

KEY INVESTOR INFORMATION DOCUMENT

This Key Investor Information Document is dated 07th June 2023

CAL FIVE YEAR OPTIMUM FUND

**Managers
Capital Alliance Investments Limited
Company number PV 4663**



*Level 05, "Millennium House"
46/58, Nawam Mawatha
Colombo 02, Sri Lanka.*

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1. INTRODUCTION TO AND ABOUT THE SCHEME

1.1 INTRODUCTION AND FUND TYPE

Capital Alliance Investments Limited is a unit trust managing company in Sri Lanka established in 2012 and has over 11 years of experience.

The **CAL FIVE YEAR OPTIMUM FUND** is a close ended fixed income unit trust scheme with a life span of five (5) years approved by the Securities and Exchange Commission of Sri Lanka and subject to the rules of the CIS Code promulgated under the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021. The units of the FUND will be listed on the Colombo Stock Exchange at the option of Capital Alliance Investments Limited. The FUND has been approved by the Commission.

Defined terms used in this key investor information document have the meanings as set out in the DEFINITIONS part at the end.

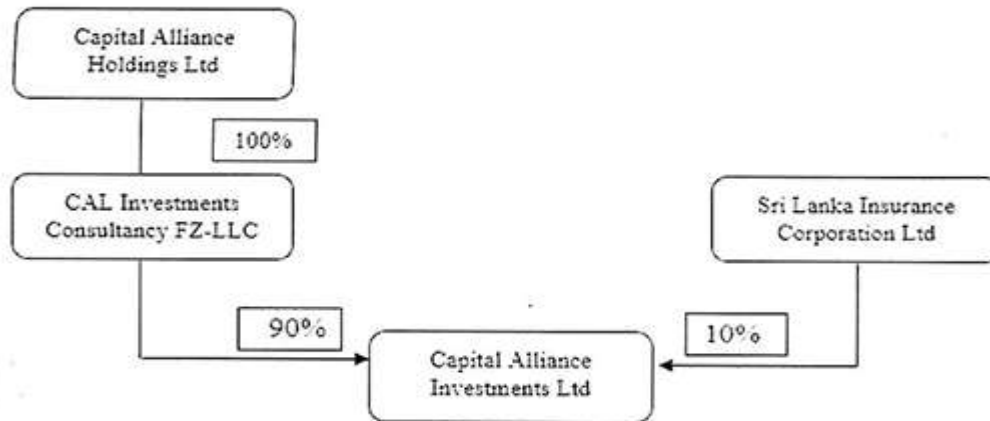
1.2 CONSTITUTION OF THE FUND

The FUND is set up by Trust Deed dated 07th June 2023 entered into between Capital Alliance Investments Limited and Hatton National Bank PLC, as the trustee and custodian of the FUND (the “Trust Deed”). The Trust Deed is binding on Capital Alliance Investments Limited as the manager, Hatton National Bank PLC as trustee and custodian and each holder of Units.

1.3 MANAGERS OF THE FUND

Capital Alliance Investments Limited (the “Manager/s”) will manage the FUND in accordance with this Key Investor Information Document, the Trust Deed, the SEC Act, the CIS Code and any directions which may be issued by the Commission from time to time.

The group structure of the Manager is set out below:



1.4 TRUSTEE AND CUSTODIAN OF THE FUND

Hatton National Bank PLC. will act as the trustee and custodian of the FUND.

As trustee and custodian, Hatton National Bank PLC will hold all assets of the FUND and exercise due diligence and vigilance over the FUND with the objective of safeguarding the interests of the unit holders. Apart from being the legal owner of the FUND's assets, Hatton National Bank PLC is responsible to ensure that the Managers perform their obligations in relation to the management of and all payments on behalf of the FUND.

1.5 LISTING OF THE FUND

The FUND is approved by the Commission and the units of the FUND may during its tenure of five (5) years be listed at the option of the Managers on the Colombo Stock Exchange, whereupon the units will be tradable on the market at the net asset value of the Fund or at a premium or discount based on the return and demand of the Units.

So long as the Units are listed on the Colombo Stock Exchange, the Managers shall comply with the relevant provisions of the Listing Rules of the Colombo Stock Exchange as are applicable to a listed FUND.

1.6 TYPES OF INVESTORS

Applications for the issue of units of the FUND can be made by the following:

1. Citizens of Sri Lanka, companies and institutions incorporated in Sri Lanka;
2. Pension funds, provident funds and other legally constituted bodies incorporated in Sri Lanka;
3. Minors under the age of 18 years with the application being made by a parent or guardian on behalf of such a minor; and
4. Non-resident Sri Lankans and foreign institutional investors

Applications are subject to the terms of this KIID and the provisions of the Trust Deed.

2. INVESTMENT OBJECTIVES

2.1 TYPES OF INVESTMENTS

The FUND may invest in any securities permitted by the SEC Act, under the Trust Deed, the CIS Code and any directive or guideline given from the Commission, from time to time and includes in particular:

- a) Government securities;
- b) Quoted and unquoted debentures, securitized papers and any other fixed income corporate debt securities;
- c) Any repurchase agreements on investments as permitted by the Commission;
- d) Deposits in Commercial Banks, Licensed Specialized Banks or Licensed Finance Companies; and
- e) Any other investment permitted by the Commission and approved by the Trustee in writing.

The investments specified above may be made up to one hundred per centum (100%) of the FUND subject to the limits and ratings specified by the Commission as applicable.

The Managers will make the aforesaid investments by exercising their discretion where necessary in order.

- ❖ to achieve optimal income
- ❖ to receive interest income for the period of the FUND, and
- ❖ to maintain liquidity to meet dividend payments as specified herein

The primary objective of this FUND is to optimize income at current market rates for the said duration of the FUND of five (5) years.

2.2 VALUATION OF UNITS

The prices at which units of the FUND will be issued will be calculated by reference to the net asset value of the FUND as at the close of business on the respective valuation day as explained below as per the CIS Code or any other applicable rules or directives issued by the Commission.

2.3 VALUATION METHOD OF INVESTMENTS

Type of Asset	Valuation Method
Government Securities	Marked to market basis using the daily yield curve which is based on rates published by the Central Bank until maturity
Unquoted fixed income securities as Commercial Papers and Trust Certificates with maturities less than 397 days	Cost plus accrued basis
Unquoted fixed income securities as Commercial Papers and Trust Certificates with maturities more than 397 days	Marked to market basis using the daily yield curve released by the Central Bank of Sri Lanka until maturity plus any risk premium attached to the instrument.
Cash	At face value
Repurchase Agreements	Principal sum invested plus all accrued interest arising thereon
Deposits in Commercial Banks and Licensed Specialized Banks	Cost plus accrued interest basis

Listed corporate debentures	Valued at the last traded price. Where there is no trade for thirty (30) calendar days, it shall be valued on a marked to market basis using the daily yield curve which is based on rates published by the Central Bank of Sri Lanka until maturity plus any risk premium attached to the instrument.
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2.4 INVESTMENT RESTRICTIONS

The FUND will make investments as permitted by the Commission, the CIS Code, the Trust Deed and changes made from time to time by the directives issued by the Commission.

2.5 RISK FACTORS

The FUND's investments will be subject to volatility in interest rates from time to time. Changes in the market interest rates may influence the income and market value of the FUND. Further, the FUND's investments are subject to macroeconomic risks, political risks, market risks, liquidity risks and sovereign risks.

The ability of the FUND to achieve its investment objectives will depend to a great extent on the overall performance of the economy.

Interest Rate Risk

This is the risk of the value of a security changing due to a change in the absolute level of interest rates. Generally, when interest rates rise, the prices of bonds fall and vice versa. Interest rates, in turn are affected by a number of factors including but not limited to, government policy, inflation, exchange rate movement and supply and demand of bonds. Typically, securities with longer maturities are prone to greater fluctuations in value.

Market Risk

Market Risk is the possibility of making a loss on an investment due to factors that affect financial markets overall due to global and local events. Examples of such market risk are political unrest, interest rate uncertainty, regulatory events and natural

disasters. Ultimately the balance of supply and demand for a particular security will determine its market value. For example, when there are more sellers than buyers in the market, prices tend to fall and when there are more buyers than seller's prices tend to rise. Market Risk is an inherent risk associated with investments in most securities and cannot be eliminated through diversification.

Liquidity Risk

Liquidity risk is a financial risk arising due to the lack of marketability of a given security.

Sovereign Risk

Sovereign risk refers to the risk that a governmental entity may be unable to repay principal and interest on issued sovereign debt. Securities issued by the Government of Sri Lanka are guaranteed only as to the timely payment of interest and principal when securities are held to maturity. Until such time, the market prices of such securities are subject to fluctuation.

Re-investment Risk

Reinvestment Risk is the risk that future principal will not be invested at the prevailing bond yields. Investors who want to reinvest principal back into the debt market must now do so under current market conditions. Re-investment risk typically occurs when interest rates have fallen.

Capital gains or losses may be made on securities referred to in items (a) and (c) of section 2.1 above, traded on the secondary market due to fluctuations in their prices. Such gains or losses may impact the income and market value of the FUND. Yields may also be subject to variation due to fluctuations in market prices at the time of reinvestment.

THE PRICES OF UNITS CAN FLUCTUATE FROM TIME TO TIME IN RELATION TO MARKET CONDITIONS.

2.6 DIVIDEND DISTRIBUTION

The FUND will distribute all or part of its realized income to unit holders as and when the Managers deem appropriate to do so. The amount to be distributed at each given time will be based on a method of calculation as may be agreed upon between the Trustees and the Managers.

3. INVESTING IN THE CAL FIVE YEAR OPTIMUM FUND

3.1 FIXED PRICE OFFER

The fixed price offer will commence at Sri Lanka Rupees Ten (LKR 10) on [20th June 2023] and last until [18 July 2023]. During this time period, the price of a Unit will remain fixed at Sri Lanka Rupees Ten (LKR 10) per Unit.

3.2 MINIMUM SUBSCRIPTION

The minimum initial subscription shall be Rupees One Hundred (Rs. 100/-)

3.3 HOW TO APPLY

Copies of this Key Investor Information Document and application forms together with KYC forms can be obtained from the Managers of the FUND, Capital Alliance Investments Limited. The Key Investor Information Document, application forms as well as the Trust Deed, the SEC Act and the CIS Code can also be accessed online at the Manager's website www.cal.lk.

3.4 APPLICATION PROCEDURE AND MODE OF PAYMENT

In order to subscribe for and purchase Units of the Fund, Investors should complete, sign and submit the application form to Capital Alliance Investments Limited, Sri Lanka (addressed to the Administrator) together with a duly submitted KYC form as referred to in Section 3 of the CIS Code. The submission of the duly completed and signed application form to Capital Alliance Investments Limited may be made by delivery of the same to Level 05, "Millennium House", 46/58, Nawam Mawatha, Colombo 02 or by e-mail to investments@cal.lk.

Payment for units of the FUND must be made by cash, by bank transfer or by cheque or bank draft crossed "A/C Payee Only" made payable to "Capital Alliance Investments Limited" and sent to Capital Alliance Investments Limited, Level 5, "Millennium House", 46/58,

Nawam Mawatha, Colombo 2. Direct remittance or deposits to be made to the following bank account:

Name: "CAL 5 Year Optimum Fund C/O Hatton National Bank"

Account number: [003010550673]

Bank: Hatton National Bank

The allocation of units of the FUND is subject to the realization of payments in favour of the Managers.

3.5 DETAILED DESCRIPTION ON THE SUBSCRIPTION OF UNITS

The managers shall have an absolute discretion to accept or not to accept, in whole or in part, any application for units. Units of the FUND will be allotted to investors at the day's unit price. All units will be issued pursuant to the receipt of a request for creation in writing addressed to the Managers (including by e-mail) and made at/ sent to Capital Alliance Investments Limited, Sri Lanka. (In the case of units of the FUND being held by joint holders, the request for creation must be signed by both/all of them) and the receipt of funds for units.

In the event the application for subscription of units is made to the Managers before 4pm (16:00) Sri Lanka time on any business day, and monies are transferred to the FUND account before 11.00am (Sri Lanka time) on the next business day, then Units will be issued on such next business day using the unit price relevant to the same business day on which the Units are issued. Where an application for subscription of Units is made to the Managers after 4.00 p.m. (Sri Lanka time) on a business day or on a day other than a business day, the Units applied for will be issued on the second (2nd) business day after the date on which the application was made, provided that the payment for the Units are transferred to the FUND account before 11.00 a.m. on such second (2nd) business day. Where an application has been made but payment for the Units is not made as aforesaid before 11.00 a.m. on the second (2nd) business day after the date on which the application was made, the Units will be issued (i) on the business day on which the payment was made if such payment was made before 11.00 a.m., or (ii) on the business day immediately after the date on which the payment was made, if the date of payment is not a business day or the payment was not made before 11.00 a.m.

After the time period of the 'initial offer', i.e. after [18th July 2023], the subscription price of a unit of the FUND shall be determined by:

- (1) Ascertaining the value of the net assets of the FUND as at 4.00 p.m. (Sri Lanka time) on the date of issue of the Units,
- (2) Deducting therefrom such sum that the Managers may consider appropriate as representing the duties and charges which would have been incurred if all the securities and other assets of the FUND would have been realized on that date at prices equal to their respective value as at 4.00 p.m. (Sri Lanka time) on that day, and
- (3) Dividing the resulting sum by the number of units of the FUND that are in issue and deemed to be in issue.

3.6 ALLOTMENTS

If an application duly made at the office of the Manager is accompanied by cash, Units will be allotted on the day of receipt of the monies if it is a Subscription Day, if not, on the following Subscription Day. Allotments on all other Applications will be made only after the monies are realized and the Application is received at the office of the Manager.

3.7 REFUNDS

Refunds of subscription monies to applicants, whose applications are invalid or not accepted for any reason whatsoever, will be dispatched within 14 Business Days of the receipt of the application.

3.8 NO REDEMPTION

Given the close-ended nature of the FUND, Holders are not entitled to redeem Units during the tenor of the FUND. On completion of the tenor of the FUND, which is five (5) years from the date of allotment of Units, subject to the terms laid down in the Trust Deed, the KIID, the CIS Code and the rules and procedures of the Colombo Stock Exchange and the Central Depository System as maybe applicable and subject to any requirement specified by the Commission, the Manager will cancel all Units in issue and instruct the Trustee to make payment to the Holders on their Units in the manner morefully set out in the Trust Deed.

3.9 RIGHTS AND LIABILITIES OF UNIT HOLDERS

The Holder shall be the only person to be recognized by the Trustee and/or by the Managers as having any right, title or interest in or to Units registered in his name.

A copy of the Trust Deed and of any supplemental deed shall be (i) available for inspection free of charge at the offices of the Managers at all times during usual business hours and (ii) supplied by the Managers to any person on application at a charge of Sri Lanka Rupees Two Thousand (LKR 2,000/-) per copy document (or such other amount as the Trustee and the Managers may from time to time agree) to be retained by the Managers.

The Trustee and the Managers may recognize the Holder as absolute owner of the Units and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust save as herein expressly provided or as by some court of competent jurisdiction ordered to recognize any trust or equity or other interest affecting the title to any Units.

No person other than the Managers and the Holders to the extent and during the period in which Units are registered in his name shall have any rights against the Trustee.

The liability of the Holders to make payments to the FUND is limited to the investment made by the Holders to acquire Units of the FUND. Holders are not required to make any further payment or assume any further liability.

3.10 SUSPENSION IN DEALING

The Managers may, with the approval of the Trustee and the Commission, suspend the issue of Units during:

- (i) the existence of any state of affairs which, in the opinion of the Managers, constitutes an emergency as a result of which disposal of such Investments would not be reasonably practicable or might seriously prejudice the interests of the Holders as a whole and/or of the Deposited Property;
- (ii) any breakdown in the means of communication normally employed in determining the price/Value of any of such Investments or the current price

on any Recognized Stock Exchange, or when for any reason the prices/Values of any of such Investments cannot be promptly and accurately ascertained;

- (iii) any period when remittance of money which will or may be involved in the realization of such Investments or in the payment for such Investments cannot, in the opinion of the Managers, be carried out in reasonable time.

Such suspension will take effect forthwith upon the declaration thereof by the Managers and will terminate on the day following the first business day on which the condition giving rise to the suspension will have ceased to exist and no other condition under which suspension is authorised under this sub-clause will exist.

4. REPORTS AND ACCOUNTS

The responsibility for the keeping and maintaining of the accounts and the accounting records pertaining to the FUND and the preparation, publication and distribution of any reports and the frequency of the preparation, publication and distribution of the same shall be in accordance with the provisions of the CIS Code.

Holders of Units will be sent a report on the annual audited accounts and the performance of the FUND annually. The accounts will be prepared as at 31st March in each year and sent to the Holders within four (4) months of the end of the accounting period. An interim report and unaudited accounts will also be prepared and produced in respect of the FUND for the first six (6) months of the annual accounting reporting period containing the same information as required in the annual audited report and accounts and as per the requirements of the CIS Code but excluding an auditor's report.

5. MANAGEMENT FEES AND OTHER FEES AND CHARGES

5.1 FEE STRUCTURE

Management Fees	1.00% per annum on the net asset value of the FUND or such other higher percentage as may be fixed by agreement supplemental to the Trust Deed and as morefully discussed in Clause 21.1 of the Trust Deed together with applicable taxes
Trustee & Custodian Fee	Trustee fee of 0.13% per annum on the net asset value of the FUND and Custody fee of LKR 20,000 payable monthly in arrears or such other higher percentage as may be fixed by agreement supplemental to the Trust Deed and as morefully discussed in Clause 21.2 of the Trust Deed together with applicable taxes and,
Front-End Fee	There is no Front-End Fee applicable to this FUND
Exit Fee	There is no Exit- Fee applicable to this FUND

5.2 EXPENSES THAT WILL BE ALLOWED FROM THE FUND

Neither the Trustee nor the Managers shall make any charge against the Holders or against the Deposited Property or against any distribution for their services or for their normal expenses hereunder with the exception of:

- i. costs of dealing in the Deposited Property;
- ii. interest on borrowing permitted under the FUND and charges incurred in effecting or varying the terms of such borrowings;

- iii. any costs, including legal costs, incurred or to be incurred (a) in the preparation or modification of the Trust Deed and any documents related thereto, (b) in the preparation and bringing into effect any amendments and/or supplements to the Trust Deed and any documents related thereto, and/or (c) on the behalf of the Holders of a Unit/s of the FUND;
- iv. the audit fees and any expenses of the auditor and expenses incurred in preparing any special reports required by the Commission and/or any other regulatory authority;
- v. costs that are incidental to operations including tax consultancy fees;
- vi. all direct and indirect taxes and duties payable in respect of the Deposited Property and/or the issue of Units as imposed by the Government from time to time;
- vii. the costs incurred in respect of the distribution of income to Holders;
- viii. listing fees in case the FUND is listed on the Colombo Stock Exchange;
- ix. all expenses, including legal expenses, incurred in safeguarding the Deposited Property, including all expenses incurred by the Trustee in effecting registration or safe custody of the documents of title to all Investments held upon the trusts of the FUND;
- x. the costs reasonably incurred in respect of the publication of prices of Units and in respect of the publication and distribution of the FUND, this Key Investor Information Document or the Trust Deed, annual and interim reports and accounts;
- xi. any and all other charges or fees expressly approved by the Commission and specified in the Trust Deed;
- xii. any and all of which may be discharged out of the Deposited Property, provided that adequate disclosure of such expenses is provided to the Holders.
- xiii. Management Fees, Trustee Fees and Custodian Fees

6. TAX LIABILITY

Prospective investors who are in doubt as to their personal tax position should, prior to making an application for units of the FUND, consult their own professional advisors with regard to the implications of investing in and/or holding, trading and disposing of units of the FUND and the receipt of income.

7. CORPORATE PROFILE OF MANAGER

Manager	Capital Alliance Investments Limited			
Head Office	Level 5, "Millennium House", 46/58, Nawam Mawatha, Colombo 2			
Date of Incorporation	11th August 2011			
Board of Directors	Name	Address	Status	Principal Occupation of Independent Directors
	W.A.T. Fernando	57/4, Ward Place, Colombo 7	Executive Director	N/A
	H.M.S. Perera	36/5, Bogahahena Road, Battaramulla	Executive Director	N/A
	K.P. Mannakkara	250/3E, Torrington Avenue, Colombo 7	Chairman	N/A
	K.S.C.P.K. Gunasinghe	103A, Sepalika Watta, Wanawasala, Kelaniya	Non-Executive Director	N/A

Portfolio Managers

Name	Qualifications	Previous experience in managing portfolios of a Scheme
Cheryl Pasker	<ul style="list-style-type: none"> ▪ BSc in Accounting and Finance - University of London (London School of Economics and Political Science - 2016) ▪ Diploma in Economics - University of London 	With experience spanning over 5 years, Cheryl Pasker has been part of Capital Alliance Investments Limited since 2017 where she functioned as Junior Executive- Asset Management, Junior Analyst - Asset

	<p>(London School of Economics and Political Science - 2014)</p> <ul style="list-style-type: none"> ▪ CFA Level 02 candidate (CFA level 1 completed) ▪ Certificate in Analysis and Management of Financial Risk from the London School of Economics (2015) 	<p>Management, Analyst - Asset Management, Associate - Asset Management and Assistant Manager - Asset Management, prior to her appointment as Assistant Vice President - Asset Management.</p>
Fathima Shehana Dain	<ul style="list-style-type: none"> ▪ Diploma in Economics - University of London - London School of Economics ▪ BSc Accounting and Finance -University of London - London School of Economics. ▪ Masters in Business Administration-University of Colombo 	<p>With industry experience spanning over 6 years</p> <ul style="list-style-type: none"> - AVP - CAL Investments Ltd since 2020 - Manager Cards Loyalty & Value-added services - Nations Trust Bank PLC - 2016 – 2020 Business Journalist - Daily FT - 2015-2016

Investment Committee

Name	Principal employment	Experience in the field of investment management
Ajith Fernando	Managing Director – Capital Alliance Group	Mr. Fernando draws on a 30-year body of multi-faceted experience in Sri Lankan capital markets to steer the group's overall direction. A long-standing Fellow of the Chartered Institute of Management Accountants (UK), he holds an MA in Financial Economics from the University of Colombo.

		<p>He currently operates as the Managing Director of Capital Alliance Holdings Limited and Ceylon Tea Brokers PLC, while also reserving the position of Chairman in two of the group's companies. An industry visionary, Mr. Fernando holds key board positions in a number of companies both within and external to the CAL Group.</p>
Kanishke Mannakkara	Chairman – Capital Alliance Investments Limited	<p>A member of the CAL management team since 2018, Mr. Mannakkara has had experience working across multiple countries and cultures in a career spanning over 15 years, ranging from asset management and corporate finance, to design and product innovation. Prior to CAL he served in a number of senior positions at the MAS Group in Sri Lanka and the UK over 13 years, including as the global head of corporate finance, treasury and strategy. He was responsible for setting up the centralized treasury function at MAS in 2007 and managed the reserves of MAS across multiple asset classes, currencies and countries during the period from 2007 to 2013.</p> <p>Mr. Mannakkara has a Bachelor's Degree in Economics and Finance from the University of Bristol, UK. He has also engaged in executive education at the Wharton School and the Tuck School of Business, USA.</p>
Shashika Ranasinghe	AGM – Investments Sri Lanka Insurance Corporation.	<p>Mr. Ranasinghe has been serving as the Assistant General Manager – Investments at Sri Lanka Insurance Corporation Limited since 2018. Prior to this role, he has also been serving at Cargills Bank Limited, Aitken Spence</p>

		<p>PLC and Hatton National Bank PLC during his career spanning over 18 years. In addition to his role as a member of the Investment Committee of Capital Alliance Investments Limited, he also serves as a Director of Ceylon Asset Management as appointed by Sri Lanka Insurance Corporation Limited.</p>
<p>H A Karunaratne</p>	<p>Former Deputy Governor, CBSL</p>	<p>Dr. H A Karunaratne Served for over 32 years of experience in the Central Bank especially in the areas of Economic and Price Stability, Financial System Stability and other Agency Functions carried out by the Central Bank.</p> <p>Prior to the appointment as a Deputy Governor, Mr. Karunaratne held the position of the Assistant Governor in-charge of Employees' Provident Fund, Risk Management, and Secretariat Departments; and supervised the administrative matters of the Financial Intelligence Unit.</p> <p>In addition, Mr. Karunaratne served as the Secretary to the Monetary Board of the Central Bank of Sri Lanka for nearly four years. He also served as the Secretary to the Monetary Board Advisory Audit Committee, Secretary to the Board Risk Oversight Committee, Secretary to the Ethics Committee and the Head of Secretariat of the Whistleblowing Policy of CBSL.</p> <p>Mr. Karunaratne holds a Master of Arts degree in Economics from Ohio University, USA and a Bachelor of Science degree in Business Administration from the University of Sri Jayewardenepura.</p> <p>Mr. Karunaratne is an Associate Member of the Institute of</p>

		Chartered Accountants of Sri Lanka.
Compliance Officer Ms. Sharmali Perera – Chief Risk and Compliance Officer		

8. DELEGATION OF SERVICES TO OTHER SERVICE PROVIDERS

Trustee and Custodian	Hatton National Bank PLC As the Trustee and Custodian, Hatton National Bank PLC, Sri Lanka holds title to the assets of the Fund and is responsible for the oversight of the Fund.
Auditors	BDO Partners
Lawyers	FJ&G de Saram 216, de Saram Place, Colombo 10
Tax consultants	Dinitway Partners 7 1/2, Devanampiyathissa Mawatha, Colombo 10

The Managers shall be responsible for all actions and commission and omissions of third parties to whom any services are delegated in terms of Section 8 of the CIS Code.

9. TERMINATION OF THE FUND

The FUND may be terminated by the Trustee upon the happening of any of the events listed in the Trust Deed and the circumstances set out in the CIS Code.

Further, the Trustee or the Managers may, by giving not less than three (03) months' notice to the other, with the concurrence of the Commission decide to terminate the FUND. The notice of such termination must be given to all Unit Holders and by such notice fix the date at which such termination is to take effect, which date should not be less than three (03) months after service of the said notice.

10. CORPORATE DIRECTORY

Trustee and Custodian

Hatton National Bank PLC,
No 479, T.B Jayah
Mawatha , Colombo
10

Auditors

BDO Partners
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha,
Colombo 02

Bankers

Hatton National Bank PLC,
No 479, T.B Jayah
Mawatha , Colombo
10

Lawyers

FJ&G de Saram
Attorneys-at-Law & Notaries
Public 216 De Saram Place
Colombo 10

Tax Consultants

Dinitway Partners
7 1/2, Devanampiyathissa Mawatha,
Colombo 10

Managers

Capital Alliance Investments Limited,
Company number PV 4663
46/58, Level 5, "Millennium House"
Nawam Mawatha,
Colombo 02

The Directors of Capital Alliance Investments Limited, having seen and approved this Key Investor Information Document, collectively and individually, accept full responsibility for the accuracy of the information given herein, and confirm that, after having made all

reasonable enquiries, and to the best of their knowledge and belief there are no other material facts the omission of which would make any statement herein misleading or inaccurate.

DEFINITIONS

“Business Day” - any day on which the Colombo Stock Exchange is open for trading;

“Central Bank” - Central Bank of Sri Lanka;

“CIS Code” means the Collective Investment Scheme Code framed and gazetted in Gazette No. 2278/27 dated 7th May 2022 by the Commission under the Act and any modifications made thereto;

“Commission” – means the Securities and Exchange Commission of Sri Lanka established in terms of the SEC Act;

“Deposited Property” - means all the assets (including cash and earnings on cash deposits) for the time being held or deemed to be held by the Trustee, in his capacity as custodian of the FUND, on behalf of the FUND and subject to the provisions of the Trust Deed, excluding any amount for the time being standing to the credit of the account which has been set up by the Trustee to hold income for the distribution to the Unit Holders;

“Government” - the Government of Sri Lanka;

“Front-End Fee” – means the difference between the issue price and the portion of proceeds from the sale of a Unit which is received by the Managing Company;

“FUND” means the Unit Trust constituted by the Trust Deed, as modified or added to from time to time with the approval of the Commission and called by the name “CAL FIVE YEAR OPTIMUM FUND” or such other name as the Trustee and the Managing Company may mutually agree upon from time to time;

“Manager/s” or “Managing Company” - Capital Alliance Investments Limited (CAL), a fund Managing Company licensed by the Commission to operate Unit Trusts in Sri Lanka;

“LKR” or “rupees” or “Sri Lanka rupees” - Sri Lankan Rupees, the legal currency of Sri Lanka;

“KIID” or “Key Investor Information Document” means a written statement that discloses in detail the terms of the offering of the FUND.

“Management Fees” – means any sum to which the Managers may become entitled pursuant to the provisions of the Trust Deed

“SEC Act” - Securities & Exchange Commission of Sri Lanka Act No. 19 of 2021;

“Subscription Day” - Any day on which Capital Alliance Investments Limited will create Units;

“Trustee” - Hatton National Bank PLC, Colombo Branch, or any successor appointed by the Managing Company with the approval of the Commission;

“Trust Deed”- the Trust Deed dated 07th June 2023;

“Unit” means one undivided unit in the FUND.

“Unit Holders” - means any person who by reason of holding of units in the FUND or by reason of having invested capital in the FUND is entitled to a proportionate part of the property of the FUND.

IMPORTANT INFORMATION

Units of the CAL FIVE YEAR OPTIMUM FUND is offered solely on the basis of information contained in this Key Investor Information Document and the documents referred to herein. Any information or representation (not contained herein) given or made by a dealer, salesman or other person should be regarded as unauthorized and accordingly not be relied upon.


It should be noted that circulation and distribution of this Key Investor Information Document in certain countries is restricted by law. This Key Investor Information Document does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and may be used only in connection with this offering of securities to which it relates by distributors as contemplated herein.

This Key Investor Information Document is based on the law and practice currently in force in Sri Lanka and is subject to change therein.

DECLARATION BY THE TRUSTEE

We Hatton National Bank PLC. hereby declare that we will carry out the transactions with the Manager at an arm's length basis and on terms which are best available for the FUND, as well as act, at all times, in the best interests of the FUND's unit holders and also that the requirements of the guidelines issued by the Commission in Circular No. 2/2009 dated 7th January 2009 have been complied with.

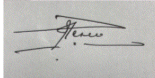
The Trustees hereby also declare and certify that they have read and agreed with the representations made in this Key Investor Information Document.

DocuSigned by:

DPE510495AA3429
Authorised Representative of the Trustee

DECLARATION BY THE MANAGER

We, Capital Alliance Investments Limited, hereby declare that we will carry out the transactions with the Trustee at an arm's length basis and on terms which are best available for the FUND, as well as act, at all times, in the best interests of the FUND's unit holders and also that the requirements of the guidelines issued by the Commission in Circular No. 2/2009 dated 7th January 2009 have been complied with.

This Key Investor Information Document has been seen and approved by the Directors of Capital Alliance Investments Limited and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which, would make any statement herein misleading.

DocuSigned by:

CFD8D86207664B6...
Director

On behalf of the Manager

DocuSigned by:

8F64D6E628CB41F...
Director

IMPORTANT:

READ AND RETAIN THIS KEY INVESTOR INFORMATION DOCUMENT FOR FUTURE REFERENCE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS KEY INVESTOR INFORMATION DOCUMENT YOU SHOULD CONSULT CAPITAL ALLIANCE INVESTMENTS LIMITED, YOUR ATTORNEY- AT- LAW, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

THE PRICE OF UNITS AND THE INCOME DERIVED FROM HOLDINGS MAY INCREASE OR DECREASE FROM TIME TO TIME AND THIS IS APPLICABLE TO INVESTMENTS MADE IN THE FUND REFERRED TO IN THIS KEY INVESTOR INFORMATION DOCUMENT.

This Key Investor Information Document is dated 07th June 2023