



Asset Management  
ASSOCIATE OF VALUE PARTNERS GROUP LTD

# PRODUCT HIGHLIGHTS SHEET

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## **M & A VALUE PARTNERS IPO EQUITY FUND**



# **M & A VALUE PARTNERS IPO EQUITY FUND ("the Fund")**

## **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors of M & A Value Partners Asset Management Malaysia Sdn Bhd (*formerly known as Value Partners Asset Management Malaysia Sdn Bhd*) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in this Product Highlights Sheet false or misleading.

## **STATEMENT OF DISCLAIMER**

The relevant information and document in relation to the M & A Value Partners IPO Equity Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

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

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**This Product Highlights Sheet only highlights the key features and risks of the M & A Value Partners IPO Equity Fund. Investors are advised to request, read and understand the information memorandum before deciding to invest.**

## 1. What is M & A Value Partners IPO Equity Fund?

The Fund is a wholesale equity growth fund managed by M & A Value Partners Asset Management Malaysia Sdn Bhd (*formerly known as Value Partners Asset Management Malaysia Sdn Bhd*). The Fund aims to provide capital appreciation.

## 2. Fund Suitability

The Fund is suitable for Sophisticated Investors\* who:

- have a medium to high risk tolerance; and
- seek capital gains.

*\* Please refer to the definition of "Sophisticated Investors" in the information memorandum for more details.*

## 3. Investment Objective

The Fund aims to provide capital appreciation.

## 4. Key Product Features

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <b>Fund Type</b>           | Growth.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Fund Category</b>       | Wholesale equity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Investment Strategy</b> | <p>The Fund aims to achieve its investment objective by investing in equities and/or equity-related securities of Malaysian companies with a potential catalyst for re-rating over the short to medium term resulting from corporate actions such as initial public offering ("IPO") and pre-IPO exercises, takeover, merger arbitrage, strategic spin-offs and other corporate exercises.</p> <p>The Manager seeks to provide investors indirect access to primary offerings of securities issued by Malaysian companies on Bursa Malaysia Securities Berhad ("Bursa Malaysia") via the Fund. The Fund's portfolio will be concentrated, and at any time, will comprise of not more than twenty (20) such securities.</p> <p>The Fund will also from time to time invests in securities which are undervalued and mispriced due to market inefficiencies. The Manager will adopt a careful discretionary value investing approach in selecting</p> |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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|                               | <p>high growth securities and uncovering opportunities in this segment.</p> <p>The Manager will reduce cash drag whenever possible and endeavours to invest close to 90% of its net asset value ("NAV") or fully invested at all times in the interest of the unit holders.</p> <p>The Fund may also invest in other asset classes depending on the prevailing market conditions. These asset classes would range from money market instruments and/or deposits.</p> |
| <b>Performance Benchmark</b>  | <p>Absolute return of 8% per annum.</p> <p><i>This is not a guaranteed return and is used to measure the Fund's performance only.</i></p>                                                                                                                                                                                                                                                                                                                            |
| <b>Launch Date</b>            | 1 July 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Manager</b>                | M & A Value Partners Asset Management Malaysia Sdn Bhd (formerly known as Value Partners Asset Management Malaysia Sdn Bhd)                                                                                                                                                                                                                                                                                                                                          |
| <b>Annual Management Fee</b>  | <p>1.75% per annum of the NAV of the Fund.</p> <p>The management fee is calculated and accrued daily and payable monthly to the Manager.</p>                                                                                                                                                                                                                                                                                                                         |
| <b>Annual Performance Fee</b> | <p>20% per annum on the appreciation in the NAV per unit over and above the hurdle value during a particular performance period.</p> <p>The performance fee is calculated and adjusted on a daily basis. Although the calculation is on a daily basis, the performance fee is only payable to the Manager at the end of each performance period if the NAV per unit is above the hurdle value at the end of the particular performance period.</p>                   |
| <b>Sales Charge</b>           | <p>Up to 5.00% of the NAV per unit.</p> <p><i>The Manager may at its absolute discretion reduce or waive the sales charge from time to time.</i></p>                                                                                                                                                                                                                                                                                                                 |
| <b>Redemption Charge</b>      | <p>1.00% of the NAV per unit if the redemption request is made within twelve (12) months of each purchase application.</p> <p>The Manager will not impose a redemption charge to unit holders who redeem units after twelve (12) months of each of their purchase application.</p> <p><i>The Manager may at its absolute discretion reduce or waive the redemption charge from time to time.</i></p>                                                                 |
| <b>Switching Fee</b>          | <p>RM50 per switch.</p> <p>In addition to the switching fee, unit holders will also have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.</p>                                                                                                                                                                                                                                            |

|                                                                                                             |                                                                                                                                                                                                                                                                                       |
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|                                                                                                             | <p>The above will only apply if there is more than one (1) wholesale fund being offered by the Manager.</p> <p><i>The Manager may at its absolute discretion reduce or waive the switching fee from time to time.</i></p>                                                             |
| <b>Trustee</b>                                                                                              | CIMB Commerce Trustee Berhad                                                                                                                                                                                                                                                          |
| <b>Annual Trustee Fee</b>                                                                                   | <p>Up to 0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), subject to a minimum fee of RM10,000 per annum.</p> <p>The trustee fee is calculated and accrued daily and payable monthly to the Trustee.</p>                                        |
| <b>Minimum Initial Investment<sup>^</sup></b>                                                               | RM50,000.                                                                                                                                                                                                                                                                             |
| <b>Minimum Additional Investment<sup>^</sup></b>                                                            | RM50,000.                                                                                                                                                                                                                                                                             |
| <b>Minimum Holdings<sup>^</sup></b>                                                                         | 25,000 units.                                                                                                                                                                                                                                                                         |
| <b>Minimum Redemption Amount<sup>^</sup></b>                                                                | <p>10,000 units.</p> <p>If the unit holdings of a unit holder, after a redemption request, falls below the minimum holdings of units for the Fund, a request for full redemption is deemed to have been made and the Manager will pay the redemption proceeds to the unit holder.</p> |
| <sup>^</sup> or such other amount or number of units as may be determined by the Manager at its discretion. |                                                                                                                                                                                                                                                                                       |
| <b>Distribution Policy</b>                                                                                  | Distribution, if any, will be incidental.                                                                                                                                                                                                                                             |

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

## 5. Asset Allocation

- 60% - 100% of the NAV of the Fund will be invested in equities and equity-related securities listed or traded on Bursa Malaysia;
- 0% - 20% of the NAV of the Fund will be invested in securities not listed or traded on Bursa Malaysia; and
- 0% - 25% of the NAV of the Fund will be invested in liquid assets (comprising money market instruments and deposits).

## 6. Key Risks

### Specific Risks

#### (a) Equity Investment Risk

This is the risk associated with investing in equities. The value of an equity investment depends on the growth of the company issuing such securities. Failure to achieve the expected earnings may result in a fall in the value of equities which in turn affects the performance of the Fund. To mitigate the negative impact on the performance of the Fund,

the Manager will employ stringent equity selection criteria which would effectively filter the stock components to equities which can provide capital gains to the Fund.

(b) Concentration Risk

Concentration risk is the probability of loss arising from lack of diversification and investing with a single company. The strength of the company may be affected due to change of financial performance, news of a possible merger or loss of key personnel of the company.

(c) Credit and Default Risk

Credit risk relates to the creditworthiness of the issuers of the money markets instruments and the financial institutions where the deposits are placed (hereinafter referred to as "investment") and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer and/or financial institution may impact the value as well as liquidity of the investment. Default risk refers to the possibility that the issuer and/or financial institution of the investment is unable to make timely or full payments of profit and/or principal when due. In the event of a default in payment of interest and/or principal, this may cause a reduction in the value of the Fund. The Manager will endeavour to take the necessary steps to deal with the investment in the best interest of the unit holders including to dispose of the defaulted investments within a time frame deemed reasonable by the Manager.

(d) Special Situation Investments Risk

Investing in special situations involves unique opportunities tied to specific events or circumstances that can significantly impact the value of an investment. Investors should consider the following risks associated with special situation investments:

(i) Timing Risk:

Special situations are often time-sensitive, dependent on the occurrence of specific events or developments. Delays or unexpected changes in the timing of these events may adversely affect the expected returns of the Fund.

(ii) Regulatory and Legal Risks:

Special situation investments are subject to regulatory and legal uncertainties. Changes in regulations, unforeseen legal disputes, or unpredictable legal outcomes can have a material impact on the Fund's investment.

(iii) Liquidity Risk:

Investments in special situations may involve less liquid securities. The lack of liquidity can result in challenges in buying or selling assets at desired prices, potentially leading to increased price volatility.

(e) IPO Risk

The Fund invests in companies undertaking an IPO and also companies that have recently completed an IPO. The securities of such companies may be subject to extreme price volatility and speculative trading. In addition, the securities of such companies may share similar illiquidity risks of private equity and venture capital. The free float shares held by the public in an IPO are typically a small percentage of the market capitalization. The securities of such companies may be held largely by venture capital and private equity investors who seek to sell their shares in the public market in the months following an IPO when shares restricted by the lock-up period are released, causing greater volatility and possible downward pressure after expiry of the lock-up period.

(f) Deferment of Redemption Risk

For the purpose of managing the liquidity of the Fund, the Manager may defer the redemption of units to the next business day if the total net redemptions received by the Manager is more than 10% of the NAV of the Fund on a particular business day. When such redemption limit is triggered, it may affect the Fund's ability to meet unit holders' redemption request and may lead to a delay in the payment of redemption proceeds to the unit holders.

***Investors are reminded that the risks listed above may not be exhaustive and if necessary, they should consult their adviser(s), e.g. bankers, lawyers, stockbrokers or independent professional advisers for a better understanding of the risks.***

*For more details, please refer to section 5.1 of the information memorandum for the general risks of investing in the Fund.*

***Note: If your investments are made through an institutional unit trust scheme adviser ("Distributor") which adopts the nominee system of ownership, you would not be deemed to be a unit holder under the deed and as a result, your rights as an investor may be limited. Accordingly, we will only recognize the Distributor as a unit holder of the Fund and the Distributor shall be entitled to all the rights conferred to it under the deed.***

## **7. Valuation of Investment**

The assets of the Fund will be valued at least once every business day, except during the initial offer period. The valuation of the Fund will be carried out in a fair and accurate manner. The Fund will be valued at the end of every business day.

Unit holders will be able to obtain the unit price of the Fund from **www.mna-vp.com.my** on every business day. The unit price of the Fund would also be made available upon request by the unit holders.

## **8. Exiting from Investment**

|                                   |                                                                                                                                                                                                                                                        |
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| Submission of Redemption Request  | The cut-off time for redemption of units shall be at <b>4:00 pm</b> on a business day.                                                                                                                                                                 |
| Payment of Redemption Proceeds    | Redemption proceeds will be paid out within ten (10) business days from the day the redemption request is received by the Manager on or before the cut-off time of <b>4.00 p.m.</b> and provided that all documentations are completed and verifiable. |
| Remittance of Redemption Proceeds | The Manager shall remit the redemption proceeds to the unit holder's segregated personal or corporate banking account.                                                                                                                                 |

## 9. Contact Information

- I. For internal dispute resolution, you may contact:

**Customer Servicing Personnel**

Tel : 03-2202 2400  
Email : enquiry@mna-vp.com.my  
Website : www.mna-vp.com.my

- II. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

a. via phone to : 03-2282 2280  
b. via fax to : 03-2282 3855  
c. via email to : info@sidrec.com.my  
d. via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

- III. You can also direct your complaint to the Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

a. via phone to the Aduan Hotline at : 03-6204 8999  
b. via fax to : 03-6204 8991  
c. via email to : aduan@seccom.com.my  
d. via the online complaint form available at www.sc.com.my  
e. via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No. 3, Persiaran Bukit Kiara  
Bukit Kiara, 50490 Kuala Lumpur