



31 January 2024

Dear Unit Holders,

ISSUANCE OF REPLACEMENT INFORMATION MEMORANDUM IN RELATION TO THE TA SUSTAINABLE WATER & WASTE FUND (“FUND” OR “REPLACEMENT INFORMATION MEMORANDUM”)

We, TA Investment Management Berhad (“the “Manager”) would like to inform you that a Replacement 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.

Please note that the proposed amendments do not represent all the amendments which will be made via the Replacement Information Memorandum, and is subject to changes as may be required by the Securities Commission Malaysia (“SC”).

The changes of the Fund shall apply on the date of issue of the Replacement Information Memorandum which will be lodged with the SC via Lodge and Launch Framework, targeting before mid-February 2024.

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

Appendix 1
Proposed Amendments

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

The Fund seeks to achieve its investment objective by investing a minimum of 85% of the Fund's NAV in the 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.

The Fund is a qualified sustainable and responsible investment fund. It invests predominantly in the Target Fund. The investments of the Target Fund are subject to ESG consideration. The Target Fund invests at least 70% of its assets in securities of issuers with favourable ESG characteristics and up to 30% in securities of issuers with improving ESG characteristics. In actively managing the Target Fund, the Investment Manager considers ESG characteristics when assessing investment risks and opportunities. In determining favourable ESG characteristics, the Investment Manager takes into account ESG ratings provided by Fidelity or external agencies. In addition, the Investment Manager engages with issuers to seek improvement on ESG issues. The Target Fund assesses the ESG characteristics of at least 90% of its assets. When selecting investments, the Target Fund's investment universe is reduced by at least 20% after excluding issuers based on their ESG characteristics. The Target Fund adheres to the Fidelity Sustainable Family of Funds standards. For more information, see "Sustainable Investing and ESG Integration" in Section 3.9 of this Information Memorandum.

The Target Fund is integrating sustainability considerations into the investment process (refer Section 3.9 of this Information Memorandum) and the Investment Manager will ensure that the Target Fund's investment is in line with the sustainability criteria adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability criteria. The Manager will receive regular reporting from the Investment Manager as part of continuous monitoring and evaluating the performance of the Fund. If the Target Fund's investment becomes inconsistent with its investment strategy and sustainability considerations, the Investment Manager may consider the exclusion of companies from their investment universe based on specific ESG criteria. For further details on the policies and/or strategies to be adopted by the Investment Manager in such divestment or exclusion please refer to <https://fidelityinternational.com/sustainable-investing-framework/>.

If and when the Manager considers the investment in the Target Fund is unable to meet the investment objective of the Fund and/or the SRI Guidelines, the Manager may replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek Unit Holders' approval before any such change is made. In the event there is a change of the Target Fund, the Manager will ensure that the replacement of the Target Fund complies with the SRI Guidelines. The Manager will notify the SC of any changes to the sustainability considerations of the Fund immediately and furnish such relevant information to the SC in accordance with relevant guidelines.

As this is a feeder fund, the Manager will stay invested in the Target Fund as long as the Target Fund's investment objective and strategies will enable the Fund to meet its investment objective. Nevertheless, during adverse market conditions, the Manager may take a temporary defensive position which may be inconsistent with the Fund's strategy by reducing its investment into the Target Fund and increase the Fund's liquidity level by investing in liquid assets to safeguard the Unit Holders' interest, provided that the Fund maintains at least two thirds (2/3) of its NAV in the Target Fund.

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 Fidelity Funds – Sustainable Water & Waste Fund (“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 of the Fund will be updated to the following:

Distribution is incidental and at the Manager’s discretion.

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 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 will stay invested in the Target Fund as long as the Target Fund’s investment objective and strategies will enable the Fund to meet its investment

objective. Nevertheless, during adverse market conditions, the Manager may take a temporary defensive position which may be inconsistent with the Fund's strategy by reducing its investment into the Target Fund and increase the Fund's liquidity level by investing in liquid assets to safeguard the Unit Holders' interest, provided that the Fund maintains at least two thirds (2/3) of its NAV in the Target Fund.

To avoid suspension of the Fund, the Fund will hold adequate liquid assets (up to 15% of the Fund's NAV) and if the liquid assets are insufficient to meet redemption requests, the Manager may seek temporary financing if this is in the best interests of Unit Holders. If the Manager has exhausted all possible avenues to avoid a suspension of the Fund, the Manager may as a last resort, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the redemption of Units where it is impractical for the Manager to calculate the NAV of the Fund due to market value or fair value of the investment in the Target Fund cannot be determined. Please note that during the suspension period, there will be no NAV per Unit available and hence, any application for subscription, redemption or switching of Units received by the Manager during the suspension period will only be accepted and processed on the next Business Day after the cessation of the suspension. Unit Holders will be notified of the suspension and when the suspension is lifted.

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.

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