



ROYAL GROUP  
**FUNDS**  
ROYAL GROUP FUNDS CO., LTD.

# ROYAL FIXED INCOME FUND DISCLOSURE DOCUMENT

ISSUED: 29<sup>TH</sup> NOVEMBER 2024

## Important information

This Disclosure Document is a summary of significant information relating to the Royal Fixed Income Fund (the Fund). This Disclosure Document is issued by RGF (RGF, we, our, us) as investment manager for the Fund. No other fund, trust or class of units is offered in this Prospectus. The information contained in this Prospectus is general information only and does not take into account your objectives, financial situation or needs. Before acting on the information contained in this Disclosure Document you should consider the appropriateness of the information in this Disclosure Document having regard to your objectives, financial situation and needs. You should seek financial advice tailored to your objectives, financial situation and needs before making an investment decision. An investment in the Fund is subject to investment and other risks, including possible delays in payment and loss of income and capital invested. Investments in the Fund are not deposits with or other liabilities of the investment manager, the Trustee or any of their related bodies corporate, affiliates, associates or officers. Neither the Fund, RGF, nor any of its related bodies corporate or associates, guarantees in any way the performance of the Fund, repayment of the capital from the Fund, any particular return from, or any increase in the value of the Fund. The offer in this Disclosure Document does not constitute an offer or recommendation in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

## Up to date information

The information in this Disclosure Document is up-to-date at the time of preparation. Certain information in this Disclosure Document is subject to change from time to time. Where it is deemed not materially adverse such updated information will be published on our website [\[X\]](#). A paper copy of any updated information will be given, or an electronic copy made available to you, without charge upon request by contacting RGF. Where a change is considered materially adverse, we will issue a replacement Disclosure Document.

## **ROYAL FIXED INCOME FUND**

(constituted in the Kingdom of Cambodia pursuant to a Deed of Trust  
dated 15 March 2024)

### **Directory**

#### **FUND MANAGEMENT COMPANY, FUND ADMINISTRATOR, FUND DISTRIBUTOR**

##### **Royal Group Fund Co., Ltd.**

(Company Registration No. 1000019346)

#246, Monivong Blvd, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh,  
Cambodia.

Tel : 023 426 414/ 078 888 755

Email : [info@rgfunds.com.kh](mailto:info@rgfunds.com.kh)

#### **TRUSTEE**

##### **Royal Group Trustee Co., Ltd.**

(Company Registration No. 1000019364)

#246, Monivong Blvd, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh,  
Cambodia.

Tel : 023 426 414/ 012 900977

Email : [info@rgtrustee.com.kh](mailto:info@rgtrustee.com.kh)

## Note to Investors

The company's directors of Royal Group Fund (RGF) have approved this disclosure document for public offering of the unit fund in collective investment scheme. The board of directors collectively and individually of RGF takes full responsibility for the accuracy of the information contained in this document. Having made all reasonable enquires and to the best of his/her knowledge, experience, and belief, the board of RGF assures there is no false or misleading statement or other facts if omitted would make any statement in this document false or misleading.

The Securities and Exchange Regulator of Cambodia (SERC) has approved this investment fund and a copy of this disclosure document has been registered and filed with the SERC. The approval and registration of this disclosure document is not an indication that the SERC neither recommends to subscribe these unit of the fund offering nor assumes responsibility for the accuracy of information, opinion or statement contained in this disclosure document. The SERC is neither liable for any non-disclosed information and the content of this disclosure document, nor certify the accuracy or completeness. The SERC is not liable for any loss that investors may suffer from a whole or part of this disclosure document content.

Investors should rely on his/her own valuations to assess the accuracy and risks related to the investment by considering the objective of the investment, risk profile, his/her own financial position and so on.

If investors have any doubt about this disclosure document or in considering the investment, they should consult with fund management company or other professional advisers.

Date.....

Signature, affix company's stamp

Chairman

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## Definition

- 1-Agreement refers to trust agreement between Royal Group Trustee Co., Ltd and Royal Group Funds Co., Ltd dated on 15 March 2024
- 2-Beneficiary refers to the person who is entitled to the beneficiary rights of the Fund in accordance with the provision of the Agreement.
- 4-CSX refers to Cambodia Securities and Exchange
- 5-Date of Subscription refers to the business day on which the Management Company, holding a fund distributor license, or the fund distributor sell the units of the Funds.
- 6-Date of Redemption refers to the next business day after the application for redemption of units together with related documents in written or electronic forms are received by the Management Company or the appointed agency. It shall also refer to the time before the next business day when the application procedure for transferring the ownership of the unit is completed through the digitized fund transfer platform.
- 7Fiscal Year refers to the period from January 1 to December 31 of each calendar year.
- 8- Fund refers to Fixed income fund established by Royal Group Funds Co., Ltd. under the trust agreement dated on 15 March 2024
- 9- Management Company refers to Royal Group Funds Co., Ltd, which is the company that manages the Fund in accordance with the Agreement and the relevant laws and regulation of the Kingdom of Cambodia.
- 10- Trustee refers to Royal Group Trustee Co., Ltd, which is the trust company registered in the Kingdom of Cambodia that acts as the Trustee of the Agreement based on the trust relationship to engage in the custody, disposal, receipt and payment of the Fund in accordance with the instructions of the Management Company to conduct related fund custody business in accordance with the relevant laws and regulations of the Kingdom of Cambodia as well as the provision of the Agreement.
- 11- Custodial Institution refers to an organization or entity responsible for the safekeeping and administration of assets held within a fund. It is entrusted with the custody and protection of these assets on behalf of the fund's investors. The primary function of a custodial institution is to ensure the secure storage, efficient management, and proper record-keeping of the fund's assets, while adhering to regulatory requirements and industry best practices.
- 12- Custody Account refers to the financial account (s) that is opened and managed by a designated trustee for the benefits of the unitholder.
- 13-Fund Distributor refers to the management company holding a fund distributor license, or other licensed institution appointed by Management Company to conduct fund sales business in Cambodia; outside Cambodia, it shall refer to the institution that is permitted to conduct fund sales business subject to the qualifications prescribed by relevant laws and regulations of the local competent authority.
- 14-SERC refers to Securities and Exchange Regulator of Cambodia.
- 15- Subscription Amount refers to the dollar amount payable for subscribing to the units of the Fund, including the issuance amount obtained by multiplying the issuance price of each unit by the number of subscribing units and the subscription handling fee set by the Management Company.

## Section I: Summary

<b>I. Information on the fund</b>	
Name of the fund	Royal Fixed Income Fund
Scheme Type Offering	Private Fund
Type of the Fund	Opened-Fund
Investment objective	Stable returns through Fixed Income
Performance benchmark	Cambodia's Average Deposit Rate by NBC
Investment strategy	Diversified Term Deposit Portfolio
Assets allocation	Cambodian Commercial Banks and Bonds
Type of investors	Qualified Investors
Financial year-end	31 <sup>st</sup> December
Dividend policy	Semester Basis (unguaranteed)
Distribution mode	Investor choice of cash receipt or reinvestment
Reporting to investors	Monthly reports via email
Reinvestment policy	Investor's Choice
<b>II. Information on the Offering of the fund units</b>	
Number of the fund units to be offered	Up to 100,000,000 units
Initial offering price per unit of the fund	\$1.00
Expected maximum proceeds raised from unitholders	\$100,000,000
Initial offering period of the fund units	One month
Subscription	(.....)
<b>III. Risks Factors</b>	
Specific risks of the fund	Market risk, interest rate risk, currency risk, liquidity risk and Fund risk. As the Royal Fixed Income Fund will primarily invest into fixed income producing assets such as term deposits and bonds, the overall risk level of the fund can be considered to be low .
<b>IV. Transaction information</b>	
Minimum initial investment	5000 Units
Minimum additional investment	1000 Units
Minimum holding at all times	5000 Units
Minimum redemption of units	1000 Units
Frequency of redemption of units	Monthly
Transfer facility	Transfer is only allowed between QIs
Subscription settlement	Monthly
Redemption settlement	Monthly
Dealing hours	Business Hours
<b>V. Fees and charges</b>	
Sales charges	0.5%
Repurchase charge	0.5%

Transfer fee	0.5%
Management fee	1%
Trustee fee	0.2%
Expenses directly related to the fund	Circa 0.3%
Other expenses indirectly paid by an investor when investing in the fund	N/A

## Section II: Information on the fund

Fund Description	The Royal Fixed Income Fund actively invests across the broad fixed income opportunity set. It seeks to deliver high quality income via a range of return sources with a low to medium risk and return profile and monthly liquidity. While the majority of returns are expected to come from income generated by USD deposits in Cambodian deposit-taking institutions and USD denominated fixed income securities issued by Cambodian issuers, including the Government of Cambodia, the Fund may also invest in other liquid assets such as gold.
Return Objective	The Fund targets 5-8% returns p.a.
Suitability	This product is likely to be appropriate for an institution or sophisticated investor seeking income and capital preservation. This product has a bias towards defensive assets and therefore it is unlikely to be suitable for a investor seeking high levels of capital growth or for those consumers that have very high return objectives, or those investors with a short investment horizon.
Holding period	Unitholders may not be <u>allowed to</u> redeem units within 6 months of their subscription (Lock up period of 6 months). Unitholders <u>should hold</u> at least 3 years (Please note that this is a guide only, not a requirement).
Asset allocations	The Fund may invest in a selection of Cambodian fixed income securities such as government and quasi-government bonds, corporate bonds across the credit spectrum, subordinated securities, asset backed securities, private debt, term deposits, cash and cash equivalents, gold. The following investment ranges apply: <ul style="list-style-type: none"> <li>• USD term deposits in Cambodian Banks: 20%-90%</li> <li>• USD Cambodian Investment Grade issues: 0%-50%</li> <li>• USD Cambodian high yield or subordinated issues: 0%-20%</li> <li>• USD Cash and cash equivalents, including gold: 0%-50%</li> <li>• Securities listed on CSX: Minimum 10%</li> </ul>
Diversification	The Fund may not invest more than 10% of its NAV in any one security at the time of investment.
Leverage	To meet short term liquidity needs, the Fund may employ leverage of up to 10% of NAV.
Changes to the Fund	To meet the Fund's investment objectives, asset classes and investment ranges may be changed from time to time. We will give unitholders written notice of any material variation in your next regular communication or as otherwise required by law.
Dividend Distributions	The Royal Fixed Income Fund is not obligated to pay dividends to its investors on any pre-established interval. Nonetheless, the fund anticipates to pay out dividends on a semester basis to its investors. Any such occurrence of distributions will be notified to investors with at least 15 working days' notice. Any investor can decide up to 5 working days before the payout date, to reinvest the expected receivables. In such case, the value of the respective dividends will be converted into newly issued fund units to the respective investors.



## Section III. Information on the offering of the fund units

### I. Information on the Fund units to be offered

Number of the fund units to be offered	Up to 100,000,000 units
Issue price per unit of the fund during the offering period	1.00 USD
Expected maximum proceeds raised from unitholders	\$100,000,000
Offering period of the fund units	1 months

### Units in the Fund

We divide the total value of the assets held in the Fund into units and calculate prices for each unit based on the value of the underlying assets. Each unit carries equal beneficial interest in the Fund as a whole but does not give an investor an interest in any particular assets of the Fund.

Units are transferable only between qualified investors and with the non-objection of the Fund Management company. The new beneficial owner of the fund units will have to complete all KYC requirements prior to the transfer.

### Unit Pricing

Generally, unit prices are calculated on a monthly basis, specifically on the first Business Day (a week day that banks are not closed in Cambodia) of a month for the preceding Business Day.

The NAV is calculated as the value of all assets of the Fund less all the liabilities of the Fund and all fees attributable to the Fund, which fees have accrued but are unpaid on the relevant valuation date.

The total net assets of the Fund will result from the difference between the gross assets (including the market value of investments owned by the Fund and its intermediary vehicles) and the liabilities of the Fund based on a consolidated view, provided that (a) the equity or liability interests attributable to unit holders derived from these financial statements will be adjusted to take into account the fair (i.e., discounted) value of deferred tax liabilities; (b) the acquisition costs for investments (including the costs of establishment of Intermediary Vehicle, as the case may be) shall be amortised over the planned strategic investment period of each of such Investment or for a maximum period of five (5) years rather than expensed in full when they are incurred

The value of investments will be determined by the Administrator in consultation with the Investment Manager as follows: (a) any transferable security and instrument (including any financial derivative instrument) negotiated or listed on a regulated market will be valued on the basis of the last known price, unless this price is not representative, in which case the value of such a security or instrument will be determined on the basis of its fair value estimated in good faith by the Administrator in consultation with the Investment Manager; (b) units, shares or interests of any collective investment scheme are based on the last available value provided by the administrative agent, the manager or any other reliable party involved with that collective investment scheme; (c) the liquidating value of any financial derivative instruments which are not traded on a

regulated market will mean their net liquidating value determined, pursuant to the policies established by the Administrator in consultation with the Investment Manager, on a basis consistently applied for each different variety of derivative; (d) unlisted securities or instruments not traded on a regulated market as well as listed securities or instruments listed on a market other than a regulated market, or securities or instruments whose quoted price is, in the opinion of the Company, not representative of actual market value, will be valued at their last price known in Cambodia or, in the absence of such price, on the basis of their fair value, as determined with prudence and in good faith by the the Administrator in consultation with the Investment Manager, provided that private equity investments will be estimated with due care and in good faith by taking into account International Private Equity and Venture Capital Valuation Guidelines (the IPEV Valuation Guidelines); (e) the value of any cash on hand or on deposit, bills and demand notes and accounts, receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be received in which case the value thereof shall be arrived at after making such discount as the Administrator in consultation with the Investment Manager may consider appropriate in such case to reflect the true value thereof.

The Administrator in consultation with the Investment Manager, with the consent of the Trustee, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset or liability of the Fund in accordance with Cambodian law. This method will then be applied in a consistent way.

All assets and liabilities initially will be valued in U.S. dollars and then translated into the applicable local currency using the applicable exchange rate on the valuation date.

All matters concerning valuation of securities, as well as accounting procedures, not expressly provided for herein, may be reasonably determined by the Investment Manager or Administrator, whose determination is final and conclusive as to all unitholders. The Investment Manager may suspend the determination Net Asset Value and redemptions of units under certain circumstances.

To the extent that the Administrator relies on information supplied by the Investment Manager or any brokers or other financial intermediaries engaged by the Sub-Fund in connection with making any of the aforementioned calculations, the Administrator's liability for the accuracy of such calculations is limited to the accuracy of its computations. The Administrator is not liable for the accuracy of the underlying data provided to it.

The Fund may engage an external auditor or valuation specialist to verify the accuracy of the NAV calculation periodically or as deemed necessary. The external verification process shall ensure that the NAV calculation adheres to relevant accounting principles and regulatory requirements.

Details relating to the Fund's net asset value (NAV) and units on issue are available at request from Royal Group Funds Co., Ltd. and will be provided to unitholders following each calculation.

The initial NAV per unit on launch of the Fund is [\$1.0]

## II. Purpose of the offering of the fund units

The Fund is a registered collective investment scheme. When you invest your money in the Fund, we pool your money together with other investors' money. This pool is used to buy investments that are managed on behalf of all investors in the Fund.

The funds pooled together from investors are collectively managed by the Fund Management company and invested into government and quasi-government bonds, corporate bonds across the credit spectrum, subordinated securities, asset backed securities, private debt, term deposits, cash and cash equivalents, gold, with the purpose of achieving the investment objective.

## III. Type of investors

The Fund is only available to institutional investors and private investors with investable assets greater than \$250,000.

## IV. Reporting to investors

The financial year-end of the Fund falls on 31 December of every calendar year. The Fund management company and the Trustee will prepare and make available the audited annual report and annual report.

the annual report of the Fund may be obtained from the Fund management company upon request.

## V. Subscription of units and Redemption

### 1.Subscription

The minimum initial investment is in the number of 5,000 units and the minimum additional investment is 1,000 units.

You can apply to invest in the Fund by completing an application and submitting it to the Fund Distributor company. By submitting an application you are confirming that you have received and read this Prospectus. Applications forms may not be revoked once submitted without our consent.

Where a valid application is received and accepted on the last Business Day of a month (the "Cut-off Date"), units will be allocated at the unit price calculated for the last Business Day of that month.

Payment of the subscription amount must be received in USD in the fund's account held by Royal Group Trustee with WING Bank. The detailed bank information will be shared with each investor upon approval of their respective investment application.

Where cleared funds are not received by the Cut-Off Date, units will not be allocated and the investor may be liable for reasonable administrative and associated costs incurred and any tax payable. The issue of units may be delayed if there are delays in receiving the application money.

We reserve the right to accept or reject any application in whole or in part at our absolute discretion. When an application is rejected, the amount paid on application or the balance

thereof (as the case may be) will be returned (without interest) as soon as practicable according to existing regulations in Cambodia.

Under exceptional circumstances and only in the interest of the unit holders, the subscription date may be a different day than the last Business Day of a month.

Measures aimed at the prevention of money laundering require the Manager to verify the identity of an applicant for Units. The procedure used by us is compliant with the Cambodian Law on Anti Money Laundering and Financing of Terrorism.

## 2.Repurchase

Unitholders may request to redeem some or all of their investment in the Fund by sending written notification or completing a redemption form. Redemption requests must be received at least five Business Days before the last Business Day of a month. Redemption requests received after the Cut-off Date shall be held over for the following month. The minimum redemption is 1,000 units, unless the withdrawal relates to all the units held by that unitholder. Redemptions will be rejected where such redemption will lead to the investor holding less than 5,000 units and in such cases unitholders will be requested to redeem their entire holdings. Unitholders may not redeem units within six months of their subscription.

Redemption requests may not be revoked once submitted without our consent.

We may restrict redemption of units on a to units representing up to 10% of the Fund's NAV. In the event redemption requests exceeding that amount are received, the number of units redeemed per redeeming unit holder will be pro-rated accordingly. Any remaining Units offered for redemption will receive preferential treatment over subsequent redemption requests at the next following redemption date at the NAV applying on that date.

We may temporarily suspend redemption of units if the calculation of the NAV is suspended or we think the redemption of units would be prejudicial to the interests of the Unit holders as a whole or individually.

Under exceptional circumstances, in the interest of the Unit holders, the redemption date may be a different day than the last Business Day of a month. In that case the Unit holders concerned will be notified by mail of the change of the Transaction Date.

Payment of the redemption amount will normally be made within 10 (ten) Business Days after the date on which the NAV has been calculated with the assistance of the redemption date. Redemption payments will be made to the account of the unit holder listed in the Unit holder's register. The Fund will pay no interest over the period between the redemption date and the date on which payment is made.

## Section IV: Risk factors

The nature of investment markets is such that all investments carry a degree of risk and different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term return expectations may also carry the highest level of short-term risk. The value of your investment and the returns from your investment will vary over time. Future returns may differ from past returns, the level of returns on investments will vary and returns are not guaranteed. This means you may lose some of the value of your investment. There is also a risk that laws affecting registered managed investment schemes may change in the future. The level of risk you are willing to expose your investments to will vary depending on a range of factors including your age, your investment timeframe, your other investments and your risk tolerance.

As the Royal Fixed Income Fund will primarily invest into fixed income producing assets such as term deposits and bonds, the overall risk level of the fund can be considered to be low. Nonetheless, given the nature of the investment and the implications of various institutions involved in the investment process, there are various risk factors remaining which can be considered to affect the performance or value of your investment, which may include, but are not limited to:

- **Market risk:** includes the risk of the Fund experiencing volatility and negative returns arising from factors that affect investment markets as a whole, which can include, amongst other things, government policy, monetary policy, geopolitical events, social unrest, technological changes, regulation, economic and environmental impacts.
- **Interest rate risk:** includes the risk of adverse changes in security prices as a result of interest rate movements. The Fund is exposed to both Cambodian, US, and global interest rate risk.
- **Credit risk:** includes the risk of an issuing entity defaulting on its obligation to pay interest and principal when due.
- **Entity risk:** includes the risk of a change occurring that has an adverse impact on the profitability, growth prospects or other features of an entity in which the Fund has invested.
- **Emerging Markets/Frontier Markets risk:** includes the risk of significantly higher price volatility, less liquidity and greater political risk than in developed markets.
- **Currency risk:** includes the risk that foreign currency fluctuations may negatively affect the value of investments.
- **Pricing risk:** includes the risk that the valuation of an asset may not accurately reflect its true value or what could be realised in an orderly sale of that asset.
- **Asset liquidity risk:** includes the risk that assets may not be converted to cash in a timely manner. In such circumstances, in addition to the potential loss that the Fund may suffer if required to sell assets, the generally acceptable timeframe for satisfying withdrawal requests may not be able to be met.
- **Alternatives risk:** the Fund may make investments in non-traditional asset classes, such as assets, commodities and insurance-linked securities, which are typically exposed to additional risks that are not associated with investments in traditional assets such as bonds and listed equities.

- Counterparty risk: includes the risk that counterparties fail to meet their contractual obligations.
- Regulatory and legal risk: includes the risk that governments or regulators may pass laws, create policy, or implement regulation that affects a fund.
- Conflicts of interest risk: the risk that Royal Group or RGF, RGA, (or one of their agents or service providers) will be subject to competing interests that may cause it not to act in the best interests of unitholders.
- Cyber security risk: the risk of loss resulting from unauthorised access to digital systems, networks or devices or those of its service providers.
- Fund risk: includes the risk of changes to the investment fees and costs and the termination of a fund

## Section V: Transaction information

The assets of the Royal Fixed Income Fund are valued on the basis of their market value. This includes:

- Debt securities: Valued at the prevailing market prices sourced from reputable data providers. This includes government bonds, corporate bonds, and other fixed income instruments such as term deposits at places at licensed financial institutions.
- Money market instruments: Valued at cost plus accrued interest.
- Cash and cash equivalents: Valued at their face value.

The fund adheres to the regulations and guidelines set by the relevant financial authorities regarding the valuation of its assets. The fund's assets are valued on a daily basis at the close of the business day. This is known as the "valuation point" and is the time at which the net asset value (NAV) of the fund is calculated.

The price of the fund's units is determined by dividing the net asset value (NAV) of the fund by the total number of outstanding units. The NAV is calculated by taking the total value of the fund's assets and subtracting any liabilities.

The NAV is calculated by:

1. Determining the total value of the fund's assets based on the valuation of individual securities and other holdings.
2. Subtracting any liabilities, such as fees and expenses, from the total asset value.
3. Dividing the resulting net asset value by the total number of outstanding units to arrive at the NAV per unit.

The NAV per unit is the price at which units of the fund are bought and sold.

In the event of an incorrect valuation or pricing of the fund's units, the following steps may be taken:

1. The error is identified and the root cause is investigated.
2. The fund administrator recalculates the correct NAV and unit price.
3. If the error is material, the fund takes appropriate action, which may include compensating affected investors, adjusting the unit prices, or reporting the issue to the relevant authorities.
4. Appropriate controls and processes are reviewed and updated to prevent similar errors from occurring in the future.

The fund is committed to ensuring the accurate and fair valuation and pricing of its units to protect the interests of its investors.

## Section VI: Fees, Charges, and Expenses

The table below shows the fees and other costs that you may be charged for investing in the Fund. These fees and costs may be paid directly from your account or deducted from investment returns.

Taxes, if applicable, are to be paid by the individual investor or respective entity.

<b>Ongoing Fees and Costs</b>		
Management fees and costs	<p>Estimated to be 1.5% p.a. of the Net Asset Value (NAV) of the Fund, comprised of:</p> <ul style="list-style-type: none"> <li>• A management fee of 1.0% p.a. of the NAV of the Fund.*</li> <li>• A trustee fee of 0.2% p.a. of the NAV of the Fund.</li> <li>• Estimated indirect costs of 0.2% p.a. of the NAV of the Fund.</li> <li>• Estimated expense recoveries<sup>1</sup> of 0.1% p.a. of the NAV of the Fund.</li> </ul>	<ul style="list-style-type: none"> <li>• The management fee and the trustee fee are calculated and accrued monthly and generally paid monthly in arrears out of the assets of the Fund within 10 Business Days after the end of the month.</li> <li>• Indirect costs are generally deducted from the assets of the Fund as and when incurred.</li> <li>• Expense recoveries are generally deducted from the assets of the Fund as and when incurred.</li> </ul>
<b>Activity Related Fees and Costs</b>		
Subscription Fee	0.5% of the subscription amount deducted at the time of subscription	
Redemption Fee	0.5% of the redemption amount deducted at the time of redemption	

<sup>1</sup> **Estimated Expense Recoveries:** Such expenses could for example include transactions/banking costs, legal costs or other expenses occurred due to the nature of fund operation.



## Section VII: Financial information of the fund (projection)

### Financial Projections

Particulars	FY 2024	FY 2025	FY 2026
Assets under Management	\$ 1,000,000.00	\$ 5,000,000.00	\$ 10,000,000.00
Investment Income			
Investment Return (est 7%)	\$ 70,000.00	\$ 350,000.00	\$ 700,000.00
Expenses			
Management Fees (1%)	\$ 10,000.00	\$ 50,000.00	\$ 100,000.00
Trustee Fees (0.2%)	\$ 2,000.00	\$ 10,000.00	\$ 20,000.00
Other Expenses (est 0.3%)	\$ 3,000.00	\$ 15,000.00	\$ 30,000.00
Total Expenses	\$ 15,000.00	\$ 75,000.00	\$ 150,000.00
Net Investment Income	\$ 55,000.00	\$ 275,000.00	\$ 550,000.00
Investor Return	5.50%	5.50%	5.50%

## Section VIII: Fund management company

### I. CORPORATE INFORMATION

RGF is the investment manager, administrator, and distributor for the Fund and the issuer of this Disclosure Document. As investment manager, RGF is responsible for selecting and managing the assets and overseeing the operations of the Fund. This responsibility includes establishing, implementing and monitoring the Fund's investment objective alongside the Trustee.

Royal Group Funds Co., Ltd ("RGF") has been licensed by the Securities Exchange Regulator Cambodia (SERC) to conduct the fund management business as of 2022. Being affiliated with the Royal Group of Companies (RGC), RGF is well positioned and trusted to be an integral part in achieving excellence for all stakeholders.

To support the provision of both equity and debt structures, RGF does facilitate the intermediary of meeting investment needs between investees and Unit Holders and with the longer-term aim of moving investees into broader Capital markets and diversify Cambodia's financial landscape lowering risks and increasing returns for everyone.

RGF aims to help Unit Holders, who are looking at alternative investments other than Term Deposits and are seeking greater exchange that is more liquid and deeper with investment choices that meet their risk tolerances and investment profiles.

RGF plans to bring both liquidity and depth to the market by creating various funds over the next years.

RGF does have the structure, expertise, and governance to undertake many investment opportunities and to enable large-scale and long-time projects, which with currently available financing methods would not be possible in the Kingdom.

The Directors and Senior officers of the Fund management company

#### Directors

##### **MOUN Ramady, Chairman**

He has bachelor degree of Business (international trade and Marketing) from Australia. He started his career at JIT Logistic Cambodia Co., Ltd as a founder & General Manager. Currently, He is a director at Royal Group. He has various experiences in Logistic and Telecommunication. Ramady built up strong communication and the detail with considerable leadership abilities.

##### **HUOT Sarorn, Director**

He has bachelor degree of Business Administration and he is also ACCA member. He has many experiences in internal audit, telecommunication and Financial sector.

From 2019 -Present, as a deputy Finance Director, he supports DCEO on strategic financial control and planning and to oversee regulatory reporting compliance with regulators.

### **TIFFIN Christopher Donald, Director**

Over the last 22 years he has had the fortunate exposure and experience in various senior management/C-level & Executive roles. Through the course of his career, he has worked predominantly in the Telecommunications, ICT and Financial services sectors in multiple continents and countries such as South Africa, London, Nigeria, Kenya, Malaysia and Cambodia.

He started his early career by completing his chartered accounting articles, before doing a short stint in investment banking in London prior to entering into the Telecommunications & ICT sectors, with various Telecommunication Groups & companies in Africa, UK & the SE Asia region.

## **Management Team**

### **TIFFIN Christopher Donald, CEO & Member of Investment Committee**

Over the last 22 years he has had the fortunate exposure and experience in various senior management/C-level & Executive roles. Through the course of his career, he has worked predominantly in the Telecommunications, ICT and Financial services sectors in multiple continents and countries such as South Africa, London, Nigeria, Kenya, Malaysia and Cambodia.

He started his early career by completing his chartered accounting articles, before doing a short stint in investment banking in London prior to entering into the Telecommunications & ICT sectors, with various Telecommunication Groups & companies in Africa, UK & the SE Asia region.

### **SCHINGS Thomas, Operations Manager & Member of Investment Committee**

Thomas is operation manager and member of Investment Committee. He has experience in the academic, banking as well as the consulting industry. He hold a Master Degree in International Business with a major in Finance, though he also presents vast knowledge on legal subjects, taxation as well as payment infrastructure.

### **LY Chanmakara, Legal Specialist**

Chanmakara hold a bachelor degree of Law and he has 1 year fellowship program to Rhodes College, the United State of America. He has experience in law field at DFDL and SVP Law Firm. From 2019 until now, he is a head of Legal and Corporate Secretary at Wing Bank (Cambodia) Plc.

## **II. Funds Management Agent**

### **OM Rainsey, Public**

Rainsey hold Master Degree of Science in Finance and Management of University of Exeter UK. He used to work as investment officer, UK Trade & Investment at British Embassy Phnom Penh and he has experience in other private company as well. Now, he is also Senior Manager in J Trust Royal Bank.

### **HANGCHUON Narita, Private**

She hold MBA in Australia, Major in Finance. She is a head of corporate banking at J Trust Royal Bank. She has various experiences in banking sector. She used to

work as Manager credit operations at ANZ Royal Bank, Head of SME at J Trust Royal Bank.

### III. Investment Committee

Name	Position	Qualification	Experience
Huot Sarorn	Director	Bachelor degree and ACCA member	<ul style="list-style-type: none"> <li>- 2022 to 2024: Director at Royal Group Funds Co., Ltd.</li> <li>- 2020 to 2024: Deputy CEO, WING Bank (Cambodia) PLC</li> <li>- 2012 to 2019: Lecturer at Cambodian Mekong University</li> </ul>
Tiffin Christopher Donald	Director and CEO	Bachelor degree	<ul style="list-style-type: none"> <li>- 2019 to 2024: CEO at Royal Group Funds Co., Ltd. and Group Chief Operating Officer at Royal Group of Cambodia</li> <li>- 2019 to May 2019: Regional Head of Digital Financial at Personal Sabbatical</li> <li>- 2014 to 2016: Chief Financial Officer at Celcom Axiata Berhad</li> </ul>
Thomas Schings	Head of Operations	Master degree	<ul style="list-style-type: none"> <li>- 2022 to 2024: Head of Operations at Royal Group Funds Co., Ltd.</li> <li>- 2017 to 2022: Head of Research at the Association of Banks in Cambodia</li> <li>- 2014 to 2017: Executive Supporter at GF Marketing Corporation</li> </ul>

#### • Duty of each member

The duties of members of the investment committee at Royal Group Funds include:

1. Establishing the investment policies, strategies, and objectives for the various funds managed by the company. This involves determining the appropriate asset allocation, risk tolerance, and performance targets for each fund.
2. Reviewing and evaluating the investment performance of the funds on a regular basis. This includes analysing the returns, volatility, and risk-adjusted performance of the funds compared to their benchmarks and peers.

3. Monitoring and overseeing the work of the portfolio management team. This involves reviewing the investment decisions made by the portfolio managers, as well as their adherence to the established investment policies and strategies.
4. Approving the selection and retention of external investment managers, if the company utilizes such third-party services. This includes conducting due diligence on potential managers and periodically reviewing their performance.
5. Reviewing and approving any significant changes to the investment process or portfolio composition of the funds. This ensures that any such changes are aligned with the funds' objectives and risk profile.
6. Providing guidance and oversight on the company's overall risk management framework, including the identification, assessment, and mitigation of investment risks.
7. Staying informed on market trends, economic conditions, and regulatory changes that may impact the company's investment management activities.
8. Reporting to the company's executive management and/or board of directors on the investment committee's activities and the performance of the managed funds.

- **Meeting of committee**

Meetings of the investment committee are to be held at least monthly. Participation shall be in person, but can be virtual via adequate communication systems. If accepted by all members of the committee at the beginning of the meeting, an outside person may be allowed to join the meeting as to fulfil administrative functions or to support the committee in some consultative capacity. A quorum of the committee is established by vote. An absolute majority (2 out of 3) is required for any material decision making.

## Section IX: Trustee

### I. Corporate information

Royal Group Trustee Co., Ltd. (“RGT”) is a licensed trust company under the SERC regulations since 2022. RGT acts as trustee for any thereafter created trust in relations to funds initiated by RGF. Each of such trust be individually registered with NBSFA as regulations in the Kingdom require.

Under the Collective Investment Scheme (CIS), RGT provides the needed safeguard fund services for a Fund Management Company. A Trust ensures the proper management of the pool of fund under the CIS managed and invested by the Fund Management Company is in accordance with the Trust Deeds, prospectus and all regulatory requirements. RGT specifically works with Royal Group Funds Co., Ltd (“RGF”) to provide clients and Unit Holders a whole rounded investment package that is secure, economically, and well-positioned to provide above average returns.

### Human Capital of Royal Group Trustee Co., Ltd.:

#### Shareholder

Neak Okhna Kith Meng (100%).

#### II. Directors and Senior officers (please detail short bio and experience)

##### Directors

Neak Okhna Kith Meng, Chairman

Hor Bunthe, Director

Mark William Hanna, Director

##### Management Team

Mark William Hanna, CEO

KEO Sophy, Operations Manager

SOK Chanphirum, Legal Specialist

MA Sovannara , Funds Specialist Accountant

#### III. Role, duty and responsibility of the trustee

the trustee has role, duty and responsibility as following:

- 1- Shall warrant the separation of the trust property of the Fund and the Trust company’s own property.
- 2- Shall actively review and monitor the investment decision and operation of the management company to ensure that the CIS investments have been implemented in compliance with the existing laws and regulations of the Kingdom of Cambodia, including the calculation of net assets, fund units, purchase prices of the fund units, and revenues of the funds.
- 3- Is entrusted by the Management company based on the Trust agreement to conduct custody accounts opening, custody, disposal, receipt and payment of the Fund.
- 4- Shall conduct the receipt and payment of the subscription and redemption in accordance with the relevant laws and regulations and the provisions of the trust agreement as well as based on the duty of care and loyalty of a good manager.

- 5- Shall acquire or dispose of the assets of the Fund in accordance with the instructions of the Management Company and exercise the rights related to the assets in accordance with the instructions of the Management Company, including, but not limited to recovering compensation from third parties.
- 6- Process or safe keep the Fund and other related affairs through the Book-Entry for Government Securities, CSX, settlement institutions and settlement systems
- 7- May re-appoint qualified institution to safe keep on its behalf the investment portfolios of the Fund and fulfill the obligation of the trust agreement in case the Fund invest outside Cambodia.
- 8- Shall regularly deliver the relevant books and statements of the Fund to the Management Company.
- 9- May request remuneration from the Fund in accordance with Article 18 of the Agreement and exercise its rights and bear its obligations in accordance with relevant laws and regulations and the Agreement.
- 10- Shall not provide information about the Fund and other contents related to custodial affairs to others unless otherwise stipulated by laws and regulations and the Agreement or SERC instruction.
- 11- Shall return the subscription amount with no interest to the subscriber within 10 (ten) business days from the date when the Fund is not established in accordance with the instruction of the Management Company.

**For the detail information related to the role, duty and responsibility of the Trustee please see the Article 13 of the Agreement.**

## Section X: Salient terms of the deeds

- I. Rights and liabilities of unit holders
  1. Beneficiaries may exercise the following rights pursuant to beneficiary rights evidenced by beneficiary certificates held by beneficiaries in accordance with the provisions of the Agreement:
    - (1) Right to request distribution of the residual property.
    - (2) Voting rights at the beneficiaries meeting, which are to be organized on a semester basis.
    - (3) Other rights stipulated by relevant laws, regulations and the Agreement.
  2. Beneficiaries may request to view the latest revision of the Agreement during the business hours of the Management Company or the Trustee Company, and may ask for the following material:
    - (1) The latest revised version of the Agreement. The Management Company or the Trust Company may charge the cost therefore.
    - (2) The latest prospectus of the Fund.
    - (3) The most recent financial reports of the Management Company and the Fund that have been audited or reviewed by an accountant.
  3. Beneficiaries may request the Management Company and the Trust Company to perform their obligations under the Trust Agreement.
  4. Unless otherwise stipulated in relevant laws and regulations or the Trust Agreement, the beneficiaries shall not bear other obligations or responsibilities.

### II. Indemnity

To the fullest extent permitted by applicable laws and regulations, each investor (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless Royal Group Funds (the "Fund") and its directors, officers, employees, agents, affiliates, and service providers (collectively referred to as the "Indemnified Parties") from and against any and all claims, demands, suits, actions, liabilities, costs, expenses, damages, losses, and judgments (including reasonable attorneys' fees) arising out of or relating to the Indemnifying Party's investment in the Fund or any breach of the terms and conditions set forth in the Fund's prospectus.

The Indemnifying Party agrees to indemnify the Indemnified Parties against any claims or liabilities arising from:

1. Reliance on Prospectus: Any losses or damages incurred by third parties as a result of the Indemnifying Party's reliance on the information, representations, or statements contained in the Fund's prospectus or other offering documents.
2. Unauthorized Representations: The Indemnifying Party making unauthorized representations, warranties, or guarantees to third parties regarding the Fund's performance, investment strategies, or prospects.
3. Breach of Obligations: Any breach of the Indemnifying Party's obligations, representations, warranties, covenants, or undertakings set forth in the Fund's prospectus or other relevant agreements.
4. Violation of Laws or Regulations: Any violation by the Indemnifying Party of applicable laws, regulations, or regulatory requirements relating to the Fund's investment activities or operations.



5. Negligence or Misconduct: Any negligent acts, omissions, or wilful misconduct of the Indemnifying Party or its representatives that result in harm, loss, or damage to the Fund or any third party.

The Indemnifying Party's obligations under this indemnification clause shall survive the termination, withdrawal, or redemption of the Indemnifying Party's investment in the Fund.

The Indemnified Parties shall provide prompt notice to the Indemnifying Party of any claim, demand, or action that may give rise to indemnification under this clause. The Indemnifying Party shall have the right to assume the defence of any such claim or action, with counsel reasonably acceptable to the Indemnified Parties. However, the Indemnifying Party shall not settle or compromise any claim without the prior written consent of the Indemnified Parties if such settlement or compromise would require an admission of liability or impose any obligation or restriction on the Indemnified Parties without their consent.

The provisions of this indemnification clause are intended to be enforceable to the fullest extent permitted by applicable laws and regulations. If any provision is held to be unenforceable, the remaining provisions shall remain in full force and effect.

This indemnification clause shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, and legal representatives.

## Section XI: Related transactions and conflict of interest

It shall be noted that Royal Group Funds Co., Ltd. as well as Royal Group Trustee Co., Ltd. are both affiliated to the Royal Group of Companies in Cambodia. The Royal Group of Companies is the largest and most diversified conglomerate in the Kingdom of Cambodia and we therefore ensure investors that Royal Group Funds as well as Royal Group Trustee are founded in the principals of professionalism and integrity.

Further, in order to launch the Royal Fixed Income Fund, other companies and individuals affiliated to the Royal Group of Companies will be seed funding and investing into the funds issued by Royal Group Funds.

Besides the presence of related transactions henceforth, we do not foresee conflicts of interest as investors' interests as well as the interests of the Royal Group of Companies are aligned and focused on the financial performance of the funds.

## Section XII: Additional information

Any additional information required by the investor can be requested by contacting Royal Group Funds Co., Ltd. via email at [info@royalgroupfunds.com.kh](mailto:info@royalgroupfunds.com.kh) or by visiting the physical office during working hours 9am to 5pm from Monday to Friday at #246, Monivong Blvd, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Cambodia.

## Appendix:

### Appendix 1

#### Service Providers

Key service providers are part of the Royal Group, allowing for an integrated funds management platform that will help to grow the Cambodian market.

Investment Manager	Royal Group Funds Co Ltd.	<ul style="list-style-type: none"> <li>• Shareholder               <ul style="list-style-type: none"> <li>○ Moun Ramady (100%)</li> </ul> </li> <li>• Directors               <ul style="list-style-type: none"> <li>○ Moun Ramady, Chairman</li> <li>○ Huot Sarorn, Director</li> <li>○ Tiffin Christopher Donald, Director</li> </ul> </li> <li>• Management Team               <ul style="list-style-type: none"> <li>○ Tiffin Christopher Donald, CEO &amp; Member of Investment Committee</li> <li>○ Thomas Schings, Operations Manager &amp; Member of Investment Committee</li> <li>○ LY Chanmakra, Legal Specialist</li> </ul> </li> <li>• Funds Management Agent               <ul style="list-style-type: none"> <li>○ OM Rainsey, Public</li> <li>○ HANGCHUON Narita, Private</li> </ul> </li> </ul>
Administrator	Royal Group Funds Co Ltd.	
Distributor	Royal Group Funds Co Ltd.	
Trustee	Royal Group Trustee Co., Ltd	<ul style="list-style-type: none"> <li>• Shareholder               <ul style="list-style-type: none"> <li>○ Neak Okhna Kith Meng (100%)</li> </ul> </li> <li>• Directors               <ul style="list-style-type: none"> <li>○ Neak Okhna Kith Meng, Chairman</li> <li>○ Hor Bunthe, Director</li> <li>○ Mark William Hanna, Director</li> </ul> </li> <li>• Management Team</li> </ul>

		<ul style="list-style-type: none"> <li>○ Mark William Hanna, CEO</li> <li>○ KEO Sophy, Operations Manager</li> <li>○ SOK Chanphirum, Legal Specialist</li> <li>○ Sothy Sovithya, Funds Specialist Accountant</li> </ul>
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