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# INFORMATION MEMORANDUM

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## PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND

*(constituted by way of Deed on 27 May 2024)*

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<b>Manager</b>
Cross Light Capital Sdn Bhd Registration No.: 201901034174 (1343504-X)
<b>Trustee</b>
MTrustee Berhad Registration No.: 198701004362 (163032-V)

**This Information Memorandum is dated 4 June 2024.**

*(the date of the information memorandum is also the launch date of the Fund)*

THE FUND MAY INVEST AND HOLD ILLIQUID ASSETS SUCH AS NON-TRADEABLE AND NON-TRANSFERABLE SECURITIES. THE FUND MAY INVEST IN A SINGLE ISSUER AND/OR EMERGING AND SMALL COMPANIES, RESULTING IN SIGNIFICANT CONCENTRATION RISKS AND HIGHER DEFAULT AND CREDIT RISKS AS COMPARED TO A FUND WITH DIVERSIFIED INVESTMENTS IN LARGER AND ESTABLISHED COMPANIES. GIVEN THE ABOVE NATURE, THERE IS CONSIDERABLE RISK THAT AN INVESTMENT IN THE FUND COULD RESULT IN SIGNIFICANT CAPITAL LOSSES AND CARRIES RISKS OF A DIFFERENT NATURE FROM OTHER TYPES OF FUNDS; HENCE, AN INVESTMENT IN THE FUND MAY NOT BE SUITABLE FOR PERSONS AVERSE TO SUCH RISKS. THE FUND IS NOT CAPITAL GUARANTEED OR CAPITAL PROTECTED AND INVESTORS MAY LOSE ALL OR A LARGE PART OF THEIR INVESTMENT. AN INVESTMENT IN THE FUND IS NOT INTENDED TO BE A COMPLETE INVESTMENT PROGRAMME FOR ANY INVESTOR AND PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WHETHER AN INVESTMENT IN THE FUND IS SUITABLE FOR THEM IN LIGHT OF THEIR OWN CIRCUMSTANCES, FINANCIAL RESOURCES AND ENTIRE INVESTMENT PROGRAMME.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THIS INFORMATION MEMORANDUM AND IF IN DOUBT, TO OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO UNITS OF PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND.

UNITS OF PRIVATE ALTERNATIVE INCOME OPPORTUNITIES FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS DURING THE OFFER PERIOD AND INVESTORS WILL ONLY BE ABLE TO REDEEM FROM THE FUND ON THE MATURITY OF THE FUND.

### **Responsibility Statement**

This Information Memorandum in relation to Private Alternative Income Opportunities Fund (“the Fund”) has been seen and approved by the directors of Cross Light Capital Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

### **Statements of Disclaimer**

**The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia. The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the said Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum. The Securities Commission Malaysia is not liable for any non-disclosure on the part of Cross Light Capital Sdn Bhd responsible for the said Fund and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.**

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.**

### **Specific Risk Disclosure Statement**

The Fund may invest in illiquid assets such as non-tradable and non-transferable securities. For instance, the Fund may invest up to 100% of its NAV in preference shares issued by a single issuer with an investment tenure of up to thirty-six (36) months.

The Fund is suitable only for Sophisticated Investors who have a Medium Term investment horizon. Investors will not be able to redeem their investments prior to the maturity of the Fund as the Manager may not be able to dispose the investments. You are advised not to invest in this Fund if you are unable to accept this risk.

### **Additional Statements**

Private Alternative Income Opportunities Fund can only be offered for sale to Sophisticated Investors and the investors must ensure that they are eligible as Sophisticated Investors before making an investment in the Fund. In the event that the Manager becomes aware that a person is not eligible to apply for Units is in fact holding Units, the Manager, subject to the available liquid assets in the Fund, shall be deemed to have received a redemption request in respect of such Units on the Business Day following the day the Manager first became aware of the Unit Holder’s ineligibility.

The Manager may reject any application of Units at its sole discretion without assigning any reasons.

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

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

### **Foreign Account Tax Compliance Act**

In managing the Fund, the Manager is obliged to comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA") which generally requires the Manager to report certain information in respect of certain investors' accounts, as required by FATCA, to the US Internal Revenue Service (the "IRS"). In the event that the Manager fails to comply with requirements of FATCA, a 30% withholding tax may apply to certain US source income (including, among other types of income, dividends and interest). As the Manager is treated as a foreign financial institution under the provisions of the FATCA, the Manager will register itself and the Fund with the IRS and will be obliged to report on its direct and indirect investors' US Person status and account information to the IRS. In complying with the provisions of the FATCA, the Manager may be required to withhold 30% of certain payments to its Unit Holders if such Unit Holders do not comply with the provisions of the FATCA.

On 30 June 2014, the Malaysian government has reached an agreement in substance on a Model 1 intergovernmental agreement ("IGA") with the US government to implement the FATCA. Accordingly, Malaysia has been included in the US Department of Treasury's list of jurisdictions that are treated as having an IGA in effect with the US. In compliance with the provisions of the FATCA, the Manager is obliged to provide the required information of US Persons to the Inland Revenue Board of Malaysia ("IRB"), which in turn will provide such required information to the IRS. The Manager may also require additional information from its Unit Holders to comply with its obligations under the FATCA as the non-provision of such information may result in the Manager having to report such Unit Holders to the IRB or the Unit Holders being subject to other action deemed appropriate by the Manager. As such, prospective investors should consult their tax advisers on the requirements under FATCA applicable to them before investing in the Fund.

### **Common Reporting Standard**

The Organisation for Economic Co-operation and Development received a mandate from the G8/G20 countries to develop a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information in the future on a global basis. The CRS requires financial institutions to identify financial account holders and establish their tax residence, and report financial account information relating to certain accounts to the local tax authority, which will thereafter automatically be transferred to the relevant competent foreign tax authorities on a yearly basis.

Section 132B of the Income Tax Act, 1967 provides for mutual administrative assistance arrangements that will allow the Minister of Finance, by statutory order, to declare arrangements be made to give effect to the CRS. Regulations implementing the CRS in Malaysia has been introduced with effect from 1 January 2017.

The Manager would be obliged to report the identity and tax residence of certain Unit Holders (including certain entities and their controlling persons) to the local tax authorities who will share such information with the other relevant tax authorities. As such, investors that purchase Units in the Fund are required to complete a self-certification to confirm their tax residence or tax residencies. Investors are also required to notify the Manager of any relevant change in circumstances such as an amendment to the tax residency or tax residencies.

**UNIT HOLDERS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS ON THE POSSIBLE TAX AND OTHER CONSEQUENCES WITH RESPECT TO THE IMPLEMENTATION OF THE FATCA AND THE CRS.**

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**CHAPTER 1      CORPORATE DIRECTORY**

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<b>MANAGER</b>	Cross Light Capital Sdn Bhd Registration No.: 201901034174 (1343504-X)
<b>REGISTERED OFFICE</b>	Unit 1110, Block A, Pusat Dagangan Phileo Damansara 2 15, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor
<b>BUSINESS OFFICE</b>	Level 33, Ilham Tower No. 8 Jalan Binjai 50450 Kuala Lumpur
<b>TELEPHONE NUMBER</b>	03-2117 5150
<b>EMAIL ADDRESS</b>	<a href="mailto:support@crosslightcapital.com">support@crosslightcapital.com</a>
<b>WEBSITE</b>	<a href="http://www.crosslightcapital.com">www.crosslightcapital.com</a>
<b>TRUSTEE</b>	MTrustee Berhad Registration No.: 198701004362 (163032-V)
<b>REGISTERED OFFICE</b>	B-2-9 (2nd Floor) Pusat Perdagangan Kuchai No. 2, Jalan 1/127 Off Jalan Kuchai Lama 58200 Kuala Lumpur
<b>BUSINESS OFFICE</b>	Level 15, Menara Access World (formerly known as Menara AmFirst) No. 1, Jalan 19/3 46300 Petaling Jaya Selangor Darul Ehsan
<b>TELEPHONE NUMBER</b>	03-7954 6862
<b>FACSIMILE NUMBER</b>	03-7954 3712
<b>EMAIL ADDRESS</b>	<a href="mailto:inquiry@mtrustee.com">inquiry@mtrustee.com</a>
<b>WEBSITE</b>	<a href="https://mtrustee.com/">https://mtrustee.com/</a>

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## CHAPTER 2    DEFINITIONS

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In this Information Memorandum, the following abbreviations or words shall have the following meanings unless otherwise stated:

Bursa Malaysia	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)) and includes any changes to the name or the operator of the Malaysian stock exchange.
Business Day	Means a day on which banks in Kuala Lumpur are open for business, unless otherwise declared by the Manager to be a non-Business Day.
CMSA	Means the Capital Markets and Services Act 2007 as may be amended from time to time.
Deed	Means the deed in respect of the Fund and any other supplemental deeds that may be entered into between the Manager and the Trustee.
Eligible Market	Means an exchange, government securities market or an over-the-counter (OTC) market – (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded.
Financial Institution(s)	Means – (a) If the institution is in Malaysia: (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank; or (b) If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Fixed Income Investments	Means debentures, fixed income related structured products, money market instruments, corporate bonds, deposits placed with Financial Institutions and any other permitted investments that are in line with the Fund’s objective.
Fund	Means Private Alternative Income Opportunities Fund.

Guidelines	Means the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC as may be amended from time to time and any other relevant guidelines issued by the SC.
Information Memorandum	Refers to the information memorandum of this Fund and any supplemental information memorandum or replacement information memorandum.
Manager	Refers to Cross Light Capital Sdn Bhd.
Maturity Date	Means a date which is thirty-six (36) months from the Commencement Date; if that date is not a Business Day, the Maturity Date shall be the first Business Day following the date that is thirty-six (36) months from the Commencement Date.
Medium Term	Means a period of three (3) years.
RM	Means Ringgit Malaysia, the lawful currency of Malaysia.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the total number of Units in circulation at the same valuation point.
Net Asset Value or NAV	Means the value of all the Fund's assets less the value of all the Fund's liabilities at the valuation point.
OTC	Means over-the-counter.
SC	Refers to the Securities Commission Malaysia.
Sophisticated Investors	Means – (a) any person who is determined to be a sophisticated investor under the Guidelines on Categories of Sophisticated Investors issued by the SC; (b) any person who acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or (c) any other category of investors as may be permitted by the SC from time to time.
Special Resolution	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority of not less than three-fourths (3/4) of the Unit Holders present and



	voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy” means three-fourths (3/4) of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths (3/4) of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
Trustee	Refers to MTrustee Berhad.
Unit(s)	Refers to a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund.
Unit Holder(s)	Means a Sophisticated Investor for the time being who is registered pursuant to the Deed as a holder of Units of the Fund, including a jointholder.
US	Means the United States of America.
U.S. Person	Means a US Person as defined in Section 7701 (a) (30) of the Internal Revenue Code and includes an individual who is a citizen or resident of the United States of America.

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**CHAPTER 3      FUND INFORMATION**

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**INVESTORS SHOULD TAKE NOTE THAT THE FUND MAY INVEST AND HOLD ILLIQUID SECURITIES. THE FUND MAY INVEST IN A SINGLE ISSUER AND/OR EMERGING AND SMALL COMPANIES, RESULTING IN SIGNIFICANT CONCENTRATION RISKS AND HIGHER DEFAULT AND CREDIT RISK AND MAY NOT BE SUITABLE FOR ALL INVESTORS. IT IS POSSIBLE THAT THE ENTIRE VALUE OF THE INVESTORS' INVESTMENT COULD BE LOST AND THE FUND IS CONSIDERED EXTREMELY HIGH RISK.**

<b>FUND DETAILS</b>	
<b>Name of the Fund</b>	Private Alternative Income Opportunities Fund
<b>Fund Category</b>	Mixed assets (closed-end)
<b>Fund Type</b>	Income and growth
<b>Base Currency</b>	RM
<b>Offer Period</b>	<p>Forty-five (45) days from the date of this Information Memorandum.</p> <p><b>Units of the Fund will only be sold during the Offer Period and Unit Holders will only be able to redeem their Units from the Fund on the maturity of the Fund.</b></p> <p>The Manager may also decide not to commence investment for the Fund if the Fund size is below RM5 million or such other amount as the Manager may deem to be uneconomical to proceed with the Fund. In such instance, the Manager shall return the amount subscribed together with the sales charge to the Unit Holders within ten (10) days from the expiry of the Offer Period.</p> <p><i>Note: The offer period may be shortened if the Manager determines that it is in your best interest.</i></p>
<b>Offer Price</b>	RM 1.00
<b>Commencement Date</b>	Within ten (10) Business Days after the end of the Offer Period.
<b>Tenure and Maturity of the Fund</b>	<p>The tenure of the Fund is thirty-six (36) months.</p> <p>The Fund will mature on a day which is thirty-six (36) months from the Commencement Date. If that date is not a Business Day, the Maturity Date shall be the first Business Day following the date that is thirty-six (36) months from the Commencement Date.</p> <p>On the Maturity Date, the Manager shall sell, where feasible, all the investments of the Fund in accordance with the best interest of Unit Holders and return all the proceeds to Unit Holders (based on the number of Units held by the Unit Holders) within thirty (30) days, after deducting the Fund's expenses.</p>
<b>Investors' Profile</b>	The Fund is suitable for a Sophisticated Investor who:

	<ul style="list-style-type: none"> <li>• has a Medium Term investment horizon;</li> <li>• has an extremely high risk tolerance; and</li> <li>• seek income distribution on semi-annual basis.</li> </ul>
<b>Investment Objective</b>	<p>The Fund aims to provide a combination of income and incidental capital growth.</p> <p><i>Any material change to the Fund's objective would require Unit Holder's approval.</i></p>
<b>Investment Strategy and Approach</b>	<p>The Fund may invest up to 100% of its NAV in equities and equity-related securities or in Fixed Income Investments to achieve potential higher return. The Fund may concentrate its investments on a few selected asset classes or a single investment that has potential income. For instance, the Fund may fully invest only in preference shares for dividends and income.</p> <p>The Fund may also invest in collective investment schemes and place deposits with Financial Institutions.</p>
<b>Asset Allocation</b>	<p>0-100% of the Fund's NAV in equities and equity-related securities; and</p> <p>0-100% of the Fund's NAV in Fixed Income Investments.</p>
<b>Benchmark</b>	<p>Maybank's 12-month fixed deposit rate.</p> <p>The risk profile of the Fund is different from the risk profile of the performance benchmark. There is no guarantee that the Fund will outperform the performance benchmark.</p>
<b>Permitted Investments</b>	<p>The Fund may invest in the followings:</p> <ul style="list-style-type: none"> <li>• securities listed on Bursa Malaysia or any other Eligible Market;</li> <li>• unlisted securities such as preference shares;</li> <li>• debentures and corporate bonds;</li> <li>• money market instruments;</li> <li>• collective investment schemes;</li> <li>• fixed income related structured products;</li> <li>• derivatives for hedging purposes only;</li> <li>• deposits placed with Financial Institutions; and</li> <li>• any other form of investment as may be decided by the Manager from time to time.</li> </ul>
<b>Investment Restrictions and Limits</b>	<p>The Fund is not subject to any investment restrictions and limits.</p>
<b>Financial Year End</b>	<p>31<sup>st</sup> December.</p> <p>The first financial year of the Fund shall commence on the launch date of the Fund and end on a date which shall not exceed eighteen (18) months from the launch date of the Fund.</p> <p><i>Note: The launch date of the Fund is the date on which sale of Units of the Fund may first be made.</i></p>
<b>Deed</b>	<p>27 May 2024</p>

<b>Distribution Policy</b>	Subject to the availability of distributable income, the Fund will distribute income on a semi-annual basis.
<b>Mode of Distribution</b>	All income distribution will be credited into the Unit Holders' bank account by way of electronic payment based on the NAV per Unit on the distribution payment date (which is within ten (10) Business Days from the distribution declaration date). The transfer charges will be deducted directly from the transferred amount before being paid to the Unit Holders' bank account.
<b>Valuation Point</b>	The Fund is valued on the last Business Day of each calendar month. <i>Note: The NAV per Unit will be available two (2) weeks after the valuation on the last Business Day of each calendar month.</i>
<b>Valuation of Assets</b>	<p>For listed securities, investment in listed securities shall be valued at the last done market price available at the close of the Business Day. However, if:</p> <ul style="list-style-type: none"> <li>a) a valuation based on the market price does not represent the fair value of the securities for example during abnormal market conditions; or</li> <li>b) no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee,</li> </ul> <p>then the securities will be valued at fair value. The fair value shall be determined in good faith by the Manager, based on the method or bases that comply with approved accounting standards.</p> <p>For unlisted securities, it will be valued at fair value as determined in good faith by the Manager, based on methods or bases that comply with approved accounting standards.</p> <p>For deposits placed with Financial Institutions, it is valued by reference to the principal value of such deposits and the interests/profits accrued thereon for the relevant period.</p> <p>For collective investment schemes, investment in units or shares in the collective investment schemes will be valued based on the last published repurchase price of the collective investment scheme.</p> <p>For debentures and corporate bonds, investment in debentures and corporate bonds shall be valued based on the price quoted by a bond pricing agency ("BPA") registered with the SC. Where the Manager is of the view that the price quoted by BPA differs from the "market price" by more than twenty (20) basis points, the Manager may use the "market price" provided that the Manager records its basis for using a non-BPA price, obtains the necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the "market price".</p> <p>For any other instruments, it will be valued at fair value as determined in good faith by the Manager, based on methods or bases that comply with approved accounting standards.</p>

<b>TRANSACTION DETAILS</b>	
<b>Minimum Initial Investment (during the Offer Period only)</b>	RM100,000.00 or such other amount as may be determined by the Manager.
<b>Minimum Additional Investment (during the Offer Period only)</b>	RM10,000.00 or such other amount as may be determined by the Manager.
<b>Minimum Balance of Units to Maintain an Account</b>	50,000 Units or such other number of Units as may be determined by the Manager.  The Manager reserves the right to waive or reduce the minimum balance of Units at its absolute discretion.
<b>Dealing Cut-off Time</b>	4:00 p.m. The Manager will process your transaction on the next Business Day if the Manager receives your application after the cut-off time.
<b>Subscription of Units</b>	<p>Unit Holders must be a Sophisticated Investor to invest in this Fund.</p> <p>If you are investing for the first time, you are required to complete the account opening documents. Individual or joint application must be accompanied by either a copy of the applicant's identity card, passport or other identification.</p> <p>Application by a corporation must be accompanied by a certified true copy of its memorandum and articles of association*, certificate of incorporation* (if applicable), form 24*, form 44*, form 49*, board resolution relating to the investment and other related documents required by the Manager.</p> <p>* or any other equivalent documentation issued by the authorities</p> <p>You must submit the completed forms with the necessary payment by 4:00 p.m. on any Business Day during the Offer Period only. No Units will be available for purchase after the expiry of the Offer Period.</p> <p>If the Manager receives your application after the cut-off time on the last day of the Offer Period, the Manager will not accept the application.</p> <p>Distributors may impose an earlier cut-off time if you purchase the Units through the Manager's distributors.</p>
<b>Redemption of Units</b>	Unit Holders are not allowed to redeem their Units during the tenure of the Fund.
<b>Transfer Facility</b>	Subject to the Manager's discretion.
<b>Switching Facility</b>	Subject to the Manager's discretion.

<b>FEES AND CHARGES</b>	
<i><b>This table describes the fees and charges that you may directly incur.</b></i>	
<b>Sales Charge</b>	Up to 5.00% of the Offer Price.  The Manager reserves the right to waive or reduce the sales charge at its absolute discretion. All sales charge will be rounded to two (2) decimal places and will be retained by the Manager.
<b>Withdrawal Charge</b>	Not applicable.
<b>Switching Fee</b>	Not applicable.
<b>Transfer Fee</b>	Not applicable.
<b>Other Charges</b>	All charges, for instance bank charges (including, but not limited to Financial Process Exchange (“FPX”) and direct debit), telegraphic transfer charges and courier charges in connection with the execution of transactions on your behalf will be borne by you.
<i><b>This table describes the fees and charges that you may indirectly incur when you invest in the Fund.</b></i>	
<b>Management Fee</b>	Up to 1.25% per annum of the NAV of the Fund.
<b>Trustee Fee</b>	0.05% per annum of the NAV of the Fund (excluding foreign and local custodian fees and charges) subject to a minimum fee of RM 8,000.00 per annum.
<b>Fund Expenses</b>	These include but are not limited to:  <ul style="list-style-type: none"> <li>(a) Commissions or fees paid to brokers or dealers;</li> <li>(b) Auditor’s fee;</li> <li>(c) Tax adviser’s fee;</li> <li>(d) Fund valuation and fund accounting fee;</li> <li>(e) Remuneration and out of pocket expenses of the members of a committee having an oversight function of the Fund;</li> <li>(f) Taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>(g) Tax vouchers;</li> <li>(h) Annual and quarterly reports;</li> <li>(i) Cost incurred for the modification of the Deed other than those for the benefit of the Manager and/or the Trustee;</li> <li>(j) Cost, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee; and</li> <li>(k) Any other fees and expenses that are directly related and necessary to the operation and administration of the Fund as stated in the Deed.</li> </ul>

OTHER INFORMATION	
<b>Communication with Unit Holders</b>	<p><b>Statement of Accounts</b></p> <p>A Unit Holder’s statement showing details of the amount invested in the Fund shall be made available to the Unit Holders on a monthly basis.</p> <p><b>Unit Price</b></p> <p>Unit Holders will be able to obtain the price of a Unit from the Manager’s website at <b>www.crosslightcapital.com</b> two (2) weeks after the valuation day of the Fund. The price of a Unit would also be made available upon request by the Unit Holders.</p> <p>The Manager reserves the right to change the abovementioned manner of communication at its absolute discretion.</p> <p><b>Financial Reports</b></p> <p>The Manager will provide Unit Holders with an annual report within two (2) months of the Fund’s financial year-end and quarterly reports within two (2) months of the end of the period covered. A financial statement audited by the Fund’s appointed auditors will be included in the annual report.</p>
<b>Unclaimed Moneys Policy</b>	<p>Any money which remains unclaimed after twelve (12) months from the date of payment or any other period as is prescribed by the Unclaimed Moneys Act 1965 shall be dealt with in accordance with provisions of the Unclaimed Moneys Act 1965.</p>
<b>Cross Trade Policy</b>	<p>The Manager may undertake cross trades, i.e. sale and purchase transactions between funds or portfolios under the management of the Manager where the:</p> <ul style="list-style-type: none"> <li>(a) sale and purchase decisions are in the best interest of the both investors;</li> <li>(b) reason for such transactions is documented prior to execution of the trades;</li> <li>(c) transactions are executed through a dealer or a financial institution on an arm’s length and fair value basis; and</li> <li>(d) transaction will be reported to the Trustee and disclosed in the quarterly and annual report.</li> </ul>

**Prospective investors should read and understand the contents of the Information Memorandum and, if necessary, consult their adviser(s).**

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

**It is important to note that an investment in the Fund carries risks and the list of risks set out herein may not be exhaustive. While every care will be taken by the Manager to mitigate the risk, investors are advised that it is not always possible to protect investments against all risks. As such, investors are advised to read the whole Information Memorandum to assess the risks of the Fund and obtain professional advice before subscribing to the Fund.**

#### **4.1      General risks of investing in the Fund**

##### **Returns not guaranteed**

The investment of the Fund is subject to market fluctuations and its inherent risk. There is **NO GUARANTEE** on the investment returns, nor any assurance that the Fund's investment objective will be achieved.

##### **Market risk**

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

##### **Inflation risk**

This is the risk that investors' investment in the 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.

##### **Performance risk**

As a result of the risk elements, the returns from the Fund are not guaranteed. The value of the Fund's investment will vary when disposed and an investment may be worth more or less than when purchased.

##### **Manager's risk**

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

##### **Operational risk**

This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to Unit Holders. The Manager will regularly review its internal policies and system capability to mitigate this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.

#### **4.2      Specific Risks Associated with the Investments of the Fund**

##### **Equities and equity-related securities risk**

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stocks will adversely affect the Fund's NAV.



The risk of investing in a fund that invest in equity-related securities such as rights and warrants, where the price movement of the equity-related security is dependent on the price movement of the underlying equities, is generally higher than the risk of investing in their underlying equities as these equity-related securities are leveraged form of investment. The price of equity-related securities generally fluctuates more than the price of the underlying equities and consequently may affect the volatility of the Fund's NAV. For example, warrants have a limited life and will depreciate in value as they approach their maturity date. If a warrant's exercise price is above the share price at any time during its remaining subscription period, the warrant will theoretically carry little value and warrants that are not exercised at the maturity date will become worthless.

#### **Illiquidity risk and investments in unlisted securities risk**

The investment to be made by the Fund would be generally illiquid. The eventual liquidity of all investment of the Fund will be dependent upon the success of the realisation strategy proposed for each investment of the Fund which could adversely be affected by a variety of risk factors. The period of time required to liquidate the Fund's assets cannot be predicted with certainty. The Fund may invest in non-tradable and non-transferable securities. The Fund is suitable only for investors who have a Medium Term investment horizon. You will not be able to redeem your Units during the tenure of the Fund. You are advised not to invest in this Fund if you are not able to accept this risk.

#### **Concentration risk**

Concentration risk is the probability of loss arising from lack of diversification, investing with a single issuer and/or in a single security. The strength of the issuer may be affected due to change of financial performance, news of a possible merger or loss of key personnel of the issuer. The Fund may invest up to 100% of its NAV in equity-related-securities, redeemable preference shares and/or securities issued by a single issuer. You are advised not to invest in this Fund if you are not able to accept this risk.

#### **Credit and default risk**

Credit risk relates to the creditworthiness of the issuers of the Fixed Income Investment and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the Fixed Income Investment. Default risk refers to the possibility that the issuer of the Fixed Income Investment is unable to make timely or full payments of interest and/or principal when due. In the event of a default in payment of principal and/or interest, this may cause a reduction in the value of the Fund. The Manager will endeavour to take the necessary steps to deal with the investments in the best interest of the Unit Holders including to dispose of the defaulted investments within a time frame deemed reasonable by the Manager. You are advised not to invest in this Fund if you are not able to accept this risk.

#### **Counterparty risk**

The Fund's placements in deposits and/or investments in money market instruments with Financial Institutions are subject to counterparty risk. Counterparty risk refers to the possibility that the counterparty being unable to make timely payments of interest and/or principal payment on the maturity date. This may then lead to a default in the payment and/or interest and ultimately, affect the NAV per Unit of the Fund.

#### **Interest Rate Risk**

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

#### **Business risk of emerging companies**

This risk is associated with investments in small cap companies. Emerging companies may be more volatile and risky compared with mature and well established companies. Any irregular fluctuation of

the stocks of these companies may affect the Unit price as the price of Units may also fluctuate. You are advised not to invest in this Fund if you are not able to accept this risk.

**Illiquid investments and adverse market conditions risk**

The Fund may make investments which as a result of adverse market conditions, changes in legal and/or regulatory conditions, may subject the Fund to legal or other restrictions on transfer, or no liquid or lower liquidity in the market for the investments than the Manager had expected when initially making the investments and/or any other unforeseen event or circumstance by the Manager. The market prices, if any, of such investments may be more volatile and the Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The Fund may encounter substantial delays in attempting to sell such investments. You are advised not to invest in this Fund if you are not able to accept this risk.

**Limited performance record or operating history; past performance**

The Fund has a limited operating history which prospective investors may base their evaluation of an investment in the Fund. The past investment performance of the Manager, or the entities and individuals with which the Manager has been associated should not be construed as an indication of the future results of an investment in the Fund. The Fund's investment strategy should be evaluated on the basis that there can be no assurance that the Manager's assessment of the short-term or long-term prospects of investments will prove accurate or that the Fund will achieve its investment objective.

**Stock Specific Risk**

The performance of a particular stock that the Fund invests in will affect the price of the Units. The success or failure of the company will cause the value of its stock to rise or fall which will directly impact the NAV of the Fund. Factors such as poor financial performance, management issues, regulatory changes, competitive pressures may have an adverse effect on the value of the stock.

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## CHAPTER 5 FEES, CHARGES AND EXPENSES

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

You should be aware that all fees, charges and expenses referred to or quoted in this Information Memorandum (including any supplemental information memorandum) are referred to or quoted as being exclusive of any tax. The Manager (including the Trustee and other service providers) will charge the applicable tax (if any) on the fees, charges and expenses in accordance with the relevant laws. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in this Information Memorandum and/or any relevant document shown to you. The Manager has the discretion to amend the amount, rate and/or terms and conditions for the fees, charges and expenses from time to time, subject to the requirements stipulated in the Deed. Where necessary, the Manager will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

### **Fees and charges that you may directly incur:**

#### **5.1 Sales Charge**

Up to 5.00% of the Offer Price.

The Manager reserves the right to waive or reduce the sales charge at its absolute discretion. All sales charge will be rounded to two (2) decimal places and will be retained by the Manager.

#### **5.2 Withdrawal Charge**

Not applicable.

#### **5.3 Switching Fee**

Not applicable.

#### **5.4 Transfer Fee**

Not applicable.

#### **5.5 Other Charges**

All charges, for instance bank charges (including, but not limited to FPX and direct debit), telegraphic transfer charges and courier charges in connection with the execution of transactions on your behalf will be borne by you.

### **Fees and expenses that you may indirectly incur when you invest in the Fund.**

#### **5.6 Management Fee**

Up to 1.25% per annum of the NAV of the Fund.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is RM 100,000,000.00 on the valuation day of the Fund, the monthly management fee that would be charged to the Fund on the valuation day of the Fund would be:

$RM\ 100,000,000.00 \times 1.25\%$	x 30 days =	RM 102,739.73 per month
365 days		

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

### 5.7 Trustee Fee

0.05% per annum of the NAV of the Fund (excluding foreign and local custodian fees and charges) subject to a minimum fee of RM8,000.00 per annum.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is RM 100,000,000.00 on the valuation day of the Fund, the monthly trustee fee that would be charged to the Fund on the valuation day of the Fund would be:

$RM\ 100,000,000.00 \times 0.05\%$	x 30 days =	RM 4,109.59 per month
365 days		

The trustee fee is calculated and payable to the Trustee on a monthly basis.

### 5.8 Rebates and Soft Commission

The Manager, its delegate, the Trustee or the Trustee’s delegate will not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the Fund’s assets. Any rebate or shared commission will be directed to the account of the Fund.

However, goods and services (“soft commissions”) provided by any broker and dealer may be retained by the Manager if:

- i. the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- ii. any dealing with the broker or dealer for the Fund is executed on terms which are the most favourable for the Fund; and
- iii. the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

**The Manager may, for any reason and at any time, reduce or waive the amount of any fees (except for the trustee fee) or other charges payable by the Unit Holder in respect of the Fund, either generally (for all Unit Holders) or specifically (for any particular Unit Holder) and for any period of time at its absolute discretion.**

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## CHAPTER 6 PRICING OF UNITS

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### 6.1 Pricing Policy

#### Selling Price of Units

As the Fund is a closed-end fund, the selling price of a Unit of the Fund is the Offer Price during the Offer Period. **No Units will be sold after the end of the Offer Period.** The sales charge applicable to the Fund is payable by you in addition to the selling price for the Units purchased.

#### Calculation of Selling Price

#### **Illustration – Sale of Units**

If you wish to invest RM 10,000.00 in the Fund before 4:00 p.m. on a Business Day during the Offer Period, and if the sales charge is 5.00% of the Offer Price, the total amount to be paid by you and the number of Units issued to you will be as follows:

Sales charge incurred	=	Investment amount	x sales charge (%)
		1 + sales charge (%)	
	=	RM 10,000.00	x 5.00%
		1 + 5.00%	
	=	RM 476.19	
Net investment amount	=	Investment amount – sales charge	
	=	RM 10,000.00 – RM 476.19	
	=	RM 9,523.81	
Units credited to investor	=	Net investment amount / Offer Price	
	=	RM 9,523.81/ RM 1.0000	
	=	9,523.81 Units	

For the avoidance of doubt, the sales charge will be rounded to two (2) decimal places.

**You are advised not to make payment in cash when purchasing Units of the Fund via any individual agent.**

## 6.2 Computation of NAV and NAV per Unit

**Illustration on computation of NAV and NAV per Unit on a particular valuation day:-**

Investments		RM 100,000,000.00
Add: Other assets		RM 50,000,000.00
Total assets		RM 150,000,000.00
Less: Liabilities		RM 30,000,000.00
NAV of the Fund (before deduction of management fee and trustee fee)		RM 120,000,000.00
Less:		
Management fee for the month $\frac{1.25\% \times \text{RM } 120,000,000.00 \times 30 \text{ days}}{365 \text{ days}}$		RM123,287.67
Trustee fee for the month $\frac{0.05\% \times \text{RM } 120,000,000.00 \times 30 \text{ days}}{365 \text{ days}}$		RM4,931.51
NAV of the Fund (after deduction of management fee and trustee fee)		RM119,871,780.82
Total Units in circulation for that Business Day		200,000,000 Units
<b>NAV per Unit (rounded to four (4) decimal points)</b>		RM 0.5994

**Note:** The Manager's rounding policy is four (4) decimal points for the purposes of publication of the NAV per Unit. However, the rounding policy will not apply when calculating the sales charge and withdrawal charge payable by investors.

## **7.1     Manager**

### Background and Experience

Cross Light Capital Sdn. Bhd. (“CLC”) is a licensed fund manager under the CMSA.

CLC is a fund management company focused on delivering superior risk adjusted absolute returns. The company manages alternative investment strategies for a client base of Sophisticated Investors. CLC’s investment philosophy is that applying real world discretionary trading strategies to the rigor of a quantitative process can significantly improve risk adjusted returns; CLC believes that data-driven insights, scientific testing, and disciplined portfolio construction techniques can add significant value to the investment process. CLC’s investment focus is on delivering absolute returns free from benchmarks which may differ from traditional fund managers who focus on outperforming a particular benchmark. Moreover, CLC’s investment strategies may use both long and short exposures across global asset classes with a disciplined risk management approach and prudent use of leverage. CLC’s core values are to act at all times in the best interest of its client investors by pursuing excellence in all aspects through integrity, teamwork and strong alignment of interests.

CLC is led by Jason Lee CFA who is a hedge fund manager with over twenty-five (25) years of investment and trading experience with GIC Private Limited, formerly known as Government of Singapore Investment Corporation, (sovereign wealth) in Singapore and London, Oxburgh Partners (equity long short) in London and J Safra Sarasin group (Swiss based private bank and fund manager) in London.

CLC’s investment edge is derived from a hybrid approach between “human” and “machine” where real world investment experience and trading strategies are combined with quantitative insights extracted from big data applying state-of-the-art artificial intelligence and machine learning techniques. CLC believes that there is no “silver bullet” or “miracle algorithm” but a diversified system with smaller incremental “wins” that together can lead to superior risk adjusted returns.

In terms of risk management philosophy, CLC believes risk management is enhanced by combining discretionary traders and quantitative analysts in active risk management and that risk reduction through lowering of gross exposure is often the optimal risk management action, rather than increasing hedging and increasing gross exposures during risk off periods in markets.

### Duties and Responsibilities of the Manager

The Manager is responsible for the operation and administration of the Fund, investment management and marketing of the Fund, servicing Unit Holders’ needs, keeping proper administration records of Unit Holders and accounting records of the Fund, ensuring that the Units are correctly priced, ensuring compliance with stringent internal procedures and guidelines of relevant authorities and relevant laws.

### Designated Fund Manager for the Fund

#### **Jason Lee CFA**

Jason Lee CFA is the designated fund manager for the Fund. Jason Lee is a hedge fund manager with over twenty-five (25) years of investment and trading experience with GIC Private Limited, formerly

known as Government of Singapore Investment Corporation, (sovereign wealth) in Singapore and London, Oxburgh Partners (equity long short) in London and J Safra Sarasin group (Swiss based private bank and fund manager) in London. His experience includes long short equity investment track record and risk management of absolute return strategies including the use of leverage. Jason Lee has twenty (20) years of investment and trading experience and a ten (10) year fully audited investment track record managing absolute return mandates.

Jason Lee is a Capital Markets Services Representative's License holder.

### Litigation and Arbitration

As at 31 March 2024, CLC is not engaged in any material litigation and arbitration (claims above RM3 millions), including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of CLC.

## **7.2 Trustee**

### Background and Experience of the Trustee

MTrustee Berhad was incorporated under the laws of Malaysia and registered as a trust company under the Trust Companies Act 1949. MTrustee is supervised by the Companies Commission of Malaysia in respect of the administration, by the SC in respect of the services rendered and by Bank Negara Malaysia in respect of Anti-Money Laundering and Counter Financing of Terrorism matters.

### Duties and Responsibilities of the Trustee

The Trustee's main role and responsibility is to act as trustee to safeguard the interests of the Unit Holders, in accordance with the provisions of the Deed, CMSA, SC's guidelines and other relevant laws and also act as custodian by holding the assets of the Fund in favour of the Unit Holders.

Among other things, the Trustee is required to:-

- monitor the administration of the Fund by the Manager to ensure that it is in accordance with the Deed, SC's guidelines, CMSA and securities law;
- ensure that proper records are kept for all transactions, distribution, interests and income received and distributed in respect of the Fund;
- require the Manager to keep it fully informed as to the details of the Manager's policies on investments and changes thereof;
- ensure that the accounts be audited at least annually and that the Manager forwards to Unit Holders a copy of those accounts within two (2) months from the end of the financial year;
- be responsible for the collection and periodic distribution of income earned from the investment portfolio to the Unit Holders (subject to such duty being delegated to the Manager); and
- report to the SC if it considers that the Manager has not acted in the Unit Holders' interests or in accordance with the provisions of the Deed or has not complied with the Guidelines.

### Trustee's Statement of Responsibility

MTrustee Berhad has been appointed as the trustee of the Fund. The Trustee will act as trustee and custodian of the assets of the Fund and safeguard the interests of the Unit Holders. In performing its duties, the Trustee shall exercise all due care and vigilance in conducting its functions and duties in accordance with the provisions of the Deed, Guidelines, CMSA and other relevant laws. The Trustee is also responsible to ensure that the Manager performs its duties in accordance with the Deed, Guidelines and CMSA.



**PLEASE BE ADVISED THAT IF YOU INVEST IN UNITS THROUGH AN INSTITUTIONAL UNIT TRUST SCHEME ADVISER (“IUTA”) WHICH ADOPTS THE NOMINEE SYSTEM OF OWNERSHIP, YOU WOULD NOT BE CONSIDERED TO BE A UNIT HOLDER UNDER THE DEED AND YOU MAY CONSEQUENTLY NOT HAVE ALL THE RIGHTS ORDINARILY EXERCISABLE BY A UNIT HOLDER (FOR EXAMPLE, THE RIGHT TO CALL FOR A UNIT HOLDERS’ MEETING AND TO VOTE THEREAT AND THE RIGHT TO HAVE YOUR PARTICULARS APPEARING IN THE REGISTER OF UNIT HOLDERS OF THE FUND).**

### **8.1     Rights of the Unit Holders**

A Unit Holder has the right, amongst others:

- (a) to participate in any increase in the value of the Units;
- (b) to call for Unit Holders’ meetings, and to vote for the removal of the Manager or the Trustee through Special Resolution;
- (c) to receive distributions of income, if any;
- (d) to receive annual and quarterly reports of the Fund; and
- (e) to enjoy such other rights and privileges as set out in the Deed.

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

### **8.2     Liabilities of Unit Holders**

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

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

### **8.3     Termination of the Fund**

The Fund will be automatically terminated on the maturity of the Fund.

The Manager may, in its absolute discretion and without having to obtain the prior approval of the Unit Holders, terminate the trust and wind up the Fund upon the occurrence of any of the following events:

- (a) on or before the Commencement Date, if the fund size is below RM5,000,000 or such other amount as the Manager may deem to be uneconomical to proceed with the Fund;
- (b) if any new law shall be passed which renders it illegal; or
- (c) the Manager is of the opinion that it is no longer economical for the Manager to continue managing the Fund and the termination of the Fund is in the best interest of the Unit Holders.

If the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

#### **8.4 Power to call for a Meeting by Unit Holders**

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

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed,

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders.

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll is demanded or, if it be a question which under the Deed requires a Special Resolution a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one (1) vote.

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy; however, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy. If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per cent (25%) of the Units in circulation of the Fund at the time of the meeting. If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for a meeting of the Unit Holders of the Fund.

### **9.1     Anti-Money Laundering Policies and Procedures**

Money laundering is a process intended to conceal the benefits derived from unlawful activities which are related, directly or indirectly, to any serious offence so that they appear to have originated from a legitimate source.

Under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, any person who –

- a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
- b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence;
- c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence; or
- d) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence,

commits a money laundering offence and shall on conviction be liable to imprisonment for a term not exceeding fifteen (15) years and shall also be liable to a fine of not less than five (5) times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or five (5) million ringgit, whichever is the higher.

The Manager has anti-money laundering policies in place where investors need to complete customer information form and the Manager will perform checks on all investors without exception. New investors must provide their identification documents for the Manager's verification. No individual/corporation shall be allowed to do business with the Manager if they fail to provide their identity and/or attempt to give a false name or records. If a potential customer refuses to produce any requested information or the Manager's sales personnel does not feel comfortable or is suspicious with the information provided, the transaction will be terminated.

All cases of suspicious transactions must be reported by the relevant staff to the compliance manager. The compliance manager is to obtain relevant information from the relevant staff where applicable and evaluate the evidence and report matters relating to anti-money laundering to the board of directors of CLC. A suspicious transaction report will then be submitted to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia as well as the SC.