

# PROSPECTUS

## **BOSWM CASH FUND**

*Note: This document is a replacement Prospectus dated 16 December 2022. It supersedes all the previously issued disclosure documents (i.e. prospectus dated 27 November 2020 and supplementary master prospectus dated 6 October 2021) pertaining to the Fund.*

### **MANAGER**

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

A company incorporated in Malaysia under the Companies Act 2016

### **TRUSTEE**

#### **MTRUSTEE BERHAD 198701004362 (163032-V)**

This Prospectus is dated 16 December 2022.

BOSWM Cash Fund is constituted on 7 October 2005.

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

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



## **DIRECTORS' RESPONSIBILITY STATEMENTS**

This Prospectus has been reviewed and approved by the Directors of BOS Wealth Management Malaysia Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading.

## **STATEMENTS OF DISCLAIMER**

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

The authorisation of the Fund, and registration of this Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus.

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

## **ADDITIONAL STATEMENTS**

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

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

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

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

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to the Fund.

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

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# 1 DEFINITIONS

The meaning of some terms in this Prospectus is explained below:

|  |   |
|--|---|
| <b>Board of Directors / Directors</b>              | Directors of BOS Wealth Management Malaysia Berhad  |
| <b>BOSWM MY / Company /Manager / we / our / us</b> | BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)   |
| <b>Business Day(s)</b>                             | Refers to a day (other than Saturdays, Sundays and public holidays) on which banks in Kuala Lumpur are open for business and a day on which Bursa Malaysia is open for trading in securities.<br><br>Note: The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as in the event of market disruption.   |
| <b>Class(es)</b>                                   | Means any class of unit of the Fund representing similar interests in the assets of the Fund.   |
| <b>Class A</b>                                     | Means a Class of Units denominated in Ringgit Malaysia which is designated for individual unitholder and/or such other category of unitholder, as may be determined by the Manager from time to time.   |
| <b>Class B</b>                                     | Means a Class of Units denominated in Ringgit Malaysia which is designated for non-individual unitholder and/or such other category of unitholder, as may be determined by the Manager from time to time.   |
| <b>Deed/deed</b>                                   | The deed and all supplemental deeds entered into between the Manager and the Trustees in relation to the Fund.  |
| <b>Financial Institution(s)</b>                    | In the context of the Fund,<br>a) if the institution is in Malaysia–<br>(i) licensed bank;<br>(ii) licensed investment bank; or<br>(iii) licensed Islamic bank;<br>b) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorised by the relevant banking regulator to provide financial services.<br><br>Notes:<br>“licensed bank” & “licensed investment bank” have the same meanings assigned to it under the Financial Services Act 2013.<br>“licensed Islamic bank” has the same meaning assigned to it under the Islamic Financial Services Act 2013. |
| <b>Fund</b>  | BOSWM Cash Fund   |
| <b>Institutional Unit TrustAdvisers (“IUTA”)</b>   | Means a corporation registered with Federation of Investment Managers Malaysia (FIMM) and authorised to market and distribute unit trust schemes of another party.  |

|                                   |  |
|-----------------------------------|--|
| <b>Prospectus</b>                 | Refers to this disclosure document in relation to the Fund issued by BOS Wealth Management Malaysia Berhad.  |
| <b>NAV</b>                        | Net asset value (NAV) of the Fund is the total value of the Fund's assets minus its liabilities at a valuation point. In computing the annual management fee and annual trustee fee, the NAV of the Fund should include the management fee and the trustee fee for the relevant day. Where the Fund has more than one Class, there shall be a net asset value of Fund attributable to each Class.                                      |
| <b>NAV per unit</b>               | NAV per unit of the Fund is the NAV divided by the total number of units in circulation, at a particular valuation point. Where the Fund has more than one Class, there shall be a NAV per unit for each Class of units; the NAV per unit of a Class at a particular valuation point shall be the NAV of the Fund attributable to that Class of units divided by the number of units in circulation for that the same valuation point. |
| <b>SC Guidelines</b>              | Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia as may be amended from time to time.   |
| <b>SC / Securities Commission</b> | Securities Commission Malaysia.  |
| <b>short term</b>                 | below one year.  |
| <b>Trustee</b>                    | MTrustee Berhad 198701004362 (163032-V)  |
| <b>unitholder</b>                 | The person for the time being who is registered pursuant to the deed as a holder of units, including a jointholder.  |
| <b>US Person</b>                  | Means a US citizen or US tax resident individual, (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), a US corporation, US partnership, US trust or US estate for US federal income tax purposes.   |

## 2 CORPORATE DIRECTORY

### Manager

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

### **Business Office**

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

### **Registered Office**

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

### Trustee

**MTrustee Berhad**  
198701004362 (163032-V)

### **Registered Office**

B-2-9 (2<sup>nd</sup> Floor),  
Pusat Perdagangan Kuchai,  
No. 2, Jalan 1/127,  
Off Jalan Kuchai Lama 58200  
Kuala Lumpur

### **Business Office**

15<sup>th</sup> Floor, Menara AmFIRST,  
No. 1, Jalan 19/3,  
46300 Petaling Jaya, Selangor  
Tel: 03-7954 6862  
Fax: 03-7954 3712  
Email: [MTrustee-Legal@mtrustee.com](mailto:MTrustee-Legal@mtrustee.com)  
Website: [www.mtrustee.com](http://www.mtrustee.com)

### Trustee's Delegate

### **Malayan Banking Berhad (3813-K)**

### **Registered & Business Office**

8<sup>th</sup> Floor, Menara Maybank  
100 Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: 03-2074 8158  
Fax: 03-2032 1572  
Website: [www.maybank.com](http://www.maybank.com)



### 3 THE FUND

#### 3.1 BOSWM Cash Fund

|                                       |   |
|---------------------------------------|---|
| <b>Fund category</b>                  | Money Market  |
| <b>Fund type</b>                      | Income  |
| <b>Base Currency</b>                  | MYR   |
| <b>Characteristic</b>                 | Conservative  |
| <b>Financial Year End</b>             | 30 September  |
| <b>Distribution Policy</b>            | Income, if any, will be distributed monthly.<br><br><i>Note: for the avoidance of doubt, distribution of income can only be made from realised gains or realised income.</i>  |
| <b>Investment Objective</b>           | The Fund aims to provide regular income <input type="checkbox"/> potentially higher than prevailing money market and savings rates, stability of capital and a high level of liquidity.<br><br>Any material change to the Fund's investment objective would require unitholders' approval.<br><br><input type="checkbox"/> <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to page 20 for further details on distribution policy and reinvestment policy.</i>   |
| <b>Investment Policy and Strategy</b> | The Fund will focus on investing in a diversified portfolio of deposits with financial institutions and/or money market instruments with financial institutions in Malaysia to generate regular stream of income that is higher than prevailing money market and savings rates.<br><br><b>Note: The Fund is neither a capital guaranteed fund nor a capital protected fund.</b>   |
| <b>Asset Allocation</b>               | The Fund will invest at least 90% of its NAV in placements of deposits with financial institutions and/or money market instruments with financial institutions with maturity of no more than 365 days (one year)*. The asset allocation of the Fund in terms of tenure of deposits with financial institutions and/or money market instruments with financial institutions may be reviewed from time to time depending on the Fund's liquidity requirements and to optimise income to the Fund. The Fund does not expect to carry out any temporary defensive measure as the Fund's assets are highly liquid (i.e. deposits and/or money market instruments).<br><br>* However, the Fund may invest in money market instruments with the remaining maturity period of no longer than 732 days (two years) <b>provided the money market instruments are issued by, or guaranteed by, either a government, government agency or central bank.</b><br><br>The Fund's investments will bear a rating of at least P2 for short-term issues (money market instruments), by RAM Rating Services Berhad (RAM) or equivalent ratings by another rating agency. Upon the event of a downgrade of credit rating to below investment grade (P3 and below for short term ratings), the Manager will notify the Trustee of its strategy to rectify the situation, which may involve the nearest opportunity for disposal of the instrument or a scheme of arrangement with the issuer of instrument.<br><br>The Fund's combination of deposits and money market instruments is expected to minimise the Fund's exposure to interest rates fluctuations and hence minimise fluctuations in Fund pricing. |

|  |   |   |
|--|---|---|
| <b>Performance Benchmark</b>   | <p>The benchmark for the Fund is Maybank Overnight Repo rate and it is widely used and available from <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a> on a daily basis It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.</p> <p>Note: You are advised that the risk profile of the Fund is different from the risk profile of the performance benchmark.</p> |   |
| <b>Financing and Securities Lending</b>  | <p>The Fund is not permitted:</p> <ul style="list-style-type: none"> <li>• to borrow assets (except in cash for the purpose of meeting redemption request and for short-term bridging requirements); and</li> <li>• to engage in repurchase transaction; and</li> <li>• to lend its assets (including cash).</li> </ul>   |   |
| <b>Class(es) available for Subscription</b>  | <b>Class A</b>  | <b>Class B</b>  |
| <b>Subscription restriction</b>  | Open for individual unitholder and/or such other category of unitholder, as may be determined by the Manager from time to time.   | Open for non-individual unitholder and/or such other category of unitholder, as may be determined by the Manager from time to time. |
| <b>Launch date</b>   | 7 October 2005  |   |
| <p><b>Investment in this Fund is not the same as placement in a deposit with a financial institution.</b></p> <p><b>There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in this Fund.</b></p> |   |   |

The Manager has the right to issue other classes of units without the need to seek unitholder's prior approval.

## 4 PERMITTED INVESTMENTS, INVESTMENT RESTRICTIONS AND LIMITS

### 4.1 Permitted Investments

Where permitted by the relevant authorities and consistent with the objective of the Fund, the Fund is permitted to invest in the following: -

**The permitted investments of the Fund is as follows:**

- Money market instruments;
- Deposits with financial institutions; and
- Any other form of investments as may be agreed upon by the Manager and the Trustee from time to time and permitted by the relevant authorities, where necessary.

### 4.2 Investment Restrictions and Limits

**The purchase of investments for the Fund shall be subject to the following restrictions:**

**Exposure Limits**

- 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.

**Spread Of Investments On Single Issuer**

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.

**Spread Of Investments On Groups Of Companies**

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.

**Concentration Of Investments**

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

**Placement Of Deposits**

The value of the Fund's placement in deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV or at any other limit set by the Securities Commission. This limit does not apply to placements of deposits arising from:

- a) Subscription monies received prior to the commencement of investment by the Fund;
- b) Liquidation of investments prior to the termination of the Fund, where the placement of deposits with various financial institutions would not be in the best interests of unit holders; or
- c) Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of unit holders.

The investment restrictions and limits must be complied with at all times based on the current value of the Fund's investments. However, the limits above may be breached by up to a maximum of 5% above the restrictions where the restriction is breached through a rise or fall of the NAV of the Fund (which could be due to fluctuations in value of the Fund's investments, or from redemption of units or payments made out of the Fund). No additional investments may be made in the category of investment where the investment limit has been exceeded and the Manager will take all necessary steps and actions to rectify the breach within three months from the date of the breach. The limits and restrictions stated above do not apply to securities/instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

Note: Permitted Investments, restrictions and limits imposed under SC Guidelines shall prevail should the permitted investments, investment restrictions and limits of the Fund as disclosed above are less restrictive. It is important to note that SC Guidelines are subjected to update from time to time.

## 5 RISK MANAGEMENT STRATEGIES AND TECHNIQUES

### 5.1 For BOSWM Cash Fund

Our risk management strategy is to conduct fundamental analysis of economic, financial and social-political factors, both locally and globally, to evaluate their likely implications on the local interest rate environment and to ascertain the potential risk-reward of different asset classes. For BOSWM Cash Fund, money market instruments and cash deposits are screened by analysis of issuers' underlying business and fundamentals as well as the credit standing of licensed Financial Institutions by active monitoring of credit ratings assigned by the credit rating agencies (where applicable).

The Fund's portfolio risk is mitigated by diversifying across wide range of counterparties as well as across multiple placement tenures. Percentage holdings in cash placements are actively monitored and these percentages are raised or reduced from time to time depending on the risk-reward potential. Specific risk management strategies for the risks that the Fund is subject to can also be found on page 9 to 10 .

In addition, the following investment procedures and internal controls are designed to control operational risk\*\*:

- There is strict division of duties between asset placement, confirmation, settlement and valuation;
- There are rules on trading and preventing employees to act on insider information. The Compliance department will monitor compliance and enforce disciplinary actions on any employee who has breached the code of conduct and compliance manual;
- There is daily computation of the Fund's NAV and independent verification and reconciliation;
- There are procedures for senior management, Trustee, Investment Committee and the Board of Directors to be informed promptly, to investigate and to ensure timely and appropriate rectification of any deviation and non-compliance that may arise; and
- There are limits to the placement maintained at licensed financial institutions to manage credit risk exposure.
- There are limits and criteria set on credit rating of money market instruments.

*\*\* Operational risk refers to the internal risk associated with inadequate systems and controls.*

*Note: Please refer to Section 6.1 under page 9 for liquidity risk management for the Fund.*

### 5.2 Bases of Valuation of Investments

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

- a) Cash or deposits placed with banks and other financial institutions and bank bills are valued on a daily basis by reference to their nominal values and the accrued interest/profit thereon
- b) Money market instruments (with remaining term to maturity of not more than 90 calendar days at the time of acquisition) are valued each day by reference to their nominal values and the accrued interest, if any.
- c) Money market instruments (with remaining term to maturity of 90 calendar days and above, at the time of acquisition), if any, will be valued in accordance with a fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

## 6 RISK FACTORS

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

### 6.1 General Risks

The following are the general risks for the Fund:

- **Credit and default risk** – Credit risk relates to the creditworthiness of the Financial Institutions of the money market instruments and deposit and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the Financial Institutions may impact the value as well as liquidity of the money market instruments and deposit placements. In the case of rated money market instruments, this may lead to a credit downgrade which will in turn adversely affect the value of the money market instruments. This could adversely affect the value of the fund. Default risk relates to the risk that the Financial Institutions either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the money market instruments. This could adversely affect the value of a fund.
- **Inflation risk** – This is the risk that investors' investment in a 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.
- **Liquidity risk** – This risk occurs during periods of unexpected high redemption by unitholders. If a fund needs to sell a relatively large amount of fund's existing underlyings, the act itself may depress the value of the fund due to potential interest loss, which may subsequently lead to investment loss to its unitholders.

To mitigate liquidity risk, the Fund is managed in such a way that maturities of cash deposits and money market instruments are adequately diversified across a broad range of tenures to meet potential redemptions without having to resort to early termination of placements that could potentially result in interest losses. We may (in consultation with the Trustee) seek temporary financing to meet redemption request, considering which is in the best interests of unitholders before we consider the suspending the dealing in the Fund's units. Please refer to Section 8.9 Suspension of Dealing in Units for more details.

- **Manager's risk** – This risk refers to the day-to-day management of a fund by the unit trust fund manager which will impact the performance of the fund. For example, investment decisions undertaken by the unit trust fund manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
- **Market risk** – This risk refers to the potential losses in the investment of the fund which will impact the fund's NAV, due adverse changes in economic development, political situation and/or other factors.
- **Non-compliance risk** – This risk refers to the risk that the unit trust fund manager does not adhere to legislation or guidelines that govern the investment management and operations of a fund or to a fund's investment mandate stated in the deed. This risk also concerns non-compliance with internal operating policies and the unit trust fund manager acting fraudulently or in a manner that is unfair to unitholders. This risk could result in disruptions to the operations of a fund and potentially lead to reduced income/gains or even losses to unitholders. The unit trust fund manager has in place stringent internal policies and procedures to ensure a fund is managed to the full benefit of investors and in compliance with the relevant fund regulations or guidelines. There is also separation of fund management duties such as investment decision making, execution of trades and accounting for/valuation of such trades. A compliance team is in place to monitor such operational and investment activities.

## 6.2 Specific Risks

The Fund is subject to the following specific risks:

- **Early termination of cash deposits risk** – This is the risk of the Fund having to terminate/withdraw from placements in cash deposits before the maturity date of the respective placements – due to redemptions from the Fund. As a result of the premature termination of placements, there will be a loss of a percentage or even all of the profits accumulated during the period of holding of the cash deposits, resulting in loss of income to the Fund. To mitigate this risk, the Manager anticipates the potential percentage of the Fund that may experience redemptions and allocates maturities accordingly. For example, the Manager may ensure that there are sufficient tranches of cash deposits maturing weekly to meet any potential redemptions from the Fund.
- **Interest rate risk** – This risk refers to the effect of interest rate changes on the market value of a money market portfolio. In the event of rising interest rates, prices of money market instruments will generally decrease and vice versa.

The interest rate is a general indicator that will have an impact on the management of fund regardless of whether it is an Islamic unit trust fund or otherwise.

Note: For the avoidance of doubt, the Fund doesn't seek to invest in fixed income securities.

- **Reinvestment risk** – This risk refers to the effect of interest rate changes on investment income of the money market portfolio. In the event of declining interest rates, investment income will generally decrease due to lower reinvestment rate. This risk will be mitigated via maturity management of the cash and/or money market portfolio.

The Fund will look to increase its average maturity of its deposit placements in an environment of falling interest rates. Longer average maturity decreases the frequency at which cash becomes available and needs to be reinvested.

## 7 FEES, CHARGES AND EXPENSES

### 7.1 Sales Charge

The sales charge is a fee levied on the purchase of units of a fund, and is used to pay for marketing, advertising and distribution expenses of a fund. The sales charge is deducted upfront from the purchase amount, leaving only the net amount invested in a Fund. The sales charge is calculated based on the NAV per unit of a fund as at the next valuation point after the original application is received and accepted by the cut-off time of 4.00 p.m. on any Business Day. The following table outlines the maximum sales charge to be imposed by us and our authorised distributor- for both Class(es):

| Class   | Maximum Rate Of Sales Charge<br>(Please refer to page 23) |
|---------|---|
| Class A | No sales charge   |
| Class B |   |

*\*Our IUTA may not carry the complete range of the Manager's funds (or respective Classes of units). Investments made via our IUTA may be subject to different terms and conditions of the respective IUTA, including those for switching between Funds.*

For illustration on the calculation of sales charges, please refer to page 16.

### 7.2 Redemption Charge

There is no redemption charge imposed on unitholders for the Fund in this Prospectus.

Note: By default, redemption proceeds will be paid out via bank transfer. Thus, it is important for you to furnish us your bank account detail upon your subscription of the Fund. The request for payment of redemption proceeds via cheque is treated on a case-to-case basis only and subject to the Manager's approval. You will be charged a service fee of up to RM50 for each cheque requested and you will receive your redemption proceeds net of the service fee. You are encouraged to opt for bank transfer for redemption as there will be no fee imposed. Kindly contact us at 03-7712 3000 for details.

### 7.3 Annual Management Fee

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

| Fund    | Annual Management Fee                                     |
|---------|---|
| Class A | Up to 0.30% p.a. of the NAV of the Class(es) of the Fund. |
| Class B |   |

The annual management fee is calculated based on the NAV of the Class(es), accrued on a daily basis and is paid out of the Class(es). The annual management fee is payable on a monthly basis.

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



## 7.4 Annual Trustee Fee

The annual trustee fee is a fee paid to the Trustee for the custodial management and administration of the Fund's assets (e.g. transaction settlement, custody and administration costs). The following table outlines the annual trustee fee of the Fund:

| Fund    | Annual Trustee Fee                        |
|---------|---|
| Class A | Up to 0.025% p.a. of the NAV of the Fund. |
| Class B |   |

The annual trustee fee is calculated based on the NAV of the Fund at the Fund's annual trustee fee rates, calculated and accrued on a daily basis and is paid out of the Fund. The annual trustee fee is payable on a monthly basis.

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

## 7.5 Switching Fee

The Manager does not intend to charge any switching fee; however, under certain circumstances, unitholders 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.

Our IUTA may not carry the complete range of the Manager's funds. Investments made via our IUTA may be subject to different terms and conditions of the respective IUTA, including those for switching between funds.

Please refer to pages 18 to for the terms and conditions of the switching facility of the Fund.

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

## 7.6 Transfer Fee

There is no transfer fee imposed on unitholders of the Fund in this Prospectus.

## 7.7 Fund Expenses

Expenses directly related to the Fund are management fee, trustee fee and other administrative expenses (e.g. auditor's fee, courier and handling charges, etc).

The total annual expenses of the Fund are expressed as a percentage of the average NAV of the Class(es) for a financial year/period calculated on a daily basis. Please refer to the Fund's annual report and semi-annual report for the management expense ratio.

Other expenses, which are directly related and necessary to the business of the Fund, may be charged to the Fund. These will include (but are not limited to) the following:

- fees and other expenses properly incurred by the auditor and tax agent;
- where the custodial function is delegated by the Trustee, charges and fees paid to sub-custodians relating to the custodial function for the fund's assets outside Malaysia;
- taxes and other duties charged on the Fund by the government and other authorities;
- printing and postage expenses; and
- any other legitimate administration expenses or relevant professional fees approved by the Trustees.

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

There is no rebates and soft commissions for the Fund.

**There are fees and charges involved and investors are advised to consider them before investing in the Fund. All fees and charges payable to the Manager and/or the Trustee are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time. All fees, charges and expenses are rounded to two decimal places.**

## 8 TRANSACTION INFORMATION

Our IUTA may not carry the complete range of the Manager's Funds. Investments made via our IUTA may be subject to different terms and conditions of the respective IUTA, including those for switching between the Manager's funds.

### 8.1 Pricing Calculation

The buying and selling price of units of each Class(es) is quoted based on a single price i.e. the NAV per unit of the Class(es). All other transactions charges, if any, will be expressed separately from the price of a unit.

#### Valuation of NAV

The valuation of the Fund's NAV is calculated once at the end of every Business Day. The Fund's NAV attributed to the Class(es) will then be calculated, and the daily NAV per unit of the Class(es) will be published on the next Business Day after the valuation (T+1). Kindly read further to understand how the NAV is derived.

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

Valuation of units is based on the NAV of the Class(es) and is calculated at the end of every Business Day. The NAV per unit of a Class(es) is determined by dividing the Fund's assets less its liabilities by the number of units in circulation. After the offer period, the price of a unit is calculated based on the NAV per unit of the Class(es) as at the next valuation point after we receive the original application ("forward pricing").

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

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

The NAV per unit may be rounded to four decimal places. An incorrect valuation and/or pricing of a Class(es) shall be **considered of minimal significance** if the error involves a discrepancy of less than 0.5% of the NAV per unit of a Class(es) of the Fund. Any pricing discrepancy of 0.5% or more of the NAV per unit of a Class(es) will be rectified as stated in the Fund's Deed unless the total impact of the discrepancy on an individual account is less than RM10.00 (or in the case of a foreign currency class of units, less than 10.00 denominated in the respective foreign currency denomination, subject to any requirements under the relevant law, if any) .

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

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

If we receive your duly completed and accepted original application form to purchase/redeem/switch any Fund(s) by the cut-off time of 4.00 p.m. on any Business Day, the NAV per unit will be calculated based on the NAV per unit at the end of that Business Day. Any application form (original copy) received after this cut-off time will be considered as being transacted on the next Business Day and will be subjected to the NAV per unit of the Class(es) on the next Business Day.

### **Multi-class Structure**

The following table illustrates how a multi-class fund's net asset value per unit(s) is derived.

|   | fund<br>(MYR)  | class 1<br>(MYR) | class 2<br>(MYR) |
|---|----------------|------------------|------------------|
| Net asset value of the fund before income and expenses  | 200,000,000    | 180,000,000      | 20,000,000       |
| % of the total net asset value of the fund  | 100%           | 90.00%           | 10.00%           |
| Add: income   | 10,000         | 9,000            | 1,000            |
| Less: expenses  | -1,000         | -900             | -100             |
| Net asset value of the fund before management fee and trustee fee   | 200,009,000    | 180,008,100      | 20,000,900       |
| <b>a</b> Less: management fee ( <i>assuming 0.30% p.a. for class 1 and 0.20% p.a. for class 2</i> )   | 1589           | 1480             | 110              |
| <b>b</b> Less: trustee fee ( <i>up to 0.025% p.a.</i> )   | 136.99         | 132.29           | 13.70            |
| Net asset value of the fund   | 200,007,273.91 | 180,006,497.20   | 20,000,776.71    |
| Units in circulation  | 335,000,000    | 300,000,000      | 35,000,000       |
| <b>c</b> Net asset value per unit   |                | 0.6001           | 0.5715           |
| <b>Notes:</b>   |                |                  |                  |
| <i>a &amp; b - Management fee and trustee fee calculated based on the respective class net asset value * [fee in p.a. ÷ (365 or 366)] × net asset value before management fee and trustee fee. As both management fee and trustee fee are quoted in per annum basis, the fees will be converted into daily basis first before the payable fees are derived.</i> |                |                  |                  |

## **8.2 Minimum Initial Investment**

To invest, please complete our account application form and investment form and forward it to any of our offices or our authorised representative, the details of which can be found on page 39.

| <b>Fund</b>                | <b>Cash Plan</b>  |
|----------------------------|---|
| <b>Class A and Class B</b> | RM1,000,000 minimum investment or such other amount as the Manager may decide from time to time.<br><br>For the avoidance of doubt, the minimum initial investment shall be applicable to all Classes, if any, of the Fund. |

We have the discretion to accept a lower amount than that disclosed in the Prospectus as we deem fit. All amounts referred here include the sales charge and applicable tax (if any) on sales charge of the Fund. For more explanation on the sales charge, please refer to page 11.

### 8.3 Minimum Additional Investment

If you are already a unitholder of our Fund and wish to purchase additional units, please complete our investment form, indicating your existing unit trust account number. In the event, a new account application form is received by us for the purchase of additional units, we may at our discretion credit the additional units appropriately into your existing account of the Fund. The following are the minimum additional investments for the respective investment schemes:

| Fund                | Cash Plan  |
|---------------------|--|
| Class A and Class B | <b>Lump Sum Cash</b><br>RM200,000 minimum additional investment. |

We have the discretion to accept a lower amount than that disclosed in the prospectus as we deem fit. All amounts referred here include the sales charge and applicable tax (if any) on sales charge of the Fund. For more explanation on the sales charge, please refer to page 11.

### 8.4 Purchase

#### The Price of a Unit of the Class(es) of the Fund

The price of each unit is calculated based on the NAV per unit of Class(es) of the Fund as at the next valuation point after the original application form and payment is received by the Manager ("forward pricing").

#### **Example:**

|              |                      |
|--------------|----------------------|
| NAV per unit | RM1.000              |
| Sales charge | 0.0% of NAV per unit |

Assuming the NAV per unit of Class(es) of the Fund on a Business Day is RM1.0000 and if you make a payment of RM1,000,000.00, the amount to be invested in a Fund, and the sales charge to be paid by you are calculated as follows:

|   |   |   |
|---|---|---|
| Total amount invested   | = | RM1,000,000.00                                      |
| Total sales charge (0.00%) incurred<br>(0.00% x RM1,000,000.00) | = | RM0.00  |
| Total amount to be paid by you                                  | = | <u>RM1,000,000.00</u>                               |
| Units issued to you   | = | <u>RM1,000,000.00/RM1.0000 = 1,000,000.00 units</u> |

Note to the example:

The above example shows that the sales charge is calculated separately from the amount invested, whereas the sales charge imposed by a Fund are deducted upfront from the total amount paid by the investors.

**There are fees and charges involved and investors are advised to consider them before investing in the Fund. All fees and charges payable to the Manager and/or the Trustees are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time. All fees, charges and expenses are rounded to two decimal places.**

### **Purchase of Unit Procedure**

Your purchase application for units and payment (cleared funds) must reach our head office by 4.00 p.m. on any Business Day. Any duly completed and accepted original application form and payment received after this cut-off time is considered as being transacted on the next Business Day. In addition to the submission of the above form, you may be required to forward to us additional documents to authenticate your identification when transacting units of a Fund. We may for any reason at any time, waive existing procedures, and/or prescribe applications for units in any other form or manner whether for all/any particular investor, at our discretion.

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

**Value-added service (additional way to subscribe – applicable to individual investors only):** If you are an existing Manager's customer (i.e. individual(s) with valid investment account(s) with us), you may top up your investment (including in the Fund(s) you don't currently hold) with us via email (i.e. soft-copy documentation) with the following terms and conditions:

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

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

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

**Investors are advised NOT to make payment in cash when purchasing units of a Fund via any individual Unit Trust Consultant (including our relationship manager).**

## **8.5 Redemption**

### **The Price of A Unit**

At NAV per unit of Class(es).

### **Redemption of Unit Procedure**

Upon receipt of the duly completed and accepted original transaction form, which must reach our head office by 12.00 p.m. on any Business Day, we will repurchase the units at the respective Class's NAV per unit calculated at the end of that Business Day. Payment will be made to you within 2 Business Days or up to a maximum of 7 Business Days.

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

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

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

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

There is no minimum redemption amount for the Fund and/or Class. For partial redemption, the minimum balance to be maintained in your unit trust account must be 2,000,000 units or such sum as may be decided by the Manager from time to time. For the avoidance of doubt, the minimum balance shall be applicable to all Classes, if any, of the Fund. If units in your account are less than the minimum holding, all units in your account will be redeemed automatically.

## 8.6 Switching Facility

There are no restrictions on the number of switching transactions that you may carry out; however, all switching transactions are subject to the following conditions:

- You may switch your investments into all other funds managed by the Manager. However, only Sophisticated Investors (any person who falls within any of the categories of investors set out in Part I, Schedules 6 and 7 of the Capital Markets And Services Act 2007; and such other investor(s) as may be permitted by the Securities Commission from time to time and/or under the relevant guidelines) are allowed to switch into wholesale funds;
- The minimum number of units to be switched is 1,000 units and the value of units switched must meet the minimum investment amount of the switch-in funds, whichever is higher;
- Switching into a Class is subject to you satisfying the relevant subscription restrictions indicated in section 3.1 above as well as the minimum holding applicable to that particular Class.
- You are required to satisfy the minimum holding applicable to the particular Class if you would like to perform a partial switch out from the Class.
- For the avoidance of doubt, if you have purchased units of the Fund or either Class(es) through our IUTA, the switching transaction is subject to the terms and conditions of the IUTA.
- Switching will be carried out at the respective prevailing NAV per unit of a fund to be switched from and a fund to be switched into on a Business Day, when we receive the switching request by 4.00 p.m. on any Business Day (subject to availability and terms of the fund to be switched into).

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

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

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

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

Should the sales charge of a fund to be switched into is higher than the sales charge imposed on a fund to be switched from, then the difference in the sales charge between the two (2) funds shall be borne by you. There will be no sales charge imposed if the Funds to be switched into has a lower sales charge than the Fund you are switching out from.

If you have been imposed the highest sales charge in your switching transaction among our funds, you are no longer required to bear any sales charge difference for subsequent switch transactions involving this specific batch of your investments.

You are not entitled to any refund for the sales charge paid on a fund being switched from, which exceeds that imposed on a fund to be switched into.

The applicable differences in sales charges to be borne by unitholders as tabulated below:

|   | Switch-in Fund                                     |   |   |  |
|---|--|---|---|--|
| Current Fund                                      | Zero Sales Charge Fund (Fund with no sales charge) | Low Sales Charge Fund (Fund with maximum sales charge of 2.00% of NAV per unit) | Reduced Sales Charge Fund (Fund with maximum sales charge of 5.00% of NAV per unit) | Normal Sales Charge Fund (Fund with maximum sales charge of 5.50% of NAV per unit) |
| <b>Zero Sales Charge Fund:</b><br>BOSWM Cash Fund | Nil  | 2.00%   | 5.00%   | 5.50%  |

You may visit our website at [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my) or contact us at 03-7712 3000 or your Relationship Manager for the complete list of funds that are available for switching.

Our IUTA may not carry the complete range of the Manager's funds. Investments made via our IUTA are subject to different terms and conditions of the respective IUTA, including those for switching between funds.

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.

## 8.7 Transfer

The transfer form must be completed in the presence of a witness. For partial transfer, the minimum balance applicable to the Fund and/or a Class will need to be maintained in your unit trust account.

Further, the transferee MUST also meet the subscription restriction as indicated in section 3.1 above (see page 5 for details).



## 8.8 Cooling-off Period

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

- Corporate investors / institutional investors;
- Staff of the Manager and their immediate family members; and
- Persons registered with a body approved by the Securities Commission to deal in unit trusts.

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

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

\* forward pricing is applicable.

## 8.9 Suspension of Dealing in Units

The Manager may, in consultation with the Trustee and having considered the interests of the unitholders, suspend the sale and/or redemption of units due to exceptional circumstances, such as where the market value or fair value of a material portion of the Fund's assets cannot be determined. For avoidance of doubt, difficulties in realising the Fund's assets or temporary shortfalls in liquidity may not, on their own, be sufficient justification for suspension.

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

## 8.10 Distribution Policy & Reinvestment Policy

| Distribution Policy | Funds    |
|---------------------|----------|
| Class A             | Monthly* |
| Class B             |          |

\*Subject to availability of income (i.e. distribution of income can only be made from realised gains or realised income)

Distribution of income is in the form of cash or units. When there are stock market corrections, bear markets or economic downturns, realised capital losses may outweigh realised gains, dividends and interest/profit sharing income received and thus result in no income distributions being possible.

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

In the absence of written instructions to the contrary, distributions declared for the respective Class(es) will be automatically reinvested into additional units of the same Class(es) based on the NAV per unit of the Fund by next Business Day (T+1) after the declaration of distributions at no cost.

Income distribution amounting to less than or equal to the amount of RM200 will be automatically reinvested into additional units of the Fund based on the NAV per unit by next Business Day (T+1) after the declaration of distributions.

The request for payment of income distribution proceeds via cheque is treated on a case-to-case basis and subject to the Manager's approval. You will be charged a service fee of up to RM50 for each cheque requested and you will receive your income distribution proceeds net of the service fee. A returned cheque through mail (if any) will be reinvested based on the respective Fund's NAV per unit on the date that we received the cheque. You are encouraged to opt for bank transfer for income distribution as there will be no fee imposed. Kindly contact us at 03-7712 3000 or your Relationship Manager if you need further clarification.

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

### **8.11 Unclaimed Moneys**

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

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

### **8.12 Keeping Abreast of Developments in the Fund**

You can have immediate access to the daily NAV per unit of the Fund which are published on our website [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my) or contact any of our client relations personnel at 03-7712 3000 or our authorised distributors (please refer to page 39 for the list of authorised distributors), or e-mail [customercare@boswm.com](mailto:customercare@boswm.com). While it is our duty to ensure the Fund is being correctly valued or priced, we, however, cannot be held liable for any error in prices published on the websites of our authorised distributors.

In addition, you can also constantly keep abreast of the Fund's developments via the reports. We will send the Fund's annual and semi-annual reports to you within two months after the end of the Fund's financial year/semi-annual period. Our Fund's performance and other information will also be featured in our website [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my). You are advised to keep abreast of the developments in the Fund.

**The Fund's annual reports are available upon request.**

#### **Customer Service**

We are committed to maintaining the highest standards of dedicated customer service. You may call our client relations personnel for more information on your investments in our Fund.

|               |  |
|---------------|--|
| General Line: | 03-7712 3000   |
| Email:        | <a href="mailto:customercare@boswm.com">customercare@boswm.com</a>                 |
| Website:      | <a href="http://www.boswealthmanagement.com.my">www.boswealthmanagement.com.my</a> |

For information on the unit trust industry, you may also contact the Federation Of Investment Managers Malaysia (FIMM) at 03-2093 2600 or log on to their website at [www.fimm.com.my](http://www.fimm.com.my) for information.

## **9 SALIENT TERMS OF THE DEED**

### **9.1 Your Rights as a Unitholder**

Your units in the Fund give you an equal interest in the Fund as a whole. Under the deed, each unitholder will receive a sum proportionate to his or her unitholdings upon termination of the Fund. In a distribution of income, if any, we will recognise unitholders who are registered as at the date a distribution of income is declared. You have the right, amongst others, to the following:

- To receive any distribution of income of the Fund, to participate in any increase in capital value of the units and to all rights and privileges under the Fund's deed;
- To exercise the cooling-off right (please refer to page 20);
- To receive annual and semi-annual reports; and
- To call for a meeting of unitholders (as set out below) and to vote for the removal of the Trustee or the Manager by way of a special resolution.

You are entitled to attend meetings which the Trustee or the Manager may convene at any time in accordance with the provisions of the deed. Meetings of unitholders may be called in certain circumstances, including approving certain amendments to the deed or winding-up the Fund. The Trustee or the Manager may call a meeting of unitholders, or you can also request the Manager to call for a meeting of unitholders.

### **9.2 Your Liabilities as a Unitholder**

You are not expected to be under any personal obligation to indemnify the Trustee or Manager of the Fund if the liabilities incurred by the Trustee and/or Manager on behalf of the Fund exceed the value of the assets of the Fund. Your liabilities are limited only to the purchase price of your units (at the time of purchase) plus any related charges for the purchase of the units.

The Trustee shall be indemnified out of the Fund against all losses or expenses incurred by the Trustee in performing any of its duties or exercising any of its power under the deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the deed.

### **9.3 Your Limitations and Restrictions as a Unitholder**

No unitholder shall be entitled to require the transfer to him or her of any of the investments or assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such investment and assets.

No unitholder, other than the Manager, shall have any right by reason of his being a unitholder to attend any meeting of shareholders, stockholders or debenture holders or to vote or take part in or consent to any company or action of shareholders, stockholders or debenture holders.

## 9.4 Maximum Fees and Charges

The deed provides information on the maximum fees and charges for the Fund payable by the unitholder either directly or indirectly such as annual management fee, annual trustee fee, sales charge and redemption charge.

Please refer to the table below on the maximum fees and charges as disclosed in the deeds of the Funds:

| Fund                   | Maximum Sales Charge    | Maximum Redemption Charge | Maximum Rate of the Annual Management Fee         | Maximum Rate of the Annual Trustee Fee   |
|------------------------|-------------------------|---------------------------|---|--|
| <b>BOSWM Cash Fund</b> | 10% of the NAV per unit | 10% of the NAV per unit   | 2.0% p.a. of the NAV of the Class(es) of the Fund | 0.20% p.a. of the NAV of the Fund before the deduction of the management fee and trustee fee for the relevant day subject to a minimum of RM18,000 and a maximum of RM400,000 p.a. |

Despite the maximum fees and charges permitted by the deed, all current fees and charges are disclosed in the Prospectus. (Please refer to page 11 to 12).

### PROCEDURES FOR AN INCREASE IN THE FEES AND CHARGES FROM THE MAXIMUM RATE PROVIDED IN THE DEED

The maximum sales charge, redemption charge, annual management fee or annual trustee fee set out in the deed can only be increased if a meeting of unitholders has been held in accordance with the deed. Thereafter, a supplemental deed proposing a modification to the deed to increase the aforesaid maximum charges and fees is required to be submitted for registration with the Securities Commission accompanied by a resolution of not less than two-third (2/3) of all unitholders present and vote at the meeting of unitholders sanctioning the proposed modification to the deed.

### PROCEDURES FOR AN INCREASE IN THE FEES AND CHARGES FROM THE LEVEL DISCLOSED IN THE PROSPECTUS

#### Sales Charge and Redemption Charge

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

- the Manager has notified the Trustee of the higher rate and the date on which such higher rate is to become effective;
- a supplementary or replacement prospectus stating the higher rate is issued thereafter; and
- such time as may be prescribed by the relevant law shall have elapsed since the supplementary or replacement prospectus is issued.

#### Annual Management Fee and Annual Trustee Fee

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

- the Manager has come to an agreement with the Trustee on the higher rate;
- the Manager has notified the unitholders 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 lapsed since the notice is sent;
- a supplementary or replacement prospectus stating the higher rate is issued thereafter; and
- such time as may be prescribed by the relevant law shall have elapsed since the supplementary or replacement prospectus is issued.

## **9.5 Permitted Expenses Payable Out of the Fund's Property**

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

- commission or fees paid to brokers or dealers;
- fees and other expenses properly incurred by the auditor and tax agent;
- custodian fees (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians relating to the custodial function for the fund's assets outside Malaysia;
- taxes and other duties charged on the Fund by the government and other authorities; and
- any other legitimate administration expenses or relevant professional fees approved by the Trustee.

## **9.6 Removal, Replacement and Retirement of the Management Company**

Subject to the approval of the Securities Commission and the provisions of the deed, we may retire in favour of some other corporation upon giving the Trustee three months' (or such other period as the Manager and the Trustee may agree upon) written notice of our desire to do so.

The Manager may be removed and replaced by the Trustee on the grounds that the Manager:

- goes into liquidation (except for the purposes of amalgamation or reconstruction or some other purpose approved by the relevant authorities); or
- has had a receiver appointed; or
- has ceased to carry on business; or
- is in breach of its obligations under the deed, Capital Markets And Services Act 2007 or the SC Guidelines or has ceased to be eligible to be a management company under the relevant laws; or
- has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of unitholders for it to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, has considered any representations made by the Manager in respect of that opinion and after consultation with the Securities Commission and with the approval of the unitholders by way of a special resolution.

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

The Trustee may retire upon giving three months' (or such other period as the Manager and the Trustee may agree upon) written notice to the Manager of its desire to do so, and may by deed appoint in its stead a new trustee approved by the Securities Commission. The Trustee may be removed and another trustee may be appointed by special resolution of the unitholders at a meeting of unitholders convened in accordance with the deed or as stipulated in the Capital Markets And Services Act 2007.

We may remove the Trustee or appoint another trustee by special resolution of the unitholders at a meeting of unitholders convened in accordance with the deed.

We shall take all reasonable steps to replace the Trustee as soon as possible after becoming aware that:

- The Trustee has ceased to exist;
- The Trustee has not been validly appointed;
- The Trustee is not eligible to be appointed or to act as Trustee under any relevant law;
- The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the deed or the provisions of the Capital Markets And Services Act 2007;
- A receiver is appointed over the whole or a major part of the assets or undertaking of the Trustee and has not ceased to act under that appointment, or a petition is 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 existing Trustee becomes or is declared insolvent); or
- The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

## **9.8 Termination of the Fund and/or Class**

### Termination of the Fund

The Fund may be terminated or wound-up by the Manager or Trustee by way of a special resolution of the unitholders at a meeting of unitholders convened in accordance with the deed, the Capital Markets And Services Act 2007 and the SC Guidelines. Subject to the relevant laws and notwithstanding anything contrary in the Deed, the Fund may be terminated or wound-up as proposed by the Manager with the consent of the Trustee (which consent shall not be unreasonably withheld) and without a special resolution being passed at a meeting of Unit Holders if any law has been passed which renders it illegal or in the opinion of the Manager impractical or inadvisable to continue the Fund and the termination is in the best interest of the Unit Holders. The Fund shall be terminated in accordance with the requirements of the relevant law.

### Termination of a Class

The Manager may terminate a particular Class via the passing of a special resolution by the unitholders of such Class at a meeting of such unitholders, and subject to and in accordance with the relevant laws. The Manager may only terminate a particular Class if the termination of that Class does not prejudice the interests unitholders of any other Class. For the avoidance of doubt, the termination of a Class shall not affect the continuity of any other Class of the Fund. Subject to the relevant laws and notwithstanding anything contrary in the Deed, any of the Class of units may be terminated or wound-up as proposed by the Manager with the consent of the Trustee (which consent shall not be unreasonably withheld) and without a special resolution being passed at a meeting of Unit Holders if any law has been passed which renders it illegal or in the opinion of the Manager impractical or inadvisable to continue any of the Class of units and the termination is in the best interest of the Unit Holders. Any of the Class of units shall be terminated in accordance with the requirements of the relevant law.

## **9.9 Meetings of Unitholders**

Unitholders may apply to the Manager to summon a meeting of unitholders for any purpose including, without limitation, for purposes of:

- Requiring the retirement or removal of the Manager;
- Requiring the retirement or removal of the Trustee;
- Considering the most recent financial statements of a Fund;
- Giving to the Trustee such directions as the meeting thinks proper; or
- Considering any matter in relation to the deed.

However, the Manager shall not be obliged to summon such a meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10) of all the unitholders and the application has been made in accordance with the provisions of the deed.

### Remote Meeting

Nothing herein shall preclude us from convening any unitholders' meeting at more than one venue using any communication facility or technology or method available as we shall determine to enable the unitholders to participate and to exercise their right to speak and vote at that meeting. Where such meeting is convened, any reference to a unitholder being "present in person" in the Deed, meetings or resolutions shall include, where permitted by us, to that unitholder being present either remotely or virtually and for the avoidance of doubt it is hereby agreed that the participation by a unitholder in such meeting using the prescribed communication facility or technology or method shall be deemed as being present at that meeting notwithstanding that the unitholder is not physically present at the main venue of that meeting.

## **9.10 Issuance and/or establishment of New Classes**

The Manager shall have the sole and absolute right to issue and/or establish other, different or new classes of units of the Fund with different and/or similar features including but not limited to fees, charges, currency and/or distribution policy with that of the existing units without the need to seek unitholders' prior approval provided the issuance of other classes and the imposition of the terms shall not in the opinion of the Manager and trustee prejudice the rights of the unitholder of the current classes of units to the Fund. Where a new class is established or issued, units in any existing class and any other units may be re-designated so long as there is no prejudice to the existing unitholders of such class of units as a whole.

## **10 ALL ABOUT THE MANAGER – BOS WEALTH MANAGEMENT MALAYSIA BERHAD**

### **10.1 Our Shareholders**

Bank of Singapore owns 100% equity interest in the share capital of BOS Wealth Management Malaysia Berhad ("BOSWM MY"). Bank of Singapore is a company incorporated in Singapore and is a wholly owned subsidiary of Oversea-Chinese Banking Corporation Limited (OCBC Bank). The ultimate holding company of BOSWM MY is OCBC Bank, a public listed company incorporated in Singapore.

### **10.2 Our Core Business**

BOSWM MY has over two decades of investment experience in managing and offering a comprehensive range of unit trust funds, wholesale funds as well as portfolio management services for both institutional and individual investors.

### **10.3 Our Roles and Responsibility**

As the Manager of the Fund(s), the roles and responsibilities of BOSWMY MY are:

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

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

### **10.4 Our People**

#### **Board Of Directors**

The Board of Directors meets on a quarterly basis and is involved in determining the corporate policies and direction of the Company.

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

#### **The Investment Committee**

Our Investment Committee is responsible for setting and determining the investment policies, guidelines and strategies of the Fund. They meet on a quarterly basis to discuss investment strategies, asset allocation and stock selection as well as to review and monitor portfolio performance against benchmarks and guidelines.

## Investment Team

We take a team approach to the investment process and hold investment meetings on a daily basis. The decision-making process involves input from the entire team, with each team member (inclusive of analysts) contributing their respective expertise and views to yield fully informed conclusions. Our Investment Committee, whose responsibility is to ensure adherence to investment guidelines, both internal and external, as well as to assess strategy and implementation effectiveness, oversees the entire investment function.

The following are the designated persons responsible for the investment management of the respective Funds, who hold the Capital Markets And Services Representative's Licence issued by the Securities Commission:

|  |   |
|--|---|
| Name:<br>Position:<br>Experience/<br>Qualifications: | <p><b>Oh Jo Ann</b></p> <p>Director, Investment</p> <ul style="list-style-type: none"><li>• She is responsible for the management of fixed income portfolios and execution of fixed income transactions. She conducts analysis of individual fixed income securities and selection of those securities for inclusion into the portfolios. Her analysis of the domestic macro backdrop forms the basis for the overall fixed income investment strategy. She started her investment career with BOSWM MY in January 2003 as an equities analyst before moving on to working full time on the fixed income portfolio in 2004. She has 19 years of experience in fixed income investment research and fund management and has handled both Shariah and non-Shariah compliant fixed income portfolios.</li><li>• Bachelor of Management (Honours) in Finance (Universiti Sains Malaysia); CFA® charterholder (CFA Institute).</li><li>• She is the designated person responsible for the investment management of the Fund.</li></ul> |
|--|---|

Please refer to our website at [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my) for further information on our Company, Board of Directors, Investment Committee members and key investment team members.

## 10.5 Material Litigation and Arbitration

As at 30 September 2022, there is no current material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Manager or any of its delegates.



## 11 TRUSTEE OF THE FUND, ITS DUTIES AND RESPONSIBILITIES

The Trustee serves mainly as the custodian of the Fund and to safeguard the interest of the unitholders. The assets of the Fund are registered in the name of the Trustee who function independently from the Manager. The Trustee exercises all due diligence and vigilance when carrying out their functions and duties to safeguard the rights and interests of all unitholders. The Trustee is responsible in ensuring that we perform our responsibilities in accordance with the provisions of the deeds.

### 11.1 MTrustee Berhad 198701004362 (163032-V)

#### Corporate Information

MTrustee Berhad was incorporated on 28 July 1987 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at B-2-9 (2<sup>nd</sup> Floor), Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur. MTrustee Berhad is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

#### Experience as Trustee to Unit Trust Funds

MTrustee Berhad has been involved in unit trust industry as trustee since 1997. It acts as Trustee to various unit trust funds and real estate investment trust funds.

#### Delegation Of Share Custodial Functions\*

MTrustee Berhad has delegated its custodian of quoted and unquoted local investments of the Funds to Malayan Banking Berhad ("MBB"). The assets of the local Funds are held through MBB's nominee company, It was set up to act as custodian for investment advisers, managers of large portfolios, lending banks and international custodians.

MTrustee Berhad retains control of the assets of the respective Funds at all times.

#### Material Litigation And Arbitration

There has been a single civil litigation of which the legal proceedings have been initiated against the Trustee (reference: Kuala Lumpur High Court Civil Suit No. WA22NCvC-156-03/2022).

### 11.2 The Trustee's Responsibilities

The Trustee has agreed willingly to assume all its obligations under the deeds and all written laws and SC Guidelines which cover the following:

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

### **11.3 Trustee's Statement of Responsibility**

MTrustee Berhad is willing to assume the position and all obligations that come with it under the deeds, all relevant written laws and rules of laws.

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

## 12 TAX ADVISER'S LETTER

**in respect of the taxation of the unit trust and the unit holders  
(prepared for inclusion in this Replacement  
Prospectus)**

Ernst & Young Tax Consultants Sdn Bhd

28 September 2022

Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur

The Board of Directors

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

Dear Sirs

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

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

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

### **Taxation of the Fund**

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

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

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

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

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

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

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

- 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 Fund is exempt from income tax:

- **Malaysian sourced dividends**

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

- **Malaysian sourced interest**

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

- **Discount**

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

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

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

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

## **Foreign sourced income**

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will be subject to tax. Foreign sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross, and from 1 July 2022 onwards at the prevailing tax rate(s) of the taxpayer. Bilateral or unilateral tax credit may be allowed if the same income has suffered foreign tax, and where relevant conditions are met. On 30 December 2021 the Ministry of Finance (MOF) issued a press statement stating that certain types of FSI of resident taxpayers will continue to be exempt from tax, subject to conditions. This exemption will apply to the foreign-sourced dividend income of companies and limited liability partnerships, and all FSI of individuals (except individuals carrying out business in Malaysia through a partnership). The tax exemption will be effective for five years from 1 January 2022 to 31 December 2026 and will be subject to conditions which will be outlined in guidelines issued by the Inland Revenue Board (IRB). Unit trusts were not included in the MOF press statement and the relevant IRB guidelines have yet to be issued.

## **Gains from the realisation of investments**

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

## **Implementation of Sales and Service Tax (“SST”)**

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

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

## **Taxation of unit holders**

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

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

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

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

### **1. Taxable distributions**

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

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

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

## 2. Non-taxable and exempt distributions

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

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

### Rates of tax

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

| Unit holders  | Malaysian income tax rates  |
|---|---|
| Malaysian tax resident: <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders (such as associations and societies)</li> <li>• Co-operatives<sup>4</sup></li> <li>• Trust bodies</li> </ul> | <ul style="list-style-type: none"> <li>• Progressive tax rates ranging from 0% to 30%</li> <li>• Progressive tax rates ranging from 0% to 24%</li> <li>• 24%</li> </ul> |

<sup>4</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) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment<sup>5</sup><br/>6</li> </ul> </li> <li>• Companies other than (i) above</li> </ul> | <ul style="list-style-type: none"> <li>• First RM600,000 of chargeable income @ 17%</li> <li>• Chargeable income in excess of RM600,000 @ 24%</li> <li>• 24%</li> </ul> |
| <p>Non-Malaysian tax resident (Note 1):</p> <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>• 30%</li> <li>• 24%</li> </ul>  |

Note 1:

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

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<sup>5</sup> A company would not be eligible for the 17% tax rate on the first RM600,000 of chargeable income if: -

- (a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- (b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- (c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

<sup>6</sup> The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

### **Gains from sale of units**

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

### **Unit splits and reinvestment of distributions**

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

- Unit splits – new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income

distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

\*\*\*\*\*

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

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

Yours faithfully

**Ernst & Young Tax Consultants Sdn Bhd**

Koh Leh Kien

Partner

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



## 13 RELATED PARTY TRANSACTIONS / CONFLICT OF INTERESTS

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

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

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

There is currently no existing expert who has any potential interest / conflict of interest in an advisory capacity with the Manager.

The Trustees have in place policies and procedures to deal with any conflict of interest situation. The Trustees will not make improper use of their position as the legal registered owner of the Funds' assets to gain, directly or indirectly, any advantage or cause detriment to the interest of the unitholders. Any related party transaction is to be made on terms which are best available to the Funds and which are not less favourable to the Funds than an arms-length transaction between independent parties.

### 13.1 MTrustee Berhad's Policy on Dealing with Conflict of Interest Elements

The Trustee confirms that it does not have any existing or proposed related party transactions involving or in connection with the Fund.

### 13.2 Policy on Cross Trades

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

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

Note: For the avoidance of doubt, cross-trade is irrelevant to the Fund if its underlying investments only consist of deposits.

## 14 ADDITIONAL INFORMATION

### 14.1 Policies and Procedures to Prevent Money Laundering Activities

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

### 14.2 Prudential Control

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

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

### 14.3 Documents Available for Inspection

For a period of not less than 12 months from the date of issuance of this prospectus, copies of the following documents (where applicable) may be inspected at our business and registered office or such other place as the SC may determine:

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

#### 14.4 Deeds of The Fund

The Fund is governed by its deeds and supplemental deeds as follows:

| Fund                   | Deed(s)   |
|------------------------|---|
| <b>BOSWM Cash Fund</b> | Master Deed: 23 September 2005<br>First Supplemental Deed: 14 February 2006<br>Second Supplemental Deed: 28 June 2007<br>Supplemental Master Deed: 22 May 2009<br>Second Supplemental Master Deed: 14 December 2009<br>Third Supplemental Master Deed: 26 April 2010<br>Fourth Supplemental Master Deed: 8 January 2014<br>Fifth Supplemental Master Deed: 7 July 2017<br>Sixth Supplemental Master Deed: 22 November 2018<br>Seventh Supplemental Master Deed: 22 January 2019<br>Eighth Supplemental Master Deed: 20 May 2020<br>Ninth Supplemental Master Deed: 6 November 2020<br>Tenth Supplemental Master Deed: 25 November 2020<br>Eleventh Supplemental Master Deed: 17 August 2021<br>Twelfth Supplemental Master Deed: 28 February 2022 |

#### 14.5 Inspection of the Registration of Unitholders

The Register of unitholders is kept at our business office at 09-02, Level 9, Imazium No. 8, Jalan SS 21/37, Damansara Uptown, 47400 Petaling Jaya, Selangor and at our registered office at 19th Floor, Menara OCBC, No. 18 Jalan Tun Perak, 50050 Kuala Lumpur. You are invited to inspect the register at any time during operating hours: Monday to Friday.

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

### HEAD OFFICE

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

### INSTITUTIONAL UNIT TRUST ADVISERS

For more details on the list of appointed Institutional Unit Trust Advisers (IUTA), please contact the Manager or refer to [www.boswealthmanagement.com.my](http://www.boswealthmanagement.com.my).

*Our IUTA may not carry the complete set of our Funds. Investments made via our IUTA may be subject to different terms and conditions.*

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

A subsidiary of Bank of Singapore

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