for setting and determining the investment policies, guidelines and strategies of the Fund. They meet on a quarterly basis to discuss, review and monitor the Fund's performance.

Note: The profiles of the Investment Committee members can be found on our website at [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my).

### **7.5 The Designated Person Responsible for the Investment Management Function of the Fund**

#### **Oh Jo Ann**

Oh Jo Ann is responsible for the management of fixed income portfolios, execution of fixed income transactions and the management of a range of feeder funds offered by the Manager. She conducts analysis and selection of individual fixed income securities. Her analysis of the domestic macro backdrop forms the basis for the overall fixed income investment strategy. She started her investment career with the Manager in January 2003 as an equities analyst before moving on to working on the fixed income portfolio in 2004. She has over 19 years of experience in fixed income investment research and fund management and has experience handling fixed income portfolios as well as feeder funds. She earned a Bachelor of Management (Honours) in Finance (Universiti Sains Malaysia), and she is a CFA® charterholder (CFA Institute). She also holds a Capital Markets Services Representative's Licence.

### **7.6 Material Litigation and Arbitration**

As at 30 November 2022, there is no material litigation and arbitration, including those pending or threatened, and the Manager is not aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Manager.

Note: The profiles of our key management personnel, key investment team members and other corporate information can be found on our website at [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my).

## **8 THE TRUSTEE – CIMB COMMERCE TRUSTEE BERHAD**

### **8.1 Background**

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the CMSA.

### **8.2 Experience as Trustee to Unit Trust Funds**

CIMB Commerce Trustee Berhad has been involved in unit trust industry as trustee since 1996. It acts as trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.

### **8.3 Delegation of Share Custodial Functions**

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

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

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instructions from the Trustee.

### **8.4 The Trustee's Responsibilities**

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

- Take into custody the investments of the Fund and hold the investments in trust for the Unit Holders.
- Ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, Guidelines and acceptable business practice within the unit trust industry.
- As soon as practicable notify SC of any irregularity or breach of the provisions of the Deed, Guidelines and any other matters which in the Trustee's opinions may indicate that the interests of the Unit Holders are not served.
- Exercise reasonable diligence in carrying out their functions and duties, in actively monitoring the operation and management of the Fund by the Manager to safeguard the interests of the Unit Holders.
- Maintain, or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Fund to be formed and to ensure that the Fund is operated and managed in accordance with the Deed, Prospectus, the Guidelines and securities law.
- Require that the accounts of the Fund be audited at least annually.

### **8.5 Material Litigation and Arbitration**

As at 30 November 2022, there is no material litigation and arbitration, including those pending or threatened, and the Trustee is not aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.

CIMB Commerce Trustee Berhad has given its consent to be named as trustee in relation to the Fund and has not withdrawn such consent before the date of issue of this Prospectus.

## 9 SALIENT TERMS OF THE DEED

### 9.1 Rights and Liabilities of Unit Holders

#### Rights of Unit Holders

A Unit Holder has the right, amongst others:

- (a) to receive distributions, if any, of the Fund;
- (b) to participate in any increase in the value of units;
- (c) to call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through Special Resolution;
- (d) to receive annual and semi-annual reports on the Fund;
- (e) to enjoy such other rights and privileges as provided for in the Deed;
- (f) to exercise the cooling-off right (please refer to page 19); and
- (g) to take all necessary action, proceedings, and/or steps against the Manager or the Trustee for any breach of their duties as set out in the relevant laws.

No Unit Holder shall be entitled to require the transfer to him of any of the Fund's assets or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such assets.

#### Liabilities of Unit Holders

No Unit Holder is liable for any amount in excess of the purchase price paid for the units as determined pursuant to the Deed at the time the units were purchased and any charges payable in relation thereto.

A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund's assets, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

### 9.2 Maximum Fees and Charges permitted by the Deed

	<b>Maximum Sales Charge</b>	<b>Maximum Redemption Charge</b>	<b>Maximum Management Fee</b>	<b>Maximum Trustee Fee</b>
<b>Class BOS MYR</b>	3.00% of the NAV per unit of the Class	Nil	0.5% per annum of the NAV of the Class	0.04% per annum of the NAV of the Fund subject to a minimum fee of RM8,400.00 per annum (excluding foreign custodian fees and charges)

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Unit Holders' approval.

### **9.3 Increase in Fees and Charges**

#### **Sales Charge**

The Manager may not charge a sales charge at a rate higher than that disclosed in the Prospectus unless:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- (b) a supplemental prospectus or replacement prospectus in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

#### **Redemption Charge**

The Manager may not charge a redemption charge at a rate higher than that disclosed in the Prospectus unless:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- (b) a supplemental prospectus or replacement prospectus in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

#### **Management Fee**

The Manager may not charge an annual management fee at a rate higher than that disclosed in the Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental prospectus or replacement prospectus.

#### **Trustee Fee**

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in the Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental prospectus or replacement prospectus.



#### **9.4 Permitted expenses payable out of the Fund's property**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund or each Class may be charged to the Fund or each Class respectively. These would include (but are not limited to) the following:

- (a) commissions or fees (if any) paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the auditor;
- (d) fees for the valuation of any investment of the Fund; -
- (e) costs, fees and expenses incurred for any modification of the Deed in relation to the Fund save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or a Class of Units or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses the person or committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- (p) expenses and charges incurred in connection with the printing and postage for the annual or semi-annual report, tax certificates and other services associated with the administration of the Fund;
- (q) all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and
- (r) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

#### **9.5 Removal, Replacement and Retirement of the Manager**

The Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee three (3) months' notice in writing of its desire so to do, or such other shorter period as the Manager and the Trustee may agree upon, and subject to fulfilment of the conditions as stated in the Deed.

Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:

- (a) 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 interest of the Unit Holders for the Trustee to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- (b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- (c) if the Manager has gone into liquidation except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

In any of the events set out above occurs, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, by writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

## **9.6 Removal, Replacement and Retirement of the Trustee**

The Trustee may retire upon giving three (3) months' notice to the Manager of its desire so to do, or such other shorter period as the Manager and the Trustee may agree, and may by deed appoint in its stead a new trustee approved by the relevant authorities and under any relevant law.

The Trustee may be removed and such corporation may be appointed as the replacement trustee of the Fund by Special Resolution of the Unit Holders at a duly convened meeting.

The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- (a) the Trustee has ceased to exist;
- (b) the Trustee has not been validly appointed;
- (c) the Trustee was not eligible to be appointed or to act as trustee under any relevant law;
- (d) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment;
- (f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or
- (g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

## **9.7 Termination of the Fund and/or the Class(es)**

### **Termination of the Fund**

The Fund may be terminated or wound up should the following occur:-

- (a) the authorisation from the SC has been revoked; or
- (b) a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

Subject to the relevant laws and notwithstanding anything contrary in the Deed, the Fund may be terminated or wound-up as proposed by the Manager with the consent of the Trustee (which consent shall not be unreasonably withheld) and without a special resolution being passed at a meeting of Unit Holders if any law has been passed which renders it illegal or in the opinion of the Manager impractical or inadvisable to continue the Fund and the termination is in the best interest of the Unit Holders. The Fund shall be terminated in accordance with the requirements of the relevant law.

### **Termination of a Class**

The Manager may terminate a particular Class via the passing of a Special Resolution by the Unit Holders of such Class at a meeting of such Unit Holders, and subject to and in accordance with the relevant laws. The Manager may only terminate a particular Class if the termination of that Class does not prejudice the interests of Unit Holders of any other Class. For the avoidance of doubt, the termination of a Class shall not affect the continuity of any other Class of the Fund.

Subject to the relevant laws and notwithstanding anything contrary in the Deed, the Fund may be terminated or wound-up as proposed by the Manager with the consent of the Trustee (which consent shall not be unreasonably withheld) and without a special resolution being passed at a meeting of Unit Holders if any law has been passed which renders it illegal or in the opinion of the Manager impractical or inadvisable to continue the Fund and the termination is in the best interest of the Unit Holders. The Fund shall be terminated in accordance with the requirements of the relevant law.

### **9.8 Unit Holders' Meeting**

A Unit Holders' meeting may be called by the Manager, Trustee or Unit Holders. Any such meeting must be convened in accordance with the Deed and/or the Guidelines.

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 or a Class, as the case may be, has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be two (2) Unit Holders, whether present in person or by proxy; whereas if the Fund or a Class of Units, as the case may be, has one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, at the meeting shall constitute as quorum.

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 or a particular Class, as the case may be, at the time of the meeting.

The Unit Holders may participate in a Unit Holders' meeting by video conference, web-based communication, electronic or such other communication facilities or technologies available from time to time and to vote at the Unit Holders' meeting. For the avoidance of doubt, the chairman of the meeting may be present virtually or physically at the main venue of the meeting. Participation by a Unit Holder in a Unit Holders' meeting by any such communication facilities shall be deemed as present at the said Unit Holders' meeting and shall be counted towards the quorum notwithstanding the fact that the Unit Holder is not physically present at the main venue of where the Unit Holders' meeting is to be held.

## 10 RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

Save for the transactions as disclosed below, the Manager is not aware of any existing or potential related-party-transactions involving the Fund, the Manager, promoters, vendors and/or persons connected to them.

There may be related party transactions involving the Fund where employees of the Manager and Bank of Singapore are the Unit Holders of the Fund. Subject to the Manager's approval, employees of the Manager and their immediate family members may purchase units of the Fund without having to pay the sales charge. We have in place policies and procedures to deal with any conflict of interest situation. Our directors, investment committee members and employees are required to disclose any situations where their interests may conflict with those of the Fund; and to refrain from participating in the decision-making process relating to the matter. Where there is any risk of conflict of interest, employees are required to obtain prior approval before transacting in securities. This is also to ensure that transactions for the Fund are executed in the best manner so as to benefit the Fund.

As at 30 November 2022, none of our directors or substantial shareholders have any direct or indirect interest in other corporations carrying out a similar business either locally or foreign except for Olivier Jean Baudoin Marie Denis and Peter James Warnes. Olivier Jean Baudoin Marie Denis is the Senior Managing Director of Bank of Singapore Limited and Non-Executive Director for BOS Wealth Management Limited and BOS Wealth Management Europe. Peter James Warnes is the Chief Investment Officer of Bank of Singapore Wealth Management. Apart from it, Peter James Warnes is a member of the Bank of Singapore Global Investment Committee (BOS Global Investment Committee), the Global Product Management Group Management Team (Global PMG Management Team) and Board Member of Bank of Singapore International Société d'investissement à Capital Variable (BOS International SICAV).

There is currently no existing experts who have any potential interest / conflict of interest in an advisory capacity with the Fund and/or the Manager.

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of their position as the legal registered owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interest of the Unit Holders. Any related party transaction is to be made 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.

### 10.1 The Trustee's Policy on Dealing with Conflict of Interest Elements

CIMB Commerce Trustee Berhad is the trustee of the Fund. There may be proposed related party transactions involving or in connection with the Fund in the following circumstances:

- where the Fund invests in instrument(s) offered by the CIMB Group;
- where the Fund is being distributed by the CIMB Group as IUTA; and
- where the assets of the Fund are being custodised by the CIMB Group as sub-custodian of the Fund (i.e. Trustee's delegate).

## 11 TAXATION OF THE FUND

### **Tax Adviser's Letter in respect of the taxation of the unit trust and the unit holders(prepared for inclusion in this Prospectus)**

Ernst & Young Tax Consultants Sdn Bhd  
Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur

25 September 2022

The Board of Directors  
BOS Wealth Management Malaysia Berhad  
09-02, Level 9, Imazium  
No. 8 Jalan SS 21/37  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs

#### **Taxation of the unit trust fund and unit holders**

This letter has been prepared for inclusion in this Prospectus in connection with the offer of units in the unit trust known as BOSWM Cash Fund (hereinafter referred to as "the Fund").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

#### **Taxation of the Fund**

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

"Permitted expenses" refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
  - B is gross income consisting of dividend <sup>1</sup>, interest and rent chargeable to tax for that basis period; and
  - C is the aggregate of the gross income consisting of dividend <sup>1</sup> and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period, provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

### Exempt income

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013 <sup>2</sup>;
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002 <sup>2</sup>;
- (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA) <sup>3</sup>; and
- (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

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<sup>1</sup> Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

<sup>2</sup> Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the Income Tax Act shall not apply to a wholesale fund which is a money market fund.

<sup>3</sup> Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

## Foreign sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 define the term "received in Malaysia" to mean transferred or brought into Malaysia, either by way of cash<sup>4</sup> or electronic funds transfer<sup>5</sup>.

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a "qualifying person"<sup>6</sup> from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of "qualifying person" does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

## Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.

<sup>4</sup> "Cash" in this context is defined as banknotes, coins and cheques.

<sup>5</sup> "Electronic funds transfer" means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

<sup>6</sup> "Qualifying person" in this context means a person resident in Malaysia who is:

- (a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;
- (b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or
- (c) A company which is incorporated or registered under the Companies Act 2016.

## **Implementation of Sales and Service Tax ("SST")**

Sales and Service Tax ("SST") was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a "taxable person", who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as "taxable services").

### **Taxation of unit holders**

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
  2. non-taxable and exempt distributions.
- In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

#### **1. Taxable distributions**

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

#### **2. Non-taxable and exempt distributions**

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the ITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.



**Rates of tax**

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders (such as associations and societies)</li> <li>• Co-operatives<sup>7</sup></li> <li>• Trust bodies</li> <li>• Corporate unit holders               <ul style="list-style-type: none"> <li>• A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment<sup>8,9</sup></li> </ul> </li> <li>• Companies other than (i) above</li> </ul>	<ul style="list-style-type: none"> <li>• Progressive tax rates ranging from 0% to 30%</li> <li>• Progressive tax rates ranging from 0% to 24%</li> <li>• 24%</li> <li>• First RM600,000 of chargeable income @ 17%</li> <li>• Chargeable income in excess of RM600,000 @ 24%</li> <li>• 24%</li> </ul>

<sup>7</sup> Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—  
 (a) in respect of a period of five years commencing from the date of registration of such co-operative society; and  
 (b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit is exempt from tax.

<sup>8</sup> A company would not be eligible for the 17% tax rate on the first RM600,000 of chargeable income if: -  
 (a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;  
 (b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;  
 (c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

<sup>9</sup> The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

Unit holders	Malaysian income tax rates
Non-Malaysian tax resident (Note 1):	
<ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders</li> </ul>	<ul style="list-style-type: none"> <li>• 30%</li> </ul>
<ul style="list-style-type: none"> <li>• Corporate unit holders and trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>• 24%</li> </ul>

Note 1:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

**Gains from sale of units**

Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders/ dealers in securities.

**Unit splits and reinvestment of distributions**

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

\*\*\*\*\*

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully  
**Ernst & Young Tax Consultants Sdn Bhd**

Koh Leh Kien  
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Prospectus and has not withdrawn such consent before the date of issue of this Prospectus.

## 12 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents (where applicable) may be inspected at our business and registered office or such other place as the SC may determine:

- The Deed and supplemental deed (if any) in relation to the Fund;
- This Prospectus (and supplementary or replacement prospectus, if any);
- The latest annual and semi-annual reports of the Fund;
- Where applicable, each material contract disclosed in this Prospectus (and supplementary or replacement prospectus, if any) in relation to the Fund, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract;
- Where applicable, the audited financial statements of the Manager and the Fund for the current financial year and for the last three financial years or if less than three years, from the date of incorporation or commencement;
- Any report, letter or other document, valuation and statement by an expert, any part of which is extracted or referred to in this Prospectus. Where a summary expert's report is included in this Prospectus, the corresponding full expert's report should be made available for inspection;
- Writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
- Consent given by relevant parties disclosed in this Prospectus:
  - i. The consent of the Trustee for the inclusion of its name in this Prospectus in the manner and form in which its name appear has been given before the date of issue of this Prospectus and has not subsequently withdrawn its written consent.
  - ii. The consent of the tax adviser for the inclusion of its name and the Tax Adviser's Letter on taxation of the Fund and Unit Holders in the form and context in which it appears in this Prospectus and has not subsequently withdrawn its consent prior to the date of this Prospectus.

### 13 MANAGER'S HEAD OFFICE AND IUTA(S)

#### HEAD OFFICE

**BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)**

A subsidiary of Bank of Singapore  
09-02, Level 9, Imazium,  
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Tel: 03-7712 3000  
E-mail: [customercare@boswm.com](mailto:customercare@boswm.com)  
Website: [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my)

#### INSTITUTIONAL UNIT TRUST ADVISERS (IUTA)

For more details on the list of appointed IUTA (if any), please contact the Manager.

*Our IUTA (if any) may not carry the complete set of our funds. Investments made via our IUTA may be subject to different terms and conditions.*

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