

FIRST SUPPLEMENTARY INFORMATION MEMORANDUM

BOSWM DYNAMIC ISLAMIC INCOME FUND

MANAGER

BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)

A company incorporated in Malaysia under the Companies Act 2016

TRUSTEE

MTrustee Berhad 198701004362 (163032-V)

This First Supplementary Information Memorandum is dated 15 August 2022 and is to be read in conjunction with the Information Memorandum dated 1 June 2021.

Investors are advised to read and understand the of the Information Memorandum and the First Supplementary Information Memorandum. If in doubt, please consult a professional adviser.

DIRECTORS' RESPONSIBILITY STATEMENT

This First Supplementary Information Memorandum has been seen and approved by the Directors of the Management Company and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of the Manager and takes no responsibility for the contents of the First Supplementary Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this First Supplementary Information Memorandum.

ADDITIONAL STATEMENTS

While it is the duty of the Manager to ensure that all comments given to the media is accurate and true at the time the comments were given, misquotation may still occur either by the media or third parties which are out of the Manager's control. In such situations, the Manager and its employees hold no responsibility for any claims and liabilities due to the misquotations by the media and/or third parties and are under no obligation to fulfil any expectation or demand in relation to the misquoted statements.

The distribution of this First Supplementary Information Memorandum and offering, purchase, sale or transfer of units of the Fund(s) in certain jurisdictions may be restricted by law. In these jurisdictions, other than Malaysia, the Manager has not applied to allow distribution of this First Supplementary Information Memorandum or units of the Fund(s).

Therefore, this First Supplementary Information Memorandum does not constitute an offer or invitation to purchase units of the Fund(s) in any jurisdiction in which such offer or invitation would be unlawful. Investors should be aware that for investments of the Funds made via our Institutional Unit Trust Advisers (IUTA), if any, where applicable, any investment transactions are subject to the terms and conditions of the respective IUTA.

BOSWM Dynamic Islamic Income Fund has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

THIS FIRST SUPPLEMENTARY INFORMATION MEMORANDUM IS DATED 15 AUGUST 2022 AND IS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM DATED 1 JUNE 2021.

General

All capitalized terms used in this First Supplementary Information Memorandum shall have the same meaning as ascribed to them in the Information Memorandum unless the context otherwise requires.

This First Supplementary Information Memorandum is issued to reflect (a) the update of Manager's corporate information and Shariah Adviser's registered office; (b) the removal of the Fund's performance benchmark, (c) the Fund's price for subscription in different scenarios, (d) the replacement of Shariah status reclassification risk, (e) the disclosure pertaining to potential US Person subscribers of the Fund, (f) the update on Roles and Responsibilities of BSSB as the Shariah Adviser and (g) the update of Manager's Head Office.

Pages 1 to 3 of the Information Memorandum dated 1 June 2021

Amendment

Under the section "1. DEFINITIONS", the definition to "Sophisticated Investor(s)", "Shariah Adviser" and "Shariah requirements" are amended and "baitulmal", "SACSC", "US", and "US Person" are added as follows:

baitulmal	Means the treasury of a State Islamic Religious Council.
SACSC	Means the Shariah Advisory Council of the SC.
Shariah Adviser	BIMB Securities Sdn Bhd 199401004484 (290163-X) which includes its permitted assigns and successors in title.
Shariah requirements	Means the rulings, guidelines and resolutions made by the SACSC or the advice given by the Shariah Adviser.
Sophisticated Investor(s)	Means any person who comes within any of the categories of investors as set out in Part 1, Schedules 6 and 7 of the Capital Market Services Act 2007 (CMSA) and such other investors(s) as may be permitted by the Securities Commission from time to time and/or under the relevant guidelines. <i>Note: For more information, please refer to the current excerpts of Part 1, Schedules 6 and 7 of the CMSA.</i>
US	Means United States of America.
US Person	Means a US citizen or US tax resident individual, (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), a US corporation, US partnership, US trust or US estate for US federal income tax purposes.

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Page 4 of the Information Memorandum dated 1 June 2021

Amendment

Under the section "2. CORPORATE DIRECTORY", the information pertaining the Manager's "Business Office" is updated and the Shariah Adviser's "Registered Office" is added as follows:

Manager

BOS Wealth Management Malaysia Berhad
199501006861 (336059-U)

Business Office

09-02, Level 9, Imazium
No. 8, Jalan SS 21/37,
Damansara Uptown,
47400 Petaling Jaya, Selangor
Tel: 03-7712 3000
E-mail: customercare@boswm.com
Website: www.boswealthmanagement.com.my

Shariah Adviser

BIMB Securities Sdn Bhd
199401004484 (290163-X)

Registered Office

32nd Floor, Menara Bank Islam
No. 22 Jalan Perak
50450 Kuala Lumpur

Pages 6 and 7 of the Information Memorandum dated 1 June 2021

Amendment

Update on the section "3. THE FUND".

Section 3.4 on "Performance Benchmark of the Fund" under "3. THE FUND" is hereby deleted in its entirety.

The following table is added at the end of "3. THE FUND" after section 3.9 'The Constituting Deed(s) of the Fund'.

No Units Creation During IOP
If there is no subscription during the respective initial offer period, the <u>initial offer price</u> (i.e. RM1.0000 for <u>Class BOS MYR</u>) will be used for the first subscription into the Fund/Class after the initial offer period.
Units Fully Redeemed
If there is no unit in circulation (e.g. due to full redemption by unitholders), the <u>initial offer price</u> (i.e. RM1.0000 for <u>Class BOS MYR</u>) will be used for the next subscription into the Fund/Class.

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Page 9 of the Information Memorandum dated 1 June 2021

Amendment

Under the section "4. RISK FACTORS", the information under the sub-section "4.2 Specific Risks Associated with the Investment Portfolio of the Fund" has been replaced as below:

Shariah status reclassification risk

This risk refers to the risk of a possibility that the currently held sukuk, Islamic money market instruments, Islamic deposits, investment accounts or Islamic collective investment schemes invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such conventional bonds, money market instruments, deposits, investment accounts or collective investment schemes.

Note: Please refer to the Cleansing Process for the Fund on page 24 for details.

Page 15 of the Information Memorandum dated 1 June 2021

Amendment

Under the section "6.3 Subscription for the Class(es) of the Fund", the following information is inserted after the third paragraph.

Please note that if you are a US Person, you are not eligible to subscribe to the Fund. We reserve the right to return your investment without advance notice if we become aware that you are US Person who holds any Class of Units of the Fund.

Page 23 of the Information Memorandum dated 1 June 2021

Amendment

Section "9 SHARIAH ADVISER – BIMB Securities Sdn Bhd" hereby deleted in its entirety and replaced as below:

9 SHARIAH ADVISER – BIMB Securities Sdn Bhd

BIMB Securities Sdn Bhd ("BSSB") has been appointed as the Shariah Adviser for the Fund. BSSB will provide Shariah advisory services on the management and operations of the Fund to ensure the operations of the Fund comply with Shariah requirements as stipulated by the SC.

9.1 Profile of the Shariah Adviser

BSSB is a stockbroking subsidiary of Bank Islam Malaysia Berhad incorporated on 21 February 1994 licensed by the SC. The corporate mission of BSSB is to be an active participant in a modern, innovative and dynamic Islamic capital market in Malaysia, catering for the needs of all investors, Muslims and non-Muslims, looking for Shariah-compliant investment products and services.

9.2 Experience in Shariah Advisory Services

BSSB is registered with the SC to act as a Shariah Adviser for Islamic products and services regulated by the SC, which include Islamic collective investment schemes. BSSB is independent from the Manager and does not hold office as a member of the investment committee of the Fund or any other funds managed and administered by the Manager. As at 30 June 2022, BSSB is a corporate Shariah Adviser to eighty-four (84) Islamic funds including one (1) Islamic real estate investment trust (REIT).

9.3 Roles and Responsibilities of BSSB as the Shariah Adviser

As the Shariah Adviser, the role of BSSB is to ensure that the investment operations and processes of the Fund are in compliance with Shariah requirements. BSSB will review the Fund's investments on a monthly basis to ensure Shariah compliance and it also reviews the quarterly and annual reports of the Fund.

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Notwithstanding the role played by the Shariah Adviser, the ultimate responsibility for ensuring Shariah compliance of the Fund in all aspects of operations and processes rests solely with the Manager.

The roles of BSSB as the Shariah Adviser are:

- to advise on the Shariah aspects of the Fund and Fund operations and processes such that they are in accordance with Shariah requirements;
- to provide Shariah expertise and guidance in all matters related to the Fund, particularly on the Fund's deed and information memorandum, structure, investments and related operational matters;
- to ensure that the Fund is managed and operated in accordance with Shariah requirements;
- to review the Fund's compliance reports as provided by the Manager's compliance officer, and investment transaction reports provided or duly approved by the Trustee to ensure that the Fund's investments are in line with Shariah;
- to prepare a report to be included in the quarterly and annual reports of the Fund stating the Shariah Adviser's opinion whether the fund has been operated and managed in accordance with Shariah principles for the financial period concerned;
- to apply *Ijtihad* (intellectual reasoning) to ensure all aspects relating to the Fund are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SAC of the SC;
- to consult the SC where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process; and
- to meet with the Manager on a semi-annually basis, or when urgently required for review of the Fund's operations and processes.

9.4 Shariah Investment Guidelines, Cleansing Process and Zakat for the Fund

Shariah Investment Guidelines Adopted by BSSB

The following guidelines are adopted by BSSB in determining the Shariah status of investments of the Fund:

- The Fund must at all times and all stages of its operation comply with Shariah principles as resolved by the SACSC or in cases where no specific rulings are made by the SACSC, the decisions of the Shariah Adviser.
- The Fund must be raised and operated by the Manager, and finally redeemed by the investors on the basis of contracts which are acceptable in Shariah. The banking facilities and short-term Islamic money market instruments used for the Fund have to be Shariah-compliant. Similarly, all the other investment instruments including sukuk, must be Shariah-compliant.
- For Islamic money market instruments, sukuk and Islamic deposits, they shall be based on the data readily available on BNM, the SC and the financial institutions' websites respectively.
- For investments in Islamic collective investment schemes, the Manager must submit to the Shariah Adviser all pertinent information including the prospectuses, its structures, investment avenues, Shariah investment guidelines, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the Islamic collective investment schemes, for the Shariah Adviser to confirm the Shariah status of the said Islamic collective investment schemes.
- The decision of the Shariah Adviser shall be final.

Cleansing Process for the Fund

- **Wrong investment**

This refers to Shariah non-compliant investment made by the Manager. The said investment shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. In the event that the investment resulted in Shariah non-compliant income before or after the disposal of the instrument, it has to be channeled to *baitulmal* and/or charitable bodies advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process (i.e. channeling of income from wrongful investment to *baitulmal* and/or charitable bodies advised by the Shariah Adviser) shall be carried out within two (2) calendar months from the said disposal or withdrawal date. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

- **Reclassification of Shariah Status of the Fund's Investments**

This refers to the instruments which were earlier classified as sukuk, Islamic money market instruments, Islamic deposits, investment accounts or Islamic collective investment schemes but due to certain factors such as changes in the issuers' business direction and policy or failure to carry out proper Shariah contracts' transactions, which render the instruments Shariah non-compliant by the relevant

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authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such conventional bonds, money market instruments, deposits, investment accounts or collective investment schemes.

If on the reclassification effective date, the value of the Shariah-non compliant instruments held exceeds or is equal to the investment cost, the Fund which holds such Shariah non-compliant instruments must liquidate them. To determine the time frame to liquidate such securities, the Shariah Adviser advises that such reclassified Shariah non-compliant instruments should be disposed of or withdrawn within one (1) calendar month of reclassification.

Any income received up to the reclassification effective date and capital gains arising from the disposal of the said reclassified Shariah non-compliant instruments made on the reclassification effective date can be kept by the Fund.

However, any income received and excess capital gain derived from the disposal after the reclassification effective date at a price that is higher than the price on the reclassification effective date shall be channeled to *baitulmal* and/or charitable bodies advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within two (2) calendar months from the above disposal date.

Zakat for the Fund

The Fund does not pay zakat on behalf of both Muslim individuals and Islamic legal entities who are investors of the Fund. Thus, investors are advised to pay zakat on their own.

Note: The Shariah Adviser confirms that the investment portfolios of the Fund comprise instruments that have been classified as Shariah-compliant by the SACSC and/or the Shariah Advisory Council of Bank Negara Malaysia. For instruments that are not classified as Shariah-compliant by the SACSC and/or the Shariah Advisory Council of Bank Negara Malaysia, the Shariah Adviser will review and determine the Shariah status of the said instruments.

9.3 Roles and Responsibilities of BSSB as the Shariah Adviser

As the Shariah Adviser, the role of BSSB is to ensure that the investment operations and processes of the Fund are in compliance with Shariah requirements. BSSB will review the Fund's investments on a monthly basis to ensure Shariah compliance and it also reviews the quarterly and annual reports of the Fund.

Notwithstanding the role played by the Shariah Adviser, the ultimate responsibility for ensuring Shariah compliance of the Fund in all aspects of operations and processes rests solely with the Manager.

The roles of BSSB as the Shariah Adviser are:

- to advise on the Shariah aspects of the Fund and Fund operations and processes such that they are in accordance with Shariah requirements, and specifically the resolutions issued by the Shariah Advisory Council of the SC;
- to provide Shariah expertise and guidance in all matters related to the Fund, particularly on the Fund's deed and information memorandum, structure, investments and related operational matters;
- to ensure that the Fund is managed and operated in accordance with Shariah as determined by the relevant SC regulations and standards, including resolutions issued by the Shariah Advisory Council of the SC;
- to review the Fund's compliance reports as provided by the Manager's compliance officer, and investment transaction reports provided or duly approved by the Trustee to ensure that the Fund's investments are in line with Shariah requirements;
- to issue a report for inclusion in the quarterly and annual reports of the Fund stating the Shariah Adviser's opinion on the Fund's compliance with Shariah requirements in its investment, operations and processes for the financial period concerned;
- to consult the SC where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process; and

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- to meet with the Manager beside on a semi-annually basis, when urgently required for review of the Fund's operations and processes.

BSSB has given its consent to be named as Shariah Adviser in relation to the Fund and has not withdrawn such consent before the date of issue of this Information Memorandum.

Page 33 of the Information Memorandum dated 1 June 2021

Amendment

Under the section "12. MANAGER'S HEAD OFFICE AND IUTA(S)", the information pertaining the "HEAD OFFICE" is updated as follows:

HEAD OFFICE

BOS WEALTH MANAGEMENT MALAYSIA BERHAD

199501006861 (336059-U)

09-02, Level 9, ~~Imazium~~

No. 8, Jalan SS 21/37,

Damansara Uptown,

47400 ~~Petaling~~ Jaya, Selangor

Tel: 03-7712 3000

E-mail: customercare@boswm.com

Website: www.boswealthmanagement.com.my

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