

## PRODUCT HIGHLIGHTS SHEET BOSWM CORE DEFENSIVE FUND

### RESPONSIBILITY STATEMENT

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

### STATEMENT OF DISCLAIMER

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

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

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

### PRODUCT HIGHLIGHTS SHEET

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

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

### BRIEF INFORMATION ON THE PRODUCT

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

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

### PRODUCT SUITABILITY

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

The Fund is suitable for sophisticated investors who are seeking long-term capital growth and/or income return by investing into a collective investment scheme.

*Income is in reference to the Fund's distribution, which could be in the form of cash or units.*

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

### KEY PRODUCT FEATURES

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

|                           |  |               |                  |
|---------------------------|--|---------------|------------------|
| <b>Fund Category</b>      | Feeder fund (wholesale)                          |               |                  |
| <b>Fund Type</b>          | Growth & Income                                  |               |                  |
| <b>Target Fund</b>        | BOS International Fund – Defensive               |               |                  |
| <b>Base Currency</b>      | USD  |               |                  |
| <b>Financial Year End</b> | 31 December                                      |               |                  |
| <b>Distribution</b>       | Incidental, subject to the Manager's discretion. |               |                  |
|                           | Class MYR-Hedged BOS                             | Class USD BOS | Class PP USD     |
| <b>Issuance Date</b>      | 30 April 2020                                    | 30 April 2020 | 16 December 2021 |
| <b>Issuance Price</b>     | RM1.0000   | USD1.0000     | USD1.0000        |

#### INVESTMENT OBJECTIVE

The Fund aims to provide long-term capital growth and/or income return by investing into a collective investment scheme.

Any material changes to the Fund's investment objective would require unitholders' approval.

Income is in reference to the Fund's distribution, which could be in the form of cash or unit.

#### INVESTMENT STRATEGY AND APPROACH

The Fund will invest at least 95% of the Fund's NAV in Class B, of the Target Fund (i.e. BOS International Fund – Defensive), while up to 5% of the Fund's NAV will be invested in liquid assets such as money market instruments (including fixed income securities which have remaining maturity period of not more than 365 days) and placement of deposits (current and/or term) with financial institutions for liquidity purposes. Nevertheless, the Fund may, with the concurrence of the Trustee, hold more than 5% of liquid assets to meet redemption requests and to manage expenses of the Fund.

The Fund is designed to mirror closely the performance of the Target Fund and will not be adopting any temporary defensive position in response to events such as adverse market or economic conditions.

Having said that, the Manager will still play an active role in managing the Fund's currency risk, the Fund will actively employ derivative instruments such as foreign exchange forward contracts and/or cross currency swaps for hedging purposes for the relevant Class of units of the Fund.

#### Asset Allocation

| Asset Category | % Of Fund's NAV |
|----------------|-----------------|
| Target Fund    | Minimum 95%     |
| Liquid assets  | Maximum 5%      |

*Note: Notwithstanding the asset allocation indicated above, the Fund may hold more than 5% in liquid assets on a temporary basis (i.e. up to 1 month) so as to facilitate the Fund's initial investments in the Target Fund.*

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

|                                       |  |
|---------------------------------------|--|
| <b>Manager</b>                        | BOS Wealth Management Malaysia Berhad<br>199501006861 (336059 – U) |
| <b>Target Fund Investment Manager</b> | Bank of Singapore Limited (197700866R)                             |
| <b>Target Fund Manager</b>            | UBS Fund Management (Luxembourg) S.A. (B 154.210)                  |
| <b>Trustee</b>                        | CIMB Commerce Trustee Berhad 199401027349 (313031-A)               |
| <b>Trustee's Delegate</b>             | CIMB Bank Berhad 197201001799 (13491-P)                            |
| <b>Auditors</b>                       | PricewaterhouseCoopers PLT ('PWC') (LLP0014401-LCA & AF 1146)      |
| <b>Tax Advisers</b>                   | Ernst & Young Tax Consultants Sdn Bhd 198901002487 (179793-K)      |

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

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

## KEY RISKS

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

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

#### Target Fund risk

The Fund is designed to mirror closely the performance of the Target Fund. The Fund adopts a passive strategy, where it invests a minimum of 95% of its NAV into the Target Fund at all times and will not be adopting any temporary defensive position in response to events such as adverse market or economic conditions. As such, the Fund is exposed to the potential risk of the Target Fund's non-performance.

Notwithstanding the above, the Manager will manage the Fund's currency hedging activity in respect to the relevant Classes of units of the Fund to mitigate the currency risk of the Fund.

#### Currency risk

As the investments of the Fund principally consist of the Target Fund's share class(es) (which are denominated in USD), the fluctuation in the exchange rate between (a) USD; and (b) currency in which the Class of units that you invested in, may have an impact on your investment in the Fund. Take for example, if your investments in the Fund consist of Class of units denominated in MYR, the weakening of USD against MYR will negatively impact your investment in MYR term.

As the Fund is established as multi-class funds, the Fund may in any future dates offer Class(es) denominated in other foreign currencies. Such Class(es) is also exposed to same currency risk as described above.

To mitigate the currency risk, the Fund will utilise derivative instruments for hedging purposes in relation to the relevant Class(es). Take for example, for Class MYR-Hedged BOS, the Fund will employ derivative instruments to hedge against the potential weakening of the USD (in respect to MYR).

Currency hedging involves additional transactional cost, which will be reflected in your investment. Besides, currency hedging may also prevent you from enjoying any up-side due to currency fluctuation.

As currency hedging will be carried out by the Manager on the best-effort basis. Thus, currency risk cannot be 100% eliminated.

It is also important to note that the Target Fund which invests globally and their assets consists of investments denominated in various currencies. As such, the Target Fund is also exposed to currency risk. You are advised to read the currency risk of the foreign Target Fund as disclosed in section below.

#### Country risk

As the Fund invests in the Target Fund which is domiciled in Luxembourg, the Fund's investments in the Target Fund may be affected by risks specific to Luxembourg. Such risk includes adverse changes in Luxembourg's economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may pose an adverse impact on the Target Fund Investment Manager's duty to manage the Target Fund's investments, which may potentially depress the Target Fund's net asset value growth, and consequently depress the Fund's NAV growth.

#### Liquidity risk

As the Fund principally invests in the Target Fund (which is non-listed collective investment schemes), the Fund's ability to fulfil its obligation (e.g. redemption request by the Unitholders) may be subject to the Target Fund's ability to facilitate redemption requested by the Fund in a timely manner, especially if the Fund is short of cash to facilitate redemption and need to liquidate its holdings in the Target Fund to fulfil its obligation.

By default, to mitigate the risk, the Fund will keep up to 5% of NAV in liquid assets. With the concurrence of the Trustee, the Fund may even hold more than 5% of liquid assets to meet redemption requests, especially when high volume of redemption requests is anticipated.

Note: It is important to note that the suspension or deferment of redemption (if any) by the Target Fund may also impact the Fund's ability to meet redemption request from the Unitholder on a timely manner.

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

#### Single country risk

Investment in securities from a single country by the Target Fund involves a risk that the financial market of that country may be exposed to special political or regulatory initiatives. Market or general economic conditions in the country, including developments in the country's currency and interest rate will also affect the value of the Target Fund's investments.

You are expected to take note that the Target Fund invests globally, which could in certain extent mitigate single country risk.

#### Single sector risk

Investment in securities from a single sector by the Target Fund involves a risk that the financial market of that sector may be exposed to special political or regulatory initiatives. Market or general economic conditions in the sector will also affect the exposure to more than one country.

Investment in more than one well-organized and highly developed foreign market generally involves a lower risk of the total portfolio than investment alone in single countries and single markets.

You are expected to take note that the Target Fund invests across different sectors, which could in certain extent mitigate single sector risk.

#### Foreign currency risk

Investment in foreign securities involves exposure to currencies which may fluctuate up or down against the currency denomination of the relevant share class(es) of the Target Fund. Accordingly, the prices of the Target Fund's share class(es) will be affected by the exchange-rate fluctuations between these currencies and the currency denomination of the share class(es) of the Target Fund. The Target Fund which invests in equities and bonds dominated in the same currency as the share class(es) of the Target Fund have no direct currency risk. Target Fund which is systematically hedged against the currency denomination of the share class(es) has a very limited currency risk. If any, hedging will appear from the description of the Target Fund's investment policy.

#### Issuer-specific risk

The value of an individual share or bond may show wider fluctuations than the total market and may result in a return which is highly different from the market return. Shifts in the foreign exchange market and regulatory, competitive, market and liquidity conditions may affect the issuer's earnings. Since, at the time of investment, the Target Fund may invest up to 10% in a single issuer, the value of the Target Fund may vary sharply due to fluctuations in individual shares and bonds. An issuer may go bankrupt; in which case the total amount invested will be lost.

#### Liquidity risk

In special cases, local or global conditions may cause securities or currencies to become non-negotiable or only to be negotiable to a limited extent. This may affect the Target Fund's opportunities of making transactions in the financial markets. The consequence may be that the Target Fund will have to suspend redemption and issue for a shorter or longer period.

#### Counterparty risk

If the Target Fund enters into an agreement with a counterparty where the Target Fund receives an outstanding amount, there is a counterparty risk. This means a risk that the counterparty breaches the contract and cannot meet its obligations. There is also counterparty risk by investing in depositary receipts (such as ADRs, GDRs and GDN) and in pass-through notes.

#### Bond market risk

The bond market may be exposed to special political or regulatory initiatives which affect the value of the Target Fund's investment. Market or general economic conditions, including the development of interest rates, will also affect the value of the investments.

#### Interest-rate risk

The interest rate level varies from region to region and must be seen in connection with, e.g., the inflation level. The interest-rate level plays a large role for how attractive it is to invest in, e.g., bonds. Moreover, changes in interest-rate levels may result in price declines or increases. Rising interest rates may cause falling prices. Duration expresses, among other things, the price risk on the bonds the Target Fund invests in.

#### Credit risk

Within different bond types - government bonds, mortgage bonds, emerging market bonds, corporate bonds, etc., there is a credit risk. The credit risk is related to the issuer's ability to redeem his debt obligations. Investment in bonds issued by corporations may involve an increased risk that the credit rating of the issuer is lowered and/or the issuer cannot meet its obligations. Credit spread/yield spread expresses the yield difference between developed-market government bonds and other types of bonds issued in the same currency and with the same maturity. The credit spread shows the premium received by the investor for accepting the credit risk.

#### Fluctuations in the equity market

The equity markets may fluctuate extensively and may decline considerably. Fluctuations may be a reaction to company specific, political or regulatory conditions, among other things. They may also be a consequence of sector, regional, local or general market and economic conditions.

#### Risk capital

The return may fluctuate extensively due to the companies' potential for obtaining risk-tolerant capital, for instance, for the development of new products. The Target Fund may invest in companies working with fully or partly new technologies whose commercial distribution and timing may be difficult to assess.

#### Risks associated with investments in emerging markets

The Target Fund may invest in both developed and emerging markets countries. The risks associated therewith are listed in the following. For the reasons mentioned, the Target Fund is particularly suitable for risk-conscious investors.

Emerging markets are at an early stage of development and suffer from higher risks of expropriation and nationalisation, as well as social, political and economic instability.

The following is an overview of the general risks associated with investing in the emerging markets:

- Counterfeit securities – due to inadequate supervisory structures, it is possible that securities purchased by the target fund could be counterfeit. It is therefore possible to suffer losses.
- Illiquidity – the buying and selling of securities can be costlier, more time-consuming and generally more difficult than on more developed markets. Difficulties with liquidity can also increase price volatility. Many emerging markets are small, have low trading volumes and suffer from low liquidity and high price volatility.
- Volatility – investments in emerging markets may post more volatile performances than those in developed markets.
- Currency fluctuations – compared to the Target Fund's reference currency (USD), the currencies of countries in which the Target Fund invests may be subject to substantial fluctuations after the Target Fund has invested in these currencies.
- Such fluctuations may have a significant impact on the target fund's income. It is not possible to apply currency risk hedging techniques to all currencies in emerging market countries.
- Currency export restrictions – it cannot be ruled out that emerging markets may limit or temporarily suspend the export of currencies. Consequently, it would not be possible for the target fund to draw any sales proceeds without delays. To minimise the possible impact on redemption applications, the target fund will invest in a large number of markets.
- Settlement and custody risks – the settlement and custody systems in emerging market countries are less developed than those in developed markets. Standards are not as high and the supervisory authorities not as experienced. Consequently, settlement may be delayed, thereby posing disadvantages for liquidity and securities.
- Restrictions on buying and selling – in some cases, emerging markets can place restrictions on the purchase of securities by foreign investors. Some equities are thus not available to the target fund because the maximum number allowed to be held by foreign shareholders has been exceeded. In addition, the participation of foreign investors in the net income, capital and distributions may be subject to restrictions or government approval. Emerging markets may also limit the sale of securities by foreign investors. Should the target fund be barred due to such a restriction from selling its securities in an emerging market, it will try to obtain an exceptional approval from the relevant authorities or to counter the negative impact of this restriction through its investments in other markets. The target fund will only invest in markets in which the restrictions are acceptable. However, it is not possible to prevent additional restrictions from being imposed.

- Accounting – the accounting, auditing and reporting standards, methods, practices and disclosures required of companies in emerging markets differ from those in developed markets in terms of content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate investment options.

Risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect

In addition to the aforementioned, you should read, be aware of and take into account the risks associated with the Target Fund's investments traded via Stock Connect. For the reasons mentioned, the Target Fund which is investing in assets traded via Stock Connect is particularly suitable for risk-conscious investors.

To the extent that the Target Fund's investments in China are dealt via Stock Connect, such dealing may be subject to additional risk factors. Stock Connect is a mutual market access programme through which non-PRC investors can deal in select securities listed on a People's Republic of China ("PRC") stock exchange, currently the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE"), through a platform organized by the Hong Kong Stock Exchange ("SEHK") via a broker in Hong Kong and PRC domestic investors can deal in select securities listed on the SEHK through a platform put in place by a PRC stock exchange, currently the SSE and SZSE.

The relevant regulations are subject to change. Stock Connect is subject to quota limitations which may restrict the Target Fund's ability to deal via Stock Connect on a timely basis. This may impact the Target Fund's ability to implement its investment strategy effectively. Currently, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index, the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index (with market capitalization of RMB 6 billion or above) as well as all China A Shares dual-listed on either the SSE or SZSE and the SEHK except for listed shares which are not traded in RMB and/or which are under 'risk alert' or under delisting arrangements. You should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the Target Fund's ability to meet its investment objective, e.g. when the Target Fund Investment Manager wishes to purchase a security which is recalled from the scope of Stock Connect.

- Beneficial owner of the SSE/SZSE Shares – Stock Connect currently comprises the Northbound link, through which Hong Kong and overseas investors like the Target Fund may purchase and hold China A Shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange ("**SSE/SZSE Shares**"), and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the Stock Exchange of Hong Kong. The Target Fund trades SSE/SZSE Shares through its broker affiliated to the Fund sub-custodian who is SEHK exchange participants. These SSE/SZSE Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Central Clearing and Settlement System of HKSCC ("CCASS") maintained by the Hong Kong Securities and Clearing Corporation Limited ("HKSCC") as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds SSE/SZSE Shares of all its participants through a "single nominee omnibus securities account" in its name registered with China Securities Depository and Clearing Corporation Limited ("ChinaClear"), the central securities depository in Mainland China. Because HKSCC is only a nominee holder and not the beneficial owner of SSE/SZSE Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that SSE/SZSE Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in SSE/SZSE Shares in Mainland China. Foreign Investors like the Target Fund investing through the Stock Connect holding the SSE/SZSE Shares via HKSCC is the beneficial owner of the assets and is therefore eligible to exercise its rights through the nominee only.
- Not protected by Hong Kong's Investor Compensation Fund – Investors should note that any Northbound or Southbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.  
Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.
- Difference in trading day and trading hours – Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the two Mainland China markets - SSE and SZSE, and HKSE. Stock Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong.
- The recalling of eligible stocks and trading restrictions – A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager.  
Under Stock Connect, the Target Fund Investment Manager will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under "risk alert"; (iii) the corresponding H share of



the China A Share subsequently ceases to be traded on SEHK and/or (iv) in respect of SZSE Shares only, such Shares, based on any subsequent periodic review, that are determined to have a market capitalisation of less than RMB 6 billion. Investors should also note that price fluctuation limits would be applicable to China A Shares.

- Trading costs – In addition to paying trading fees and stamp duties in connection with China A Shares trading, the Target Fund carrying out Northbound trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.
- Local market rules, foreign shareholding restrictions and disclosure obligations – Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. The Target Fund Investment Manager will also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A Shares.

Under the current Mainland China rules, once an investor holds or controls up to 5% of the shares of a company listed on either the SSE or the SZSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company.

After that, the investor is also required to make disclosure within three working days every time a change in his shareholding reaches 5%. From the day the disclosure obligation arises to two working days after the disclosure is made, the investor may not trade the shares of that company. Overseas investors holding China A Shares via Stock Connect are subject to the following restrictions (i) shares held by a single foreign investor (such as the Target Fund) investing in a listed company must not exceed 10% of the total issued shares of such listed company; and (ii) total A Shares held by all foreign investors (i.e. Hong Kong and overseas investors) who make investments in a listed company must not exceed 30% of the total issued A shares of such listed company. If the aggregate foreign shareholding exceeds the 30% restriction, the foreign investors would be required to unwind their positions on the excessive shareholding according to a last-in-first-out basis within five trading days.

Trading in securities through the Stock Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Target Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

According to existing Mainland China practices, the Target Fund being the beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

- Currency risks – Investments via Northbound trading by the Target Fund in the SSE/SZSE securities will be traded and settled in RMB. If the Target Fund holds a class of shares denominated in a currency other than RMB, the Target Fund will be exposed to currency risk if the Target Fund invests in a RMB denominated investment due to the need for the conversion of the currency into RMB denominated investment. During the conversion, the Target Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Target Fund purchases it and when the Target Fund redeems / sells it, the Target Fund will still incur a loss when it converts the redemption / sale proceeds into the currency if RMB has depreciated.

The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.

- Risk of ChinaClear default – ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the general rules of CCASS, if China Clear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, the prospective investors (including the Target Fund) should be aware of this arrangement and of this potential exposure before engaging in trading SSE/SZSE Shares.

- Risk of HKSCC default – A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect securities and/or monies in connection with them and the Target Fund and its investors may suffer losses as a result. Neither the Target Fund nor the Target Fund Investment Manager shall be responsible or liable for any such losses.
- Ownership of Stock Connect securities – Stock Connect securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect securities are not available under the Northbound trading for the Target Fund's investing into such securities. The Target Fund's title or interests in, and entitlements to Stock Connect securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise. This is a complex area of law and the investor should seek independent professional advice.

- Withholding tax and stamp duty on investments in China A Shares via Stock Connect – On 14 November 2014, the Chinese authorities published Caishui circular [2014] No. 81, which stated that with effect from 17 November 2014, capital gains made by foreign investors from trading in China A Shares via Stock Connect

would be temporarily exempt from the corporate income tax applicable in the PRC, as well as individual income and business taxes. Foreign investors are obliged to pay the 10% withholding tax on dividends applicable in the PRC. This will be withheld by companies listed in the PRC and remitted to the competent tax authorities in the PRC. Investors resident for tax purposes in a jurisdiction that has concluded a tax treaty with the PRC can apply for a refund of any excess withholding tax paid, provided the relevant tax treaty stipulates a lower rate for the withholding tax on dividends in the PRC than the one paid.

The Target Fund is subject to the stamp duty of 0.1% applicable in the PRC when disposing of China A Shares via Stock Connect.

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

## FEES AND CHARGES

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

|                              | Class MYR-Hedged BOS   | Class USD BOS | Class PP USD |
|------------------------------|--|---------------|--------------|
| <b>Sales Charge</b>          | Up to 2.00% of the Fund's NAV per unit   |               |              |
|                              | The front-end fee at the Target Fund level is waived to the Fund.  |               |              |
| <b>Annual Management Fee</b> | Up to 1.20% p.a. of the NAV of the Class of Units  |               |              |
| <b>Annual Trustee Fee</b>    | Up to 0.04% per annum of the NAV of the Fund, subject to a minimum of RM12,000 per annum (excluding foreign custodian fee and charges).<br>The annual trustee fee is payable on a monthly basis.   |               |              |
| <b>Redemption Charge</b>     | There is no redemption charge imposed on unitholders of the Fund.  |               |              |
| <b>Switching Fee</b>         | The Manager does not intend to charge any switching fee; however, investors (including the Unitholders' of the Fund(s)) performing a switching transaction will have to pay the applicable difference in sales charge between the fund to be switched from and the fund to be switched into, which could be up to 5.50% of net asset value per unit depending on the fund(s) involved in a switching transaction.<br><br>The differential in sales charge resulted from switching transaction is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time. |               |              |
| <b>Transfer Fee</b>          | There is no transfer fee imposed on unitholders of the Fund.   |               |              |

**Note: It is important for you to note that given the BOSWM Core Defensive Fund (i.e., primarily investing in the Target Fund), you will be subject to higher cost of investment and fees arising from the layered investment structure.**

**Redemption and income distribution proceeds will be made via bank transfer. Kindly refer to the prevailing information memorandum for more information.**

**Despite the maximum fees and charges permitted by the deed, all current fees and charges are as disclosed above.**

**All fees and charges quoted are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.**

## VALUATIONS AND EXITING FROM INVESTMENT

### 7. How Often Are Valuations Available?

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

Fund prices will be published on the Manager's website at <https://www.boswealthmanagement.com.my>.

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

- Investors can exit from the investment by completing the transaction form. The duly completed and accepted original transaction form must reach the Manager's head office by 4.00 p.m. on any business day. The Manager will repurchase units at the Fund's NAV per unit calculated at the end of that business day.
- The investor will receive the prevailing price per unit.
- Transaction forms received after 4.00 p.m. will be treated as having been received on the next business day.
- There is no minimum redemption amount for the Fund and / or Class. For partial redemption, the minimum balance to be maintained in the investor's unit trust account must be 100,000 units or such sum as may be

decided by the Trustee and the Manager from time to time. Should the units in your account are less than the minimum holding after the redemption application is made, all units in the investor's account will be redeemed automatically.

- By default, payment will be made to you within 10 business days. However, Investors should note that the time taken to pay redemption proceeds to investors may be extended/delayed, if the total redemption for that day exceeds 10% of the Fund's NAV or if it is a non-Business Day at the Target Fund level.

## CONTACT INFORMATION

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

#### Contact Details Of The Manager

|   |   |
|---|---|
| <b>Head Office</b>                          | BOS Wealth Management Malaysia Berhad 199501006861 (336059 – U)<br>09-02, Level 9, Imazium<br>No. 8, Jalan SS 21/37,<br>Damansara Uptown,<br>47400 Petaling Jaya, Selangor<br>Tel: 03-7712 3000<br>E-mail: ContactUs@boswm.com<br>Website: www.boswealthmanagement.com.my |
| <b>Institutional Unit<br/>Trust Adviser</b> | OCBC Bank (Malaysia) Berhad (295400-W)<br>Premier Banking Hotline: 03-8315 4288   |

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

- For internal dispute resolution, you may contact your Relationship Manager directly or contact us at our contact details above.
- If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
  - via phone to: 03-2282 2280
  - via fax to : 03-2282 3855
  - via e-mail to: info@sidrec.com.my
  - via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar,  
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
- You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Consumer & Investor Office:
  - via phone to the Aduan Hotline at : 03-6204 8999
  - via fax to : 03-6204 8991
  - via e-mail to : aduan@seccom.com.my
  - via online complaint form available at www.sc.com.my
  - via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No. 3 Persiaran Bukit Kiara, Bukit Kiara  
50490 Kuala Lumpur
- Federation of Investment Managers Malaysia's (FIMM) Complaints Bureau:
  - via phone to: 03-7890 4242
  - via e-mail to: complaints@fimm.com.my
  - via online complaint form available at www.fimm.com.my
  - via letter to : Legal & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No.19 Lorong Dungun, Damansara Heights  
50590 Kuala Lumpur

## APPENDIX: GLOSSARY

#### Class MYR-Hedged BOS

Class of units issued by the Fund that is denominated in Malaysia Ringgit ("MYR"), which aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and MYR.

#### Class PP USD

Class of units issued by the Fund that is denominated in USD. This Class of units is dedicated for investments made via specific IUTA channel(s).

#### Class USD BOS

Class of units issued by the Fund that is denominated in United States Dollar("USD").

#### Target Fund

BOS International Fund – Defensive