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**DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT**

for the management of Fund

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Between

.....  
("Investor")

And

**INTER-PACIFIC ASSET MANAGEMENT SDN BHD**  
**(Registration No. 199001013139 (204709-U))**  
("Fund Manager")

**Agreement Date:** \_\_\_\_\_

## **DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT**

**Agreement Date:** As stated in Section 1 of the First Schedule.

### **Parties:**

1. The parties whose particulars are as described in Section 2 and 3 of the First Schedule (“**Investor**”).
2. **INTER-PACIFIC ASSET MANAGEMENT SDN. BHD.** (Registration No. 199001013139 (204709-U)), a company incorporated in Malaysia and having its registered address at Lot 13-01A, Level 13, (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur (“**Fund Manager**”).

### **Recitals:**

- A. The Fund Manager is a licensed fund manager under the Act (defined herein).
- B. The Investor is the owner of the Fund (defined herein).
- C. The Investor is desirous to appoint the Fund Manager to undertake the Services (defined herein) and the Fund Manager is desirous to accept the appointment subject to the terms and conditions hereinafter contained.

### **Operative Provisions:**

#### **1. INTERPRETATION**

- 1.1 In this Agreement, unless the context otherwise requires, the following expressions shall have the meanings ascribed to them as follows:

“**Account**” means the investment account;

“**Act**” means the Capital Markets and Services Act 2007 as amended and repealed from time to time;

“**Agreement**” means this discretionary investment management agreement;

**“Agreement Date”** means the date of this Agreement;

**“Appropriate Authority”** means any governmental, semi or quasi-governmental authority having jurisdiction over matters pertaining to the performance of this Agreement;

**“Documents of Title”** means any documents of title evidencing the ownership of any of the property and/or Securities comprised in the Fund;

**“Fees”** means the remuneration sum for the Services (including nominee company services) payable on the Payment Dates by the Investor to the Fund Manager being (A) management fee and annual performance fee; or (B) such other sum as the Fund Manager may by notice to the Investor stipulate from time to time;

**“Fund”** means the investment portfolio consisting of such cash, property and/or Securities together with all rights, bonuses, proceeds, dividends, interest and other income distributed, attached or accrued in respect thereto;

**“Instructions”** means any written or verbal instructions from the Investor or the Investor’s Authorised Persons relating to the Fund managed by the Fund Manager;

**“Investor’s Authorised Persons”** means such person or persons authorised by the Investor to give Instructions or receive information in relation to the arrangements hereunder and as notified to the Fund Manager in accordance with Clause 13;

**“Market Day”** means a day on which the Bursa Malaysia Berhad is open for business;

**“Payment Dates”** means the dates on which the Fees are due: management fee - every One (1) calendar month / annual performance fee - every Twelve (12) calendar months;

**“Representatives”** means licensed fund manager’s representatives under the Act;

**“Security Interest”** includes option, lien, pledge, charge, mortgage or other encumbrance or security interest of any kind whatsoever;

**“Securities”** means marketable debentures, stocks and shares in a public company or corporation, or bonds of any government or of any body, corporate or unincorporated, and includes any right or option in respect thereof and any interest in unit trust schemes; and

**“Services”** means the services contracted to be provided herein by the Fund Manager to the Investor, namely acting as fund manager of the Fund for the Investor.

**“Risk Tolerance”** means the amount of risk you are willing to accept for a particular investment. Risk tolerance decisions in Fourth Schedule must carefully consider multiple aspects of your situation, including but not limited to, investment knowledge and experience, age, liquidity needs, and net worth.

1.2 In this Agreement, unless the context otherwise requires:

- (a) headings to the clauses are for convenience of reference only and do not affect the interpretation of this Agreement.
- (b) words importing a gender include any gender and words importing the singular include the plural and vice versa.
- (c) an expression importing a natural person includes anybody of persons, company, corporation, firm, partnership, joint venture, association or other body corporate or governmental agency.
- (d) a reference to a part, clause, party, annexure, exhibit or schedule without further designation is a reference to a part, clause, party, annexure, exhibit or schedule of this Agreement, as the case may be.
- (e) a reference to a document includes all amendments or supplements to, or replacements or novation of that document.
- (f) a reference to a party to a document include that party’s successors and permitted assigns.
- (g) where the day on or by which any thing is to be done is not a Market Day, that thing must be done on or by the next Market Day.
- (h) a reference to “Ringgit Malaysia” or the abbreviation “RM” means the lawful currency of Malaysia.
- (i) a reference to any agency or body, if that agency or body ceases to exist or is reconstituted, renamed and replaced or has its powers or functions removed (“defunct body”) means the agency or body which performs most closely the functions of the defunct body.

- (j) a reference to a statute, ordinance or code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements or any of them.
- (k) no rule of construction applies to the disadvantage of a Party because that Party is responsible for the preparation of this Agreement or any part of it.

## **2. APPOINTMENT AS FUND MANAGER**

The Investor hereby appoints the Fund Manager on a discretionary basis to undertake the management of the Fund and the Fund Manager hereby accepts the appointment subject to the terms and conditions hereinafter contained.

## **3. HOLDING OF FUND**

- 3.1 The Investor shall pay or deliver and deposit with the Fund Manager or its nominees such amount of cash and/or Documents of Title for the purpose of investment pursuant to the terms of this Agreement.
- 3.2 The Fund Manager may cause any investment portfolio comprised in the Fund to be held in the name of its nominees for the account of the Investor or such name or names as have been approved by the Investor and shall not be made liable for any loss occasioned by so doing other than loss caused by their wilful default or gross negligence.

## **4. INVESTOR'S WARRANTIES**

4.1 The Investor hereby represents and warrants to the Fund Manager:

- a) that the Investor has full power and authority to enter into this Agreement and has taken all necessary action to authorise the execution, delivery and performance of this Agreement;

that this Agreement constitutes a legally valid and binding obligation of the Investor enforceable in accordance with its terms;

- (a) that, in respect of a corporate Investor, all corporate actions have been taken and all corporate authorisations have been obtained by the Investor from its board and/or shareholders (if necessary) to enable its execution of this

Agreement and all other documents or instruments in relation or in respect thereof; and

- (b) that the Fund or any part thereof is not affected by any Security Interest and the Investor is not a party to nor is the Fund or any of its constituent thereof, bound by any order, judgement, agreement or instrument of any person to which the Investor is party thereto.

42 The Investor agrees that all representations, warranties and undertakings under this Clause shall be fulfilled and shall remain true and accurate in all respects and not be misleading throughout the subsistence of this Agreement and for so long as it may be necessary to give effect thereto.

43 If (unless remedied to the Fund Manager's reasonable satisfaction by the Investor) at any time, it shall be found that any of the warranties under this Clause have not in all material respects been carried out or complied with to the Fund Manager's reasonable satisfaction or is otherwise untrue or misleading in any material respect, the Fund Manager shall be entitled (in addition to and without prejudice to the Fund Manager's all other rights and remedies available to it including the right to claim damages) by notice in writing to the Investor to terminate this Agreement but failure to exercise this right shall not constitute a waiver of any rights of the Fund Manager arising out of any breach of warranty under this Clause.

## **5. FUND FREE OF ENCUMBRANCES**

The Investor shall not at any time during the continuance of this Agreement create, assume or suffer to exist in favour of any third parties any Security Interest over the Fund or any part thereof except with the prior written consent of the Fund Manager.

## **6. MANAGEMENT**

The Fund Manager:

- (a) will maintain for the Investor one or more accounts to which it will credit all monies from time to time paid to it by the Investor for investment hereunder and credit to or debit against the appropriate account(s) all monies from time to time received by it in respect of the sale or their realisation of the properties and/or Securities comprised in the Fund and all sums expended by it for the Investor's account(s) in

relation to the purchase or other acquisition of properties or Securities and the holding of the same for investment hereunder;

- (b) will collect all interests, bonuses, dividends and other payments receivable in respect of the properties and/or Securities comprised in the Fund and credit the amounts received (less any taxation which may be required to be deducted) to the appropriate account(s);
- (c) will furnish the Investor with a valuation of the investments of the Fund together with a statement of account showing the Investor's actual portfolio position with fees and charges payable by the Investor at least on monthly basis as at the last date of each such calendar month or at such dates as the Fund Manager may decide;
- (d) will provide at least on quarterly basis, reports to its Investors on (i) the performance of the Investor's portfolio against appropriate benchmarks; (ii) any changes in risk (if any) which will affect the Investor's investments; and (iii) any impact on the Investor's capital and earning of the Investor's investment arising from the change of risk as specified in Clause 6(d)(ii) above;
- (e) subject to the provision of Clause 7.5, may in the performance of its duties hereunder employ as its agent(s) an attorney, solicitor, accountant, stockbroker or other person to transact any business or do any act required to be done in the execution hereof and may delegate to such agent any of the powers contained herein as the Fund Manager may think fit. The Investor shall bear the usual costs and expenses in connection with the buying, selling and transposing of the investment portfolio comprised in the Fund by such agent(s) and such other expenses as the Fund Manager shall authorise from time to time.

## **7. FUND MANAGER'S DISCRETION**

- 7.1 The Fund Manager shall have a complete and unfettered discretion to manage the Fund with power and authority, without prior consultation with or further authorisation of the Investor to buy, sell, exchange, transpose or otherwise dispose of any Securities, investment or monies comprised in the Fund and/or to permit all or any part of the Fund to remain in the actual state of investment thereof for as long as the Fund Manager shall in its absolute discretion think fit subject to any specific written Instructions to the contrary.

- 7.2 The Fund Manager may in its absolute discretion refrain from any action which may in its judgement involve a breach on its part of any statute, regulation directive and/or applicable law or recognized code of conduct and/or guidelines from time to time (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive regulation, guidelines and/or code of conduct is addressed) or expose it to a risk of liability for impropriety or prosecution (whether by reason of the Fund Manager or any of its officers, employees or persons acting on behalf of the Fund Manager being in possession of confidential information or otherwise howsoever).
- 7.3 Notwithstanding anything to the contrary herein contained, the Fund Manager hereby reserves the right not to buy or sell any Securities on the Investor's behalf without being bound to give or assign any reason therefor.
- 7.4 The Fund Manager may exercise any voting rights attached to the Securities so held by it as the Fund Manager may in its absolute discretion think fit subject however to any specific Instructions of the Investor received by the Fund Manager Ten (10) Market Days before the date of any meeting at which such voting rights are to be exercised.
- 7.5 The Fund Manager may, in the performance of their duties hereunder, instead of acting personally, employ and pay an agent, whether or not a banker broker or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Fund Manager (including the receipt and payment of money) and the Fund Manager shall not be liable for any act, receipt, omission, neglect or default of any banker broker or person with whom or into whose hands any money or Securities forming part of the Fund may be deposited nor for the insufficiency or deficiency of any security in which any money forming part of the Fund shall be invested nor for any loss not directly attributable to its own dishonesty or the wilful commission of some act known by the Fund Manager to be a breach of trust.
- 7.6 The Fund Manager shall not be responsible for the authenticity of any Document of Title or certificate relating to any investment nor for the authenticity of any signature or of any seal affixed to or any endorsement on any Document of Title or any certificate or to any transfer or form of application, endorsement or other document affecting the title to or transmission of investment or be in any way liable for any forged or unauthorised signature on or any seal affixed to such transfer, form of application, endorsement or other document affecting the title to or transmission of



investment or be in any way liable for any forged or unauthorised signature on or any seal affixed to such transfer, form of application, endorsement or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal.

## **8. LIABILITIES OF FUND MANAGER & INVESTOR**

- 8.1 The Fund Manager shall in the performance of its functions under this Agreement not be in any way or manner whatsoever or howsoever be liable to the Investor for any loss in the value of the Fund or any of its constituent parts due to any political interference, change in governmental policies or regulations, invasion, act of foreign enemy, military, naval or usurped power, martial law, riot, civil commotion, rebellion, insurrection, act of God, market forces or such other factors beyond its control or due to any representation, judgement, act or omission made in good faith and not arising from any gross negligence or wilful misconduct on the part of the Fund Manager.
- 8.2 The Investor (before as well as after the termination of this Agreement) hereby agrees and undertakes to indemnify and keep the Fund Manager indemnified against all losses, damages, costs, charges, expenses and liabilities incurred by it by reason of anything done or omitted by it up to the date of termination of this Agreement in relation to its performance and observance of its powers, duties and/or authorities herein contained PROVIDED ALWAYS THAT the Investor shall not be required to indemnify the Fund Manager where such losses, damages, costs, charges, expenses and liabilities are incurred due to the gross negligence and/or wilful misconduct of the Fund Manager.
- 8.3 The Fund Manager shall, subject to the provision of Clause 7.5, be liable for and indemnify the Investor against any liabilities, losses, proceeding, claims and demands caused by fraud, gross negligence, dishonesty of any form by the Fund Manager and/or its Representatives.

## **9. REMUNERATION**

- 9.1 The Fund Manager shall be paid by the Investor by way of remuneration for the Services, the Fees and shall be made on the Payment Dates against receipt of the Fund Manager's debit note / invoice.
- 9.2 All payment of Fees and other expenses payable by the Investor to the Fund Manager under this Agreement may at the discretion of the Fund Manager be set off or deducted against any monies forming part of the Fund.

93 A debit note / invoice issued by the Fund Manager shall, save for arithmetic and manifest errors, be final, binding and conclusive evidence as to the amount owing by the Investor.

#### **10. EXPENSES**

The Investor shall bear all fees, charges, stamp duties and incidental costs and expenses in connection with the buying, selling and transposing of the Investments and Securities and such other expenses as the Fund Manager shall authorise from time to time, including without limitation all expenses incurred in the course of collecting interests, bonuses, dividends and other payments receivable in respect of the Securities comprised in the Fund.

#### **11. TAXATION**

The Investor shall indemnify and keep the Fund Manager indemnified against any assessment or charge to taxation that may be made against the Investor in the name of the Fund Manager or other custodian of the investment.

#### **12. WITHDRAWAL OF FUND**

The Investor reserves the right to withdraw any part of the Fund for the time being held by the Fund Manager from the Investor's account PROVIDED that not less than Fourteen (14) Market Days prior written notice is given by the Investor to the Fund Manager and PROVIDED FURTHER that such withdrawal is subject to the Fund Manager's right to make any retention necessary to cover the completion of any outstanding transactions and accrued fees due to the Fund Manager and any monies to which it may be entitled by way of indemnify in respect of liabilities accepted by it or otherwise howsoever

#### **13. INVESTOR'S AUTHORISED PERSONS**

The Investor hereby authorises the Fund Manager to receive or accept any Instructions from and/or give information to the Investor and/or the Investor's Authorised Persons in relation to the arrangements hereunder. Provided Always that such Instructions, if any, given by or received from the Investor's Authorised Persons shall not affect the complete and unfettered discretion of the Fund Manager as set forth in Clause 7 above (unless written Instructions has been received). The Investor shall furnish to the Fund Manager the specimen signatures and such other

information as the Fund Manager may require of such Investor's Authorised Persons in the prescribed format as per the Second Schedule.

**14. BOOKS OF ACCOUNTS**

The Fund Manager shall keep full and proper books of accounts and records showing all transactions undertaken by or through this Agreement.

**15. WAIVER**

No failure or delay on the part of any party hereto in exercising any power or right under this Agreement shall operate as a waiver of such power or right nor shall the knowledge or acquiescence by the said party of or in the breach of any term or condition of this Agreement constitute a waiver of or prevent that said party from enforcing such term and condition.

**16. RESTRICTION AGAINST ASSIGNMENT**

This Agreement and all rights and obligations hereunder are personal as to the parties hereto and the Investor shall not without the prior written consent of the Fund Manager assign or attempt to assign any such rights or obligations to a third party.

**17. LAWS**

This Agreement shall be governed by and constructed in accordance with the laws of Malaysia.

**18. DISCLOSURE OF RISKS**

The Investor acknowledges and understands that investments in the authorised investments are subject to risks disclosed including but not limited to those contained in Third Schedule herein that may result in the possibility of losing the entire principal amount invested. The Investor acknowledges, understands and is fully aware of the risks involved in investing in the authorised investments. The Investor is prepared to assume these risks in the light of their objectives, financial resources and other relevant circumstances. By signing this Agreement, the Investor is also deemed to have consulted their accountant, bank manager, solicitor or other professional advisers on these risks before entering into this Agreement. In connection with the assumption of the risks mentioned in this Agreement, the Investor agrees to release

the Fund Manager and the Capital Market Services Representative's Licence holder from all liability, whether actual or contingent or future arising out of or in connection with the investments in the authorised investments provided that such liability does not arise from any dishonesty or the wilful commission of some act known by the Fund Manager to be a breach of trust or wilful default on the part of the Fund Manager or any breach of the terms of this Agreement by the Fund Manager. Assets received or held outside Malaysia are subject to regulations of the foreign jurisdiction and may not be subject to the same protection as that conferred on client assets received or held in Malaysia.

## **19. INVESTMENT OBJECTIVES**

The Investor's objective in entering into this Agreement is to achieve capital gains and the Fund Manager seeks to assist the Investor to attain this objective. The Investor acknowledges that in seeking to achieve this objective through investments, it carries with it risks that are normally associated with investments generally.

## **20. AUTHORISED INVESTMENTS**

The Fund Manager may invest, where appropriate, in the following instruments, subject to the investment's objective and requirements of the Securities Commission Malaysia ("SC") or any other regulatory body: -

- (a) Ordinary shares and other equity-related securities traded in the local and/or the foreign markets and listed on recognised stock exchange;
- (b) Unlisted securities that have been permitted by SC for listing by way of private placement;
- (c) Liquid assets, fixed income securities and commercial papers and Negotiable Instrument of Deposits (NIDs) traded in the money market;
- (d) Malaysian Government Securities, Treasury Bills, Bank Negara Bills, Government Investment Certificates and other Government approved/guaranteed issues;
- (e) Corporate bonds, either Bank guaranteed or carrying at least an A3 rating by RAM Rating Services Berhad (RAM) or A- by Malaysia Rating Corporation Berhad (MARC), Cagamas Bonds, Banker's Acceptance and listed loan stocks;
- (f) Any other collective investment scheme;

Any futures contract and options traded in the futures and options market on an exchange company permitted, or an exempt futures market declared by the Minister under the Act;

- (g) Exchange-traded funds (ETF) traded on recognized stock exchanges;
- (h) Leveraged Exchange-traded funds (ETF) traded on recognized stock exchanges;
- (i) Participate in lending of securities as permitted under the Guidelines on Securities Borrowing and Lending issued by SC; and
- (j) Any other investments permitted by SC and agreed upon by the Fund Manager and Investor.

## **21. NOTICES**

Save for any amendments, modifications, recommendations and variations of investment policy or this Agreement, which must be communicated in writing and delivered in physical format, any other notice(s) may be given by post, fax or any other forms of electronic means, including but not limited to emails and telephones.

## **22. VALUATION**

In computing the market value of any investment, securities listed on Bursa Malaysia and/or foreign stock exchange shall be valued at the closing price on the valuation date. Any other securities shall be valued in such manner as shall be determined in good faith by the Fund Manager to reflect their fair value.

## **23. CUSTODIAN / BROKERS**

- 23.1 The Fund Manager shall have the absolute discretion to nominate as it deems appropriate third parties to execute any transactions in the authorised investments relating to the Account (“the Broker”) provided that that Broker is duly licensed to execute such transactions in the authorised investments relating to the Account. For avoidance of doubt, the term “Broker” shall include a licensed person under the Act that is authorised to carry out dealing in securities.

Where applicable, the Fund Manager shall also have the absolute discretion to nominate and/or appoint a correspondent and/or foreign fund manager and other any other third party to execute and/or manage the authorised foreign investment and/or any other transactions in the foreign market relating to the Account or to perform any of the rights, power or obligations from time to time vested in it by this Agreement, on such terms as the Fund Manager deems fit provided such correspondent and/ or foreign fund manager and other third party is duly licensed to execute and/ or manage the authorised foreign investment and/or any other transactions in the foreign market relating to the Account or to perform any of the rights, power or obligations from time to time vested in it by this Agreement and provided further that such nomination and/ or appointment shall not absolve nor exonerate the Fund Manager from its obligations and duties to the Investor under this Agreement.

- 232 The Investor hereby consents the Fund Manager's appointment of custodian as per Fifth Schedule.
- 233 The Investor agrees to pay all charges relating to the custody of the Assets by the Custodian and that all such transactions shall be settled in Ringgit Malaysia or US Dollar unless otherwise agreed by the parties hereto. If any remittance to the Custodian is to be made in a foreign currency, it shall be converted at such rate of exchange as may be decided by the Fund Manager. If the rate of exchange procured by the Fund Manager ("Procured Rate") is less than the published counter rate ("Published Rate") published / offered by a financial institution, the Investor agrees to pay the Fund Manager as administrative charges for the handling of the currency conversion a sum equivalent to 50% of such amount representing the sum of the difference between the amount payable based on the Published Rate and the amount payable based on the Procured Rate or such other amount as may be determined by the Fund Manager. The same shall apply for remittance from the custodian which is converted to Malaysian Ringgit at the Procured Rate higher than the Published Rate.
- 234 The Investor recognises that the Fund Manager will transmit orders for the Account on the Investor's behalf to the Broker but will not directly execute such orders.
- 235 The Fund Manager shall not be responsible for any losses, claims, damages, costs, expenses or liabilities suffered by the Investor as a result of the safekeeping of the Assets by the Custodian or default of or wrongdoing by a Broker which are not attributable to the Fund Manager's own dishonesty or where due to the wilful commission of some act known by the Fund Manager to be a breach of trust and

PROVIDED ALWAYS THAT the Fund Manager has acted reasonably and has exercised all due diligence, skill and care in the appointment of and dealings with the Custodian or Broker.

## **24. PERSONAL DATA**

- 24.1 The Investor consents to the use and processing of the Personal Data as set out in First Schedule of this Agreement by the Fund Manager, brokers, dealers, bankers, issuers, the Custodian, service providers or any third party or agent for the purpose of providing professional investment advice and management services by the Fund Manager under this Agreement, including any subsequent transactions relating to it.
- 24.2 The Investor may request for access to the Personal Data and shall contact the Fund Manager to request for a correction to the Personal Data and make enquiries or complaints with regards to the Personal Data, if necessary.
- 24.3 The Investor consents to Fund Manager's disclosure of the Personal Data to its employees, brokers, dealers, bankers, issuers, the Custodian, service providers or any third party or agent in the course of providing professional investment advice and management services by the Fund Manager under this Agreement.
- 24.4 The Investor may request that the Fund Manager and its employees, brokers, dealers, issuers, bankers, the Custodian, service providers or any third party or agent cease the process and usage of the Personal Data or part of the Personal Data in the event there is a risk of other persons being able to be identified from the Personal Data, by serving on the Fund Manager a notice in writing of such request, provided that the Investor shall also include in the notice the reason for such request.
- 24.5 The Investor may withdraw its consent granted herein by notifying the Fund Manager in writing to cease or not to begin processing the Personal Data. The Fund Manager shall comply with such written notice issued by the Investor.
- 24.6 The Investor acknowledges that it is necessary and obligatory for the Investor to provide the Personal Data as required under the First Schedule of this Agreement in order for the Fund Manager to process the Personal Data.

## **25. MANAGEMENT FEE**

- 25.1 The Fund Manager is entitled to a Management Fee as per Sixth Schedule.

**26. PERFORMANCE FEE**

26.1 The Fund Manager is entitled to Performance Fee as per Seventh Schedule.

**27. SALES CHARGE**

27.1 The Investor agrees to pay sales charge from the initial and subsequent investment amount. Sales charge as per Eight Schedule.

**28. TERMINATION**

28.1 Either party may terminate this Agreement by giving one (1) month's notice in writing to the other party, provided that either party may terminate this Agreement without the requisite notice if: -

- (a) the other party shall fail to observe or perform any of its obligations herein;
- (b) in the case of a breach capable of being remedied fails to remedy any such breach within one (1) month of receipt of notice from the aggrieved party requesting the other party to remedy the breach; or
- (c) an order is made or a resolution is passed for the bankruptcy, winding-up or dissolution of the other party.

Whereupon the Fund Manager shall dispose of the Assets in the Investor's account in accordance with applicable law and in the manner in which it shall be instructed by the Investor in writing.

28.2 Termination shall not prejudice any legal rights or remedies either party may have against the other in respect of any prior breach of the term of this Agreement.

28.3 Upon the Fund Manager's receipt of the notice of termination, the Fund Manager will, unless directed otherwise by the Investor, continue to manage the Investor's account until the relevant termination date, and is authorised in any event to arrange for the retention or realization of such amount as the Fund Manager considers to be necessary to settle transactions entered into prior to the actual date of termination, and to pay any outstanding liabilities (including any liabilities in respect of fees and taxes) of the Investor.



28.4 The Investor shall pay and / or bear any and all:

- (a) fees, taxes and expenses of the Fund Manager pro-rated to the effective date of termination or such other date as mutually agreed between the Fund Manager and the Investor;
- (b) additional expenses necessarily incurred by the Fund Manager in terminating this Agreement;
- (c) losses realized in settling or concluding outstanding obligations; and
- (d) the fees and expenses due to the Custodian for the Investor's account.

28.5 Within seven (7) days from the termination date of this Agreement, the Fund Manager shall return and surrender all Documents of Title or any certificate or form or other documents or transmission of investment under the Investor's account to the Investor.

## **29. DECEASED ACCOUNT**

29.1 In the event of the Investor's deceased, the beneficiary can request to withdraw investment holdings from the deceased account. The beneficiary is required to provide the Fund Manager with the following documents:

- (a) Certified true copy of the death certificate;
- (b) Certified true copy Letter of Probate (with will) or Letter of Administration (without will);
- (c) Identification card to prove the identity of the executor or administrator.

The Fund Manager shall pass the monies to the named person according to the instruction from the authorised party. However, there shall be no withdrawal transactions on the deceased account prior to the receipt of the above documents.

### **30. EXECUTION OF THE AGREEMENT**

30.1 This Agreement may be executed in any number of counterparts and by facsimile or electronic signatures, each counterpart shall be deemed an original, but the several counterparts shall together constitute one and the same instrument. Each Party may execute this Agreement via a facsimile or transmission of a PDF file (including via e-mail) of a counterpart of this Agreement. Facsimile or electronically transmitted signatures of a Party or of the authorized signatories of any Party shall be valid and binding and shall constitute due and valid execution and delivery of this Agreement:

- 
- (a) Initial: Bottom of each page of this Agreement
- (b) Page 15: The Investor (2 signatures required if it is a joint account)
- (c) Page 17: Specimen Signatures (2 signatures required if it is a joint account)
- (d) Page 21: Selection of Risk Tolerance (2 signatures required if it is a joint account)

### **31. SOFT COMMISSION ARRANGEMENTS**

31.1 The Investor hereby acknowledges that: -

- (a) the Fund Manager is entitled to accept or receive for itself, soft commission in the form of research and advisory services that assist in the decision-making process relating to the Investor's investments;
- (b) the Investor is fully aware of the Fund Manager's practice of accepting or receiving such soft commission; and
- (c) such soft commission shall belong to the Investment Manager absolutely and need not be directed to the account of the Investor.

**IN WITNESS WHEREOF** the parties hereto have hereunder set their respective hands the day and year first above written.

**THE FUND MANAGER:**

**SIGNED** by ..... )  
for and on behalf of **INTER-PACIFIC** )  
**ASSET MANAGEMENT SDN BHD** )  
in the presence of: ) .....

.....

**THE INVESTOR:**

**SIGNED** by..... )  
in the presence of: ) .....

.....

(This is the execution page of the Discretionary Investment Management Agreement between the above mentioned parties for the management of the Fund)

**FIRST SCHEDULE**

<b>Section</b>	<b>Item</b>	<b>Particulars</b>
1	Agreement Date	:
2	Particulars of Primary Investor	
	(a) Name in Full	:
	(b) NRIC/Passport/Company No.	:
	(c) Address	:
	(d) Contact Number	:
	(e) Email Address	:
3	Particulars of Joint Investor	
	(a) Name in Full	:
	(b) NRIC/Passport/Company No.	:
	(c) Address	:
	(d) Contact Number	:
	(e) Email Address	:

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(Second Schedule to follow)

**SECOND SCHEDULE**

**Format of Notification in respect of Authorised Persons**

(to be transcribed onto letterhead of the Investor)

Date:

To: **INTER-PACIFIC ASSET MANAGEMENT SDN BHD**  
West Wing, Level 13  
Berjaya Times Square  
No. 1 Jalan Imbi  
55100 Kuala Lumpur

Dear Sirs,

**DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT DATED \_\_\_\_\_ -  
Authorised Signatories on Fund Investment Instructions**

In pursuance to Clause 13 of the above referred Agreement made between us, I do hereby authorise the following named person to give Instructions on my aforesaid Investment Account maintained with you:

<b>Particulars of Authorised Person</b>	<b>Specimen Signatures</b>
1.	_____
2.	_____
3.	_____

**Signing Conditions:**

The instruction(s) given by the Investor and/or the Investor's Authorised Persons to the Fund Manager in relation to the Investment Account, **MUST** be signed by:

- |   |   |
|---|---|
| <input type="checkbox"/> Primary Investor Only  | <input type="checkbox"/> Any one Authorised Persons |
| <input type="checkbox"/> Either one Investor    | <input type="checkbox"/> Any two Authorised Persons |
| <input type="checkbox"/> All Investors          |   |
| <input type="checkbox"/> All Authorised Persons |   |

Special Instruction, please specify:

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(Third Schedule to follow)

## THIRD SCHEDULE

### **GENERAL RISKS**

- **Market risk**

This risk refers to fluctuations in the market due to changes and developments in the economic climate, political stability and technology of the country. This risk can be reduced by investing in a well-diversified portfolio of securities from the different market sectors.

- **Interest rate risk**

Interest rate risk is crucial in a bond fund since bond portfolio management depends on forecasting interest rate movements. Prices of bonds move inversely to interest rate movements. Therefore, as interest rate rises, the prices of bonds decrease and vice-versa. Bonds with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

- **Credit/default risk**

Bonds are subject to credit/default risk. In the event that the issuer of the instrument is faced with financial difficulties, their credit worthiness will decrease, which may in turn lead to a default in the payment of the principal and interest.

- **Loan financing risk**

This risk must be considered carefully when the Fund's investment is financed by a loan. You should be aware that you might be forced to provide additional funds or security to top up on loan margins if the value of your investment goes down. Therefore, you will bear the additional responsibility and cost of financing the loan. You might also risk losing your initial capital.

- **Liquidity risk**

This risk refers to the ease of converting an investment into cash without incurring an overly significant loss in value. If a fund has a large portfolio of stocks issued by smaller companies, the relatively less liquid nature of those stocks can cause the value of the fund to drop. This is because there are generally less ready buyers of such stocks as compared with the stocks of larger and more established companies. This risk is managed by taking greater care in stock selection and diversification.

- **Management company risk**

This risk arises when the Fund Manager does not adhere to the investment mandate of a fund. However, this risk is greatly reduced by the presence of the Fund's Custodian, whose

duty is to ensure that the Fund's investment mandate is complied with. Poor management of the Fund Manager may jeopardise the Fund's performance.

- **Non-compliance risk**

This risk refers to a lack of fiduciary duty on the part of the compliance unit to ensure compliance with laws, rules and regulations, internal policies and procedures or work ethics standards to the best interest of the investors. In order to minimize this risk, a dedicated compliance unit and effective compliance procedures should be implemented and monitored to ensure the fund management company and its investment manager comply with the relevant laws and guidelines at all times.

- **Inflation risk**

Inflation risk is the potential loss of purchasing power of your investment due to a general increase in consumer prices. Inflation erodes the real rate of your return, that is, the return after you take away the inflation rate.

### **SPECIFIC RISKS**

- **Market Risk**

This will arise when prices of stock/shares, bonds and money market instruments fluctuate due to various factors such as changes in the prevailing economic conditions, industry trends, political and social environment and movement of foreign financial markets. This fluctuation will cause the Net Asset Value to fall or rise and likewise affect the income portion of the Fund.

To mitigate this risk the Fund Manager will monitor the financial markets closely and act on any adverse news accordingly.

- **Credit/Default Risk**

This will arise when the borrower or issuer of money market instruments or other fixed income securities default on its obligations to pay interest/profit and repay the principal amount borrowed. This may cause the value of the Fund to be affected.

To mitigate this risk the Fund Manager will set limits to each exposure and will regularly monitor the credit worthiness of the company they invest in.

- **Interest Rate Risk**

This risk, which is related to a drop in the price of money market instruments and other fixed income securities when interest rate rises and vice-versa, will have an impact on the Net Asset



Value. The magnitude of the drop in price is normally greater for longer-term securities rather than shorter-term securities as they are more sensitive to interest rate changes.

To mitigate this risk, the Fund Manager will monitor the duration structure of the fixed income portfolio.

- **Liquidity Risk**

This risk is normally associated with low volume of trade, as some investments are not as liquid as deposits, making it difficult to dispose off at a desired price. Should an investment become illiquid, it may be sold at a discount to its fair value, causing the Net Asset Value to fall. This risk is more pertinent for investments in smaller companies, as there are relatively less ready buyers of such stocks/shares compared with bigger and more established companies.

To minimise this risk, the Fund Manager will exercise care in selecting the right mix of stocks/shares.

- **Specific Stock risk**

This risk is associated with large fluctuations in the prices of stocks/shares of any of the companies that the Funds invest in thereby causing the Net Asset Value to fluctuate accordingly. Fluctuations are caused by the performance and the prospects of individual companies.

To mitigate such risk, the Fund Manager will monitor closely the price movement of the companies they invest in and will take immediate steps to alter the mix when necessary. The impact of an individual stock/share is managed by the Fund Manager by having a diversified portfolio and an asset allocation plan that includes both liquid assets/cash.

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(Fourth Schedule to follow)

## FOURTH SCHEDULE

### SELECTION OF RISK TOLERANCE

- I agree with the result of my Risk Tolerance Assessment and hereby consent to continue my Private Mandate investment with Inter-Pacific Asset Management Sdn. Bhd. (Company No: 199001013139 [204709-U]) as per the Risk Tolerance categories below:
  
- Super Aggressive**  
Must be able to accept if the value of your portfolio drops between 40% to 50% every year.  
In a rare situation the value of your portfolio may drop between 60% - 70% once in every 10 years.
  
- Aggressive**  
Must be able to accept if the value of your portfolio drops between 30% to 40% every year.  
In a rare situation the value of your portfolio may drop between 50% - 60% once in every 10 years.
  
- Conservative**  
Must be able to accept if the value of your portfolio drops between 20% to 30% every year.  
In a rare situation the value of your portfolio may drop between 40% - 50% once in every 10 years.
  
- Super Conservative**  
Must be able to accept if the value of your portfolio drops between 10% to 20% every year. In a rare situation the value of your portfolio may drop between 20% - 30% once in every 10 years. This risk category may see possible decreases in your portfolio value in exchange for potential long-term positive gains  
*Note: For each Risk Tolerance category selection above, client/investor is advised to preferably hold the investment for 3 to 5 years.*

*When selecting the risk tolerance for your investments it is important that you read the description of the risk tolerance level carefully and select the one that most closely resembles your risk tolerance.*

**PRIBUMI Wakaf Fund**

This mandate is managed as PRIBUMI Wakaf Fund.

The benchmark for this mandate is the MSCI All Country World Islamic Index (MSCI ACWII). The mandate will only trade the stocks that are in the constituents of MSCI ACWII.

This mandate is suitable for investors who:

- Are looking for a global Shariah-compliant equity portfolio;
- Are looking for capital appreciation and income;
- Are looking for diversification and exposure to the global equity markets; and
- Have a long-term investment outlook.

Any contribution to wakaf will solely be at the sole discretion of the investor and will be performed by the investor himself.

Signed by,  
The Investor

.....	.....
Name : .....	Name : .....
NRIC : .....	NRIC : .....
Date : .....	Date : .....

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(Fifth Schedule to follow)

## **FIFTH SCHEDULE**

The appointment of Malayan Banking Berhad (Maybank) as the custodian (“the Custodian”) to perform all or any of the following custodian services including but not limited to the holding of all monies, securities and financial instruments contained in the Account (“the Assets”) for the Investor on such terms and conditions as the Fund Manager deems fit. In the event it is necessary to appoint a Custodian to hold any foreign investments, securities or assets, the Investor hereby authorizes the Fund Manager to appoint or to authorize the appointment of such a Custodian and on such terms as the Fund Manager deems fit, on behalf of the Investor. Maybank has appointed BNP Paribas as its sub-custodian to hold any foreign investments, securities or assets on behalf of the Investor.

### **Custodian Services**

- (a) to pay the Fund Manager out of the Account for all fees and expenses due to it for managing and dealing with the Investor’s account in accordance with this Agreement;
- (b) to arrange for the transfer of all cash, securities and investments comprised in the Account to and into the name of the Custodian with unique identifier of the Investor or followed by “clients’ trust account” in substitution of the unique identifier of the Investor where under omnibus structure;
- (c) to hold cash belonging to the Investor and under the duly authorised control of the Fund Manager;
- (d) to attend to the settlement of transactions made by the Fund Manager on behalf of the Investor;
- (e) to receive and to collect all income and principal relating to the Fund;
- (f) to receive and to hold or procure the receiving and holding of all stocks, shares, rights and similar securities issued in respect of the Fund;
- (g) to present or cause to be presented all moneys, securities or investments which are called, redeemed or retired or otherwise become payable and all coupons and other income items held by the Custodian for the account of the Investor and make arrangements for any payment upon presentation in respect thereof;

- (h) to deal with the settlement of purchases or subscriptions for any type of securities or other investment in accordance with the Fund Manager's instructions and to take the necessary steps to prepare the funds required for such purpose and make the necessary payments in respect thereof;
- (i) to deal with the settlement of sales and disposals in respect of the Fund and to deal with the proceeds in accordance with the instructions of the Fund Manager;
- (j) to enter into any agreement or instrument in its own name as nominee for the Investor or on behalf of the Investor in connection with the Fund in accordance with the Fund Manager's instructions;
- (k) to collect and receive all cheques, drafts, or other orders for the payment of money for the account of the Investor; and to deal with the Fund and to do all other things as are incidental or conducive to the provisions of this Agreement upon notification to the Fund Manager.

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(Sixth Schedule to follow)

## **SIXTH SCHEDULE**

The Fund Manager is entitled to management fee of 1.50% per annum of Net Asset Value (“NAV”) calculated on a daily basis before deducting the management fee for that particular day. The management fee will be payable monthly.

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(Seventh Schedule to follow)

**SEVENTH SCHEDULE**

The Investor shall pay the Fund Manager a Performance Fee at the rate of 20% of the increase in Net Asset Value (market value) as of 30 June and 31 December over the past 6 months or from the inception date of investment if shorter.

The Performance Fee shall be deducted from the fund at the beginning of the following month or upon Investor's redemption, whichever comes earlier. The performance fee is only payable to the Fund Manager at the end of each Performance Period if there is an appreciation in the Net Asset Value (market value) based on Time-Weighted Rate of Return computation, over and above the High-Water Mark (HWM) at the end of the particular Performance Period.

If the Fund Manager receives a withdrawal request at a time when the Net Asset Value (market value) is higher than the High-Water Mark (HWM) based on the Time-Weighted Rate of Return computation, during the Performance Period; the Performance Fee is chargeable to the Investor regardless of the performance at the end of the particular Performance Period.

Assuming there is no additional injection or early redemption, the following in Diagram 1 would illustrate this HWM concept:

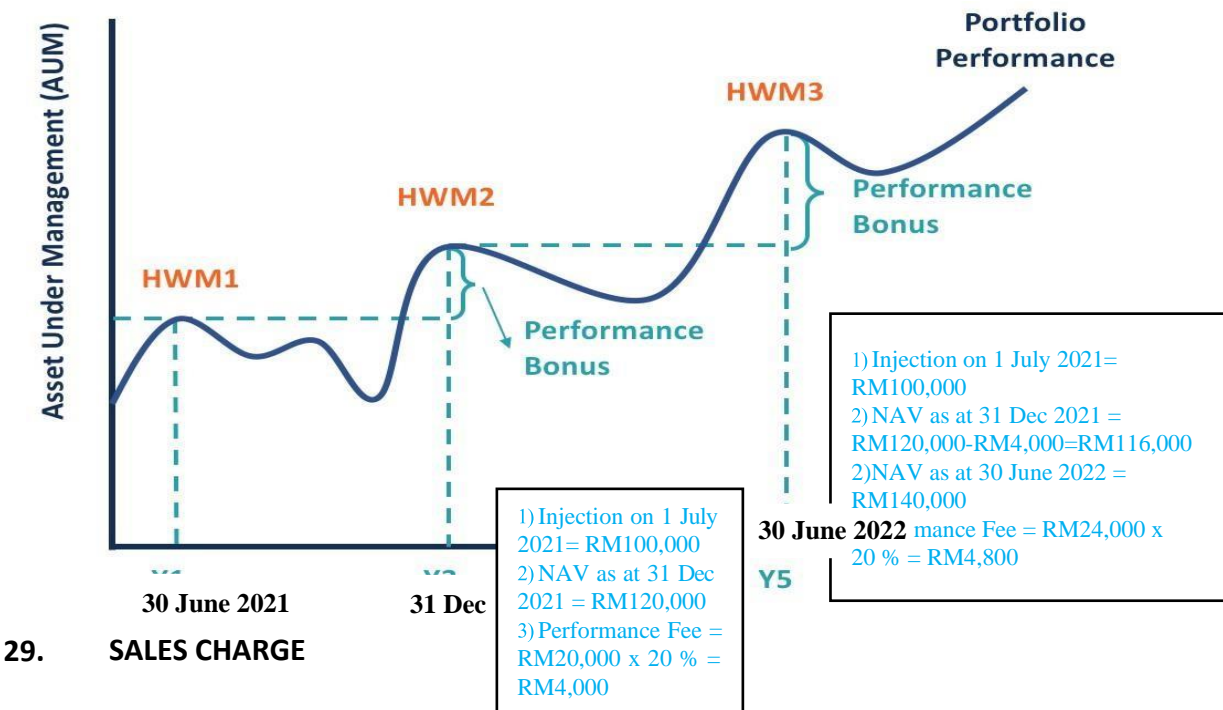


Diagram 1

(Eight Schedule to follow)

## **EIGHT SCHEDULE**

The sales charge is up to 5.00% of the initial and subsequent investment amount.

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(End of Agreement)