



12 January 2024

Dear Unit Holders,

ISSUANCE OF FIRST SUPPLEMENTARY INFORMATION MEMORANDUM IN RELATION TO THE TA ASIAN BOND FUND (“FUND” OR “FIRST SUPPLEMENTARY INFORMATION MEMORANDUM”)

We, TA Investment Management Berhad (“the “Manager”) would like to inform you that a First Supplementary Information Memorandum will be issued to reflect the proposed amendments made to the Fund. Please refer to Appendix 1 on the list of significant or material information.

The changes of the Fund¹ shall apply on the date of issue of the First Supplementary Information Memorandum which will be lodged with the Securities Commission Malaysia via Lodge and Launch Framework, targeting mid to end February 2024.

Please note that the First Supplementary Information Memorandum will be available on our website at www.tainvest.com.my on the date of issue of the First Supplementary Information Memorandum.

¹ Except for changes made to the investment policy & strategy of the Target Fund, the effective date will be on 23 January 2024.

Appendix 1

Proposed Amendments

1. Investment strategy of the Fund will be updated to the following:

The Fund seeks to achieve its objective by investing a minimum of 85% of the Fund's NAV in the Fullerton Lux Funds – Asian Bonds ("Target Fund") and the remainder of the Fund's NAV will be invested in liquid assets.

The Fund may employ currency hedging strategies to hedge the foreign currency exposure to manage the currency risk of the hedged Classes which are not denominated in the Base Currency.

If and when the Manager considers the investment in the Target Fund is unable to meet the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek Unit Holders' approval before any such changes are made.

The Fund may change its entire investment into another class of the Target Fund (which must be denominated in the same currency) if the Manager is of the opinion that the change is in the interest of the Unit holders. If the Manager wishes to effect such change, the Manager will seek concurrence from the Trustee and the Unit Holders will be notified before implementation. Please refer to Chapter 3, The Information on Fullerton Lux Funds – Asian Bonds ("Target Fund") for details of the Target Fund. Investors may obtain a copy of the Target Fund's Prospectus from the Manager upon request.

2. Asset allocation of the Fund will be updated to the following:

- A minimum of 85% of the Fund's NAV will be invested in the Target Fund;
- A maximum of 15% of the Fund's NAV will be invested in liquid assets.

3. Distribution policy will be updated to the following:

The Fund intends to distribute income, if any, on a quarterly basis.

The distribution, if any, may be made from (1) realised income, (2) realised gains, (3) unrealised income, (4) unrealised gains, (5) capital or (6) a combination of any of the above. The Manager has the right to vary the frequency and/or amounts of distributions.

The effects of distributing income out of capital would include but are not limited to the following:

- the value of the investments in the Fund may be reduced;
- the capital of the Fund may be eroded.

The distribution is achieved by forgoing the potential for future capital growth. As a result, the value of future returns would be diminished and there would be an impact on the future growth potential of the Fund as the available assets to grow in the future is the net of the expenses charged to the Fund. Please note that if distribution is made, such distribution is not a forecast, indication or projection of the future performance of the Fund.

Note: The Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit Holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit Holders.

4. Specific risks associated with the Fund will be updated to include the following:

Distribution Out of Capital Risk

Distribution may be paid out of capital when the realised gains or realised income of the Fund is insufficient to pay a distribution. Unit Holders should note that the payment of distribution out of capital represents a return or withdrawal of part of the amount from any capital gains attributable to the original investment. Such distribution may result in an immediate decrease in the NAV per Unit of the Class and in the capital that the Fund which is available for investment in the future. As a result, capital growth may be reduced and a high distribution yield from distribution out of capital does not imply a positive or high return on Unit Holders' total investments.

5. Risk mitigation of the Fund will be updated to the following:

We do not employ risk management strategy on the portfolio of the Target Fund. The risk management strategies and techniques employed will be at the Target Fund level, where the Investment Manager combines financial techniques and instruments to manage the overall risk of the Target Fund's portfolio including diversification in terms of its exposure to various countries, industries and sectors.

As this is a feeder fund, the Manager does not intend to take a temporary defensive position for the Fund during adverse market, economic and/or any other conditions. However, in such conditions the Manager may decide to temporarily lower the asset allocation or exposure of the Fund in the Target Fund to below 85% of the Fund's NAV should the Manager decide that this will be in the best interest of the Unit Holders.

6. Other expenses related to the Fund will be updated to include the following:

- costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs, fees and expenses incurred for the subscription, renewal and/or licensing of the performance benchmark for the Fund;

7. Investment policy & strategy of the Target Fund will be updated to the following:

With effect from 23 January 2024

The Investment Manager seeks to achieve the objective of the Target Fund by investing in fixed income or debt securities denominated primarily in USD and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region.

The Asian countries include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

The Target Fund may also invest up to 20% of the Target Fund's net asset value in perpetual bonds (including contingent convertible securities).

The Target Fund may invest in money market instruments, money market funds, term deposits, bank deposits and other eligible liquid assets for treasury purposes and in case of unfavourable market conditions.

The Target Fund may hold up to 20% of its net asset value in ancillary liquid assets (bank deposits at sight, such as cash held in current accounts). Under exceptionally unfavourable market conditions and if justified in the interest of the investors, the Target Fund may temporarily invest up to 100% of the Target Fund's net asset value in assets referred in these two last paragraphs of this section.

- 8. The investment in the Target Fund will be switched from "Distribution Shares" to "Accumulation Shares" which are denominated in the same currency i.e.: USD.**

[The rest of this page is intentionally left blank]