

NCBCM Non-Diversified Unit Trust **FAQ**



You **DESERVE** something new!

What is the Income Optimizer Fund?

The Income Optimizer Fund is a portfolio in a Non-Diversified Unit Trust Scheme which is comprised of a pool of high yielding medium to long term JMD corporate debt instruments (eg. commercial paper, bonds, loans, etc.). The primary objective of the Fund is generating a stable level of income and capital appreciation for investors who wish to meet a specified medium to long term investment objective, such as; higher education or home acquisition.

What is a Non-Diversified Unit Trust Scheme?

A Non-Diversified Unit Trust Scheme is a Collective Investment Scheme (CIS) approved and registered with the Financial Services Commission. It means that the Fund Manager can invest in a higher concentration of assets from a single issuer as well as illiquid assets with higher returns. This allows the investors to earn higher returns given that the Fund Manager is now able to take on a greater volume of these assets. However, this type of CIS carries more risk because of its higher asset concentration and lower liquidity.

What is the difference between the Income Optimizer Fund (JMD High Yield Asset and Loan Portfolio) and the existing B Fund (JMD High Yield Portfolio)?

Both the B Fund (JMD High Yield Portfolio) and the Income Optimizer Fund are portfolios that are part of Collective Investment Schemes approved and registered with the Financial Services Commission. However, the Income Optimizer Fund is a portfolio in a Non-Diversified Unit Trust Scheme, while the JMD High Yield Fund is a portfolio in our diversified scheme.

How do I invest in the Income Optimizer Fund?

We encourage you to visit your Wealth Advisor at any of our branches island-wide who will facilitate the purchase of units. There is a minimum initial investment of J\$200,000 and units may also be added after your initial purchase with a minimum of J\$10,000. Investors should read the Offering Circular ahead of purchasing units in the Fund in order

to ensure that you have full details of how your funds will be managed in this portfolio.

What are the benefits of investing in the Income Optimizer Fund?

The primary benefit of investing in the Fund is the potential for high yields over the medium to long-term investment horizon. The Income Optimizer Fund gives investors the opportunity to invest in corporate assets, such as private placements, that are not otherwise available to individual investors given the large minimum investment generally required or the regulatory requirement that the investor be accredited.

Are the returns guaranteed?

Returns on the funds are not guaranteed. The total amount an investor receives when the units are redeemed may be less than the amount purchased due to movements in the asset prices which is reflected in the NAV.

What happens when I opt into the fund?

Once you become a unit holder, your funds will be managed by an experienced Portfolio Manager. In the case of the JMD High Yield Asset and Loan Portfolio, NCB Capital Markets Limited is the Investment Manager. A Trustee is appointed to safeguard the Non-Diversified Unit Trust's assets. The assets of the fund are vested in the Trustee and its operations are governed by a Trust Deed.

Is there a penalty if I want to access my funds at any time?

Yes. Funds redeemed within 180 days of the purchase of units will attract a penalty of 4% of the amount of funds being redeemed. Funds redeemed after 180 days of being invested will not attract a penalty.

Who are trustees and what role do they play in this type of investment?

The Trustee holds the assets on behalf of the investors in the unit trust scheme. A Trustee is appointed to safeguard the Unit Trust scheme's assets. MF&G Asset Management is the Trustee for NCB Capital Markets Non-Diversified Unit Trust Scheme.

