

# FIRST SUPPLEMENTARY MASTER PROSPECTUS

This First Supplementary Master Prospectus dated 9 January 2024 must be read together with the Master Prospectus dated 12 June 2018 for:-

---

<b>Funds</b>	<b>Date of Constitution</b>
InterPac Dana Safi	2 July 2007
InterPac Dynamic Equity Fund	2 July 2007

---

*Note: The InterPac Cash Fund is no longer offered for sale as the Manager has commenced winding-up of the Fund on 27 January 2023.*

<b>Manager</b>	:	Inter-Pacific Asset Management Sdn Bhd Registration No.: 199001013139 (204709-U)
<b>Trustee</b>	:	RHB Trustees Berhad Registration No.: 200201005356 (573019-U)

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTARY MASTER PROSPECTUS DATED 9 JANUARY 2024 WHICH IS TO BE READ TOGETHER WITH THE MASTER PROSPECTUS DATED 12 JUNE 2018. 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 15 OF THE MASTER PROSPECTUS DATED 12 JUNE 2018. PROSPECTIVE INVESTORS SHOULD ALSO NOTE THAT THE DISCLOSURE ON RISK FACTORS FOR THE FUND IN THE MASTER PROSPECTUS DATED 12 JUNE 2018 HAS BEEN REVISED AND IS REFLECTED ON PAGES 5-6 OF THIS FIRST SUPPLEMENTARY MASTER PROSPECTUS.**

## **Responsibility Statement**

This First Supplementary Master Prospectus has been reviewed and approved by the directors of the Manager 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 First Supplementary Master Prospectus false or misleading.

## **Statements of Disclaimer**

The Securities Commission Malaysia (“SC”) has authorised the Funds and a copy of this First Supplementary Master Prospectus has been registered with the SC.

The authorisation of the Funds, and registration of this First Supplementary Master Prospectus, should not be taken to indicate that the SC recommends the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Master Prospectus dated 12 June 2018 and this First Supplementary Master Prospectus.

The SC is not liable for any non-disclosure on the part of the Manager responsible for the Funds and takes no responsibility for the contents in this First Supplementary Master Prospectus. The SC makes no representation on the accuracy or completeness of this First Supplementary Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

**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.**

## **Additional Statements**

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

The Funds will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to any U.S. Person(s). Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Funds.

The InterPac Dana Safi has been certified as Shariah-compliant by the Shariah adviser appointed for InterPac Dana Safi.

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

**1. General Amendments**

All information in relation to InterPac Cash Fund, wherever it appears in the Master Prospectus, is hereby deleted in its entirety as the Fund is no longer offered for sale as the Manager has commenced winding-up of the Fund on 27 January 2023.

**2. Amendment to the Trustee’s corporate information in “Chapter 1 – Corporate Directory” on page 4 of the Master Prospectus**

The registered address of the Trustee is hereby deleted in its entirety and replaced with the following and the telephone number of the registered office of the Trustee is hereby inserted immediately after the address of the registered office of the Trustee as follows:

Registered Address  
Level 10, Tower One,  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Tel No: 03-9287 8888

**3. Amendment to the Shariah Adviser’s corporate information in “Chapter 1 – Corporate Directory” on page 4 of the Master Prospectus**

The address, telephone number, fax number and email address of the Shariah Adviser are hereby deleted in their entirety and replaced with the following:

Registered Address  
Unit 11-3A,  
3rd Mile Square, No. 151,  
Jalan Klang Lama Batu 3 1/2,  
58100 Kuala Lumpur

Business Office  
Level 13A-2  
Menara Tokio Marine Life  
189 Jalan Tun Razak  
50400 Kuala Lumpur  
Tel No: 03-2161 0260  
Fax No: 03-2161 0262

Email: [contact@amanieadvisors.com](mailto:contact@amanieadvisors.com)

**4. Amendment to the definitions in “Chapter 2 – Glossary” on pages 5 – 6 of the Master Prospectus**

(i) The definitions of “Cooling-Off Right”, “Deed” and “Prospectus” are hereby deleted in its entirety and replaced with the following:

Cooling-Off Right	A cooling-off right refers to the right of an individual Unit holder to obtain a refund of his investment in the fund if he so requests within 6 Business Days from the day the initial application for units is received by the Manager. This right is only given to an individual investor who is investing in any unit trust fund managed by the Manager for the first time and such cooling-off right is not given to:
-------------------	--

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

(a) a staff of the Manager; and/or (b) a person registered with a body approved by the SC to deal in unit trust.

When a Unit holder who is entitled to a cooling-off right exercises such right during the cooling-off period, the entitled amount must be refunded within 7 Business Days from the receipt of the cooling-off application by the Manager.

Deed                      The Deed dated 2 July 2007 as amended by the first supplemental deed dated 2 May 2018 and the second supplemental deed dated 21 February 2023, including any other supplemental deed(s) thereto, relating to InterPac Dana Safi and InterPac Dynamic Equity Fund.

Prospectus              This Master Prospectus and includes any supplemental and/or replacement thereto.

(ii) The definitions of “ICF” and “MBB Overnight Rate” are hereby deleted in its entirety.

**5. Amendment to section 3.6 – Investment Restrictions in “Chapter 3 – Fund Details” on pages 11 – 12 of the Master Prospectus**

The information on the investment restrictions is hereby deleted in its entirety and replaced with the following:

**3.6 Investments Limits and Restrictions**

In line with SC’s Guidelines, the Funds (IDS and IDEF), will be managed in accordance with the following investment limits and restrictions:

**(a) General**

- No restrictions or limits for securities/ Shariah compliant securities issued or guaranteed by the Malaysian government or Bank Negara Malaysia;
- Liquid assets/ Islamic liquid assets must be held in the form of cash, deposits/Islamic deposits with licensed financial institutions/Islamic financial institutions or any highly liquid instrument/Islamic instrument convertible into cash within seven (7) days (as may be approved by the Trustee).

**(b) Exposure Limit**

- The aggregate value of the Fund’s investments in unlisted securities / unlisted Shariah compliant securities must not exceed 15% of the Fund’s NAV, subject to a maximum limit of 10% of the Fund’s NAV in a single issuer.

**(c) Investment Spread Limits**

- The value of the Fund’s investments in ordinary shares / Shariah compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund’s NAV.
- The value of the Fund’s investments in transferable securities / Shariah compliant transferable securities and money market instruments / Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund’s NAV (“single issuer limit”). In determining the single issuer limit, the value of the Fund’s investments in instruments in the first bullet under “Exposure Limit” issued by the same issuer must be included in the calculation.

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

- The value of the Fund's placement in deposits / Islamic deposits with any single financial institution / Islamic financial institution must not exceed 20% of the Fund's NAV. The single financial institution limit does not apply to placements of deposits / Islamic deposits arising from:
  - (a) subscription monies received prior to the commencement of investment by the Fund;
  - (b) liquidation of investment prior to the termination of the Fund, where the placement of deposits / Islamic deposits with various financial institutions / Islamic financial institutions would not be in the best interests of the Unit holders; or
  - (c) moneys held for the settlement of redemption or other payment obligations, where the placement of deposits / Islamic deposits with various financial institutions / Islamic financial institutions would not be in the best interests of the Unit holders.
- For investment in derivatives / Islamic derivatives, the Fund's exposure to derivatives / Islamic derivatives will be calculated based on commitment approach and the Fund's exposure to counterparty of over-the-counter derivatives / Islamic derivatives will be calculated in the manner as disclosed in the section below under the heading "Use of derivatives / Islamic derivatives", respectively.
- The aggregate value of the Fund's investments in, or exposure to, a single issuer through transferable securities / Shariah compliant transferable securities, money market instruments / Islamic money market instruments, deposits / Islamic deposits, underlying assets of derivatives / Islamic derivatives and counterparty exposure arising from the use of over-the-counter derivatives / Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in the first bullet under "Exposure Limit" issued by the same issuer must be included in the calculation.
- The value of the Fund's investments in units or shares of a collective investment scheme / an Islamic collective investment scheme that complies with the Guidelines must not exceed 20% of the Fund's NAV.
- The value of the Fund's investments in transferable securities / Shariah compliant transferable securities and money market instruments / Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in the first bullet under "Exposure Limit" issued by the issuers within the same group of companies must be included in the calculation.

**(d) Investment Concentration Limits**

- The Fund's investments in shares / Shariah compliant shares or securities / Shariah compliant securities equivalent to shares must not exceed 10% of the shares / Shariah compliant shares or securities / Shariah compliant securities equivalent to shares, as the case may be, issued by a single issuer.
- The Fund's investments in debentures / sukuk must not exceed 20% of the debentures / sukuk 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 debentures / sukuk in issue cannot be determined.
- The Fund's investments in money market instruments / Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments / Islamic money market instruments that do not have a pre-determined issue size.

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

- The Fund's investments in collective investment schemes / Islamic collective investment schemes must not exceed 25% of the units or shares in the collective investment schemes / Islamic collective investment schemes.

**Subject to the SC Guidelines and/or SC's approval (if any), these restrictions as set out herein shall be complied with at all times. Where the limit or restriction is breached as a result of any appreciation or depreciation in the value of the Fund's NAV, repurchase of units or payment made from the Fund, change in capital of a corporation in which the Fund has invested in or downgrade in or cessation of a credit rating, the Manager shall within a reasonable period of not more than three (3) months from the date of breach, take all necessary steps and actions to rectify the breach.**

## **Use of Derivatives / Islamic Derivatives**

### **Calculation of Global Exposure to Derivatives / Islamic Derivatives**

The global exposure of the Fund is calculated based on commitment approach and is calculated as the sum of:

- (a) the absolute value of the exposure of each individual derivative / Islamic derivative not involved in netting or hedging arrangements;
- (b) the absolute value of the net exposure of each individual derivative / Islamic derivative after netting or hedging arrangements; and
- (c) the values of cash collateral received pursuant to the reduction of exposure to counterparties of over-the-counter ("OTC") derivatives / Islamic derivatives.

Netting and hedging arrangements may be taken into account to reduce the Fund's exposure to derivatives / Islamic derivatives.

### **Netting arrangements**

The Fund may net positions between:

- (a) derivatives / Islamic derivatives on the same underlying constituents, even if the maturity dates are different; or
- (b) derivatives / Islamic derivatives and the same corresponding underlying constituents, if those underlying constituents are transferable securities / Shariah-compliant transferable securities, money market instruments / Islamic money market instruments, or units or shares in collective investment schemes / Islamic collective investment schemes.

### **Hedging arrangements**

The marked-to-market value of transferable securities / Shariah-compliant transferable securities, money market instruments / Islamic money market instruments, or units or shares in collective investment schemes / Islamic collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to derivatives / Islamic derivatives.

The hedging arrangement must:

- (a) not be aimed at generating a return;
- (b) result in an overall verifiable reduction of the risk of the Fund;
- (c) offset the general and specific risks linked to the underlying constituent being hedged;
- (d) relate to the same asset class being hedged; and
- (e) be able to meet its hedging objective in all market conditions.

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

### **Calculation of Exposure to Counterparty of OTC derivatives / Islamic derivatives**

The exposure to a counterparty of an OTC derivative / Islamic derivative must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC derivative / Islamic derivative.

The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC derivative / Islamic derivative transactions entered into with the same counterparty.

Subject to the aggregate limit under the “Investment Limits and Restrictions” section, the maximum exposure of the Fund to the counterparty, calculated based on the above method, must not exceed 10% of the Fund’s NAV.

### **6. Amendment to section 4.1 – General Risks in “Chapter 4 – Risk Factors” on page 15 of the Master Prospectus**

- (i) The information on the liquidity risk is hereby deleted in its entirety and replaced with the following:

#### Liquidity Risk

This risk refers to the ease of converting an investment into cash without incurring an overly significant loss in value. If a unit trust fund has a large portfolio of stocks issued by smaller companies, the relatively less liquid nature of those stocks can cause the value of the fund to drop and consequently the value of Unit holders’ investments in the fund will be negatively affected when it has to sell such assets at unfavourable prices. This is because there are generally less ready buyers of such stocks as compared with the stocks of larger and more established companies. This risk is managed by taking greater care in stock selection and diversification.

- (ii) The following new information on suspension of redemption risk is hereby inserted after the risks of Shariah non-compliance:

#### Suspension of Redemption Risk

The redemption of units of the fund may be suspended under exceptional circumstances, where the fair value of a material portion of the fund’s assets cannot be reasonably determined. Upon suspension, the fund will not be able to pay Unit holders’ redemption proceeds in a timely manner and Unit holders will be compelled to remain invested in the fund for a longer period of time than the stipulated redemption timeline. Hence, Unit holder’s investments will continue to be subjected to the risk factors inherent to the fund. Please refer to Section 6.18 of this Master Prospectus for more information on suspension of dealing in units.

### **7. Amendment to section 4.2 – Specific Risks in “Chapter 4 – Risk Factors” on page 16 of the Master Prospectus**

The information on the liquidity risk is hereby deleted in its entirety and replaced with the following:

#### Liquidity Risk

This risk is normally associated with low volume of trade, as some investments are not as liquid as deposits, making it difficult to dispose off at a desired price. Should an investment become illiquid, it may be sold at a discount to its fair value, causing the NAV to fall and consequently the value of Unit holders’ investments in the fund will be negatively affected

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

when it has to sell such assets at unfavourable prices. This risk is more pertinent for investments in smaller companies, as there are relatively less ready buyers of such stocks/shares compared with bigger and more established companies.

To mitigate this risk, the fund manager will exercise care in selecting the right mix of stocks/shares.

**8. Amendment to section 4.3 – Risk Management Strategies in “Chapter 4 – Risk Factors” on page 17 of the Master Prospectus**

The following new information on liquidity risk management is hereby inserted after the temporary defensive positions:

Liquidity Risk Management

We have established liquidity risk management policies to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the redemption requests from the Unit holders with minimal impact to the Fund as well as safeguarding the interests of the remaining Unit holders. Such policies take into account, amongst others, the asset class of the Fund and the redemption patterns of the Fund. To manage the liquidity risk, we have put in place the following procedures:

- a) The Fund may hold a reasonable level of Islamic liquid assets to allow the Fund to have sufficient buffer to meet the Unit holders' redemption request;
- b) Regular review by the designated fund manager on the Fund's investment portfolio including its liquidity profile;
- c) Daily monitoring of the Fund's net flows and periodic liquidity stress testing of the Fund's assets against redemption requests during normal and adverse market conditions are performed as pre-emptive measures in tracking the Fund's liquidity status. This will ensure that we are prepared and able to take the necessary action proactively to address any liquidity concerns, which would mitigate the potential risks in meeting Unit holders' redemption requests; and
- d) Suspension of redemption requests from the Unit holders under exceptional circumstances where the market value or fair value of a material portion of the Fund's assets cannot be determined. During the suspension period, the redemption requests from the Unit holders will be accepted but will not be processed. Such redemption requests will be processed on the next Business Day once the suspension is lifted. That said, the action to suspend redemption requests from the Unit holders shall be exercised only as a last resort by the Manager having considered the best interests of Unit holders.

**9. Amendment to section 5.4 – Rebates and Soft Commissions in “Chapter 5 – Fees, Charges and Expenses” on page 19 of the Master Prospectus**

The second paragraph of the information on rebates and soft commissions is hereby deleted in its entirety and replaced with the following:

However, soft commissions provided by any broker or dealer may be retained by the Manager if:

- (i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**



- (iii) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

**10. Amendment to section 5.5 – Goods and Services Tax in “Chapter 5 – Fees, Charges and Expenses” on pages 19 – 20 of the Master Prospectus**

The information on goods and services tax is hereby deleted in its entirety and replaced with the following:

**5.5 TAX**

All fees and charges which are incurred by the Fund and payable to the Manager, the Trustee and/or other service providers are subject to such tax which may be imposed by the government or other authorities from time to time.

Where such tax is applicable to the extent that services is provided to the Fund and/or the Unit holders, the amount of tax payable on any related fee, charge and/or expense will be borne by the Unit holder and/or the Fund, as the case may be, in addition to the applicable fees, charges and expenses stated in this Master Prospectus.

**11. Amendment to section 6.9 – Redeeming / Repurchasing of Units in “Chapter 6 – Transaction Information” on page 25 of the Master Prospectus**

The fourth paragraph of the information on redeeming / repurchasing of Units is hereby deleted in its entirety and replaced with the following:

Investors will receive the payment of the redemption/repurchase of units proceeds within **7 Business Days from the Manager’s receipt of the request.**

**12. Amendment to section 6.10 – Cooling-off Period in “Chapter 6 – Transaction Information” on page 25 of the Master Prospectus**

The first and third paragraphs of the information on the cooling-off period is hereby deleted in its entirety and replaced with the following:

First paragraph

The Cooling-Off period refers to the right of a **first-time, individual investor** to obtain a refund of his/her investment in the Fund. For such an investor of any funds managed by the Manager, he/she is given a cooling-off period of **six (6) Business Days\*** from the date of receipt of the application form by the Manager or any other period permitted by the SC. Payment for the cooling-off will be refunded to the Unit holder within 7 Business Days from the Manager’s receipt of the notice.

Third paragraph

The refund mentioned above will be based on the computation stated below:

- (a) if the Net Asset Value (NAV) per Unit on the day the units were first purchased is higher than the NAV per Unit at the point of exercise of the cooling-off right (“Market Price”), the Market Price at the point of cooling-off; or
- (b) if the Market Price is higher than the NAV per Unit on the day the units were first purchased, the NAV per Unit on the day the units were first purchased; and

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

(c) the sales charge per unit originally imposed on the day the units were purchased.

**13. Amendment to section 6.17 – The Deed in “Chapter 6 – Transaction Information” on page 26 of the Master Prospectus**

The information on the deed is hereby deleted in its entirety and replaced with the following:

The Deed dated 2 July 2007 as amended by the first supplemental deed dated 2 May 2018 and the second supplemental deed dated 21 February 2023 can be inspected at the Manager’s business office during office hours (8.30 a.m. to 5.45 p.m.) from Monday to Friday on a Business Day.

**14. Amendment to “Chapter 6 – Transaction Information” on page 26 of the Master Prospectus**

The following new information on “Suspension of Dealing in Units” is hereby inserted immediately after Section 6.17 The Deed:

**6.18 Suspension of Dealing in Units**

The Manager may, in consultation with the Trustee and having considered the interests of the Unit holders, suspend the dealing in units due to exceptional circumstances, where there is good and sufficient reason to do so (e.g. where the market value or fair value of a material portion of a Fund’s assets cannot be determined).

The Manager will cease the suspension as soon as practicable after the aforesaid circumstances has ceased, and in any event within 21 days of commencement of suspension. The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of Unit holders for the dealing in units to remain suspended. Such suspension will be subject to weekly review by the Trustee.

Any redemption request received by the Manager during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. In such cases, Unit holders will be compelled to remain invested in the Fund for a longer period of time than the stipulated redemption timeline. Hence, their investments will continue to be subjected to the risk factors inherent to the Fund.

Where such suspension is triggered, the Manager will inform all Unit holders in a timely and appropriate manner of its decision to suspend the dealing in units.

**15. Amendment to Reports in “Chapter 7 – Customer Communication” on page 27 of the Master Prospectus**

The information in item (c) is hereby deleted in its entirety and replaced with the following:

The Manager will send a semi-annual/annual financial report of the Fund to the Unit holder within two (2) months from the end of the period to which the report relates.

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

**16. Amendment to Section 8.1 – The Manager in “Chapter 8 – The Management Company” on page 28 of the Master Prospectus**

The information on the Manager is hereby deleted in its entirety and replaced with the following:

Our corporate information, including our experience in operating unit trust funds is available on our website at <https://www.interpac-asset.com.my/about-us/>.

**17. Amendment to Section 8.2 – Roles & Responsibilities in “Chapter 8 – The Management Company” on page 28 of the Master Prospectus**

The information on the third bullet is hereby deleted in its entirety and replaced with the following:

- issuing reports (semi-annual/annual report) to Unit holders on a timely basis;

**18. Amendment to Section 8.4 – Board of Directors in “Chapter 8 – The Management Company” on page 28 of the Master Prospectus**

The information on the board of directors is hereby deleted in its entirety and replaced with the following:

The Board of Directors takes an active part in the activities and affairs of the Manager and the unit trust funds under its management. The Board of Directors shall meet at least four (4) times in a year and more frequently should circumstances require it to ensure the objectives of the Funds are achieved within the relevant guidelines and mandates set.

**Board of Directors**

The list of our board of directors is available on our website at <https://www.interpac-asset.com.my/about-us/>.

**19. Amendment to Section 8.5 – Investment Committee in “Chapter 8 – The Management Company” on page 28 of the Master Prospectus**

The information in this section is hereby deleted in its entirety.

**20. Amendment to Section 8.6 – Designated Fund Manager for the Funds in “Chapter 8 – The Management Company” on pages 28 – 29 of the Master Prospectus**

The information on the designated fund manager is hereby deleted in its entirety and replaced with the following:

David Lai Yoon Hui

Mr Lai has a total of 11 years of working experience in investment research and fund management. He started his career in 2012 at Inter-Pacific Research Sdn Bhd as an equity analyst, and was tasked with providing coverage on plantations, rubber products, medical examiner glove manufacturing, and small caps and also providing opinion on stock valuation, periodic sector review, and CPO price forecast. Subsequently, in 2014, he was transferred to Inter-Pacific Asset Management Sdn Bhd for the management of unit trust funds and private mandates and was primarily focusing on investment strategy based on the objectives and risk tolerance of the funds. He was a licensed fund manager's

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

representative with Inter-Pacific Asset Management from 1 May 2014 to 31 May 2017. He was also involved in the funds' performance evaluation and managed the risk associated with the securities held by the funds. In terms of client relationship, he provided guidance and foresight to investors on investment and economic inquiries.

In 2017, he returned to Inter-Pacific Research Sdn Bhd for the task of establishing a mentorship programme and providing guidance for new staff development. He was nominated for The Edge's Best Call Awards in 2018 for Hartalega Holdings Berhad, and one of the staff under the development programme clinched a Best Call Award for Uchi Technologies Berhad in 2017. In 2022, he participated in Bursa Market Talk, touching on global and Malaysian economic reviews and market outlooks. In June 2023, Mr. Lai has been transferred again to Inter-Pacific Asset Management Sdn Bhd to contribute his expertise and knowledge in the capital market industry.

**21. Amendment to “Chapter 8 – The Management Company” on page 29 of the Master Prospectus**

The statement in this section is hereby deleted in its entirety and replaced with the following:

*Further information on the Manager, Shariah Adviser and Fund Manager is available in the Manager's website at <https://www.interpac-asset.com.my>.*

**22. Amendment to Section 9.1– Background in “Chapter 9 – Shariah Adviser” on page 30 of the Master Prospectus**

The information on the background of the Shariah adviser is hereby deleted in its entirety and replaced with the following:

The information on Amanie Advisers Sdn Bhd is available on our website at <https://www.interpac-asset.com.my/about-us/>.

**23. Amendment to Section 9.3 – Designated Persons Responsible for Shariah Matters for the Fund in “Chapter 9 – Shariah Adviser” on pages 31 – 32 of the Master Prospectus**

The information on the profile of the Shariah team is hereby deleted in its entirety and replaced with the following:

The information on the profile of the Shariah team is available on our website at <https://www.interpac-asset.com.my/about-us/>.

**24. Amendment to Section 11.1 – Rights of a Unit Holder in “Chapter 11 – Salient Terms of the Deed” on page 34 of the Master Prospectus**

The information in item (f) of Rights of a Unit holder is hereby deleted in its entirety and replaced with the following:

(f) to receive the semi-annual and annual reports; and

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

**25. Amendment to Section 11.4 – Procedures to Impose / Increase the Direct and Indirect Fees and Charges in “Chapter 11 – Salient Terms of the Deed” on page 35 of the Master Prospectus**

The information on procedures to be taken to increase the direct charges and indirect fees from the current amount stipulated by the prospectus provided that it does not exceed the maximum charges/fees stipulated by the deed is hereby deleted in its entirety and replaced with the following:

The Manager may charge sale/repurchase charge and/or annual management fee that is higher than that disclosed in the Master Prospectus provided that:

- In respect of such an increase in annual management fee, the Manager has come to an agreement with the Trustee and 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;
- In respect of such an increase in the sale/repurchase charge, the Manager has given the Trustee a written notification of the increased charge and the effective date of the higher charge;
- The supplementary prospectus or replacement prospectus stating the increased charges and/or fees has been registered, lodged and issued thereafter;
- The period stipulated in the SC requirements for this purpose from the date of the supplementary prospectus or replacement prospectus has lapsed.

The Trustee may also charge an annual Trustee fee that is higher than that disclosed in the Master Prospectus provided that:

- The Trustee has come to an agreement with the Manager of the higher rate;
- 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;
- The supplementary prospectus or replacement prospectus stating the increased fees has been registered, lodged and issued thereafter;
- The period stipulated in the SC requirements for this purpose from the date of the supplementary prospectus or replacement prospectus has lapsed.

**26. Amendment to Section 11.5 – The Fund’s Expenses in “Chapter 11 – Salient Terms of the Deed” on pages 35 – 36 of the Master Prospectus**

(i) The information in item (d) is hereby deleted in its entirety and replaced with the following:

(d) fees for the valuation of any investment of the Fund;

(ii) The information in item (i) is hereby deleted in its entirety and replaced with the following:

(i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;

(iii) The information in item (m) is hereby deleted in its entirety and replaced with the following:

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

- (m) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;

**27. Amendment to Section 11.11 – Termination of Trust by the Manager in “Chapter 11 – Salient Terms of the Deed” on page 38 of the Master Prospectus**

- (i) The following new paragraph is hereby inserted immediately after the first paragraph:

Subject to the provisions of the relevant laws, the Manager may, without having to obtain the prior approval of the Unit holders, terminate the Fund if such termination:

- (a) is required by the relevant authorities; or
- (b) is in the best interests of Unit holders and the Manager in consultation with the Trustee deems it to be uneconomical for the Manager to continue managing the Fund.

Notwithstanding the aforesaid, if the Fund is left with no Unit holders, the Manager shall be entitled to terminate the Fund.

- (ii) The second paragraph is hereby deleted in its entirety and replaced with the following:

Upon the termination of the trust by the Manager, the Manager shall give to each Unit holder of the Fund being wound up a notice of such termination in accordance with the relevant laws; the Manager shall notify the existing Unit holders of the Fund in writing of the following options:

- (a) to receive the net cash proceeds derived from the sale of all the investment and assets of the Fund less any payment for liabilities of the Fund and any cash produce available for distribution in proportion to the number of units held by them respectively;
- (b) to use the net cash proceeds to invest in any other unit trust scheme managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- (c) to choose any other alternative as may be proposed by the Manager in accordance with the relevant laws and regulations.”

**28. Amendment to Section 11.12 – Unit holders’ Meeting in “Chapter 11 – Salient Terms of the Deed” on page 38 of the Master Prospectus**

The third paragraph of the information on Unit holders’ meeting is hereby deleted in its entirety and replaced with the following:

The quorum required for a meeting of the Unit holders of a fund shall be five (5) Unit holders of that fund, whether present in person or by proxy; however, if the fund has five (5) or less Unit holders, the quorum required for a meeting of the Unit holders of that fund shall be two (2) Unit holders, whether present in person or by proxy. If the meeting has been convened for the purpose of voting on a special resolution, the Unit holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation of that fund at the time of the meeting. If the fund has only one (1) remaining Unit holder, such Unit holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit holders.

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**

**29. Amendment to Section 12.2 – Related Party Transactions / Policy on Dealing with Conflicts of Interest in “Chapter 12 – Additional Information” on pages 39 – 40 of the Master Prospectus**

- (i) The second and third paragraphs of the information on related party transactions / policy on dealing with conflicts of interest is hereby deleted in its entirety and replaced with the following:

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

In making an investment transaction for the Funds, the Manager are obliged not to make improper use of its position in managing the Funds to gain, directly or indirectly, for the advantage of the Manager, or for any other person or to cause detriment to the Unit holders interests. If the interest of the directors or the person(s) or members of a committee undertaking the oversight function of the Funds conflict with the interests of the Funds, they will not be allowed to participate in the decision-making process in respect of the matter.

- (ii) The information on directors’ and substantial shareholders’ direct and indirect interest in other corporations carrying on a similar business is hereby deleted in its entirety.
- (iii) The information on dealing in securities by employees, directors and investment committee members is hereby deleted in its entirety and replaced with the following:

**Dealing in Securities by Employees, Directors and Members of a Committee Undertaking the Oversight Function of the Fund**

The Manager has in place a policy contained in its rules of business conduct, which regulates its employees’, directors’ and members of a committee undertaking the oversight function of the Fund’s securities dealings. An annual declaration, upon joining and as and when there are changes to interests or holdings of securities, are required of all employees, directors and members of a committee undertaking the oversight function of the Fund to ensure that there is no potential conflict of interest between their securities trading and the execution of their duties to the company.

**30. Amendment to “Chapter 14 – Documents Available for Inspection” on page 51 of the Master Prospectus**

The information in item (c) is hereby deleted in its entirety and replaced with the following:

- (c) The latest annual and semi-annual reports of the Funds;

**This First Supplementary Master Prospectus is dated 9 January 2024 and must be read together with the Master Prospectus dated 12 June 2018.**



# Master Prospectus

**INTERPAC  
DANA SAFI**

**INTERPAC  
DYNAMIC  
EQUITY  
FUND**

**INTERPAC  
CASH FUND**

This Master Prospectus is dated 12 June 2018

This Master Prospectus replaces and supersedes the Master Prospectus dated 23 July 2017.

The InterPac Dana Safi, InterPac Dynamic Equity Fund and InterPac Cash Fund have been constituted by way of a Deed dated 2 July 2007.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE MASTER 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 15.

## MANAGER

Inter-Pacific Asset Management Sdn Bhd (204709-U)

## TRUSTEE

RHB Trustees Berhad (573019-U)

**INTER-PACIFIC**  
ASSET MANAGEMENT SDN. BHD.  
(204709-U)



## RESPONSIBILITY STATEMENTS

This Prospectus has been reviewed and approved by the directors of Inter-Pacific Asset Management Sdn Bhd 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 the Prospectus false or misleading.

## STATEMENTS OF DISCLAIMER

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

The authorisation of the Funds, and registration of this Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the Funds 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 Inter-Pacific Asset Management Sdn Bhd responsible for the Funds 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 parts of its contents.

**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.**

## ADDITIONAL STATEMENTS

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 the Prospectus or the conduct of any other person in relation to the Funds.

**InterPac Dana Safi** has been certified as Shariah-compliant by Amanie Advisors Sdn Bhd, the Shariah Adviser appointed for the Fund.

# Contents

Section		Page
<b>1</b>	<b>CORPORATE DIRECTORY</b>	<b>4</b>
<b>2</b>	<b>GLOSSARY</b>	<b>5</b>
<b>3</b>	<b>FUND DETAILS</b>	<b>7</b>
3.1	Fund Objectives	7
3.2	Investment Policy	7
3.3	Investment Strategy	7
3.4	Authorised Investments	9
3.5	Valuation of Authorised Investment	10
3.6	Investment Restrictions	11
3.7	Shariah Screening Process	12
3.8	Policy on Gearing	14
<b>4</b>	<b>RISK FACTORS</b>	<b>15</b>
4.1	General Risks	15
4.2	Specific Risks	16
4.3	Risk Management	17
<b>5</b>	<b>FEES, CHARGES &amp; EXPENSES</b>	<b>18</b>
5.1	Charges Directly Incurred	18
5.2	Fees & Expenses Indirectly Incurred	18
5.3	Other Fees & Charges	19
5.4	Rebates and Soft Commissions	19
5.5	Goods and Services Tax	19
<b>6</b>	<b>TRANSACTION INFORMATION</b>	<b>21</b>
6.1	Pricing of Units	21
6.2	Calculation of NAV of the Fund	21
6.3	Selling Price	22
6.4	Repurchase Price	22
6.5	Qualified investor	22
6.6	Applications, Acceptance And Payment Mode	24
6.7	Submissions	24
6.8	Making Additional or Regular Investments	24
6.9	Redeeming/Repurchasing of Units	25
6.10	Cooling-Off Period	25
6.11	Where Units can be Purchased and Redeemed	25
6.12	Switching between Funds	25
6.13	Transfer Facility	26
6.14	Policy on Income Distribution	26
6.15	Policy on Rounding Adjustment	26
6.16	Financial Year End	26
6.17	The Deed	26
<b>7</b>	<b>CUSTOMER COMMUNICATION</b>	<b>27</b>
<b>8</b>	<b>THE MANAGEMENT COMPANY</b>	<b>28</b>
8.1	The Manager	28
8.2	Roles & Responsibility	28
8.3	Material Litigation	28
8.4	Board of Directors	28

<b>Section</b>		<b>Page</b>
8.5	Investment Committee	28
8.6	Designated Fund Manager for the Funds	28
<b>9</b>	<b>SHARIAH ADVISER</b>	<b>30</b>
9.1	Background	30
9.2	Roles & Responsibility	30
9.3	Designated Persons Responsible for Shariah Matters for the Fund	31
<b>10</b>	<b>THE TRUSTEE</b>	<b>33</b>
10.1	RHB Trustees Berhad	33
10.2	Experience in Trustee Business	33
10.3	Duties and Responsibilities of The Trustee	33
10.4	Litigation and Arbitration	33
10.5	The Trustee's Delegate	33
<b>11</b>	<b>SALIENT TERMS OF THE DEED</b>	<b>34</b>
11.1	Rights of a Unit Holder	34
11.2	Liabilities of a Unit Holder	34
11.3	Maximum Fees and Charges Permitted	34
11.4	Procedures to Impose/Increase the Direct and Indirect Fees and	35
11.5	The Fund's Expenses	35
11.6	Circumstances for Retirement, Removal or Replacement of Manager	36
11.7	Power of the Manager to Remove or Replace the Trustee	37
11.8	Retirement, Removal and Replacement of the Trustee	37
11.9	Powers of the Trustee to Remove or Retire the Manager	37
11.10	Termination of Trust by the Trustee	37
11.11	Termination of Trust by the Manager	38
11.12	Unit Holders' Meeting	38
<b>12</b>	<b>ADDITIONAL INFORMATION</b>	<b>39</b>
12.1	Approval and Conditions	39
12.2	Related Party Transactions / Policy on Dealing with Conflicts of Interest	39
12.3	Policy on Unclaimed Money or Unclaimed Distributions	40
<b>13</b>	<b>TAXATION ADVISER'S LETTER IN RESPECT OF THE TAXATION OF THE UNIT TRUST AND UNIT HOLDERS</b>	<b>41</b>
<b>14</b>	<b>DOCUMENTS AVAILABLE FOR INSPECTION</b>	<b>51</b>
<b>15</b>	<b>DIRECTORY OF SALES OFFICES</b>	<b>52</b>

# 1. Corporate Directory

## **The Manager**

Inter-Pacific Asset Management Sdn. Bhd.  
(204709-U)

### Registered Address

Lot 13-01A, Level 13,  
(East Wing), Berjaya Times Square,  
No. 1, Jalan Imbi,  
55100 Kuala Lumpur

Tel No: 03-2149 1999

### Business Address

West Wing, Level 13,  
Berjaya Times Square,  
No. 1, Jalan Imbi,  
55100 Kuala Lumpur

Tel No: 03-2117 1888

Fax No: 03-2142 6029

Email: [enquiry\\_ipam@interpac.com.my](mailto:enquiry_ipam@interpac.com.my)

Website: [www.interpac-asset.com.my](http://www.interpac-asset.com.my)

## **The Trustee**

RHB Trustees Berhad (573019-U)

### Registered Address

Level 9 Tower One,  
RHB Centre,  
Jalan Tun Razak,  
50400 Kuala Lumpur

### Business Address

Level 11 Tower Three,  
RHB Centre,  
Jalan Tun Razak,  
50400 Kuala Lumpur

Tel No: 03-9280 5933

Fax No: 03-9280 5934

Email: [rhbtrustees@rhbgroup.com](mailto:rhbtrustees@rhbgroup.com)

Website: [www.rhbgroup.com](http://www.rhbgroup.com)

## **Shariah Adviser**

Amanie Advisors Sdn Bhd (684050-H)

### Address

Level 33, Menara Binjai,  
No. 2, Jalan Binjai  
Off Jalan Ampang,  
50450 Kuala Lumpur

Tel No: 03-2181 8228

Fax No: 03-2181 8219

Email: [info@amanieadvisors.com](mailto:info@amanieadvisors.com)

Website: [www.amanieadvisors.com](http://www.amanieadvisors.com)

## 2. Glossary

<b>Bursa Malaysia</b>	Bursa Malaysia Securities Berhad (635998-W).
<b>Business Day</b>	A day on which Bursa Malaysia is open for trading.
<b>Repurchase Price per Unit</b>	NAV per Unit of the Fund and the price at which the Manager buys/repurchases units from Unit holders.
<b>Cooling – off Right</b>	A cooling-off right refers to the right of an individual Unit holder to obtain a refund of his investment in the fund if he so requests within 6 Business Days from the day the initial application for units is received by the Manager. This right is only given to an individual investor who is investing in any unit trust fund managed by the Manager for the first time and such cooling-off right is not given to: (a) a staff of the Manager; and/or (b) a person registered with a body approved by the SC to deal in unit trust. When a Unit holder who is entitled to a cooling-off right exercises such right during the cooling-off period, the entitled amount must be refunded within 10 days of receipt of the cooling-off application by the Manager.
<b>Deed</b>	The Deed dated 2 July 2007 as amended by the first supplemental deed dated 2 May 2018, including any other supplemental deed(s) thereto, relating to InterPac Dana Safi, InterPac Dynamic Equity Fund & InterPac Cash Fund.
<b>FIMM</b>	Federation of Investment Managers Malaysia.
<b>Forward Pricing</b>	The Repurchase Price/Selling Price for units which is the NAV per Unit of the fund as at the next valuation point, after the request for redemption/purchase is received by the Manager.
<b>Funds</b>	Collectively, InterPac Dana Safi, InterPac Dynamic Equity Fund and InterPac Cash Fund and a “Fund” means any one of them.
<b>Guidelines or SC Guidelines</b>	Any relevant and applicable guidelines issued by the Securities Commission Malaysia as may be amended from time to time.
<b>IDS</b>	InterPac Dana Safi.
<b>IDEF</b>	InterPac Dynamic Equity Fund.
<b>ICF</b>	InterPac Cash Fund.
<b>Liquid Assets</b>	Cash, deposits with licensed institutions and/or other institutions licensed or approved to accept deposits and any other instrument capable of being converted into cash within seven (7) days as may be approved by the Trustee.

<b>Latest practicable date (LPD)</b>	30 April 2018, being the latest practicable date for the purposes of ascertaining certain information contained in this prospectus.
<b>Long Term</b>	Means an investment horizon of more than three (3) years.
<b>Medium Term</b>	Means an investment horizon of more than one (1) year but not exceeding three (3) years.
<b>Manager or IPAM</b>	Inter-Pacific Asset Management Sdn Bhd (204709-U).
<b>MBB Overnight Rate</b>	Malayan Banking Berhad Overnight Rate.
<b>NAV</b>	Determined by deducting the value of all the fund's liabilities from the value of all the fund's assets, at the valuation point.
<b>NAV per Unit</b>	NAV of a fund at a particular valuation point divided by the number of Units in circulation at the same valuation point.
<b>Prospectus</b>	This Master Prospectus.
<b>SC</b>	Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
<b>Selling Price per Unit</b>	NAV per Unit of the Fund and the price at which the Manager sells the Units to the Unit holder.
<b>Short Term</b>	Means an investment horizon of one (1) year or less.
<b>Shariah Committee / Shariah Adviser</b>	Any Shariah Committee/Shariah Adviser appointed for a fund which includes its permitted assigns, successors in title and any new or replacement adviser.
<b>Trustee</b>	RHB Trustees Berhad (573019-U).
<b>Units in circulation</b>	Refers to the total number of units created and fully paid for and which have not been cancelled.
<b>Unit holder</b>	The person registered for the time being as a holder of units including persons jointly so registered in accordance with the provisions of the Deed.

### 3. Fund Details

<b>The Fund</b>	InterPac Dana Safi	InterPac Dynamic Equity Fund	InterPac Cash Fund
<b>Fund Category &amp; Type</b>	Equity – Shariah/ Growth	Equity – Conventional/ Growth	Money Market/ Income
<b>Benchmark</b>	6% per annum	6% per annum	MBB Overnight Rate
<b>Source obtainable</b>	Fund's annual report and monthly fund factsheet	Fund's annual report and monthly fund factsheet	Maybank (www.maybank2U.com)

#### 3.1 FUND OBJECTIVES

##### **InterPac Dana Safi**

The Fund seeks to maximise capital gain by investing principally in Shariah compliant securities listed on Bursa Malaysia. It has a flexible asset allocation strategy and may invest in Shariah compliant fixed income securities and Islamic money market instruments to meet its objective over the medium to long term.

##### **InterPac Dynamic Equity Fund**

The Fund seeks to maximize capital gain by investing principally in counters listed on Bursa Malaysia. It has a flexible asset allocation strategy and may invest in fixed income securities and money market instruments to meet its objective over the medium to long term.

##### **InterPac Cash Fund**

The Fund seeks to provide a reasonable return with high degree of liquidity by investing in money market / short-term debt instruments.

**Any material changes to the Fund's investment objective would require Unit holders' approval.**

#### 3.2 INVESTMENT POLICY

Our investment policy is based on the belief that investment in any type or class of assets should be primarily based on fundamental

research. Both the top-down and bottom-up approach is used effectively based on our own experience. We will seek to identify stocks trading at a discount from their fair value and decide to buy the stocks and subsequently to sell the stocks once prices are at a premium.

The investment process normally begins with a top-down appraisal of the economy resulting in the asset allocation process, while the stock selection process in the portfolio is a result of the bottom-up approach. These two approaches often complement one another.

#### 3.3 INVESTMENT STRATEGY

##### **InterPac Dana Safi**

IDS is an actively managed Islamic equity fund to achieve its goal of maximising capital gains by investing in Shariah compliant securities listed on Bursa Malaysia. In seeking to achieve its investment objective, between 70% to 95% of the Fund's NAV may be invested in shares that conform to the principles of Shariah. It also has a flexible asset allocation and may also invest in sukuk to help generate returns where yields are attractive and interest rates trends are favourable. Investment portfolio of the Fund comprises instruments which have been classified as Shariah compliant by the Shariah Advisory Council (SAC) of the SC or the SAC of Bank Negara Malaysia (BNM). For instruments that are not classified as Shariah compliant by the SAC of the SC or the SAC of BNM, the status of the instruments has

been determined in accordance with the ruling issued by the Shariah adviser.

The allocations to sukuk are raised when weaknesses in the equity market are anticipated and conversely, when equity markets are expected to perform well, the funds are reallocated from debt securities to equities.

The main risks in investing in the Fund are market risk, credit risk, manager risk and Shariah non-compliance risk. Although the Fund is an Islamic fund, it may also be affected by fluctuations in interest rates that affect the general market as a rise in the general level of interest rates will have a direct impact on the rate of returns in sukuk.

The Fund may also invest in Shariah compliant unlisted securities with attractive potential returns especially in companies seeking listing on Bursa Malaysia in the near term. In order to mitigate risks associated with equities, the Fund may invest in Islamic futures and options contracts as a hedge against market volatility.

The Fund's flexible asset allocation strategy would allow the Fund to switch all assets into debt and money market instruments in the event of a prolonged market decline.

The frequency of the Fund's trading is very much depending on strategies and market conditions.

#### **InterPac Dynamic Equity Fund**

IDEF is actively managed to achieve its goal of maximising capital gain by investing in stocks listed in Bursa Malaysia. In seeking to achieve its investment objective, between 70% to 95% of the Fund's NAV may be invested in shares. It has a flexible asset allocation and may also invest in fixed income securities to help generate returns where yields are attractive and interest rates trends are favourable. The allocations to fixed income securities are raised when weaknesses in the equity market is anticipated and conversely, when equity markets are expected to perform well, the funds are reallocated from fixed income securities to equities.

The main risks in investing in the Fund are market risk, credit risk, manager risk and interest rate risk.

The Fund may also invest in unlisted securities with attractive potential returns especially in companies seeking listing on Bursa Malaysia in the near term.

In order to mitigate risks associated with equities, the Fund may invest in futures and options contracts as a hedge against market volatility.

The Fund's flexible asset allocation strategy would allow the Fund to switch all assets into debt and money market instruments in the event of a prolonged market decline.

The frequency of the Fund's trading is very much depending on strategies and market conditions.

#### **InterPac Cash Fund**

ICF is a conservative money market fund, which aims to provide reasonable return with high level of liquidity by investing primarily in a portfolio of money market and short-term debt instruments. In seeking to achieve its investment objective, not less than 90% of the Fund's NAV will be invested in money market instruments. These instruments include treasury bills, banker's acceptances as well as other short-term instruments maturing within 365 days with a minimum credit rating of "P2" or "MARC2" by RAM Rating Services Berhad (RAM) or Malaysian Rating Corporation Berhad (MARC) respectively. The remaining of up to 10% of the Fund's NAV will be invested in short term instruments with an average maturity of not more than 732 days.

Since the Fund's investment is short term in nature, the Fund is exposed to minimal interest rate and liquidity risks. The main risk associated with the Fund is credit risk. However, this factor is mitigated by the fact that not less than 90% of the Fund's NAV are invested in instruments or debt papers that have a minimum credit rating of "P2" or "MARC2" by RAM Rating Services Berhad (RAM) or Malaysian Rating Corporation Berhad (MARC) respectively. The Fund will be managed in a manner that potential risks are adequately mitigated by diversification



in terms of stringent credit risk assessment, asset allocation, sectoral exposure and the duration of the investments.

Its main objective is entirely to provide reasonable returns while maintaining high level of liquidity.

In cases where the ratings are downgraded below the level set, the fund manager will reassess the associated risks and all relevant factors in protecting the value of the Fund before deciding to dispose off the instruments or debt papers.

**Investment in the Fund is not the same as placement in a deposit with a financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.**

### 3.4 AUTHORISED INVESTMENTS

#### **InterPac Dana Safi**

The Manager for IDS may invest in the following instruments, subject to the Deed, the Fund's objective and requirements of the SC or any other regulatory body: -

- a) Shariah compliant ordinary shares and other Shariah compliant equity-related securities listed on Bursa Malaysia.
  - b) Shariah compliant unlisted securities that have been permitted by SC for listing by way of private placement as provided in the Guidelines.
  - c) Islamic liquid assets, unlisted sukuk and Islamic commercial papers traded in money market.
  - d) Malaysian government securities, treasury bills, Bank Negara bills, government investment certificates and other government approved/guaranteed issues that are Shariah-compliant.
  - e) Corporate sukuk, either bank guaranteed or carrying at least an A3 rating by RAM Rating Services Berhad (RAM) or A- by Malaysian Rating Corporation Berhad (MARC), Cagamas Islamic bonds, banker's acceptance and Islamic listed loan stocks.
  - f) Any other Islamic collective investment scheme as provided for in the Guidelines.
- g) Any Islamic futures contract and Islamic options traded in the futures and options market on an exchange company permitted, or exempt futures market declared by the Minister under the Capital Markets and Services Act 2007.
  - h) Any other investments approved by SC and agreed upon by the Manager and Trustee subject always that these investments are Shariah-compliant as determined by the Shariah Adviser of the Fund.

#### **InterPac Dynamic Equity Fund**

The Manager for IDEF may invest in the following instruments, subject to the Deed, the Fund's objective and requirements of the SC or any other regulatory body: -

- a) Ordinary shares and other equity-related securities listed on Bursa Malaysia.
- b) Unlisted securities that have been permitted by SC for listing by way of private placement as provided in the Guidelines.
- c) Liquid assets, unlisted fixed income securities and commercial papers traded in the money market.
- d) Malaysian government securities, treasury bills, Bank Negara bills, government investment certificates and other government approved/guaranteed issues.
- e) Corporate bonds, either bank guaranteed or carrying at least an A3 rating by RAM Rating Services Berhad (RAM) or A- by Malaysia Rating Corporation Berhad (MARC), Cagamas bonds, banker's acceptance and listed loan stocks.
- f) Any other collective investment scheme as provided for in the Guidelines.
- g) Any futures contract and options traded in the futures and options market on an exchange company permitted, or an exempt futures market declared by the Minister under the Capital Markets and Services Act 2007.
- h) Participate in lending of securities as permitted under the Guidelines on Securities Borrowing and Lending.
- i) Any other investments permitted by SC and agreed upon by the Manager and Trustee.

## InterPac Cash Fund

The Manager for ICF may invest in the following instruments, subject to the Deed, the Fund's objective and requirements of the SC or any other regulatory body: -

- a) Liquid assets, unlisted fixed income securities and commercial papers traded in money market.
- b) Malaysian government securities, treasury bills, Bank Negara bills, government investment certificates and other government approved/guaranteed issues.
- c) Corporate bonds, either bank guaranteed or carrying at least a A3 or A- rating by RAM Rating Services Berhad (RAM) or Malaysian Rating Corporation Berhad (MARC) respectively, and P2 or MARC2 for short term issues rated by RAM Rating Services Berhad (RAM) or Malaysian Rating Corporation Berhad (MARC) respectively, Cagamas bonds, banker's acceptance and listed loan stocks.
- d) Any other collective investment schemes as provided for in the Guidelines.
- e) Any futures contract and options traded in the futures and options market on an exchange company approved, or an exempt futures market declared by the Minister under the Capital Markets and Services Act 2007.
- f) Any other investments approved by SC and agreed upon by the Manager and the Trustee.

### 3.5 VALUATION OF AUTHORISED INVESTMENT

The Fund shall adopt the basis for valuation of investments prescribed in the SC's Guidelines on Unit Trust Funds.

#### (a) Unlisted debt securities/ sukuk

Funds investing in Ringgit-denominated bonds/ sukuk shall value bond/ sukuk portfolios on a daily basis using fair value prices quoted by a bond/sukuk pricing agency (BPA) registered with the SC.

Where a management company is of the view that the price quoted by BPA

for a specific bond/ sukuk differs from the "market price" by more than 20 basis points, the management company may use the "market price", provided that the management company:

- i) records its basis for using a non-BPA price;
- ii) obtains necessary internal approvals to use the non-BPA price; and
- iii) keeps an audit trail of all decisions and basis for adopting the "market yield".

#### (b) Collective investment schemes/ Islamic collective investment schemes

The value of any investments in collective investment schemes/ Islamic collective investment schemes, which are quoted on an approved exchange, shall be calculated in the same manner as other listed securities/ Shariah compliant listed securities described above. When investing in unlisted open-ended unit trusts, the value shall be determined by reference to the management company's last published NAV price per unit or share of such collective investment scheme/ Islamic collective investment scheme that is available for that unit trust fund. If the Manager is of the opinion that the valuation principles as set out in the Deed do not properly reflect the realisable value of the Fund's asset, that investment shall be valued in accordance with another principle determined by the Manager, and verified by the Trustee.

#### (c) Cash/ fixed deposits/ Islamic deposits

The value of such investments, which are deposits/ Islamic deposits placed with banks and other financial institutions, shall be determined each day by reference to their nominal values and the accrued interest/profit thereon for the relevant period.

#### (d) Listed Securities/ Shariah compliant listed securities

The value of such investments, which are quoted on an approved exchange, shall be calculated based on the end-of-day closing market price of the approved exchange. However, if: -

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

then the securities/ Shariah compliant securities should be valued at fair value, as determined in good faith by the Manager based on the methods or basis approved by the Trustee after appropriate technical consultation.

**(e) Any other investment/ Shariah compliant investment**

The value of such investment/ Shariah compliant investment will be the fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

### 3.6 INVESTMENT RESTRICTIONS

**InterPac Dana Safi & InterPac Dynamic Equity Fund**

In line with SC's Guidelines, the Funds (IDS and IDEF), will be managed in accordance with the following investment restrictions:

**(a) General**

- i) No restrictions or limits for securities/ Shariah compliant securities issued or guaranteed by the Malaysian government or Bank Negara Malaysia;
- ii) Liquid assets/ Islamic liquid assets must be held in the form of cash, deposits/Islamic deposits with licensed financial institutions/Islamic financial institutions and/or other institution/Islamic institution licensed, approved to accept deposits/Islamic deposits or any highly liquid instrument/Islamic instrument convertible into cash within seven (7) days (as may be approved by the Trustee).

**(b) Exposure Limit**

The value of the Fund's investments in unlisted securities/ Shariah compliant unlisted securities must not exceed 10% of the Fund's NAV.

**(c) Investment Spread Limits**

- i) The value of the Fund's investments in ordinary shares/ Shariah compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- ii) The value of the Fund's investments in transferable securities/ Shariah compliant transferable securities and money market instruments/ Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
- iii) The value of the Fund's placement in deposits/ Islamic deposits with any single institution/Islamic institution must not exceed 20% of the Fund's NAV.
- iv) The aggregate value of the Fund's investments in transferable securities/ Shariah compliant transferable securities, money market instruments/ Islamic money market instruments and deposits/ Islamic deposits issued by or placed with (as the case may be) any single issuer/institution/Islamic institution must not exceed 25% of the Fund's NAV.
- v) The value of the Fund investments in units/shares of any collective investment scheme/ Islamic collective investment scheme must not exceed 20% of the Fund's NAV.
- vi) The value of the Fund's investments in transferable securities/ Shariah compliant transferable securities and money market instruments/ Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.

**(d) Investment Concentration Limits**

- i) The Fund's investments in transferable securities/ Shariah compliant transferable securities (other than debentures/ sukuk) must not exceed 10% of the securities/ Shariah compliant securities issued by any single issuer.
- ii) The Fund's investments in money market instruments/ Islamic money

market instruments must not exceed 10% of the instruments issued by any single issuer.

(Note: The limit in the above para (ii) does not apply to money market instruments/ Islamic money market instruments that do not have a pre-determined issue size.)

- iii) The Fund's investments in collective investments schemes/ Islamic collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme/ Islamic collective investment scheme.

- ii) The Fund's investments in collective investments schemes must not exceed 25% of the units / shares in any collective investment scheme.

**Subject to the SC Guidelines and/or SC's approval (if any) these restrictions as set herein shall be complied with at all times. However, a 5% allowance is permitted due to fluctuations of the investments or due to repurchase of units or payment made from the Fund. The Manager shall within a reasonable period of not more than three (3) months from the date of breach, take all necessary steps and actions to rectify the breach.**

### InterPac Cash Fund

In line with SC's Guidelines, the Fund (ICF) will be managed in accordance with the following investment restrictions:

#### (a) Exposure Limits

- i) The value of the Fund's investments in permitted investments must not be less than 90% of the Fund's NAV.
- ii) The value of the Fund's investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV.
- iii) The value of the Fund's investments in permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days must not exceed 10% of the Fund's NAV.

#### (b) Investment Spread Limits

- i) The value of the Fund's investments in money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV.
- ii) The value of the Fund's placement in deposits with any single financial institution must not exceed 20% of the Fund's NAV.
- iii) The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV.

#### (c) Investment Concentration Limits

- i) The Fund's investments in money market instruments must not exceed 20% of the instruments issued by any single issuer.

### 3.7 SHARIAH SCREENING PROCESS (Applicable to IDS only)

Starting on November 2013, a new revised Shariah Screening Methodology that has been announced by the Securities Commission of Malaysia (SC) on June 18, 2012 will be applied as a screening method for Shariah compliant securities. This revised methodology comprised of two-tier approach to the quantitative assessment which applies the business activity benchmarks and the newly-introduced financial ratio benchmarks while at the same time maintaining the qualitative assessment. This new screening methodology will replace the current four stages of Shariah screening methodology.

According to the SC, this revision is in line with the SC's initiatives to further build scale in the Shariah-compliant equity and investment management segments as well as expand the Islamic capital market's (ICM) international reach, as outlined in the Capital Market Masterplan 2.

The changes are as follow:

Quantitative Assessment	Revised Shariah Screening Methodology	Previous Shariah Screening Methodology
Business activity benchmarks	<ul style="list-style-type: none"> <li>• 5%</li> <li>• 20%</li> </ul>	<ul style="list-style-type: none"> <li>• 5%</li> <li>• 10%</li> <li>• 20%</li> <li>• 25%</li> </ul>

Financial ratio benchmarks	<ul style="list-style-type: none"> <li>• 33%</li> </ul>	Not Applicable
----------------------------	---	----------------

The business activities benchmarked at 5% are as follow:

- conventional banking;
- conventional insurance;
- gambling;
- liquor and liquor-related activities;
- pork and pork-related activities;
- non-halal food and beverages;
- Shariah non-compliant entertainment;
- tobacco and tobacco-related activities;
- interest income from conventional accounts and instruments;
- dividends from Shariah non-compliant investments; and
- other activities deemed non-compliant according to Shariah.

Whereas the business activities benchmarked at 20% are listed as follow:

- share trading;
- stockbroking business;
- rental received from Shariah non-compliant activities; and
- other activities deemed non-compliant according to Shariah

In the revised Shariah stock screening methodology, the financial ratio benchmarks are applied as follows:

Example:

1.	Company A listed on Main Market, Bursa Malaysia	Shariah non-complaint activity	Previous methodology (10% benchmark)	Revised methodology (5% benchmark)
	Business activities: Property development, trading of building materials and manufacture and distribution of cigarettes (tobacco)	Tobacco's revenue/ Group revenue = 9%	Status: Shariah compliant	Status: Shariah non-compliant

1. Cash over Total Assets
  - a. Cash only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation
2. Debt over Total Assets
  - a. Debt will only include interest bearing debt whereas Islamic financing or sukuk will be excluded from the calculation.

Both ratio mentioned above, must be lower than 33%. Rationale of having the ratio are to measure Shariah non-compliant activities such as riba and riba-based elements within a company's balance sheet.

The previously Shariah compliant status companies that used the previous four-stages benchmarking method might be highly affected. (1) Companies with mixed activities which are previously assessed under the 10% or 25% benchmarks may be affected because their activities are now assessed under the 5% or 20% benchmarks. (2) Whereas the companies with high level of conventional debt may be affected as previously there is no screening based on the total conventional debt of the company.

2.	Company B listed on Main Market, Bursa Malaysia  Business activities: Property development, trading of building materials and construction works	<b>Level of conventional debt</b>	<b>Previous methodology (not applicable)</b>	<b>Revised methodology (33% benchmark)</b>
		Total conventional debt/ Group total asset = 36%	Status: Shariah compliant	Status: Shariah non-compliant

The streamlining of the business activity benchmarks and the inclusion of the financial ratio benchmarks will enhance the robustness of the screening methodology for listed securities and, in turn, is expected to bolster the competitiveness of the Malaysian Islamic equity market and Islamic fund management industry.

Please note that the investment portfolio of the Fund will comprise instruments that have been classified as Shariah-compliant by the Shariah Advisory Council of the SC ("SACSC") or the Shariah Advisory Council of Bank Negara Malaysia ("BNM"). For instruments that are not classified as Shariah-compliant by the SACSC or the Shariah Advisory Council of BNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah adviser.

#### Cleansing/ Purification Process for IDS

##### (1) Cleansing process for IDS

##### (a) Shariah non-compliant Investment

Shariah non-compliant investment made by the Manager will be disposed of or withdrawn as soon as possible. In the event the investment results in gain (through capital gain and/or dividend), the gain is to be channelled to Baitulmal or any other charitable bodies as advised by the Shariah advisers. If the disposal of the investment results in losses to IDS, the losses are to be borne by us.

##### (b) Reclassification of Shariah Status of IDS's Investment

If a security is reclassified as Shariah non-compliant by the SACSC as per the Shariah adviser's advice, the said security shall be disposed of soonest practical, once the total amount of dividends received and the market value held equal the original investment costs.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept

by IDS. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channelled to Baitulmal or any charitable bodies as advised by the Shariah Adviser.

##### (c) Purification of cash dividend

The cleansing process is the means by which all remaining elements of non-permissible income are removed or purged from a portfolio through dividend cleansing. The process applies mainly to non-permissible income as per SC Shariah compliant securities screening methodology and should be disposed according to the same methodology of SC. The cleansed income shall be channelled to charities as approved by the Shariah Adviser.

### 3.8 POLICY ON GEARING

The Funds shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the Guidelines, the Deed or other laws or regulations pertaining to the Funds.

## 4. Risk Factors

This section of the Prospectus provides you with information on the general risks involved when investing in a unit trust fund and the specific risks associated with the securities/instruments that the Fund will be investing in.

### 4.1 GENERAL RISKS

- **Market risk**

This risk refers to fluctuations in the market due to changes and developments in the economic climate, political stability and technology of the country. This risk can be reduced by investing in a well-diversified portfolio of securities from the different market sectors.

- **Loan financing risk**

This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event units are used as collateral, you may be required to top-up your existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.

- **Liquidity risk**

This risk refers to the ease of converting an investment into cash without incurring an overly significant loss in value. If a unit trust fund has a large portfolio of stocks issued by smaller companies, the relatively less liquid nature of those stocks can cause the value of the fund to drop. This is because there are generally less ready buyers of such stocks as compared with the stocks of larger and more established companies. This risk is managed by taking greater care in stock selection and diversification.

- **Management company risk**

This risk arises when the Manager does not adhere to the investment mandate of a fund. However, this risk is greatly reduced by the presence of the fund's Trustee, whose duty is to ensure that the fund's investment mandate is complied with. Poor

management of the Manager may jeopardise the unit trust fund's performance.

- **Non-compliance risk**

This risk refers to a lack of fiduciary duty on the part of the management company to ensure compliance with laws, rules and regulations, internal policies and procedures or work ethics standards to the best interest of the Unit holders. In order to mitigate this risk, a dedicated compliance unit and effective compliance procedures should be implemented and monitored to ensure the management company and its fund manager comply with the relevant laws and guidelines at all times.

- **Inflation risk**

This is the risk that investors' investment in the 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.

- **Risks of Shariah non-compliance**

Investments in Islamic funds are subject to the list of Shariah compliant securities approved by the Shariah adviser/Committee. The fund manager invests in securities based on this list and there is a possibility that any securities might be removed from the list when the list is reviewed by the relevant agencies/Shariah Adviser. When the securities are no longer Shariah-compliant, the fund manager would have to dispose-off such securities and the fund may potentially suffer losses due to the disposal of the Shariah non-compliant securities.

### 4.2 SPECIFIC RISKS

The specific risks associated with investing in the Funds are market risk, credit/default risk, interest rate risk, liquidity risk and specific stock risk.

Risk Type	IDS	IDEF	ICF
Market Risk	✓	✓	
Credit/Default Risk	✓	✓	✓
Interest Rate Risk	✓	✓	✓

Liquidity Risk	✓	✓	✓
Specific Stock Risk	✓	✓	

- **Market Risk**

This will arise when prices of stock/shares, bonds and money market instruments fluctuate due to various factors such as changes in the prevailing economic conditions, industry trends, political and social environment and movement of foreign financial markets. This fluctuation will cause the NAV or unit prices to fall or rise and likewise affect the income portion of the Fund.

To mitigate this risk the fund manager will monitor the financial markets closely and act on any adverse news accordingly.

- **Credit/Default Risk**

This will arise when the borrower or issuer of money market instruments or other fixed income securities default on its obligations to pay interest/profit and repay the principal amount borrowed. This may cause the value of the Fund to be affected.

To mitigate this risk the fund manager will set limits to each exposure and will regularly monitor the credit worthiness of the company they invest in.

- **Interest Rate Risk**

This risk, which is related to a drop in the price of money market instruments and other fixed income securities when interest rate rises and vice-versa, will have an impact on the NAV or unit prices. The magnitude of the drop in price is normally greater for longer-term securities rather than shorter-term securities as they are more sensitive to interest rate changes.

An Islamic fund may also be affected by fluctuations in interest rates that affect the general market as a rise in the general level of interest rates will have a direct impact on the rate of return in Shariah-compliant fixed income securities.

To mitigate this risk, the fund manager will monitor the duration structure of the fixed income portfolio.

- **Liquidity Risk**

This risk is normally associated with low volume of trade, as some investments are not as liquid as deposits, making it difficult to dispose off at a desired price. Should an investment become illiquid, it may be sold at a discount to its fair value, causing the NAV to fall. This risk is more pertinent for investments in smaller companies, as there are relatively less ready buyers of such stocks/shares compared with bigger and more established companies.

To mitigate this risk, the fund manager will exercise care in selecting the right mix of stocks/shares.

- **Specific Stock risk**

This risk is associated with large fluctuations in the prices of stocks/shares of any of the companies that the Fund invest in thereby causing the NAV or unit prices to fluctuate accordingly. Fluctuations are caused by the performance and the prospects of individual companies.

To mitigate such risk, the fund manager will monitor closely the price movement of the companies they invest in and will take immediate steps to alter the mix when necessary. The impact of an individual stock/share is managed by the fund manager by having a diversified portfolio and an asset allocation plan that includes both liquid assets/cash.



### 4.3 RISK MANAGEMENT STRATEGIES

The Manager engaged in stringent fundamental and financial analysis on companies that the Fund intends to invest and/or have invested in. This is to mitigate the risk of the Fund investing into companies that may subsequently face financial difficulties and/or experience business failures.

The Manager ensures compliance and adherence to the authorised investments and restrictions stipulated under Sections 3.4 and 3.6 respectively of this Prospectus, and those imposed by the SC. This is to ensure that there are no breaches to any laws, regulations and guidelines. In addition, this will also ensure that the Fund will not have concentration risk to a particular company or group of companies.

During the period when the Manager believes that they are systemic risks in the equity market, the Manager has the discretion to allocate up to 100% of the Fund's equity investment into other asset classes such as fixed income securities, money market instruments, and deposits with financial institutions.

#### Temporary Defensive Positions

The Manager may adopt temporary defensive positions to protect the Funds' investments to respond to adverse market, political or economic conditions by holding up to all of the Funds' NAV in assets that may be inconsistent with the Funds' investment strategy and asset allocation such as deposits/Islamic deposits and money market instruments/Islamic money market instruments. The defensive positions may be adopted for a time period as the Manager considers appropriate with prior notification to the Trustee.

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

## 5. Fees, Charges & Expenses

This part of the Prospectus informs investors about the fees & charges involved.

The Manager may, for any reason at any time, waive or reduce the amount of any fees (except for trustee fee) or other charges payable by Unit holders in respect of any Fund. This may apply either generally (for all investors) or specifically (for any particular investor) and for any period or periods of time at the Manager's discretion.

### 5.1 CHARGES DIRECTLY INCURRED

#### Sales Charge

The maximum sales charge imposed by IUTA, CUTA, unit trust consultants, representatives and any other entities authorised by the Manager to market and distribute IDS/IDEF will be up to 5.00% of the NAV per Unit and ICF will be up to 1.00% of the NAV per Unit.

Note: All sales charge will be rounded up to two (2) decimal places.

#### Illustration (IDS/IDEF) of calculation of the sales charge (exclusive GST)

Let's assume that a Unit holder wishes to invest RM10,000.00 in the Fund. A sales charge of 5.00% of the NAV per Unit is imposed and selling price per Unit at RM0.50. The **sales charge (exclusive GST)** is calculated as follows:

Number of Units received:  
= Investment amount/Selling Price per unit  
= RM10,000/RM0.50  
= 20,000 units

Sales charge paid by Unit holder:  
= Sales charge X Selling Price per unit X number of Units received  
= 5.00% X RM0.50 X 20,000 units  
= RM 500.00

Note: The Manager will impose the sales charge 30 days after the date of this Prospectus.

#### Repurchase Charge

The Manager does not intend to impose any repurchase charge.

Note: The Manager will not impose any repurchase charge 30 days after the date of this Prospectus.

### 5.2 FEES & EXPENSES INDIRECTLY INCURRED

#### Annual Management Fee

The Manager is entitled to an annual management fee which is chargeable based on the following rate/s:

IDS/IDEF - For each Fund, 1.50% per annum of NAV.  
ICF - 0.30% per annum of NAV.

The fee is calculated and accrued on a daily basis and payable to the Manager on a monthly basis.

#### Illustration (ICF) of calculation of the management fee on XXX date

Management fee on XXX date = NAV x annual management fee rate for the Fund (%) / 365 days

Assuming that we compute the management fee for ICF on XXX date. The annual management fee for ICF is 0.30% per annum of the NAV of the Fund. Assuming also that the NAV of ICF as at XXX date is RM10 million.

	<b>RM</b>
Management fee on XXX date is	10,000,000 x 0.30% / 365 days
	RM82.19

For each Fund, the annual management fee will be paid out of the Fund and will be calculated based on the NAV of the Fund and accrued on a daily basis. The Manager will use the annual management fee for,

among others, pay staff salaries and daily general administrative overhead expenses.

### Trustee Fee

The Trustee is entitled to an annual trustee fee based on the following rate:

IDS/IDEF/ICF - For each Fund, 0.07 % per annum of NAV.

This fee is calculated and accrued on a daily basis and payable to the Trustee on a monthly basis.

### Illustration (IDS/IDEF/ICF) of the calculation of the trustee fee on XXX date

Trustee fee on XXX date = NAV x trustee fee rate for the Fund (%) / 365 days

Computation for the calculation of the trustee fee on XXX date is as follows: -

Assuming the NAV of the Fund as at XXX date is RM10,000,000 and the annual trustee fee is 0.07% of the NAV.

#### The trustee fee on XXX date

= RM10,000,000 x 0.07%/365

= RM19.18

The annual trustee fee for each Fund will be paid out of the Fund and will be calculated based on the NAV of the Fund and accrued on a daily basis.

## 5.3 OTHER FEES & CHARGES

### The Fund's Expenses

Please refer to Section 11.5: The Fund's Expenses

### Transfer Fee

Unit holders are allowed to transfer their unit holdings subject to the terms and conditions as spelt out in the Deed. The transfer is allowed within the same Fund by completing a Transfer Form and signed by both the transferor and the transferee. The

Manager will impose a fee of RM5.00 per transfer.

### Switching Fee

Switching is a facility which enables Unit holders to convert the units that he holds in a Fund to units of other unit trust fund managed by the Manager. The units converted will be valued at the Repurchase Price of those units or at NAV of the Fund.

Effective from 24 July 2008, the switching fee for IDS, IDEF and ICF is waived.

### Other Charges

In executing investor's transaction, charges and expenses including but not limited to bank charges, telegraphic transfer charges and courier charges are to be borne by the investors.

The Manager reserves the right to vary such conditions from time to time, which shall be communicated to investors in writing.

## 5.4 REBATES AND SOFT COMMISSIONS

The Manager will not retain any form of rebates and soft commissions received from any broker in consideration for dealings in the investment of the Funds.

However, soft commission received for goods and services which are of demonstrable benefit to Unit holders and in the form of research and advisory services that assist in the decision making process relating to the Funds' investments may be retained for the benefit of the Funds under management.

All dealings with brokers or dealers will be done based on terms which are most favourable to the Funds.

## 5.5 GOODS AND SERVICES TAX

Pursuant to the implementation of GST with effect from 1 April 2015, all fees and charges which are incurred by the Fund and

payable to the Manager, the Trustee and/or other service providers are subject to GST, where applicable. As at the date of the Prospectus, GST is set at a rate of 0% by the government.

Where GST is applicable to the extent that services is provided to the Fund and/or the Unit Holders, the amount of GST payable on any related fee, charge and/or expense will be borne by the Unit Holder and/or the Fund, as the case may be, in addition to the applicable fees, charges and expenses stated in this Prospectus.

**The Manager and the Trustee must ensure that any fees or charges to be incurred or incurred are in accordance with the Deed.**

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

## 6. Transaction Information

### 6.1 PRICING OF UNITS

The Manager adopts the **single pricing method** to price the units in relation to an application for and a redemption of units. This means that the application for and a redemption of units will be carried out at NAV per Unit.

The Selling Price and Repurchase Price are based on forward pricing. For any purchase/redemption application received or deemed to have been received via fax or email with scanned notifications / forms with cleared payments from distributors or intended investor by the Manager at or before the cut-off time of 4:00 p.m. on a Business Day, Units would then be created on the NAV per Unit as at the end of the Business Day on which the requests for Units are received by the Manager.

Any application received or deemed to have been received after this cut-off time would be considered as being transacted on the next Business Day.

#### **Incorrect Pricing**

Subject to any relevant law, if there is an error in the pricing of the NAV per Unit of the Fund; the Manager will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.5% of the NAV per Unit:

- (a) by the Manager to the Fund; or
- (b) by the Fund to the Unit holders and/or to any former Unit holders, as the case may be.

The Manager retains the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit or where the total impact on an individual account is less than RM10.00 in absolute amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

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

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund is adopting the forward pricing basis which means the valuation point for the NAV per Unit of the Fund, based on the valuation of the Fund's investments, assets and properties is performed at the end of a Business Day upon closing of the Bursa Malaysia.

Note:

Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Fund is calculated.

### 6.2 CALCULATION OF NAV OF THE FUND

The NAV of a Fund is calculated every Business Day based on forward pricing. It is the sum of all the Fund's assets (including but not limited to investments and cash held by the Fund and any income derived by the Fund which has not been distributed to Unit holders) less all the Fund's liabilities (including but not limited to any amount owing or payable in respect of the Fund and any provisions that the Trustee and the Manager consider should be made). The NAV per Unit is derived by dividing the total NAV for the day by the total Units in circulation, rounding to 4 decimal points.

As an illustration, if for example on XXX date, the NAV of the Fund is RM10,000 and the number of units in circulation is 20,000, the NAV per Unit on XXX date is: -

$$\text{RM}10,000 / 20,000 \text{ units} = \text{RM}0.5000$$

**Note:**

*The Manager will not round up the NAV per Unit for the purposes of calculating the sales charge and repurchase charge payable by investors. NAV per Unit will be rounded to four (4) decimal places for the purposes of publication of the NAV per Unit.*

### 6.3 SELLING PRICE

The Selling Price is the NAV per Unit of the Fund. Any sales charge payable by the Unit holder would be calculated as a percentage of the Selling Price per Unit of the Fund.

The Manager's Selling Price per Unit for the Funds is the NAV per Unit of the respective Fund calculated every Business Day based on forward pricing, rounding to 4 decimal points.

Illustration of the calculation of the Selling Price of IDS is computed as follows (hypothetical figures are used for the purpose of this illustration): -

	<b>RM</b>
NAV of the Fund	10,000
Number of Units in circulation	<u>20,000</u>
NAV per Unit	$\frac{10,000}{20,000}$ = 0.5000
Selling Price Per Unit (rounded to 4 decimal points)	= <u>0.5000</u>
If a Unit holder invests RM10,000 and sales charge is 5% of the NAV per Unit of the Fund, the total amount payable will be:	
Amount Invested	= RM10,000.00
Sales charge	= 5% x RM10,000.00 = RM500.00
Total amount payable = Amount Invested + sales charge	= RM10,000.00 + RM500.00 = RM10,500.00
The number of units credited into his/her investment account would be as follows: -	
<u>Amount Invested</u>	<u>RM10,000.00</u>
Selling Price	RM0.5000
	= <u>20,000 units</u>

As the basis of calculation is forward pricing, the Selling Price per Unit on any Business Day

on which the request is received by the Manager will be the NAV per Unit of the Fund plus the sales charge published on the following day.

### 6.4 REPURCHASE PRICE

As the basis of calculation is forward pricing, the Repurchase Price per Unit on any Business Day on which the request to redeem is received by the Manager will be the NAV per unit of the Fund as at the next valuation point after the request is received by the Manager (which is published on the following day) less the applicable repurchase charge, if any.

For an illustration of calculation of IDS/IDEF, assuming the investor redeems 1,000 units, the repurchase price is as follows (hypothetical figures are used for the purpose of this illustration): -

Repurchase Price per Unit = NAV per Unit – Repurchase Charge	
NAV per Unit	RM0.5000
Repurchase Charge	0%
Repurchase price per Unit	RM0.50 – (0% x RM0.50) = RM0.50
Repurchase price per Unit (rounded to 4 decimal points)	RM0.5000
If the Unit holder redeems 1,000 units on that day, the amount to be remitted to him/her would be as follows: -	
1,000 Units x RM0.5000 = RM500.00	

### 6.5 QUALIFIED INVESTOR

#### Individual

An individual investor who wishes to purchase the Units of the Fund must be willing to adhere to the following eligibility and procedures: -

**a) Eligibility**

- The applicant must be at least 18 years old and not a bankrupt.
- For joint applicants, the principal holder must be at least 18 years old

**b) Minimum Investment, Minimum Balance of Units and Minimum Units for Redemption**

The minimum initial investment for each Fund is RM100 or such other amount as the Manager may at its discretion deem appropriate and the minimum additional investment for each Fund is RM10 or such other amount as the Manager may at its discretion deem appropriate.

Minimum balance of Units to be held by a Unit holder for each Fund is 200 units or such other amount, either greater or less than 200 units as the Manager may at its discretion deem appropriate. Two (2) weeks prior notification before the effective date will be given to the Unit holders if the amount is greater than 200 units as the Manager at its discretion deems appropriate.

No limit as to frequency of redemption. The minimum amount of units for each redemption is 50 units or such other amount, either greater or less than 50 units as the Manager may at its discretion deem appropriate. Two (2) weeks prior notification before the effective date will be given to the Unit holders if the amount is greater than 50 units as the Manager at its discretion deems appropriate.

**c) Fund Application Form**

The applicant, after completing the application form, which can be obtained from the Manager's office, or from any independent tied-agents of IPAM, or any appointed institutional agents, must attach the following documents:

- i) Individual Applicant
  - Malaysian (NRIC/MyKad)
  - Non-Malaysian/Foreigner (International passport)
- ii) Joint Applicant (If any)
  - Malaysian (NRIC/MyKad)
  - Non-Malaysian/Foreigner

(International passport)

- Minor, Age 12 and below (Birth Certificate/MyKid)

**Corporate Investor**

A corporate investor who wishes to purchase the Units of the Fund must be willing to adhere to the following eligibility and procedures: -

**a) Eligibility**

Must be a company, co-operative society, sole proprietor, institution or partnership.

**b) Minimum Investment, Minimum Balance of Units and Minimum Units for Redemption**

The minimum initial investment for the Fund is RM100 or such other amount as the Manager may at its discretion deem appropriate and minimum additional investment is RM10 or such other amount as the Manager may at its discretion deem appropriate.

Minimum balance of Units to be held by a Unit holder for each Fund is 200 units or such other amount, either greater or less than 200 units as the Manager may at its discretion deem appropriate. Two (2) weeks prior notification before the effective date will be given to the Unit holders if the amount is greater than 200 units as the Manager at its discretion deems appropriate.

No limit as to frequency of redemption. The minimum amount of units for each redemption is 50 units or such other amount, either greater or less than 50 units as the Manager may at its discretion deem appropriate. Two (2) weeks prior notification before the effective date will be given to the Unit holders if the amount is greater than 50 units as the Manager at its discretion deems appropriate.

**c) Fund Application Form**

The applicant, after completing the application form, which can be obtained from the Manager's office, or from any independent tied-agents of IPAM, or any appointed institutional

agents, must attach the following documents;

- A certified true copy of the Board Resolution approving the investments in the Fund together with a list of authorised personnel and their specimen signatures to effect any instruction or transactions in respect of the Fund.
- A certified true copy of Forms 24,44 & 49\*
- A certified true copy of the Memorandum and Articles of Association\*
- A certified true copy of the Certificate of Incorporation\* or Business Registration/ Licence (Form 8 or 9)
- Any other approvals necessary from the relevant authorities.

*\*or any other equivalent documentation issued by the authorities.*

## 6.6 APPLICATIONS, ACCEPTANCE AND PAYMENT MODE

For cash investment applications (other than ICF), units will be issued at NAV per Unit on the transaction day upon receipt of complete documents and full payments must be deposited into IPAM's account before 4:00p.m.

Payments should be made using cheque, bank draft, money order, or bank transfer payable to **"Inter-Pacific Asset Management Sdn Bhd (Clients' Trust Account)"**. Copy of the bank-in-slip must be forwarded to the Manager as evidence of payment.

With respect to ICF,

Investment Mode	Payment Mode	NAV Price (forward pricing)
Facsimile, Email & Telephone	Telegraphic Transfer by 12:00p.m.	Based on Business Day when the money is

		received in IPAM's account
Local Cheque by 12:00p.m.		3 <sup>rd</sup> Business Day after receipt and depositing of cheque on a Business Day
Outstation Cheque		Based on Business day when cheque is cleared in IPAM's account

Payments can also be made to Inter-Pacific Securities Sdn Bhd branches, authorised independent tied-agents or consultants acting on behalf of the Manager.

**Unit holders are advised not to send their application together with cash via mail.**

**Investors are advised not to make payments in cash to any individual agent when purchasing units of the funds.**

## 6.7 SUBMISSIONS

The application form together with the bank-in-slips should be faxed to the Manager at 03-2142 6029 followed by the original application form and all other relevant documents.

## 6.8 MAKING ADDITIONAL OR REGULAR INVESTMENTS

Investors are allowed to make further additional investments or regular investments as they wish and their investment will be computed based on the prevailing NAV per Unit (forward pricing) for the day. The minimum additional amount per investment is RM10.00 or such other amount as the Manager may at its discretion deem appropriate. Investors can either pay the Manager by cheque, bank draft, money order or bank transfer made payable to **"Inter-Pacific Asset**



**Management Sdn Bhd (Clients' Trust Account)**". Please refer to Section 6.6: Applications, Acceptance and Payment Mode.

## 6.9 REDEEMING/REPURCHASING OF UNITS

The Unit holder may redeem all or part of the units held on any Business Day by completing a Redemption/Repurchase Form, subject to the minimum Units for redemption as stated in Section 6.5 (b), for each Fund.

For request to repurchase units received by the Manager on or before 4:00 p.m. on any Business Day, the request for the redemption would be treated and processed based on the NAV per Unit on the same Business Day, which will be computed at the end of the Business Day.

Any request for redemption received after 4:00 p.m., the request will be deemed to have been received on the next Business Day (i.e. T+1 day). The Manager reserves the right to vary the terms & conditions for redemption from time to time, which will be communicated to the Unit holder in writing.

Investors will receive the payment of the redemption/repurchase of units proceeds within **ten (10) days of the Manager's receipt of the request**.

Investors may incur charges as levied by banks on remittance of money, when purchasing or redeeming the units.

## 6.10 COOLING-OFF PERIOD

The Cooling-Off period refers to the right of a **first-time, individual investor** to obtain a refund of his/her investment in the Fund. For such an investor of any funds managed by the Manager, he/she is given a cooling-off period of **six (6) Business Days\*** from the date of receipt of the application form by the Manager or any other period permitted by the SC. Payment for the cooling-off will be refunded to the Unit holder within 10 days of receipt of the notice.

However, the cooling-off rights would not be applicable to the following groups of investors: -

- A staff of the Manager
- A person registered with a body approved by the SC to deal in unit trust

The refund mentioned above will be based on the computation stated below: -

- The Net Asset Value (NAV) per Unit on the day the units were first purchased
- The sales charge per unit originally imposed on the day the units were purchased.

### \* Note:

In the case of an EPF investor, cooling-off right is available subject to the terms and conditions imposed by EPF.

## 6.11 WHERE UNITS CAN BE PURCHASED AND REDEEMED

The Manager shall sell or buy the units on any Business Day. The Unit holder/investor is advised to adhere to the cut-off time imposed by the Manager as mentioned in this Prospectus for any investment or redemption of his/her units.

The Unit holder can contact the Customer Service personnel or the Marketing Department for any general inquiries or for details of his/her investments in the Fund. Copies of the application form and the redemption form are available at: -

- The Manager's business office;
- Any branches of Inter-Pacific Securities Sdn Bhd;
- Independent tied-agents appointed by the Manager with valid authorisation cards issued by the FIMM;
- Any institutional agents appointed by the Manager and who is a member of the FIMM.

Please refer to the Directory of Sales Offices for the Manager's contact details and the list of authorised distribution channels under Section 15: Directory Of Sales Offices.

## 6.12 SWITCHING BETWEEN FUNDS

Switching is a facility which enables Unit holders to convert the units of a Fund managed by the Manager that you hold to

units of other unit trust funds also managed by the Manager. The switch will be effected by redeeming Units from the scheme in which the Units are held and investing the net proceeds in the said other fund(s). You may switch some or all of your Units in the Funds into units of another unit trust fund by completing the Transaction Form.

The switching fee is waived. The minimum unit to switch is 200 units for each Fund or such other amount as the Manager may at its discretion deem appropriate and there are no limits for the frequency of the switching transactions.

Unit holders may switch Units of one Fund to units of any other unit trust funds managed by the Manager. However, switching from Shariah-based fund to a conventional fund is discouraged especially for Muslim Unit holders.

Please refer to Section 5.3: Other Fees & Charge – Switching Fee

### 6.13 TRANSFER FACILITY

Unit holders are allowed to transfer their unit holdings subject to the provisions in the Deed and subject to the transferee, if an individual, being eighteen (18) years of age or more at the time of the transfer.

Subject to the Deed, the transfer is allowed within the same Fund by completing a TRANSFER Form and signed by both the transferor and the transferee. The Manager will impose a fee of RM5.00 per transfer. The minimum unit to transfer is 200 units for each Fund or such other amount as the Manager may at its discretion deem appropriate.

### 6.14 POLICY ON INCOME DISTRIBUTION

Subject to the Deed and SC Guidelines, the Manager may declare income distributions in a manner that is in line with the Fund's objective. Subject to the availability of income, distributions may be declared at the Manager's discretion on an annual basis

for IDS and IDEF, and quarterly basis for ICF, or at such other intervals as the Manager may deem appropriate. A Unit holder may either choose from the following options:

- a) Reinvest his/her income back into the Fund, or
- b) Receive the payment of the income distributed in the form of a cheque.

#### **Note:**

- i) Where the Manager does not receive any expressed instructions in respect of distributions due to a Unit holder; or
- ii) Where a distribution amount that is due to a Unit holder is less than RM50.00; or
- iii) Where a Unit Holder choose to reinvest his/her income back into the Fund; the distribution amount will be reinvested in the Fund for the Unit holder's account as additional units of the Fund based on the NAV per unit on the date of income distribution payment. The cost incurred by investors when exercising the option is nil.

### 6.15 POLICY ON ROUNDING ADJUSTMENT

In calculating your investment with us, the NAV of the Fund (which is also the Selling Price and Repurchase Price of the Fund) and the unit allocated to you, we will be practising normal rounding to four (4) decimal places.

### 6.16 FINANCIAL YEAR END

The financial year end for the Funds is 31 March.

### 6.17 THE DEED

The Deed dated 2 July 2007 as amended by the first supplemental deed dated 2 May 2018 can be inspected at the Manager's business office during office hours (8.30 a.m. to 5.45 p.m.) from Monday to Friday on a Business Day.

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

## 7. Customer Communication

**a) When the first investment is made**

A statement of investment will be sent to the Unit holder within a reasonable period of time to notify him/her of his/her investments.

**b) Half yearly Statement of Investment**

A statement of investment will be sent to the Unit holder every 6 months. The statement will show the balance of his/her investment and all the transactions made since his/her previous statement.

**c) Reports**

The Manager will send an interim/annual financial report of the Fund to the Unit holder within two (2) months from the end of the period to which the report relates.

**d) Income distribution**

The Manager will send the income distribution vouchers for the purpose of tax return completion to the Unit holder.

**e) Keeping Track of the Daily Prices of Units**

You can monitor and keep track of the Funds' NAV per Unit which will be published daily on the Manager's website.

**f) Customer Information Service**

Enquiries by existing or prospective investors can also be made through the Manager's general telephone line at **03-2117 1888** and our fax line at **03-2142 6029** during office hours.

**g) Keeping the Manager Informed**

The Manager should be informed in writing of any changes to the Unit holder's correspondence address and of any changes on his/her initial instructions, such as with regards to distribution payment.

**The Funds' annual report is available upon request**

## 8. The Management Company

### 8.1 THE MANAGER

The Manager of the Fund, Inter-Pacific Asset Management Sdn Bhd (IPAM) is a wholly owned subsidiary of Inter-Pacific Securities Sdn. Bhd. IPAM was incorporated in Malaysia on 24 September 1990.

The principal business of IPAM is the management of unit trust funds and portfolio management. IPAM started its unit trust business since 25 July 2007 with the launch of the Funds.

### 8.2 ROLES & RESPONSIBILITY

The Manager, IPAM, is responsible for the overall management and administration of the Funds in line with the Deed, SC's Guidelines and relevant laws. Its main responsibilities include the following: -

- Managing the Funds in line with the Funds' objectives as set out in the Deed
- Administering the sales/repurchase transactions
- Issuing reports (interim/annual report) to Unit holders on a timely basis
- Ensure timely distribution of income or additional units, if any, to Unit holders
- Maintain proper records of the Funds

### 8.3 MATERIAL LITIGATION

As at the LPD, there is no material litigation and arbitration, including those pending or threatened and any facts likely to give rise to any proceeding which might materially affect the business or financial position of Inter-Pacific Asset Management Sdn Bhd or any of its delegates.

### 8.4 BOARD OF DIRECTORS

The Board of Directors takes an active part in the activities and affairs of the Management Company and the unit trust

funds under its management. The Board of Directors shall meet at least four (4) times in a year and more frequently should circumstances require it to ensure the objectives of the Funds are achieved within the relevant guidelines and mandates set.

- a) Abdul Halim Bin Haji Noordin (Independent Director)
- b) Tan Mun Choy (Non-Independent Director)
- c) Khoo Teik Hock (Independent Director)
- d) Lim Tze Cheng (Non-Independent Director)
- e) Nazrul Azman Bin Din (Non-Independent Director)

### 8.5 INVESTMENT COMMITTEE

The Investment Committee is responsible for setting and determining the investment policies, objectives, guidelines and strategy of the Funds. The Investment Committee meets at least on a quarterly basis and more frequently when required to discuss investment strategies, to monitor, to measure and evaluate the fund manager's performance, asset allocation and stock selection as well as review and monitor the portfolio performance against benchmarks and compliance issues. They also ensure the investment management of the Funds complies with the provisions of the Deed, the Capital Markets and Services Act 2007, Guidelines, securities law and internal investment restrictions and policies.

### 8.6 DESIGNATED FUND MANAGER FOR THE FUNDS

Mr. Lim Tze Cheng

Mr. Lim Tze Cheng was appointed to the Board of Inter-Pacific Asset Management Sdn Bhd on 1 June 2017. He has vast experience in the financial markets having served in different roles in his previous employments. He holds a first class honours

degree in accounting from University of Malaya and is a Chartered Accountant. He has more than 10 years of experience in equity research and in the fund management industry. He started his career as an analyst in an independent research and fund management house. He subsequently moved on to become the head of research for an ASEAN centric boutique fund house, specializing in assessing corporate governance of companies in the ASEAN region.

**Further information on the Manager, Investment Committee, Shariah Adviser and Fund Manager is available in the Manager's website.**

## 9. Shariah Adviser

The Manager has appointed Amanie Advisors Sdn Bhd ("Amanie") as the Shariah Adviser for the InterPac Dana Safi Fund our dedicated Islamic Fund. As the Shariah Adviser, Amanie's role is to ensure that the operations and investments of the Fund is Shariah-compliant through their advisory to the Manager. Final responsibility for ensuring proper compliance of the Fund in all relevant aspects rests solely with the Manager.

### 9.1 BACKGROUND

Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah adviser for Islamic unit trust with the SC. It has been established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah principles. Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services.

The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently the team comprises of six (6) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education.

Amanie meets the fund manager every quarter to address Shariah advisory matters pertaining to our Islamic funds' investments to ensure compliance with Shariah principles or any other relevant principles at

all times. Since 2005, Amanie has acquired thirteen (13) years of experience in the advisory role of unit trusts and as at LPD there are more than 150 funds which Amanie acts as Shariah adviser.

The Shariah Adviser is independent from the Manager and none of its consultants are members of the investment committee of the Fund or any other funds managed by the Manager.

### 9.2 ROLES & RESPONSIBILITY

In line with SC's guidelines, the roles of Amanie as the appointed Shariah Adviser are as follows: -

- (1) To ensure that the Fund is managed and administered in accordance with Shariah principles.
- (2) To provide expertise and guidance in all matters relating to Shariah principles, including on the Fund's deed and prospectus, its structure and investment process, and other operational and administrative matters.
- (3) To consult with SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process.
- (4) To act with due care, skill and diligence in carrying out its duties and responsibilities.
- (5) Responsible for scrutinizing the Fund's compliance report as provided by the compliance officer, and investment transaction reports provided by, or duly approved by, the Trustee to ensure that the Fund's investments are in line with Shariah principles.
- (6) To prepare a report to be included in the Fund's interim and annual reports certifying whether the Fund have been managed and administered in accordance with Shariah principles for the period concerned.
- (7) To review the Fund's investments on monthly basis to ensure compliance with Shariah principles or any other relevant principles at all times.

### 9.3 DESIGNATED PERSONS RESPONSIBLE FOR SHARIAH MATTERS FOR THE FUND

The following designated persons are responsible for Shariah advisory matters of InterPac Dana Safi:

#### **Datuk Dr. Mohd Daud Bakar** **Chief Executive Officer / Shariah Adviser**

Datuk Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group and the Chief Executive Officer of Amanie. One of its flagship companies namely Amanie Advisors, is operating in few cities globally. He currently serves as the Chairman of the Shariah Advisory Council at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Labuan Financial Services Authority, and the First Abu Dhabi Bank. He is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas (Bahrain), and Dow Jones Islamic Market Index (New York) amongst many others.

In the corporate world, he sits as a Board Director at Sime Darby Berhad and a member of the PNB Investment Committee. He is also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdaftar (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM).

In 2016, he received the **“Award of Excellence for Outstanding Contribution for Shariah Leadership & Advisory”** at London Sukuk Summit Awards and **“Shariah Adviser Award”** at The Asset Triple A Islamic Finance Award. In 2014, he received the “Most Outstanding Individual” award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad’s birthday. Under his leadership, Amanie Advisors received the **“Islamic Economy Knowledge Infrastructure Award”** at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, Oct 2015.

Prior to this, he was the Deputy Vice-Chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya.

His first book entitled **“Shariah Minds in Islamic Finance: An Inside Story of a Shariah Scholar”** has won the **“Islamic Finance Book of the Year 2016”** by the Global Islamic Finance Award (GIFA) 2016. His new released book on sukuk entitled **“An Insightful Journey to Emirates Airline Sukuk: Pushing the Boundaries of Islamic Finance”** has also won the **“Best Islamic Finance Case 2017”** by the GIFA 2017 in Kazakhstan.

#### **Ainul Azura Zakiyudin** **Deputy Chief Executive Officer**

**Ainul Azura Zakiyudin** is the Deputy Chief Executive Officer of Amanie Advisors Kuala Lumpur, Malaysia office. She holds Bachelor of Law (Honours), MARA University of Technology Malaysia and was admitted to Malaysian BAR as an Advocate and Solicitor of the High Courts of Malaya in 2000.

Azura joined Amanie Advisors (Kuala Lumpur) in 2013 and has been involved in various product structuring, development and enhancement of Shariah compliant products for Islamic Financial Institution, corporate bodies and non-Islamic Financial institutions.

She has also involved in providing Shariah advisory services for issuance of sukuk, conversion exercises, establishment of Islamic financial business, establishment of Shariah compliant products for non-financial business, Shariah monitoring and compliance review for various clients including financial institutions and global asset management companies.

Prior to joining Amanie, Azura was an in-house legal adviser in PLUS Expressways Berhad (PLUS), a biggest highway concessionaire in Malaysia and listed in the Main Board of Bursa Listing Securities in Malaysia. In PLUS, she received wide exposure in corporate legal work and involved directly in the issuance of several

sukuks, restructuring of sukuk and other corporate exercises initiated by the company.

Azura has a combined of more than 16-years' experience mainly in corporate legal and Islamic financial matters.

#### **Siti Nurah Haron Consultant**

**Siti Nurah Haron** is a Consultant with Amanie Advisors, based at the Head Office in Kuala Lumpur. She is responsible for providing a wide array of Shariah advisory and consultancy services to diverse groups of clients including financial institutions, asset management companies, regulatory bodies, corporate firms and other stakeholders in different regions of the world. She has advised on various Islamic banking and capital market products including retail, corporate, treasury, structured products, sukuk and many more.

Prior to joining Amanie Advisors, Nurah gained industrial exposure as a Unit Head of Shariah Review for Investment Banking at RHB Banking Group. She has over 4 years' hands-on experience in Shariah Review, specializing in areas of Islamic capital market and corporate banking. She previously completed the Islamic Capital Market Graduate Trainee Scheme under the Securities Industry Development Corporation (SIDC) and obtained Dealer's Representative Qualification after completing the Licensing Module 6 and 7 from the Securities Commission Malaysia (SC).

She holds Master of Science in Islamic Banking and Finance from the International

Islamic University Malaysia (IIUM) and two degrees, namely, Bachelor of Science (Hons) in Economics and Bachelor of Science (Hons) in Islamic Revealed Knowledge and Heritage from the same university.

#### **Nur Izzaatirah Rosli Associate Consultant**

**Nur Izzaatirah Rosli** is an Associate Consultant based in Amanie Advisors' Kuala Lumpur office. She holds a Degree in Bsc Islamic Finance (Hons) from International Islamic University Malaysia (IIUM). She joined Amanie in 2016 and her role is to deal with the financial and Shariah advisory services to various clients including financial institutions, Asset Management Company, retail company, etc. Her responsibilities include scrutinizing clients' report to ensure that the investments undertaking are in line with Shariah principles.

On top of that, she has also done various Shariah Audit and product structuring projects for both national and international companies to ensure Shariah compliance with the Shariah standards and requirements. On a day to day basis, she would assist to provide solutions to operational and Shariah issues as well as reviewing and preparing Shariah report to numerous clients.

Prior to joining Amanie, she was a graduate trainee with Sime Darby Holdings Berhad under the Department of Treasury. Other than that, she was attached to Corporate Planning & Management Department at CIMB Bank Berhad as an intern under the CIMB Group Islamic Banking Division.



## 10. The Trustee

### 10.1 RHB TRUSTEES BERHAD

RHB Trustees Berhad was incorporated in Malaysia under the Companies Act, 1965 on 6 March 2002. It is registered as a trust company under the Trust Companies Act, 1949 and is also registered with the SC to conduct unit trust business. The principal activity of RHB Trustees Berhad is providing retail and corporate trustee services. RHB Trustees Berhad has been in the trustee business since 2002.

### 10.2 EXPERIENCE IN TRUSTEE BUSINESS

RHB Trustees Berhad undertakes all types of trustee business allowed under the Trust Companies Act, 1949, ranging from corporate trustee services to retail services. RHB Trustees Berhad offers corporate trustee services such as trustee for real estate investment trusts (REITs), unit trust funds and custodian services. Its retail services include estate planning services (will writing, custodian and executor/trustee services) and private trustee services (private purpose trust, investment trust, charitable trust, insurance trust, business succession trust, estate administration trust, custodian and stakeholder services).

### 10.3 DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

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

- a) Acting as trustee and safeguarding the rights and interests of the Unit holders;
- b) Holding the assets of the Fund for the benefit of the Unit holders; and

- c) Exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of the Fund.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit holders.

### 10.4 LITIGATION AND ARBITRATION

As at LPD, RHB Trustees Berhad is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of RHB Trustees Berhad.

### 10.5 THE TRUSTEE'S DELEGATE

RHB Trustees Berhad has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as custodian of the quoted and unquoted investments of the Fund. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. The assets are also automatically registered into the name of the Funds. SCBMB was incorporated in Malaysia on 29 February 1984 under the Companies Act 1965 as a public limited company and is a subsidiary of Standard Chartered plc (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Banking and Financial Institutions Act, 1989. SCBMB has been providing custody services for more than twenty (20) years. SCBMB has been providing sub-custody services to local investors in Malaysia since 1995.

The custodian acts only in accordance with instruction from the Trustee.

## 11. Salient Terms Of The Deed

### 11.1 RIGHTS OF A UNIT HOLDER

Subject to the provisions stated in the Deed, the Unit holder shall be entitled to the following rights:-

- (a) To receive the distributions of the Fund as and when payable;
- (b) To participate in any increase in the value of the units of the Fund;
- (c) To call for a Unit holders' meeting;
- (d) To vote for the removal of the Trustee or the Manager;
- (e) To exercise the cooling-off right (if applicable);
- (f) To receive the interim and annual reports; and
- (g) To exercise any other rights and privileges as provided in the Deed.

### 11.2 LIABILITIES OF A UNIT HOLDER

Subject to the provisions stated in the Deed, the Unit holder's liabilities shall be limited to the following:-

- (a) No Unit holder shall be liable for any amount in excess of the purchase price paid for the units at the time the units were purchased and any charges payable in relation thereto.
- (b) A Unit holder shall not be under 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 assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

### 11.3 MAXIMUM FEES AND CHARGES PERMITTED

#### Maximum Rate of Direct Fees and Charges Permitted by the Deed

The maximum rate of the sales charge and the repurchase charge permitted by the Deed are as follows:

The Fund	Sales Charge	Repurchase Charge
InterPac Dana Safi	5%	1 <sup>st</sup> Investment Year - 5.0 %
		2 <sup>nd</sup> Investment Year - 4.0 %
		3 <sup>rd</sup> Investment Year - 3.0 %
		4 <sup>th</sup> Investment Year - 2.0 %
		5 <sup>th</sup> Investment Year - 1.0 %,
		and no repurchase charge thereafter.
InterPac Dynamic Equity Fund	5%	1 <sup>st</sup> Investment Year - 5.0 %
		2 <sup>nd</sup> Investment Year - 4.0 %
		3 <sup>rd</sup> Investment Year - 3.0 %
		4 <sup>th</sup> Investment Year - 2.0 %
		5 <sup>th</sup> Investment Year - 1.0 %,
		and no repurchase charge thereafter.
InterPac Cash Fund	1%	1%

*Note: Investment Year refers to the one-year period or 365 days commencing from the date of purchase of IDS or IDEF, as the case may be.*

### Maximum Rate of Indirect Fees and Charges Remitted by the Deed

The maximum rate of annual management fees and annual trustee fee permitted by the Deed are as follows:

The Fund	Annual Management Fee	Annual Trustee Fee
InterPac Dana Safi	2.0% of the NAV.	0.2 % of the NAV, subject to a minimum of RM18,000 .
InterPac Dynamic Equity Fund	2.0% of the NAV.	0.2 % of the NAV, subject to a minimum of RM18,000 .
InterPac Cash Fund	1.0% of the NAV.	0.2 % of the NAV, subject to a minimum of RM18,000 .

#### 11.4 PROCEDURES TO IMPOSE/ INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES

**Procedures to be taken to increase the Direct Charges and Indirect Fees from the current amount stipulated by the Prospectus provided that it does not exceed the maximum charges/fees stipulated by the Deed.**

The Manager may charge sale/repurchase charge and/or annual management fee that is higher than that disclosed in the Prospectus provided that:

- In respect of such an increase in annual management fee, the Manager has obtained the agreement of the Trustee and has given the Unit holders a written notification of the increased fees and the effective date
- In respect of such an increase in the sale/repurchase charge, the Manager has given the Trustee a written notification of the increased charge and the effective date
- The Supplementary Prospectus stating the increased charges and/or fees has been registered, lodged and issued thereafter
- The period stipulated in the SC requirements for this purpose from the issue of the Supplementary Prospectus has lapsed

The Trustee may also charge an annual Trustee fee that is higher than that disclosed in the Prospectus provided that:

- The Trustee has come to an agreement with the Manager of the increased fees and the effective date

- The Manager has notified the Unit holders of the increased fees and the effective date
- The Supplementary Prospectus stating the increased fees has been registered, lodged and issued thereafter
- The period stipulated in the SC requirements for this purpose from the issue of the Supplementary Prospectus has lapsed

**Procedures to be taken to increase the Direct Charges and Indirect Fees from the current amount stipulated by the Deed:**

The maximum charges and fees for Sales, Repurchase, Annual Management Fee and Annual Trustee Fee as set out in the Trust Deed can only be increased with the following procedures:

- A Unit holders' meeting is held to affirm the proposed increase
- Supplemental Deed proposing the increase is required to be registered with the SC together with the resolution passed at the Unit holders' meeting, conducted as in accordance with the Deed.

#### 11.5 THE FUND'S EXPENSES

The Deed also provides for payment of other expenses incurred by the Fund. These expenses, which are recoverable directly from the Fund, include:

- (a) Commissions/ Fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;

- (b) Taxes and other duties charges on the Fund by the Government and/or other authorities;
- (c) Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- (d) Costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (e) Costs, fees and expenses incurred for any modification of this Deed 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 valuer, adviser or contractor 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 the removal of the Trustee or the Manager and the appointment of the new trustee and 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 not ordered by the court to be reimbursed by the fund);
- (m) Remuneration and out of pocket expenses of the independent members of the Investment Committee of the fund, unless the Manager decides otherwise; and
- (n) Costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or 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.

## 11.6 CIRCUMSTANCES FOR RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER

### **Retirement**

The Manager shall have the power to retire in favour of some other corporation and as necessary under any written law upon giving the Trustee twelve (12) months' prior notice in writing of its desire to do so, or even within a shorter period as the Manager and the Trustee may agree, and subject to fulfilment of the conditions as stated in the Deed.

### **Removal and Replacement**

Subject to the provisions of the Deed, the Trustee shall take all necessary steps to remove the Manager:-

- (a) 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.
- (b) 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 it to do so after the Trustee has given notice to it of the opinion and the reasons for that opinion, and has considered any representation 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 special resolution; 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.

## 11.7 POWER OF THE MANAGER TO REMOVE OR REPLACE THE TRUSTEE

The Trustee may be removed and another Trustee may be appointed by a special resolution of the Unit holders at a Unit holders' meeting convened in accordance to the Deed. The Manager shall take all reasonable steps to replace a Trustee as soon as practicable after becoming aware that:-

- (a) The Trustee has ceased to exist; or
- (b) The Trustee has not been validly appointed; or
- (c) The Trustee was not eligible to be appointed or to act as Trustee under any relevant law; or
- (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; or
- (e) A receiver has been appointed over the whole or a substantial part of the assets or undertaking of the existing 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.

## 11.8 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

Subject to the provisions of the Deed, the Trustee may retire upon giving twelve (12) months' prior notice to the Manager of its desire to do so or such shorter period as the Manager and the Trustee may agree upon. Upon the retirement of the Trustee, the Manager may appoint another trustee duly permitted by SC to be the trustee of the Fund.

The Trustee may be removed and another trustee may be appointed by special resolution of the Unit holders at a Unit holder's meeting duly convened in accordance with the Deed or as stipulated

in the Capital Markets and Services Act 2007.

## 11.9 POWERS OF THE TRUSTEE TO REMOVE OR RETIRE THE MANAGER

Subject to the provisions of the Deed, 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 it to do so after the Trustee has given notice to it of the opinion and the reasons for that opinion and has considered any representation 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 which case the Manager shall upon receipt of a written notice from the Trustee by that very fact cease to be the management company of the Fund and the Trustee may then appoint some other corporation approved by the relevant authorities to be the management company of the Funds in accordance with the provisions of the Deed.

## 11.10 TERMINATION OF TRUST BY THE TRUSTEE

In any of the following events:

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;

- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit holders failed to comply with the provisions of this Deed or contravened any of the provisions of any relevant law;

The Trustee shall summon a meeting of Unit holders in accordance with the provisions of Division 17.2 of the Deed for the purpose of seeking directions from the Unit holders.

If at any such meeting a special resolution to terminate the trust in respect to the Fund and to wind-up the Fund is passed by the Unit holders, the Trustee shall apply to the Court for an order confirming such special resolution.

Upon such application by the Trustee, the Court may, if it considers it to be in the interests of the Unit holders, confirm the special resolution and make such orders as it thinks necessary or expedient for the termination of the trust in respect of the Fund and the effective winding-up of the Fund.

The termination of a particular trust and the winding up of a particular Fund shall not affect the continuity of the other trusts and unit trust schemes created and established hereunder.

### 11.11 TERMINATION OF TRUST BY THE MANAGER

The Manager may in its absolute discretion determine the trust hereby created and wind up the Fund at any time.

Upon the termination of the trust by the Manager, the Trustee shall as soon as practicable, give to each Unit holder of the Fund being wound up notice of such

termination; the Manager shall notify the existing Unit holders of the Fund in writing of the following options:

- (a) to receive the net cash proceeds derived from the sale of all the investment and assets of the Fund less any payment for liabilities of the Fund and any cash produce available for distribution in proportion to the number of units held by them respectively;
- (b) to switch to another Fund hereby established or any other unit trust scheme managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- (c) to choose any other alternative as may be proposed by the Manager.

### 11.12 UNIT HOLDERS' MEETING

The Manager, Trustee and/or Unit holders may call for a Unit holders' meeting. Any such meeting has to be convened in accordance with the provisions of the Deed and/or the Guidelines.

Every question arising at any meeting shall be decided in the first instance by a show of hands unless a poll is demanded. On a show of hands every Unit holder who is present in person or proxy shall have one vote.

The quorum for a meeting of Unit holders of a fund is five (5) Unit holders of that fund, whether present in person or by proxy, provided always that for a meeting which requires a special resolution the quorum for that meeting shall be ten (10) Unit holders, whether present or by proxy, holding in aggregate at least fifty percent (50%) of the units in issue for that fund at the time of the meeting. Under the Deed, if the fund has five (5) or less Unit holders, the quorum required for a meeting of the Unit holders of a fund shall be two (2) Unit holders whether present in person or by proxy.

## 12. Additional Information

### 12.1 APPROVAL AND CONDITIONS

The SC has authorised the Fund(s). There are no other authorisations or approvals required, sought or pending from any relevant authorities in respect of the Fund(s).

### 12.2 RELATED PARTY TRANSACTIONS /POLICY ON DEALING WITH CONFLICTS OF INTEREST

Save for the transactions as disclosed below, the Manager is not aware of any existing and/or proposed related party transactions involving the funds: -

Party involved in the transaction	Name of Related Party	Nature of Transaction	Nature of relationship
The Manager	Inter – Pacific Securities Sdn Bhd (IPS)	Company ownership	Inter-Pacific Asset Management Sdn Bhd is a wholly owned subsidiary of Inter-Pacific Securities Sdn Bhd, which is a member of the Berjaya Corporation group of companies
The Funds	Inter-Pacific Securities Sdn Bhd (IPS)	Equity Trades	Broker: IPS provides stock broking services for the Funds
	Inter-Pacific Securities Sdn Bhd (IPS)	IPS holds units of the Fund as at LPD	Investor: Inter-Pacific Asset Management Sdn Bhd is a wholly owned subsidiary of Inter-Pacific Securities Sdn Bhd, which is a member of the Berjaya Corporation group of companies
	Inter-Pacific Capital Sdn Bhd (IPC)	IPC holds units of the Funds as at LPD	Investor: Inter-Pacific Securities Sdn Bhd is a wholly owned subsidiary of Inter-Pacific Capital Sdn Bhd, which is a member of the Berjaya Corporation group of companies
	Directors of the Manager	Unit holding: The Directors of the Manager hold units of the Funds as at LPD	Investors
	Staff of the Manager	Unit holding: The staff of the Manager hold units of the Funds as at LPD	Investors
	Staff of the Berjaya Corporation group of Companies	Unit holding: The staff of the Berjaya Corporation group of companies hold units of the Funds as at LPD	Investors

The Manager, its directors and any of its delegates including the Investment Committee members will at all times act in the best interest of the Unit holders of the Funds and will not conduct itself in any manner that will result in a conflict of interest or potential conflict of interest.

In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Funds are not disadvantaged.

In making an investment transaction for the Funds, the Manager are obliged not to make improper use of its position in managing the Funds to gain, directly or indirectly, for the advantage of the Manager, or for any other person or to cause detriment to the Unit holders interests. If the interest of the directors or the investment committee members conflict with the interests of the Funds, they will not be allowed to participate in the decision-making process in respect of the matter.

Subject to any legal requirement/ prohibition, any related corporation of the Trustee or Manager, or any officers or directors of the Manager, the Trustee or the related corporation of the Trustee or Manager, may invest in the Funds. The directors of IPAM and of the Trustee will receive no payments from the Funds other than distributions that they may receive as a result of investment in the Funds.

#### **Directors' and Substantial Shareholders' Direct and Indirect Interest in Other Corporations Carrying on A Similar Business**

As at LPD, none of the Manager's directors and substantial shareholders has any direct and indirect interest in other corporations carrying on a similar business.

#### **Dealing in Securities by Employees, Directors and Investment Committee Members**

Inter-Pacific Asset Management Sdn Bhd has in place a policy contained in its rules of business conduct, which regulates its employees', directors' and investment committee members' securities dealings. An annual declaration, upon joining and as and when there are changes to interests or holdings of securities, are required of all employees, directors and investment committee members to ensure that there is no potential conflict of interest between their securities trading and the execution of their duties to the company.

#### **Other Declarations**

The Shariah Adviser, solicitors and tax adviser confirm that there are no existing or potential conflicts of interest in their respective capacity as advisors for the Manager.

### **12.3 POLICY ON UNCLAIMED MONEY OR UNCLAIMED DISTRIBUTIONS**

The Unit holder is advised to present the distribution or repurchase/redemption cheque for payment within six (6) months of issuance of the distribution cheque. All unclaimed distribution will be automatically reinvested as additional units at the expiry of the distribution warrant, based on the Manager's Selling Price on the expiry date. For unclaimed repurchase/redemption cheques, the proceeds may be reinvested into Unit holder's account at the Manager's discretion pursuant to Clause 14.4.1 of the Deed. For other cases, the unclaimed monies shall be dealt with in accordance with the Deed. The Trustee shall pay any moneys deposited or paid to the Trustee pursuant to Clause 14.4.2 of the Deed and remaining unclaimed for twelve (12) months after the date of payment to the Federal Consolidated Trust Account to be dealt with in accordance with the provisions of the Unclaimed Moneys Act 1965.



## 13. Taxation 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.  
179793-K  
GST Reg No: 000021962752  
Level 23A Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000  
Fax: +603 2095 5332 (General line)  
+603 2095 7043  
ey.com

### Taxation adviser's letter in respect of the taxation of the unit trust and the unit holders (prepared for inclusion in this Master Prospectus)

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

21 May 2018

The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
West Wing, Level 13, Berjaya Times Square  
No.1, Jalan Imbi  
55100 Kuala Lumpur

Dear Sirs

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

This letter has been prepared for inclusion in this Master Prospectus to be dated 12 June 2018 in connection with the offer of units in the following unit trust (collectively referred to as "the Funds") :-

- a) InterPac Dana Safi - Shariah Fund
- b) InterPac Dynamic Equity Fund - Conventional Fund
- c) InterPac Cash Fund - Conventional Fund

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

#### Taxation of the Funds

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



The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
21 May 2018

2

### Shariah Fund

Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Shariah*.

The effect of this is that any gains or profits received (hereinafter referred to as “profits”) and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Shariah*, will be accorded the same tax treatment as if they were interest.

### Shariah and Conventional Funds

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 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.

A member firm of Ernst & Young Global Limited

The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
21 May 2018

3

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.

#### Exempt income

The following income of the Funds are exempt from income tax:

- **Malaysian sourced dividends**  
All Malaysian-sourced dividends should be exempt from income tax.
- **Malaysian sourced interest (profits)**
  - (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;

---

<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.



The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
21 May 2018

4

- (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.

#### **Foreign sourced income**

Dividends, interest and other income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

---

<sup>2</sup> Effective from the year of assessment 2017, in the case of a wholesale fund which is a money market fund, the exemption shall only apply to a wholesale fund which complies with the criteria as set out in the relevant guidelines of the Securities Commission Malaysia.

<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.



The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
21 May 2018

5

### **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 sale of chargeable assets, as defined in the RPGT Act.

### **Goods and Services Tax (GST)**

On 1 April 2015, GST was implemented at the standard rate of 6% to replace the existing sales tax and service tax systems. Based on the Goods and Services Tax Act 2014 which was gazetted on 19 June 2014, the Fund, being a collective investment vehicle, will be making exempt supplies. Hence, the Fund is not required to be registered for GST purposes. The Fund will incur expenses such as management fees, trustee fees and other administrative charges which will be subject to 6% GST. The 6% input tax which may be incurred on such expenses will generally not be claimable by the Fund.<sup>4</sup>

### **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.

---

<sup>4</sup> The Goods And Service Tax (Rate of Tax) (Amendment) Order 2018 [P. U. (A) 118], gazetted on 16 May 2018, states that the standard (6%) rate of Goods and Services Tax ("GST") will be substituted with the zero (0%) rate as of 1 June 2018. The Order does not apply to supplies that are exempt from GST. These will remain exempt in accordance with the Goods and Services Tax (Exempt Supply) Order 2014 and subsequent amendments. For GST registrants, compliance requirements remain in place. There will be further guidelines and clarification issued by the authorities to transition from GST to the new Sales and Services Tax ("SST").



The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
21 May 2018

6

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

**1. Taxable distributions**

Distributions received from the Funds will have to be grossed up to take into account the underlying tax paid by the Funds 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 other exempt income earned by the Funds will not be subject to Malaysian income tax in the hands of the unit holders.



The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
21 May 2018

7

### Rates of tax

The Malaysian income tax chargeable on the unit holders depends 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
Malaysian tax resident:	
<ul style="list-style-type: none"><li>• Individual and non-corporate unit holders (such as associations and societies)</li></ul>	<ul style="list-style-type: none"><li>• Progressive tax rates ranging from 0% to 28%</li></ul>
<ul style="list-style-type: none"><li>• Co-operatives<sup>5</sup></li></ul>	<ul style="list-style-type: none"><li>• Progressive tax rates ranging from 0% to 24%</li></ul>
<ul style="list-style-type: none"><li>• Trust bodies</li></ul>	<ul style="list-style-type: none"><li>• 24% (Note 1)</li></ul>

<sup>5</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.

Unit holders	Malaysian income tax rates
<ul style="list-style-type: none"> <li>• Corporate unit holders               <ul style="list-style-type: none"> <li>(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment)<sup>6</sup></li> <li>(ii) Companies other than (i) above</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• For every first RM500,000 of chargeable income @ 19%<sup>7</sup></li> <li>• Chargeable income in excess of RM500,000 @ 24% (Note 1)</li> <li>• 24% (Note 1)</li> </ul>
Non-Malaysian tax resident (Note 2): <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders</li> <li>• Corporate unit holders and trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>• 28%</li> <li>• 24% (Note 1)</li> </ul>

**Note 1:**

The Income Tax (Exemption) (No. 2) Order 2017 [P. U. (A) 117] was gazetted on 10 April 2017 to formalize the Budget 2017 proposal to reduce the corporate income tax rate on incremental chargeable income. The Exemption Order exempts a qualifying person from payment of income tax on an ascertained amount of chargeable income derived from the business source in the basis period for a year of assessment, for the years of assessment 2017 and 2018 only. A qualifying person includes a trust body that is resident in Malaysia but excludes a Real Estate Investment Trust or Property Trust Fund. The corporate income tax rate would be reduced by between one to four percentage points, depending on the increase in chargeable income derived from the business source (as compared to the immediate preceding year of assessment). Details of the further qualifications and conditions imposed are set out in the Exemption Order.

- <sup>6</sup> A company would not be eligible for the 19% tax rate on the first RM500,000 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>6</sup> Effective from the year of assessment 2017, the tax rate is reduced from 19% to 18%.





The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
21 May 2018

9

**Note 2:**

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 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 generally 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.

A member firm of Ernst & Young Global Limited



The Board of Directors  
Inter-Pacific Asset Management Sdn Bhd  
21 May 2018

10

Yours faithfully  
Ernst & Young Tax Consultants Sdn Bhd



Bernard Yap  
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 Master Prospectus and has not withdrawn such consent before the date of issue of this Master Prospectus.

A member firm of Ernst & Young Global Limited

## 14. Documents Available For Inspection

A copy of the following documents, where applicable, may be inspected at the registered office of the Manager or such other place as the SC may determine:

- (a) The Deed and supplemental deed, if any.
- (b) The current Prospectus and supplementary or replacement prospectus, if any.
- (c) The latest annual and interim reports of the Funds.
- (d) Each material contract disclosed in the Prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract.
- (e) The audited financial statements of the Manager and the Funds for the current financial years and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement.
- (f) Any report, letter or other document, valuation and statement by any expert, any part of which is extracted or referred to in the Prospectus.
- (g) Writ and relevant cause papers for all material litigation and arbitration disclosed in the Prospectus.
- (h) Any consent given by experts or persons whose statement appears in the Prospectus.

## 15. Directory Of Sales Offices

### HEAD OFFICE

Inter-Pacific Asset Management Sdn Bhd

### **KUALA LUMPUR**

#### Address

West Wing, Level 13,  
Berjaya Times Square,  
No 1 Jalan Imbi,  
55100 Kuala Lumpur

#### Telephone Number

03-2117 1888 (General Line)

#### Fax Number

03-2142 6029

### **LIST OF DISTRIBUTORS**

Kindly contact us for more details on the list of our appointed distributors.

**Inter-Pacific Asset Management Sdn Bhd (204709-U)**

West Wing, Level 13, Berjaya Times Square  
No.1, Jalan Imbi, 55100 Kuala Lumpur, Malaysia.  
Tel : 603 2117 1888 Fax : 603 2142 6029