

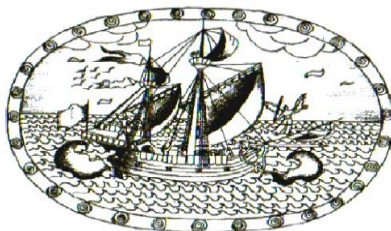
THIS IS A SUPPLEMENTAL MASTER PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE MASTER PROSPECTUS DATED 30 MAY 2017 AND SUPPLEMENTAL MASTER PROSPECTUS DATED 5 JANUARY 2018 IN RESPECT OF THE PHEIM EMERGING COMPANIES BALANCED FUND, DANA MAKMUR PHEIM, PHEIM INCOME FUND, PHEIM ASIA EX-JAPAN FUND, PHEIM ASIA EX-JAPAN ISLAMIC FUND.

The Supplemental Master Prospectus Dated : 30 April 2018

# PHEIM

## SUPPLEMENTAL MASTER PROSPECTUS

Name of Funds	Date of Constitution:
Pheim Emerging Companies Balanced Fund	11 January 2002
Dana Makmur Pheim	11 January 2002
Pheim Income Fund	11 January 2002
Pheim Asia Ex-Japan Fund	26 May 2006
Pheim Asia Ex-Japan Islamic Fund	12 September 2006



### Manager

Pheim Unit Trusts Berhad (545919-A)

### Trustee

Maybank Trustees Berhad (5004-P)

### External Investment Manager

Pheim Asset Management Sdn Bhd (269564-A)

Your **Need**  
is our **Focus**

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS SUPPLEMENTAL MASTER PROSPECTUS DATED 30 APRIL 2018 WHICH HAS TO BE READ TOGETHER WITH THE MASTER PROSPECTUS DATED 30 MAY 2017 AND SUPPLEMENTAL MASTER PROSPECTUS DATED 5 JANUARY 2018. IF IN DOUBT PLEASE CONSULT A PROFESSIONAL ADVISER.

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## **PHEIM Supplemental Master Prospectus**

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### **PREFACE**

Dear Valued Investors,

This Supplemental Master Prospectus dated 30 April 2018 ("Supplemental Master Prospectus") is issued following the changes to the EPF-MIS Approved Funds and Management Company information: resignation/ appointment of fund managers and website details.

We look forward to your continued support.

Yours faithfully,  
PHEIM UNIT TRUSTS BERHAD



LEONG HOE KIT  
Director

## **PHEIM Supplemental Master Prospectus**

### **Responsibility Statements**

This Supplemental Master Prospectus has been reviewed and approved by the directors of Pheim Unit Trusts Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Supplemental Master Prospectus false or misleading.

### **Statements of Disclaimer**

The Securities Commission Malaysia has authorised the Funds and a copy of this Supplemental Master Prospectus, the Supplemental Master Prospectus dated 5 January 2018 and the Master Prospectus have been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and registration of this Supplemental Master Prospectus, the Supplemental Master Prospectus dated 5 January 2018 and the Master Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the unit of the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Supplemental Master Prospectus, the Supplemental Master Prospectus dated 5 January 2018 or the Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the management company responsible for the Funds and takes no responsibility for the contents in this Supplemental Master Prospectus, the Supplemental Master Prospectus dated 5 January 2018 and the Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Supplemental Master Prospectus, the Supplemental Master Prospectus dated 5 January 2018 and the Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

### **Additional Statements**

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in the Supplemental Master Prospectus, the Supplemental Master Prospectus dated 5 January 2018 and the Master Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Supplemental Master Prospectus, the Supplemental Master Prospectus dated 5 January 2018 and the Master Prospectus or the conduct of any other person in relation to the Funds.

Dana Makmur Pheim and Pheim Asia Ex-Japan Islamic Fund have been certified as Shariah compliant by the Shariah Adviser appointed for the fund.

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## **PHEIM Supplemental Master Prospectus**

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**UNLESS OTHERWISE PROVIDED IN THIS SUPPLEMENTAL MASTER PROSPECTUS, ALL CAPITALIZED TERMS USED HEREIN SHALL HAVE THE SAME MEANINGS AS ASCRIBED TO THEM IN THE MASTER PROSPECTUS DATED 30 MAY 2017 AND THE SUPPLEMENTAL MASTER PROSPECTUS DATED 5 JANUARY 2018.**

### **EXPLANATORY NOTE**

**This Supplemental Master Prospectus has been issued to inform investors of:**

- the revision of a paragraph under Section 5.1 of the Master Prospectus in relation to the caption under “EPF-MIS”;
- the resignation of Mr. Ede Irwan Bin Abdul Rahim as a designated fund manager of the Funds;
- the appointment of Ms. Mutiara Zulkifli as a designated fund manager of the Funds; and
- the insertion of a new Section 8.8 in the Master Prospectus which carries the caption “Further Updates and Other Information”.

### **A. SECTION 5 – CHARGES, FEES AND EXPENSES**

#### **5.1 Charges and Fees Directly Incurred when Purchasing or Redeeming Units of the Funds (Pages 37 - 38 of the Master Prospectus)**

##### **EPF-MIS**

1. The list of our Funds eligible for EPF-MIS Approved Funds has been revised by EPF to include three (3) Funds, namely, Pheim Emerging Companies Balanced Fund, Dana Makmur Pheim and Pheim Income Fund, with effect from 1 March 2018.
2. The paragraph is now amended to read as:

“EPF members may invest in EPF-MIS Approved Funds. As of 1 March 2018, the EPF-MIS Approved Funds are Pheim Emerging Companies Balanced Fund, Dana Makmur Pheim and Pheim Income Fund. The list of EPF-MIS Approved Funds is reviewed by EPF on a periodical basis, and further updates and/or announcement can be found in our website, <http://www.pheimunitrusts.com>.”

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## **PHEIM Supplemental Master Prospectus**

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The maximum Sales Charge applicable for investment under EPF-MIS (via any distribution channel) is 3%\* of the NAV per Unit. There will be no repurchase charge imposed for the repurchase of Units of the EPF-approved Fund.

The above is only applicable to investors who purchase Units via EPF Members' Investment Scheme and is subject to changes by EPF from time to time.

*\*The rate and amount disclosed is exclusive of any GST."*

### **B. SECTION 8 – THE MANAGEMENT COMPANY**

#### **8.5 Fund Management Function (Pages 72 - 74 of the Master Prospectus)**

##### **Designated Fund Manager of the Funds**

1. Mr. Ede Irwan Bin Abdul Rahim is no longer a designated fund manager of the Funds and the profile of Mr. Ede Irwan Bin Abdul Rahim is hereby deleted in its entirety.
2. Ms. Mutiara Zulkifli has been appointed as a designated fund manager of the Funds and the write-up relating to Ms. Mutiara Zulkifli is hereby added under this section as follows:

**"Ms. Mutiara Zulkifli (Fund Manager/ Investment Analyst)** – Mutiara is a designated person responsible for managing the fund's investments and ensuring that the fund's strategy is aligned with its goals. She has more than 3 years of experience in the investment industry. Prior to joining PAMSB, she was attached to an investment team of another asset management company, and was responsible for advisory account which mainly invests in the Asean markets. The account has consistently outperformed its benchmark index during her tenure. She holds a Bachelor of Business Management with Honours (Finance) degree from the Universiti Teknologi MARA."

##### **New Section (Page 80 of the Master Prospectus)**

1. Our website provides the up-to-date information on the Management Company and the Funds hence the URL of our website is necessary to be made known to the members of public and/or investors.
2. A new section to be inserted into the Master Prospectus as follows:

#### **"8.8 Further Updates and Other Information**

Further updates on the Management Company and other information of the Funds can be found in our website, <http://www.pheimunitrusts.com>."

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**For enquiries about the Funds offered by Pheim Unit Trusts Berhad,**  
please call **(603) – 2142 8888**  
between 9.00 a.m. to 5.00 p.m. (Monday – Friday)  
and 9.00 a.m. to 1.00 p.m (Saturday).  
**or fax to (603) – 2141 9199 or e-mail to [support@pheimunittrusts.com](mailto:support@pheimunittrusts.com)**  
**or visit our Website : [www.pheimunittrusts.com](http://www.pheimunittrusts.com)**

THIS IS A SUPPLEMENTAL MASTER PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE MASTER PROSPECTUS DATED 30 MAY 2017 IN RESPECT OF THE PHEIM EMERGING COMPANIES BALANCED FUND, DANA MAKMUR PHEIM, PHEIM INCOME FUND, PHEIM ASIA EX-JAPAN FUND, PHEIM ASIA EX-JAPAN ISLAMIC FUND.

The Supplemental Master Prospectus Dated : 5 January 2018

# PHEIM

## SUPPLEMENTAL MASTER PROSPECTUS

Name of Funds	Date of Constitution:
Pheim Emerging Companies Balanced Fund	11 January 2002
Dana Makmur Pheim	11 January 2002
Pheim Income Fund	11 January 2002
Pheim Asia Ex-Japan Fund	26 May 2006
Pheim Asia Ex-Japan Islamic Fund	12 September 2006



### Manager

Pheim Unit Trusts Berhad (545919-A)

### Trustee

Maybank Trustees Berhad (5004-P)

### External Investment Manager

Pheim Asset Management Sdn Bhd (269564-A)

Your **Need**  
is our **Focus**

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS SUPPLEMENTAL MASTER PROSPECTUS DATED 5 JANUARY 2018 WHICH HAS TO BE READ TOGETHER WITH THE MASTER PROSPECTUS DATED 30 MAY 2017. IF IN DOUBT PLEASE CONSULT A PROFESSIONAL ADVISER.

THIS IS A SUPPLEMENTAL MASTER PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE MASTER PROSPECTUS DATED 30 MAY 2017 IN RESPECT OF THE PHEIM EMERGING COMPANIES BALANCED FUND, DANA MAKMUR PHEIM, PHEIM INCOME FUND, PHEIM ASIA EX-JAPAN FUND, PHEIM ASIA EX-JAPAN ISLAMIC FUND.

## PHEIM Supplemental Master Prospectus

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### PREFACE

Dear Valued Investors,

This Supplemental Master Prospectus dated 5 January 2018 (“Supplemental Master Prospectus”) is issued following the changes to the Management Company information: one existing director has resigned and we have appointed two (2) new directors.

We look forward to your continued support.

Yours faithfully,  
PHEIM UNIT TRUSTS BERHAD

A handwritten signature in blue ink, appearing to read 'DR TAN CHONG KOAY', with a long horizontal stroke extending to the right.

DR TAN CHONG KOAY  
Director



## **PHEIM Supplemental Master Prospectus**

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### **Responsibility Statements**

This Supplemental Master Prospectus has been reviewed and approved by the directors of Pheim Unit Trusts Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Supplemental Master Prospectus false or misleading.

### **Statements of Disclaimer**

The Securities Commission Malaysia has authorised the Funds and a copy of this Supplemental Master Prospectus and the Master Prospectus have been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and registration of this Supplemental Master Prospectus and the Master Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the unit of the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Supplemental Master Prospectus or the Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the management company responsible for the Funds and takes no responsibility for the contents in this Supplemental Master Prospectus and the Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Supplemental Master Prospectus and the Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

### **Additional Statements**

Investors should note that recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Supplemental Master Prospectus and the Master Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Supplemental Master Prospectus and the Master Prospectus or the conduct of any other person in relation to the Funds.

Dana Makmur Pheim and Pheim Asia Ex-Japan Islamic Fund have been certified as being Shariah compliant by the Shariah Advisers appointed for the respective Funds.

## **PHEIM Supplemental Master Prospectus**

**UNLESS OTHERWISE PROVIDED IN THIS SUPPLEMENTAL MASTER PROSPECTUS, ALL CAPITALIZED TERMS USED HEREIN SHALL HAVE THE SAME MEANINGS AS ASCRIBED TO THEM IN THE MASTER PROSPECTUS DATED 30 MAY 2017.**

### **EXPLANATORY NOTE**

**This Supplemental Master Prospectus has been issued to inform investors of:**

- the resignation of Encik Azmi Malek Merican as a non-independent director of the Management Company;
- the appointment of En. Ahmad Subri Bin Abdullah as an independent director and an independent member of the Investment Committee of the Management Company;
- the appointment of Mr Leong Hoe Kit as a non-independent director of the Management Company; and
- the resignation of Mr. Fung Chee Fui as a designated fund manager of the Funds.

### **A. SECTION 8 – THE MANAGEMENT COMPANY**

#### **8.1 Corporate Information (Pages 68 – 70 of the Master Prospectus)**

##### **Board of Directors**

1. Encik Azmi Malek Merican has resigned as a director of the Management Company and the write-up under this section relating to Encik Azmi Malek Merican is hereby deleted in its entirety.
2. Encik Ahmad Subri Bin Abdullah has been appointed as a director of the Management Company and the write-up relating to Encik Ahmad Subri Bin Abdullah is hereby added under this section as follows:

##### ***“Encik Ahmad Subri Bin Abdullah - Independent director***

**Encik Ahmad Subri Bin Abdullah** brings with him over 40 years of experience in the insurance, reinsurance and financial services industry in England, Singapore and Malaysia. He has served as CEO for over 20 years in various companies including Trust International Insurance, MCIS Insurance, Mayban Life Assurance, Malaysia National Insurance and recently as Managing Director of Emerio Malaysia, an IT Services Company.

## PHEIM Supplemental Master Prospectus

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He spent over 11 years in the Maybank Group and was instrumental in successfully implementing the bancassurance business practice. Whilst under his stewardship, Mayban Life Assurance won the coveted Asia's Life Insurance Company of the Year 1999. It is well recognized that Maybank Group is one of the most successful bancassurers in Asia.

Currently, Encik Ahmad Subri Bin Abdullah serves as Director and Advisor to a number of public and private companies in Malaysia and Singapore including Berjaya Sampo Insurance Berhad, Malaysian Life Reinsurance Group Berhad, ECS ICT Berhad and Emerio (Malaysia) Sdn Bhd which is a member of NTT Communications Group Japan.

He is a Chartered Insurer, Fellow of the Chartered Insurance Institute, UK and Fellow of the Malaysian Insurance Institute."

3. Mr Leong Hoe Kit has been appointed as a director of the Management Company and the write-up relating to Mr Leong is hereby added under this section as follows:

***"Mr Leong Hoe Kit – Non-independent director***

Mr Leong has more than 20 years of work experience relating to financial services and capital markets, including active involvement in investment activities.

The early years of his career was spent in Price Waterhouse (now known as PwC) where he was a pioneering member of the Financial Services Industry Practice group, a specialist team involved in providing auditing and business advisory services to clients in industries like stockbroking, funds management, unit trusts, futures broking, commercial banks and merchant banks. After five (5) years building his foundation in Price Waterhouse, Mr Leong joined HLG Capital (now known as Hong Leong Capital), an investment banking and capital markets services provider, where he sharpened his skills and served for nine (9) years, and last held the position of Group Financial Controller. Subsequently, he joined CLSA Securities Malaysia, where he helped set up their Kuala Lumpur operations office, and served as Executive Director of Operations for seven (7) years. After leaving CLSA, Mr Leong had a short sojourn in corporate finance in the non-financial services sector before he returned to the financial services industry when he joined Pheim Asset Management as Chief Executive Officer.

Mr Leong is a Chartered Accountant registered with the Malaysian Institute of Accountants and a member of CPA Australia. He is also a holder of a Capital Markets Services Representative's Licence for Fund Management in relation to Portfolio Management issued by the Securities Commission."

### **8.3 Role and Primary Functions of the Investment Committee (Pages 71 and 72 of the Master Prospectus)**

#### **Members of the Investment Committee**

## **PHEIM Supplemental Master Prospectus**

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Encik Ahmad Subri Bin Abdullah has been appointed as one of the members of the Investment Committee and the write-up relating to Encik Ahmad is hereby added as follows:

“**En. Ahmad Subri Bin Abdullah** (*Independent member*) - Profile as set out in Section 8.1 above.”

### **8.5 Fund Management Function (Pages 72 – 74 of the Master Prospectus)**

#### **Designated Fund Manager of the Funds**

1. Mr. Fung Chee Fui is no longer a designated fund manager of the Funds and the profile of Mr. Fung is hereby deleted in its entirety.
2. The profile of Mr Leong Hoe Kit is hereby amended to read as follows:

“**Mr Leong Hoe Kit** (*Chief Executive Officer*) - Profile as set out in Section 8.1 above.”

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**For enquiries about the Funds offered by Pheim Unit Trusts Berhad,**  
please call **(603) – 2142 8888**  
between 9.00 a.m. to 5.00 p.m. (Monday – Friday)  
and 9.00 a.m. to 1.00 p.m (Saturday).  
**or fax to (603) – 2141 9199 or e-mail to [support@pheimunittrusts.com](mailto:support@pheimunittrusts.com)**  
**or visit our Website : [www.pheimunittrusts.com](http://www.pheimunittrusts.com)**

Prospectus Date: 30 May 2017

# PHEIM

## MASTER PROSPECTUS

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Pheim Emerging Companies Balanced Fund

Dana Makmur Pheim

Pheim Income Fund

Pheim Asia Ex-Japan Fund

Pheim Asia Ex-Japan Islamic Fund

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### **Manager**

Pheim Unit Trusts Berhad (545919-A)

### **Trustee**

Maybank Trustees Berhad (5004-P)

### **External Investment Manager**

Pheim Asset Management Sdn Bhd (269564-A)

Your **Need**  
is our **Focus**

THIS MASTER PROSPECTUS IS DATED ON 30 MAY 2017. PHEIM EMERGING COMPANIES BALANCED FUND, DANA MAKMUR PHEIM AND PHEIM INCOME FUND WERE CONSTITUTED ON 28 JANUARY 2002. PHEIM ASIA EX-JAPAN FUND WAS CONSTITUTED ON 26 MAY 2006 AND PHEIM ASIA EX-JAPAN ISLAMIC FUND WAS CONSTITUTED ON 12 SEPTEMBER 2006.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 33.

### **Responsibility Statements**

- This Master Prospectus has been reviewed and approved by the directors of Pheim Unit Trusts Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Master Prospectus false or misleading.

### **Statements of Disclaimer**

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- The authorization of the Funds, and registration of this Master Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Master Prospectus.
- The Securities Commission Malaysia is not liable for any non-disclosure on the part of the management company responsible for the Funds and takes no responsibility for the contents in this Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.
- **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

### **Additional Statements**

- Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Master Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Master Prospectus or the conduct of any other person in relation to the Funds.
- Dana Makmur Pheim and Pheim Asia Ex-Japan Islamic Fund have been certified as being Shariah-compliant by the Shariah Advisers appointed for the respective Funds.

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## 1 DEFINITIONS

In this Master Prospectus the following abbreviations, words and expressions shall bear the following meanings unless otherwise stated:

<b>AA or Amanie or Shariah Adviser</b>	Amanie Advisors Sdn Bhd (684050-H), the Shariah adviser for Pheim Asia Ex-Japan Islamic Fund.
<b>the Act</b>	Means the Capital Markets And Securities Act 2007.
<b>Bursa Malaysia</b>	Bursa Malaysia Securities Berhad.
<b>Business Day</b>	<p>A day (other than Saturday, Sunday and public holidays) on which the Manager is open for business and Bursa Malaysia is open for trading.</p> <p><i>Note: The Manager may declare certain Business Day to be a non-Business Day, although the Manager and Bursa Malaysia are open for business, if some of the foreign markets in which the Fund is invested therein are closed for business. This is to ensure that Unit holders will be given a fair valuation at all times, be it when buying or redeeming Units. Unit holders may contact the Manager for more information on the Fund's non-Business Day(s).</i></p>
<b>Cooling-off period</b>	Six Business Days commencing from the date of receipt of the application form by the PUTB, applicable for initial investment by investors in any funds managed by us for the first time only.
<b>Deed</b>	The deed including any supplemental deed(s) of the respective Funds entered into between the Manager and the Trustee of the Funds and registered with the SC.
<b>Eligible Market</b>	<p>Refers to a market that:-</p> <ul style="list-style-type: none"> <li>(i) is regulated by a regulatory authority</li> <li>(ii) operates regularly;</li> <li>(iii) is open to the public; and</li> <li>(iv) has adequate liquidity for the purposes of the Fund.</li> </ul>
<b>EPF</b>	Means Employees Provident Fund.
<b>EPF-MIS</b>	Means Employees Provident Fund – Members Investment Scheme
<b>Financial institutions</b>	<ul style="list-style-type: none"> <li>(a) if the institution is in Malaysia: <ul style="list-style-type: none"> <li>(i) licensed bank*;</li> <li>(ii) licensed investment bank*<sup>#</sup>; or</li> <li>(iii) Islamic bank<sup>#</sup>;</li> </ul> </li> <li>(b) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorised to provide financial services by the relevant banking regulator.</li> </ul> <p><i>Note:</i></p> <p>* has the same meaning as prescribed under the Financial Services Act 2013</p> <p><sup>#</sup> a bank licensed under the Islamic Financial Services Act 2013</p>

<b>Forward pricing</b>	Means the determination of the unit price based on the NAV per Unit at the next valuation point following the receipt of an application to buy or to repurchase units by the Manager.
<b>GST</b>	means goods and services tax and includes any goods and services tax that is charged or levied in accordance with the Goods and Services Tax Act 2014.
<b>General Investment Account (“GIA”)</b>	Refers to investment account which is based on mudarabah contract under Shariah principles and applicable for investment purposes.
<b>Guidelines</b>	Refers to the Guidelines on Unit Trust Funds issued by the SC as may be amended, substituted or replaced from time to time.
<b>IBFIM or Shariah Adviser</b>	IBFIM (763075-W), the Shariah adviser for Dana Makmur Pheim.
<b>Jointholder(s)</b>	Means a person who holds Units together with another person or persons.
<b>Long-term</b>	A period of five (5) years and above.
<b>Medium-term</b>	A period of between three (3) to five (5) years.
<b>Short-term</b>	A period of less than three (3) years.
<b>Master Prospectus</b>	Refers to this Master Prospectus dated 30 May 2017 in respect of Pheim Emerging Companies Balanced Fund (PECBF), the Dana Makmur Pheim (DMP), the Pheim Income Fund (PIF), the Pheim Asia Ex-Japan Fund (PAXJ), and the Pheim Asia Ex-Japan Islamic Fund (PAXJI).
<b>Management Expense Ratio (“MER”)</b>	The MER of a Fund is the ratio calculated by taking all fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis for the year.
<b>Net Asset Value (“NAV”)</b>	NAV of the Fund is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at the valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and trustee fee for the relevant day.
<b>NAV per Unit</b>	NAV per Unit is the NAV of the Fund divided by the number of Units in circulation, at the valuation point.
<b>PAMSB</b>	Pheim Asset Management Sdn Bhd (269564-A), the external investment manager appointed for the Funds.
<b>Portfolio Turnover Ratio (“PTR”)</b>	<p>It tells an investor the average of acquisitions and disposals of the Fund for the year to the average value of the Fund. PTR is computed based on the following formula:</p> $\text{PTR} = \frac{(\text{Total acquisitions of the Fund for the year} + \text{Total disposals of the Fund for the year}) \div 2}{\text{Average value of the Fund for the year calculated on a daily basis}}$

For example, a portfolio turnover of 200% or two times per annum means that the fund has been turned over twice for that particular period. The period in reference will be the financial year for that particular period.

<b>PUTB or the Manager or we or us or our</b>	Pheim Unit Trusts Berhad (545919-A).
<b>Repurchase Price</b>	The price payable to the Unit Holder pursuant to a repurchase of Unit in the Fund by a Unit Holder.
<b>SACSC</b>	Shariah Advisory Council of the Securities Commission.
<b>Securities Commission Malaysia or SC</b>	The Securities Commission Malaysia established under the Securities Commission Act 1993.
<b>Selling Price</b>	The price payable by the Unit Holder pursuant to a purchase of Unit in the Fund by a Unit Holder.
<b>Sales Charge</b>	Means service charge or entry fee.
<b>Shariah</b>	Islamic Law comprising the whole body of rulings pertaining to human conducts derived from sources of Shariah .
<b>Shariah requirements</b>	A phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
<b>Special Resolution</b>	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders voting at the meeting in person or by proxy.
<b>Sukuk</b>	Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SACSC and/or any relevant Shariah Advisory Boards
<b>the Fund(s)</b>	Means the Pheim Emerging Companies Balanced Fund (PECBF), the Dana Makmur Pheim (DMP), the Pheim Income Fund (PIF), the Pheim Asia Ex-Japan Fund (PAXJ), and the Pheim Asia Ex-Japan Islamic Fund (PAXJI) which funds are referred to individually as “the Fund” and collectively as “the Funds”.
<b>Trustee</b>	Maybank Trustees Berhad (5004-P).
<b>Unit(s)</b>	Refers to an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a unit of the Fund.
<b>Unit Holder(s)</b>	Means the person for the time being who is registered pursuant to the Deed as a holder of Units, including a Jointholder.
<b>Islamic Deposit</b>	means a sum of money accepted or paid in accordance with Shariah –

- (a) on terms under which it will be repaid in full, with or without any gains, return or any other consideration in money or money's worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and person accepting it; or
- (b) under an agreement, on terms whereby the proceeds under the arrangement to be paid to the person paying the sum of money shall not be less than such sum of money, but excludes money paid bona fide –
  - (i) by way of an advance or a part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;
  - (ii) by way of security for the performance of a contract or by way of security in respect of any loss which may result from the non-performance of a contract;
  - (iii) without limiting paragraph (ii), by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise; and
  - (iv) in such other circumstances, or to or by such other person, as set out in schedule 2 of the Islamic Financial Services Act 2013.

## 2 CORPORATE DIRECTORY

<p><b>THE MANAGER</b></p> <ul style="list-style-type: none"> <li>- Registered Office and Head Office</li> <li>- Telephone Number</li> <li>- Facsimile Number</li> <li>- E-Mail Address</li> <li>- Web-site</li> </ul>	<p><b>Pheim Unit Trusts Berhad</b> (545919-A)</p> <p>7<sup>th</sup> Floor, Menara Hap Seng No.1 &amp; 3 Jalan P. Ramlee, 50250 Kuala Lumpur (603) 2142 8888 (603) 2141 9199 support@pheimunittrusts.com www.pheimunittrusts.com</p>
<p><b>THE TRUSTEE</b></p> <ul style="list-style-type: none"> <li>- Registered Office and Business Address</li> <li>- Telephone Number</li> <li>- Facsimile Number</li> <li>- Email</li> </ul>	<p><b>Maybank Trustees Berhad</b> (5004-P)</p> <p>8<sup>th</sup> Floor, Menara Maybank, 100 Jalan Tun Perak 50050 Kuala Lumpur (603) 2074 8580/ 2074 8952 (603) 2070 9387 mtb.ut@maybank.com.my</p>
<p><b>SHARIAH ADVISERS</b></p> <ul style="list-style-type: none"> <li>- Address</li> <li>- Telephone Number</li> <li>- Facsimile Number</li> <li>- Website</li> <li>- Address</li> <li>- Telephone Number</li> <li>- Facsimile Number</li> <li>- Website</li> </ul>	<p><b>IBFIM</b> (763075-W)</p> <p>3<sup>rd</sup> Floor, Menara Takaful Malaysia Jalan Sultan Sulaiman 50000 Kuala Lumpur (603) 2031 1010 (603) 2078 5250 www.ibfim.com / sba@ibfim.com</p> <p><b>Amanie Advisors Sdn Bhd</b> (684050-H)</p> <p>Level 33, Menara Binjai No. 2, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur (603) 2181 8228 (603) 2181 8219 www.amanieadvisors.com</p>

### **3 THE FUNDS**

#### **3.1 PHEIM EMERGING COMPANIES BALANCED FUND (PECBF)**

##### **3.1.1 Investment Objective**

PECBF aims to provide its Unit Holders with steady income and some prospect of capital appreciation in longer term by investing in a balanced portfolio of equities and fixed income instruments.

*Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.*

##### **3.1.2 Category of the Fund**

Balanced fund

##### **3.1.3 Investment Policy and Strategy**

Invest in a balanced portfolio of equities and fixed income instruments.

The asset allocation of the Fund, as a percentage of the NAV of the Fund, is as follows:

*Equities & equity-related securities:*

- maximum - 60%; minimum - 0%.

*Fixed income instruments & liquid assets:*

- maximum - 100%;
- minimum - 40%.

##### **3.1.4 Permitted Investments**

The Fund is permitted to invest in the following investments:

- Securities of Malaysian companies listed on approved stock exchange(s);
- Securities and liquid assets in foreign markets that are approved by the SC ;
- Loan stocks and corporate bonds;
- Unlisted securities whether or not approved for listing and quotation under the rules of an eligible market, which are offered directly to the Fund by the issuer;
- Malaysian government securities, treasury bills, Bank Negara Malaysia certificates, government investment certificates and Cagamas bonds;
- Units or shares of other collective investments schemes;
- Cash, deposits and money market instruments with licensed institutions and/or other institutions licenced or approved to accept deposits;

- Derivatives traded on an exchange or over-the-counter (for hedging purposes only);
- Structured products by an eligible issuer (for structured products issued in Malaysia) or an issuer regulated by the relevant regulatory authority (for structured products issued outside Malaysia);
- May participate in lending of securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC;
- Any other form of investments as may be agreed upon by the Manager and the Trustee from time to time; and
- Any other form of investments as permitted by the SC from time to time.

### **3.1.5 Investment Restrictions and Limits**

The Fund is subject to the following investment restrictions and/or limits:

- a) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- b) The value of the Fund's investment in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV;
- c) The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV;
- d) The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV;
- e) For investment in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- f) The Fund's exposure from its derivatives position must not exceed the Fund's NAV at all times;
- g) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;
- h) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV;
- i) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV;
- j) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV;
- k) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- l) The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;



- m) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to money market instruments that do not have a pre-determined issue size;
- n) The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme; and
- o) The value of the Fund's investments in securities listed on a foreign stock exchange must not exceed 30% of the Fund's NAV attributed to resident Unit Holders and 100% of the Fund's NAV attributed to non-resident Unit Holders, or such other limit may be imposed by Bank Negara Malaysia from time to time.

The restrictions set out above shall not apply to the investments of this Fund in securities issued or guaranteed by the Government of Malaysia or Bank Negara Malaysia.

*Note: Transferable securities refer to equities, debentures and warrants.*

**Breach of Investment Limit**

The investment restrictions and limits must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction imposed under the Guidelines is permitted where the limit or restriction is breached through an appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of investments or as a result of repurchase of Units or payment made out of the Fund).

Once the relevant limit is breached, no further acquisitions of the particular investments involved shall be made and we will, within a reasonable period of not more than three months from the date of breach, take all necessary steps and actions to rectify the breach.

**3.1.7 Distribution Policy**

The Fund intends to distribute income, if any, on an annual basis. The income distribution may be declared at the end of each financial year or any specified period as may be approved by the Trustee.

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### **3.2 DANA MAKMUR PHEIM (DMP)**

#### **3.2.1 Investment Objective**

DMP aims to provide its Unit Holders with steady income and some prospects of capital appreciation in the longer term by investing in a balanced portfolio of equities and fixed income instruments which strictly comply with the principles of the Shariah.

*Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.*

#### **3.2.2 Category of the Fund**

Balanced fund

#### **3.2.3 Investment Policy and Strategy**

Invest in a balanced portfolio of Shariah-compliant equities and sukuk & Islamic liquid assets.

The asset allocation of the Fund, as a percentage of the NAV of the Fund, is as follows:

*Shariah-compliant equities & equity-related securities*  
maximum - 60%; minimum - 0%.

*Sukuk & Islamic liquid assets:*  
maximum - 100%;  
minimum - 40%.

#### **3.2.4 Permitted Investments**

The Fund is permitted to invest in the following investments:

- The Fund is only permitted to invest in Shariah-compliant securities certified by the SACSC. For securities not certified by the SACSC, the Shariah-compliant status of the securities has been determined in accordance with the ruling issued by the Shariah Adviser;
- Shariah-compliant securities of Malaysian companies listed on approved stock exchange(s);
- Shariah-compliant securities listed in foreign markets that are approved by the SC and are approved/verified by the Shariah Adviser;
- Sukuk generally in the form of corporate sukuk or Islamic commercial papers;
- Unlisted Shariah-compliant securities whether or not approved for listing and quotation under the rules of an eligible market, which are offered directly to the Fund by the issuer;
- Government Investment Issues (GII), Islamic accepted bills, Bank Negara Monetary Notes-*i*, Cagamas sukuk and any other government approved/guaranteed Islamic issues;

- Units or shares of other Shariah-compliant collective investments schemes;
- Investment accounts and Islamic money market instruments with licensed financial institutions;
- Shariah-compliant derivatives traded on an exchange or over-the-counter and as approved by the SACSC and/or the Shariah Adviser (for hedging purposes only);
- Islamic structured products by an eligible issuer (for Islamic structured products issued in Malaysia) or an issuer regulated by the relevant regulatory authority (for Islamic structured products issued outside Malaysia);
- May participate in lending of Shariah-compliant securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC;
- Any other form of Shariah-compliant investments as may be agreed upon by the Manager and the Trustee from time to time; and
- Any other form of Shariah-compliant investments as permitted by the SC from time to time.

### **3.2.5 Investment Restrictions and Limits**

The Fund is subject to the following investment restrictions and/or limits:

- a) The value of the Fund's investments in ordinary Shariah-compliant shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- b) The value of the Fund's investment in transferable Shariah-compliant securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV;
- c) The value of the Fund's placement in Islamic deposits with any single institution must not exceed 20% of the Fund's NAV;
- d) The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV;
- e) For investment in Shariah-compliant derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section and the value of the Fund's OTC Shariah-compliant derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- f) The Fund's exposure from its Shariah-compliant derivatives position must not exceed the Fund's NAV at all times;
- g) The value of the Fund's investments in Islamic structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;
- h) The aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments, Islamic deposits, OTC Shariah-compliant derivatives and Islamic structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV;
- i) The value of the Fund's investments in Units/shares of any Shariah-compliant collective investment schemes must not exceed 20% of the Fund's NAV;

- j) The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV;
- k) The Fund's investments in transferable Shariah-compliant securities (other than Islamic debentures) must not exceed 10% of the Shariah-compliant securities issued by any single issuer;
- l) The Fund's investments in Islamic debentures must not exceed 20% of the Islamic debentures issued by any single issuer;
- m) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to Islamic money market instruments that do not have a pre-determined issue size;
- n) The Fund's investments in Shariah-compliant collective investment schemes must not exceed 25% of the Units/shares in any one Shariah-compliant collective investment scheme; and
- o) The value of Fund's investments in Shariah-compliant securities listed on a foreign stock exchange must not exceed 30% of the Fund's NAV attributed to resident Unit Holders and 100% of the Fund's NAV attributed to non-resident Unit Holders, or such other limit may be imposed by Bank Negara Malaysia from time to time.

The restrictions set out above shall not apply to the investments of this Fund in securities issued or guaranteed by the government of Malaysia or Bank Negara Malaysia.

*Note: Transferable Shariah-compliant securities refer to Shariah-compliant equities, Islamic debentures and Shariah-compliant warrants.*

#### **Breach of Investment Limit**

The investment restrictions and limits must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction imposed under the Guidelines is permitted where the limit or restriction is breached through an appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of investments or as a result of repurchase of Units or payment made out of the Fund).

Once the relevant limit is breached, no further acquisitions of the particular investments involved shall be made and we will, within a reasonable period of not more than three months from the date of breach, take all necessary steps and actions to rectify the breach.

### **3.2.6 Distribution Policy**

The Fund intends to distribute income, if any, on an annual basis. The income distribution may be declared at the end of each financial year or any specified period as may be approved by the Trustee.

### **3.3 PHEIM INCOME FUND (PIF)**

#### **3.3.1 Investment Objective**

PIF aims to provide its Unit Holders with consistent income returns in the medium to longer term by investing primarily in medium to long-term fixed income instruments and also equities and other high yielding instruments.

*Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.*

#### **3.3.2 Category of the Fund**

Bond fund

#### **3.3.3 Investment Policy and Strategy**

Invest primarily in medium to long-term fixed income instruments.

The asset allocation of the Fund, as a percentage of the NAV of the Fund, is as follows:

*Fixed income instruments & liquid assets:*

- maximum - 100%;
- minimum - 80%.

*Equities & other high yielding instruments:*

- maximum - 20%; minimum - 0%.

#### **3.3.4 Permitted Investments**

The Fund is permitted to invest in the following investments:

- Securities of Malaysian companies listed on approved stock exchange(s);
- Securities and liquid assets in foreign markets that are approved by the SC;
- Loan stocks and corporate bonds;
- Unlisted securities whether or not approved for listing and quotation under the rules of an eligible market, which are offered directly to the Fund by the issuer;
- Malaysian government securities, treasury bills, Bank Negara Malaysia certificates, government investment certificates and Cagamas bonds;
- Units or shares of other collective investments schemes;
- Cash, deposits and money market instruments with licensed financial institutions and/or other institutions licenced or approved to accept deposits;

- Derivatives traded on an exchange or over-the-counter (for hedging purposes only);
- Structured products by an eligible issuer (for structured products issued in Malaysia) or an issuer regulated by the relevant regulatory authority (for structured products issued outside Malaysia);
- May participate in lending of securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC;
- Any other form of investments as may be agreed upon by the Manager and the Trustee from time to time; and
- Any other form of investments as permitted by the SC from time to time.

### **3.3.5 Investment Restrictions and Limits**

The Fund is subject to the following investment restrictions and/or limits:

- a) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- b) The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV;
- c) The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV;
- d) For investment in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- e) The Fund's exposure from its derivatives position must not exceed the Fund's NAV at all times;
- f) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;
- g) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV;
- h) The value of the Fund's investments in Units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV;
- i) The value of the Fund's investments in debentures issued by any single issuer must not exceed 20% of the Fund's NAV;
- j) The single issuer limit in (i) may be increased to 30% if the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;
- k) For the purpose of paragraph (g), where the single issuer limit is increased to 30% pursuant to paragraph (j), the aggregate value of a fund's investment must not exceed 30%;
- l) The value of the Fund's investments in debentures issued by any one group of companies must not exceed 30% of the Fund's NAV;

- m) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- n) The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;
- o) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to money market instruments that do not have a pre-determined size;
- p) The Fund's investments in collective investment schemes must not exceed 25% of the Units/shares in any one collective investment scheme; and
- q) The value of the Fund's investments in securities listed on a foreign stock exchange must not exceed 30% of the Fund's NAV attributed to resident Unit Holders and 100% of the Fund's NAV attributed to non-resident Unit Holders, or such other limit may be imposed by Bank Negara Malaysia from time to time.

The restrictions set out above shall not apply to the investments of this Fund in securities issued or guaranteed by the government of Malaysia or Bank Negara Malaysia.

*Note: Transferable securities refer to equities, debentures and warrants.*

#### **Breach of Investment Limit**

The investment restrictions and limits must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction imposed under the Guidelines is permitted where the limit or restriction is breached through an appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of investments or as a result of repurchase of Units or payment made out of the Fund).

Once the relevant limit is breached, no further acquisitions of the particular investments involved shall be made and we will, within a reasonable period of not more than three months from the date of breach, take all necessary steps and actions to rectify the breach.

### **3.3.6 Distribution Policy**

The Fund intends to distribute income, if any, on an annual basis. The income distribution may be declared at the end of each financial year or any specified period as may be approved by the Trustee.

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### **3.4 PHEIM ASIA EX-JAPAN FUND (PAXJ)**

#### **3.4.1 Investment Objective**

PAXJ aims to achieve capital appreciation in the long-term by investing primarily in Asian markets excluding Japan.

*Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.*

#### **3.4.2 Category of the Fund**

Equity fund

#### **3.4.3 Investment Policy and Strategy**

The Fund's asset allocation, as a percentage of the NAV of the Fund is as follows:

- Equities and equity-related securities - minimum 70% and maximum 95% of the NAV of the Fund.
- Fixed income instruments and liquid assets - remaining balance not invested in equities or equity-related securities.

#### **3.4.4 Permitted Investments**

The Fund is permitted to invest in the following:

- Securities in Malaysia and countries in the Asia Pacific region excluding Japan;
- Securities and liquid assets in foreign markets that are approved by the SC;
- Corporate bonds and bonds, which include foreign debt securities traded on eligible markets and approved stock exchanges;
- Unlisted securities which are offered directly to the Fund;
- Malaysian government securities, treasury bills, Bank Negara Malaysia bills, Cagamas notes/ bonds, commercial papers, medium term notes;
- Bankers' acceptances, negotiable certificates of deposits and other tradable money-market instruments in the money market, both local and foreign;
- Deposits and placement of money at call, both local and foreign, with financial institutions and/or other institutions licenced or approved to accept deposits;
- Units or shares of other collective investments schemes both local and foreign;
- Foreign exchange spot, forward and other financial derivatives (for hedging purposes only) including future contracts but excluding futures options, both local and foreign.
- Convertible loan stocks and exchangeable bonds traded on eligible market, both local and foreign;



- Any other form of investments as may be agreed upon by the Manager and the Trustee from time to time; and
- Any other form of investments as permitted by the SC from time to time.

### **3.4.5 Investment Restrictions and Limits**

The Fund is subject to the following investment restrictions and/or limits:

- a) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- b) The value of the Fund's investment in transferable securities and money market instruments issued by a single issuer must not exceed 15% of the Fund's NAV;
- c) The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV;
- d) The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV. This limit does not apply to unlisted securities that are (i) equities not listed or quoted on a stock exchange but have been approved by the relevant authority for such listing and quotation, and are offered directly to the Fund by the issuer; (ii) debentures traded on an organised over the counter (OTC) market; and (iii) structured products;
- e) For investment in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- f) The Fund's exposure from its derivatives position must not exceed the Fund's NAV at all times;
- g) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;
- h) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV;
- i) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV;
- j) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV;
- k) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- l) The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;

- m) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issued size; and
- n) The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

The restrictions set out above shall not apply to the investments of this Fund in securities/instruments issued or guaranteed by the government of Malaysia or Bank Negara Malaysia.

*Note: Transferable securities refer to equities, debentures and warrants.*

#### **Breach of Investment Limits**

The investment restrictions and limits must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction imposed under the Guidelines is permitted where the limit or restriction is breached through an appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of investments or as a result of repurchase of Units or payment made out of the Fund).

Once the relevant limit is breached, no further acquisitions of the particular investments involved shall be made and we will, within a reasonable period of not more than three months from the date of breach, take all necessary steps and actions to rectify the breach.

#### **3.4.6 Distribution Policy**

Incidental.

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### **3.5 PHEIM ASIA EX-JAPAN ISLAMIC FUND (PAXJI)**

#### **3.5.1 Investment Objective**

PAXJI aims to achieve capital appreciation in the long-term by investing primarily in Asian markets excluding Japan through investments that comply with Shariah requirements.

*Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.*

#### **3.5.2 Category of the Fund**

Equity fund (Islamic)

#### **3.5.3 Investment Policy and Strategy**

The Fund's asset allocation, as a percentage of the NAV of the Fund is as follows:

- Shariah-compliant equities and equity-related securities - minimum 70% and up to a maximum of 95% of the NAV of the Fund; and
- Sukuk and Islamic liquid assets - remaining balance not invested in equities or equity-related securities.

#### **3.5.4 Permitted Investments**

The Fund is permitted to invest in the following:

- Shariah-compliant securities in Malaysia and countries in the Asia Pacific region excluding Japan;
- Shariah-compliant securities and Islamic liquid assets in foreign markets that are permitted by the SC;
- Shariah-compliant securities and Islamic liquid assets in the Malaysia market;
- Unlisted Shariah-compliant securities which are offered directly to the Fund by the issuer;
- Government Investment Issues (GII), Islamic accepted bills, Bank Negara Monetary Notes-i, Cagamas Mudharabah sukuk and any other government Islamic papers;
- Warrants, options and other equity securities;
- Units or shares of other Shariah-compliant collective investments schemes;
- May participate in lending of Shariah-compliant securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC;
- Islamic future contracts excluding future options and eligible exchange traded option, (only for hedging purposes);

- Islamic liquid assets such as cash, Islamic Deposits with financial institutions and/or other institutions licensed or approved to accept deposits, and any other instrument capable of being converted into cash within seven (7) days as may be approved by the Trustee;
- Any other form of Shariah-compliant investments as permitted by the SC and/or the Shariah Adviser from time to time.

### **3.5.5 Investment Restrictions and Limits**

The Fund is subject to the following investment restrictions and/or limits:

- a) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- b) The value of the Fund's investment in transferable Shariah-compliant securities and Islamic money market instruments issued by a single issuer must not exceed 15% of the Fund's NAV;
- c) The value of the Fund's placement in Islamic deposits with any single institution must not exceed 20% of the Fund's NAV;
- d) The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV. This limit does not apply to unlisted Shariah-compliant securities that are (i) Shariah-compliant equities not listed or quoted on a stock exchange but have been approved by the relevant authority for such listing and quotation, and are offered directly to the Fund by the issuer; (ii) sukuk traded on an organised over the counter (OTC) market; and (iii) Shariah-compliant structured products;
- e) For investment in Islamic derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section and the value of each of the Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- f) The Fund's exposure from its Islamic derivatives position must not exceed the Fund's NAV;
- g) The value of the Fund's investments in Islamic structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;
- h) The aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments, Islamic deposits, OTC Islamic derivatives and Islamic structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV;
- i) The value of the Fund's investments in units/shares of any Shariah-compliant collective investment scheme must not exceed 20% of the Fund's NAV;
- j) The value of the Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV;

- k) The Fund's investments in transferable Shariah-compliant securities (other than Islamic debentures) must not exceed 10% of the Shariah-compliant securities issued by any single issuer;
- l) The Fund's investments in Islamic debentures must not exceed 20% of the Islamic debentures issued by any single issuer;
- m) The Fund's investments in Islamic money market instruments must not exceed 10% of the Islamic money market instruments issued by any single issuer. This limit, however, does not apply to Islamic money market instruments that do not have a pre-determined issue size; and
- n) The Fund's investments in Shariah-compliant collective investment schemes must not exceed 25% of the units/shares in any one Shariah-compliant collective investment scheme.

The restrictions set out above shall not apply to the investments of this Fund in securities/instruments issued or guaranteed by the government of Malaysia or Bank Negara Malaysia.

*Note: Transferable securities refer to Shariah-compliant equities, sukuk and Shariah-compliant warrants.*

#### **Breach of Investment Limits**

The investment restrictions and limits must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction imposed under the Guidelines is permitted where the limit or restriction is breached through an appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of investments or as a result of repurchase of Units or payment made out of the Fund).

Once the relevant limit is breached, no further acquisitions of the particular investments involved shall be made and we will, within a reasonable period of not more than three months from the date of breach, take all necessary steps and actions to rectify the breach.

#### **3.5.6 Distribution Policy**

Incidental.

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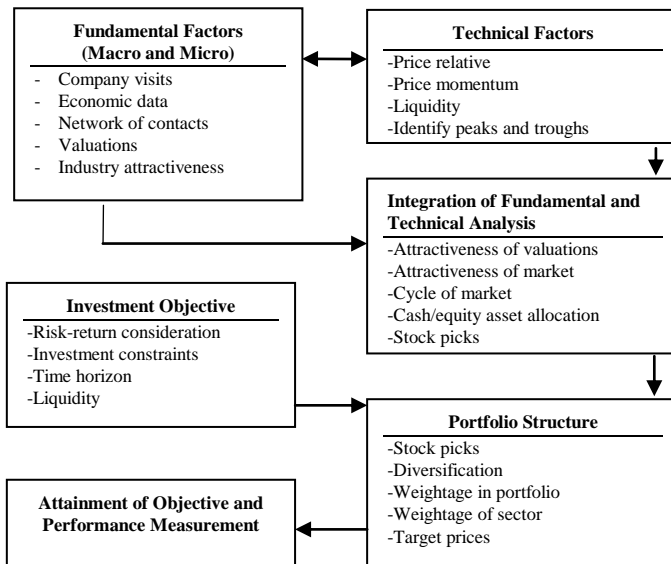
### 3.6 Principal Investment Policy and Strategy of the Funds

#### 3.6.1 Specific Practice/ Technique In Managing Funds

The external investment manager, PAMSB, is a conservative fund manager with a strong sense of market timing. PAMSB invests mainly in value stocks which, in their opinion, are likely to outperform the market without being exposed to unnecessary risks. Because of the volatility of emerging markets, PAMSB does not believe in being fully invested at all times. Rather, PAMSB trims its equity exposure near market peaks in order to preserve capital.

Conversely, PAMSB tries to be fully invested near market troughs. An active and frequent trading strategy is not a primary investment strategy to be employed in achieving the Funds' stated objectives but short-term trading activities could be used as a secondary investment strategy as and when market conditions permit the use of such an approach.

PAMSB believes that the expected return from holding a security should be assessed in relation to the risk it presents. Hence, PAMSB views market crashes and rallies as opportunities to increase and decrease equity weightings in order to obtain optimum returns. In doing so, and subject to the respective Funds' investment restrictions, PAMSB may vary its equities and fixed income instruments/sukuk weighting accordingly to accommodate fluctuating market cycles and changing macroeconomic conditions. The investment process is depicted as below:



### 3.6 Principal Investment Policy and Strategy of the Funds (continued)

#### 3.6.2 Investment Policy and Strategy

##### *a) Equity Securities/Shariah-compliant Equity Securities*

Equity securities/Shariah-compliant equity securities include, but are not limited to, common shares and preferred shares. Shares represent ownership (often referred to as equity) of a company and owners of shares in a company participate in the company's success or problems. Shares represent a claim on its proportional share in the company's assets and profits. If a company is well managed and its business prospers, its shares may appreciate in price and investors will stand to make capital gains. Conversely, if a company is poorly managed and its business suffers or goes bankrupt, investors are likely to make losses when its share price declines. Investments in domestic equity securities are subject mainly to individual stock risk and market risk while investments in foreign equity securities are subject further to currency risk.

PAMSB adopts a predominantly value approach to investment and active asset allocation strategy. We seek out stocks that are cheap relative to their underlying value, in the expectation that their share prices will rise at some point to more accurately reflect their true worth.

PAMSB will use financial analysis, on-site company visits, and their contact network in order to satisfy themselves as to the suitability of the potential equity investments, including warrants, options, loan stocks, and other equity derivative securities. PAMSB will also take advantage of any special situations and mispricing opportunities that may be present in the market place. These opportunities generally represent short to medium-term inefficiencies in the market that may subsequently be corrected to a fair value over the longer term.

In selecting equities, PAMSB combines the top down discipline and bottom up approach. PAMSB integrates macroeconomic analysis with knowledge gleaned from company visits and network of contacts. Between the two extremes of the top down and bottom up approach, PAMSB also shifts its emphasis accordingly to accommodate economic cycles.

During periods when the economy is showing signs of a slowdown, PAMSB lean towards a top down approach, avoiding the following:

- I. sectors which are vulnerable to a cyclical downturn and/ or
- II. companies that are heavily indebted.

The *defensive strategy* of the respective Funds is incorporated in our investment philosophy: We do not believe in being fully invested at all times. As such, PAMSB seeks to trim the Funds equity exposure near market peaks in order to preserve capital by holding cash in deposits or investing in money market instruments. During market troughs (a point of low activity), PAMSB will increase the Funds equity exposure subject to the Funds investment limits and restrictions.

### 3.6 Principal Investment Policy and Strategy of the Funds (continued)

#### 3.6.2 Investment Policy and Strategy (continued)

During the early stages of an economic upturn, however, PAMSB places more emphasis on a bottom up approach, preferring to go for companies with most, if not all, of the following characteristics:

- focused and competent top management;
- comparatively low gearing;
- markets leader in growing industries, with significant competitive advantages;
- good earnings growth potential;
- low stock valuation in relation to book values and earnings; and/ or
- attractive profit margins.

#### *b) Fixed Income Instruments/Sukuk*

Fixed income instruments/sukuk have a contractually mandated payment schedule. Their investment contracts promise specific payments at pre-determined times, although the legal force behind the promise varies and this affects their risks and required returns. Investors who purchase fixed income instruments (except for preferred stock) are lenders to the issuers. Fixed income instruments/sukuk include, but are not limited to, Malaysian government securities, Cagamas bonds, Bank Negara bills, corporate bonds, money market instruments, fixed deposits, negotiable certificates of deposit and repurchase agreements (or the equivalent Islamic instruments for DMP & PAXII). Fixed income instruments/sukuk can be broken down by issuer, in terms of credit quality (as measured by the ratings assigned by a rating agency), or in terms of maturity. These instruments are subject mainly to market risk, interest rate risk and credit risk.

For fixed income instruments/sukuk, PAMSB aims to take an active management approach based on rate anticipation and sector management strategies. When interest rates are at peak levels, PAMSB aims to invest mainly in longer-term fixed income securities/sukuk to seek higher capital appreciation for Unit Holders. Conversely, when interest rates are at very low level, PAMSB aims to invest mainly in shorter-term fixed income securities/sukuk to capitalise on the rising interest rate cycle. PAMSB also screens for fixed income instruments/sukuk that offer a good yield-to-maturity, a steady stream of future cash flows, a favourable yield spread, and a reasonable coupon/ profit rate.

#### *c) Foreign Securities (applicable to PECBF, DMP and PIF)*

Bank Negara Malaysia has approved the outflows of funds for investment abroad by the Funds up to 50% of the Fund's NAV attributed to resident Unit Holders and 100% of the Fund's NAV attributed to non-resident Unit Holders, or such other limit may be imposed by Bank Negara Malaysia from time to time. The Funds will invest in securities listed on the stock exchanges of Asia Pacific countries, which include Singapore, Thailand, Philippines, Indonesia, Vietnam, China, Hong Kong, Taiwan and South Korea.



### **3.6 Principal Investment Policy and Strategy of the Funds (continued)**

#### **3.6.2 Investment Policy and Strategy (continued)**

PAMSB's will apply the same investment policy and strategy as investment in Malaysia for foreign securities. In addition, PAMSB will aim to invest in industries that are lowly correlated to the domestic market and niche industries that are not available in Malaysia.

PAMSB will work closely and leverage on the experience of Pheim Asset Management (Asia) Pte Ltd, an affiliated company, which will provide PAMSB with a perspective of regional stock markets and economies.

#### ***d) Foreign Securities/Shariah-compliant Foreign Securities (applicable to PAXJ and PAXJI)***

The Funds will invest primarily in companies listed on the stock exchanges of Asia Pacific countries excluding Japan. These stock exchanges include but are not limited to the Singapore Exchange, the Stock Exchange of Thailand, the Jakarta Stock Exchange, the Philippine Stock Exchange, the Hong Kong Exchanges and Clearing Ltd, the Shanghai & Shenzhen Stock Exchanges, the Taiwan Stock Exchange, the Korea Exchange, the Australia Stock Exchange, the New Zealand Exchange, the Bombay Stock Exchange, the National Stock Exchange of India and the Vietnam Stock Exchange. The Funds will also invest in depository receipts of companies from the abovementioned markets listed in the New York Stock Exchange and the London Stock Exchange. The Funds may, after the issuance of this Master Prospectus, invest in other markets not listed above, permitted by the SC from time to time.

For investment in securities that comply with Shariah requirements, PAMSB will first identify the stocks outside Malaysia that satisfy their investment criteria. The list of stocks (with all necessary information on the business activities and financial information of the companies) will be sent to the Shariah Adviser for screening and certification, whereby the screening methodology will be based on best practices standards that are currently practiced in the global equity and equity-based market. Subsequent to that, the list of approved stocks will be reviewed periodically by the Shariah Adviser for the inclusion and exclusion of stocks from the approved list.

PAMSB will apply the same investment policy and strategy for investment in Malaysia to investment in foreign securities. In addition, PAMSB will aim to invest in industries that are lowly correlated to the domestic market and niche industries that are not available in Malaysia.

PAMSB will work closely and leverage on the experience of Pheim Asset Management (Asia) Pte Ltd, an affiliated company, which will provide PAMSB with a perspective of regional stock markets and economies.

#### ***e) Futures/Islamic Futures Contracts***

A futures/Islamic futures contract is a standardised, transferable, exchange-traded contract that may or may not require delivery of a commodity, bond/sukuk, currency, or stock index, at a specified price, on a specified future date.

### 3.6 Principal Investment Policy and Strategy of the Funds (continued)

#### 3.6.2 Investment Policy and Strategy (continued)

Unlike options, futures convey an obligation to buy. PAMSB will use futures contracts mainly for the purposes of hedging the respective Funds. In using futures as a hedging tool, the appropriate number of contracts will be determined and the exposure to these futures contracts should be in line with the permitted investment guidelines.

#### 3.6.3 Policy on Gearing

The Funds are not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the Securities Borrowing and Lending Guidelines) in connection with its activities. However, the Funds may borrow cash for the purpose of meeting repurchase requests for Units and for short-term bridging requirements. Such borrowings are subjected to the following:

- (a) the Funds' cash borrowing are only on a temporary basis and that borrowings are not persistent;
- (b) the borrowing period should not exceed a month;
- (c) the aggregate borrowings of the Funds should not exceed 10% of the Fund's NAV at the time the borrowing is incurred; and
- (d) the Funds may only borrow from licensed financial institutions. As for DMP & PAXII, the Funds shall seek an Islamic financing facility to meet the above conditions.

#### 3.6.4 Risk Management Strategies (applicable to PECBF, DMP and PIF)

By investing in equities, fixed income instruments/sukuk, and foreign securities, the Funds may be exposed to several risks, of which the major ones include market risk, specific risk, interest rate risk, currency risk, credit risk, liquidity risk and reclassification of Shariah status risk.

**Market risk** relates to share investments where movement of share prices fluctuate due to various factors including industry trends, changes in economic, political as well as social environment.

**Currency risk** applies to investments in listed foreign securities where exchange rates between the local currency and foreign currencies fluctuate and affect the return and volatility of any foreign currency denominated investment.

PAMSB aims to manage market and currency risks by closely monitoring the economic performance of Malaysia, as well as the economic performance of the region. PAMSB may employ the use of futures contracts to hedge the Fund's portfolio investments as part of its efforts to manage market risk.

**Individual stock risk** refers to the individual risk of the respective companies issuing the securities. Individual stock risk includes but is not limited to changes in consumer tastes and

### 3.6 Principal Investment Policy and Strategy of the Funds (continued)

#### 3.6.4 Risk Management Strategies (applicable to PECBF, DMP and PIF) (continued)

demand, legal suits, competitive operating environments, changing industry conditions and management omissions and errors.

PAMSB aims to manage individual stock risk by careful selection of shares through company visits, comparative analysis, fundamental analysis, as well as through portfolio diversification. Individual stock risk is reduced through portfolio diversification achieved by investing in a wide range of companies in different sectors and which are not highly dependent on one another.

PIF will be more exposed to interest rate and credit risks, and to a lesser degree to market and specific risks, which are described above.

**Liquidity risk** occurs in thinly traded or illiquid securities. In order to mitigate liquidity risk, a certain portion of the funds are kept as cash/liquid assets to ensure timely payment for the purchase of equities and fixed income securities or sukuk. It would also ensure that the fund would be able to honour the request of redemption of unit trust holders at any given point of time. The fund also prefers to invest in fixed income securities or sukuk which offer shorter-dated maturities so that it is more easily liquidated with low capital loss.

**Interest rates risk** relates to investment in fixed income instruments/debt securities/sukuk, where the prices of the underlying investment of fixed income instruments/debt securities or the valuation of sukuk move up or down due to the fluctuation in interest rates.

As for DMP, the interest rate is a general indicator that will have an impact on the management of a fund regardless of whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the Shariah-compliant fund will invest in conventional financial instruments. All the investments carried out are in accordance with the requirements of the Shariah.

**Credit risk** relates to debt securities/sukuk where adverse changes in the economic environment or financial condition of the issuer may impact the ability of the issuer to pay interest/profit or principal when they are due.

PAMSB aims to manage this risk by closely monitoring the economic performance of Malaysia and the economic performance of the region which may have an impact on interest rate movement. PAMSB will manage credit risk by careful selection of debt securities/sukuk through company visits, credit analysis and fundamental analysis.

**Reclassification of Shariah status risk** - the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified as Shariah non-compliant upon review of the securities by the SACSC, the Funds' Shariah Adviser or the Shariah Boards of the relevant Islamic indices. If this occurs, Manager will take the necessary steps to dispose of such securities. There may be opportunity loss to the Funds due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-

### 3.6 Principal Investment Policy and Strategy of the Funds (continued)

#### 3.6.4 Risk Management Strategies (applicable to PECBF, DMP and PIF) (continued)

compliant equities. The value of the Funds may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost. PAMSB aims to manage this risk by working closely with and consulting the Shariah Advisers on the list of Shariah-compliant equities that the Funds may invest in and PAMSB will invest only in those Shariah-compliant equities.

**Other Risk Management Strategies** - As markets can be volatile, PAMSB believes that being fully invested at all times do not work as well in Asia as in developed markets such as the USA. Hence, when equity markets perform strongly over an extended period and may be deemed as overvalued, PAMSB may decrease equity weightings as a defensive move against a potential collapse in equity values in order to preserve capital for Unit Holders. In doing so, the Funds may temporarily underperform the broader equity market and these measures may, in the short-term, appear to be inconsistent with the Funds' long-term strategy. Conversely, when equity markets perform poorly over an extended period and may be deemed as undervalued, PAMSB may increase equity weightings, incurring some capital loss in the short-term but which may result in significant capital gains in the long-term.

By investing in equities/Shariah-compliant equities, fixed income instruments/sukuk, and foreign securities/Shariah-compliant foreign securities, PAMSB adopts the following risk management strategies to mitigate the risks inherent in the respective Funds:

- Adhering to the Funds' investment objectives, investment policies and strategies and investment restrictions and limits set out in this Master Prospectus and the Deed – we will invest in instruments that will meet the investment objectives, the investment policies and strategies, and the investment restrictions and limits of the respective Funds.
- Reporting investment related matters to the investment committee of the Funds – we will report any investment breaches and compliance issues in relation to the respective Funds to the investment committee to ensure members of the investment committee are aware of them. This is to allow the investment committee to draw up policies and guidelines to avoid breaches in the future.
- Diversifying across various asset classes – The Funds may invest in fixed income securities/sukuk besides equity. We may change the asset allocation across equity and fixed income/sukuk investment according to PAMSB's view on the capital markets. We may alter the mix of various asset classes i.e. equity, fixed income/sukuk and cash & cash equivalent according to different market conditions. During more bullish market conditions, we will raise equity exposure. During times of uncertainties, we will reduce our equity exposure and increase our weighting in fixed income/sukuk. During adverse market conditions, equity prices will be under heavy selling pressure, as investors are not confident about the future economic growth and hence stocks' earnings growth is in doubt.
- Imposing exposure limits to any single company/group of related companies - we will monitor the investment restrictions and limits of the Funds on a daily basis to avoid

### 3.6 Principal Investment Policy and Strategy of the Funds (continued)

#### 3.6.4 Risk Management Strategies (applicable to PECBF, DMP and PIF) (continued)

breaches in terms of single group or single company investment limits to reduce concentration risk/exposure risk associated with a single group/single issuer.

- Managing duration of fixed income/sukuk portfolio – The Funds may invest in fixed income securities/sukuk for diversification purposes. We will adjust the duration of our fixed income/sukuk portfolio according to the change in the interest rate. Rising interest rate will generally reduce the value of fixed income securities/sukuk. To mitigate this, we will shorten the duration of our fixed income/sukuk portfolio to reduce losses.
- Managing liquidity to facilitate repurchase requests - we will maintain a comfortable level of liquidity to meet repurchase requests to avoid selling investments at below fair value price during times of adverse market conditions as repurchase can be substantial during such times.
- Conducting regular monitoring of the market prices and detailed in-depth evaluation of the issuer of the instruments (credit/bond structure/security) - we will monitor and study our investment regularly to ensure they meet our investment criteria. We will dispose investments if they fail to meet our investment criteria or if there is a downgrade of credit rating to non-investment grade.

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### 3.7 Performance Benchmark of the Funds

Fund	Performance Benchmark	Source
PECBF	<p>Weighted average of the followings:</p> <ol style="list-style-type: none"> <li>1) 60% of FTSE Bursa Malaysia EMAS Index (for equity portion), and</li> <li>2) 40% of Maybank 1-year fixed deposit rate at the beginning of the year (for fixed income portion).</li> </ol> <p>Note: For balanced fund, the asset allocation for equities and equity-related securities is from the minimum of 0% up to the maximum of 60% of the Fund's NAV and for fixed income instruments and other liquid assets a minimum of 40% up to the maximum of 100% of the Fund's NAV. Cash, if any, is held for trading or administrative purposes. Therefore, the composite performance benchmark of the Fund will be 60% of FTSE Bursa Malaysia EMAS Index and 40% of Maybank 1-year fixed deposit rate.</p> <p><i>The Fund is not an index tracking fund. It should be noted that the risk profile of the Fund may be different from the risk profile of the benchmark due to stock selection and asset allocation strategies that do not mirror the benchmark composition.</i></p>	Bursa Malaysia & Maybank
DMP	<p>Weighted average of the followings:</p> <ol style="list-style-type: none"> <li>1) 60% of FTSE Bursa Malaysia EMAS Shariah Index (for Shariah-compliant equity portion), and</li> <li>2) 40% of Maybank 1-year General Investment Account (GIA) rate at the beginning of the year (for sukuk portion).</li> </ol> <p>Note: For balanced fund, the asset allocation for Shariah-compliant equities and Shariah-compliant equity-related securities is from the minimum of 0% up to the maximum of 60% of the Fund's NAV and for sukuk and other Islamic liquid assets, a minimum of 40% up to the maximum of 100% of the Fund's NAV. Cash, if any, is held for trading or administrative purposes. Therefore, the composite performance benchmark of the Fund will be 60% of FTSE Bursa Malaysia EMAS Shariah Index and 40% of Maybank 1-year General Investment Account (GIA) rate.</p> <p><i>The Fund is not an index tracking fund. It should be noted that the risk profile of the Fund may be different from the risk profile of the benchmark due to stock selection and asset allocation strategies that do not mirror the benchmark composition.</i></p>	Bursa Malaysia & Maybank
PIF	<p>Maybank 1-year fixed deposit rate at the beginning of the year.</p> <p><i>The Fund is not an index tracking fund. It should be noted that the risk profile of the Fund may be different from the risk profile of the benchmark.</i></p>	Maybank

The benchmark for both the PAXJ and the PAXJI is 7% growth in NAV per annum over the long-term.

This is not a guaranteed return and is only a measurement of the respective Funds' performance. The Funds may or may not achieve the 7% per annum growth rate in any particular financial year but the Manager target to achieve this growth over the long-term.

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### 3.8 Deed(s) governing the Funds

Name of Fund	Deed(s) governing the Fund
PECBF	Master Deed dated 11 January 2002 as modified by a Supplemental Master Deed dated 3 November 2008, a Second Supplemental Master Deed dated 29 April 2013 and a Third Supplemental Master Deed dated 30 April 2015.
DMP	
PIF	
PAXJ	Deed dated 26 May 2006 as modified by a Supplemental Master Deed dated 3 December 2008 and a Second Supplemental Master Deed dated 30 April 2015.
PAXJI	Deed dated 12 September 2006 as modified by a Supplemental Master Deed dated 3 December 2008 and a Second Supplemental Master Deed dated 30 April 2015

### 3.9 Financial Year End of the Funds

PECBF	31 December
DMP	
PIF	
PAXJ	
PAXJI	

**THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.**

## 4 RISK FACTORS

### 4.1 General Risks

All investments carry risks. As an investor, you must be prepared to accept certain degree of risk when investing in unit trust fund. The following are some of the general risks of investing in unit trust fund:

<i>Market risk</i>	Due to price fluctuations of securities invested in by a fund, the value of the fund's investment may go up as well as down. The movement in securities prices is influenced by a number of factors, which include changes in economic, political and social environments.
<i>Individual stock risk</i>	Risk that is specific to a stock and is not correlated with the specific risks of other stocks. Examples of such risks are poor management due to the departure of key management staff, loss of market share to competitors due to changes in the environment, and shifts in consumer demand due to changes in fashion and taste.
<i>Inflation risk</i>	The purchasing power of income received from a fund's investments may not keep pace with inflation.
<i>Borrowing/financing risk</i>	The price or value of units in a fund that invests in the equity markets fluctuates with the value of the underlying portfolios. Therefore when you borrow money to finance the purchase of units in a fund, there is a risk of capital loss. This is because you may either be forced to provide additional funds to top up on the loan/financing margins when the market goes down, or when interest rates go up you may be burdened with higher cost of financing.
<i>Return not guaranteed</i>	The income distribution is not guaranteed. There is a risk that there may not be any distribution of income for the particular fund.
<i>Interest rate risk</i>	Applies to fixed income securities/sukuk, where the valuation of the fund's investment may go up as well as down resulting from interest rate movement. The interest rate is a general indicator that will have an impact on the management of the fund regardless whether it is a Shariah-compliant fund or otherwise. It does not in any way suggests that the fund will invest in conventional financial instruments.
<i>Manager's risk</i>	Poor management of a fund by the Manager may cause the fund to decrease in value, which in turn may cause the capital invested by you to be at risk.
<i>Risk of non-compliance</i>	The risk of the Manager and others associated with the fund not complying with the deed of the fund, the law that governs the fund, or the internal policies, procedures and controls of the Manager. The non-compliance may expose the fund to higher risk that may affect your investments.



<i>Warrants Risk</i>	Warrants risk have a limited life with a specified expiry date. After this date, warrants can no longer be traded or exercised. Warrants are worthless they are not exercised before the expiry date. It also be noted that warrants experience time decay (erosion of their time value) throughout their life, and the rate of this decay accelerates as warrants near expiry.
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## 4.2 Specific Risks

### 4.2.1 Risk and Your Investment

The value of your investment will go up and down with the value of the Fund's assets. You may receive less money than what you have invested and there is no guarantee that you will receive any income distribution.

The risk that you take depends on many factors – for example, which class of assets did the Fund invest in, how long do you intend to invest and the timing of your investment.

### 4.2.2 Specific Risks Associated with the Investment Portfolio of the Funds

Apart from the general risks disclosed above, the following are the specific risks associated with the investment portfolio of our Funds:

- a) *Market risk* – The market price of securities owned by the Funds might go down or up, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting the securities market generally or particular industries represented in the securities market. At times, the market environment which typically includes changes in regulations, politics, and the economy of the country would affect the market value of securities. Market risk is also influenced by global economics and geopolitical developments. The Funds may mitigate the risk by engaging in derivatives contracts like futures and options to protect the value of underlying securities. In the event derivatives contracts are unavailable or prohibited, the Manager will sell down our equity investment and hold cash to preserve the capital during adverse market conditions.

Since the major portions of the Funds' investment are in the equity securities, the Unit price of the Funds will fluctuate in line with the market performance. Equity securities generally have greater price volatility than fixed income securities or sukuk.

- b) *Individual stock risk*– The Funds' portfolio comprises a spread of counters. However, the weak performance of individual counters invested can affect the overall NAV of the Funds and therefore the price of the Units. This risk may be mitigated through the well-diversified nature of the Funds' portfolio.
- c) *Currency risk* - The value of foreign investments will reflect the currency movements. Fluctuations in the denominated currencies of the foreign shares and bonds or sukuk will affect the price of the Units.

- d) *Country risk* - The stock prices may be affected by the political and economic conditions of the country in which the stocks are listed. Unexpected events may stop the Manager from realising the full value of assets in those countries.
- e) *Reclassification of Shariah status risk* – The risk that the currently held Shariah-compliant securities in the portfolio of DMP & PAXJI may be reclassified as Shariah non-compliant in the periodic review of the securities by the SACSC, the Fund's Shariah Adviser or the Shariah Boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities. There may be opportunity loss to the Funds due to the Funds not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the Funds may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost.
- f) *Liquidity risk* – This risk occurs in thinly traded or illiquid securities. Should the Funds need to sell a relatively large amount of such securities, the act itself may significantly depress the Selling Price. The risk may be minimised by placing a prudent level of funds in short-term deposits and by investing in stocks whose liquidity is adjudged to commensurate with the expected level of the Funds.
- g) *Interest rate risk* – The risk refers to the effect of interest rate changes on the market value of a bond or on the valuation of a sukuk portfolio. In the event of rising interest rates, prices of fixed income securities or the valuation of sukuk will decrease and vice versa. Meanwhile, debt securities/sukuk with longer maturity and lower coupon/profit rate are more sensitive to interest rate changes. This risk may be mitigated via the management of the duration structure of the fixed income securities/sukuk portfolio. The interest rate is a general indicator that will also have an impact on DMP. It does not in any way suggest that DMP will invest in conventional financial instruments.
- h) *Credit/Default risk* – This risk relates to Funds' investment in sukuk or debt-type investments such as bonds, debentures, fixed income instruments and/or sale of securities, money market instruments and deposit placements. The institution in which the Funds invest in may not be able to make the required interest/profit payments or repayment/payment of principal. The Funds could lose money if the issuer or guarantor of a fixed income security/sukuk, or the counterpart to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest/profit payments, or to otherwise honour its obligations.
- i) *Derivatives/Structured Product Risk* - The Funds may invest in derivatives or structured products, where appropriate for hedging purposes. When the Funds participate in derivatives or structured products for hedging activities, any potential upsides of currency or interest rate or securities' price movements arising is limited as the objective is to protect the Fund's value. Participation in these financial instruments may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the hedging positions. If no provision is made for the required margin within the prescribed time, the position may be liquidated at a loss. Therefore, it is essential that such positions in derivatives or structured products are monitored closely. Such participation in derivatives or structured products is also exposed to the failure or default of the counterparty to these financial instruments which may adversely affect the Fund's value. Investing in derivatives or structured products may also result in the likelihood of high volatility in the NAV of the Fund.

**Prospective Unit Holders/investors are reminded that the aforementioned risks may not be exhaustive and if necessary, please consult your adviser(s), e.g. banker, lawyer, independent financial adviser and/or other professional who has the knowledge to advise and/or to assist you to better understand your risk.**

#### **4.2.3 How PUTB Manages Risks**

We aim to manage risks by closely monitoring the economic performance of Malaysia, as well as that of the region that may have an impact on market risk and through investing in a wide range of companies in different sectors and thus function independently from one another. We also aim to manage specific risks by careful selection of shares through company visits, competitive analysis, fundamental analysis, as well as through portfolio diversification.

As for fixed income securities/sukuk, we aim to manage the related risks by closely monitoring the economic performance of Malaysia and the region which may have an impact on interest rate movement. We will manage credit risk by careful selection of debt securities/sukuk through company visits, fundamental analysis and portfolio diversification.

**The different asset classes generally exhibit different levels of risks. It is important to note that events affecting the value of your investments cannot always be foreseen. Therefore, it is not always possible to protect your investment against all risks.**

## **5 CHARGES, FEES AND EXPENSES**

### **5.1 Charges and Fees Directly Incurred when Purchasing or Redeeming Units of the Funds**

Charges *directly incurred* by investors when purchasing or redeeming Units of the Funds are as follows:

<b>Sales charge</b>	<p>For <u>PECBF, DMP, PAXJ and PAXJI</u> - The maximum Sales Charge to be imposed by each distribution channel during the life of this Master Prospectus are:</p> <ul style="list-style-type: none"> <li>▪ Manager : 5% * of the NAV per Unit;</li> <li>▪ Individual agent of the Manager : 5% * of the NAV per Unit;</li> <li>▪ Institutional Unit Trust Adviser (IUTA) : 5% * of the NAV per Unit; and</li> <li>▪ Corporate Unit Trust Adviser (CUTA) : 5% * of the NAV per Unit.</li> </ul> <p><u>Investors may negotiate with the distributors for lower Sales Charge.</u></p> <p><u>For PIF</u> – No Sales Charge.</p>
<b>Repurchase Charge</b>	Nil

*\*The rate and amount disclosed is exclusive of any GST.*

#### **EPF-MIS**

EPF members may invest in the Dana Makmur Pheim, Pheim Income Fund and Pheim Asia Ex-Japan Islamic Fund EPF-approved Funds.

The maximum Sales Charge applicable for investment under EPF-MIS (via any distribution channel) is 3% \* of the NAV per Unit. There will be no repurchase charge imposed for the repurchase of Units of the EPF-approved Fund.

The above is only applicable to investors who purchase Units via EPF Members' Investment Scheme and is subject to changes by EPF from time to time.

*\*The rate and amount disclosed is exclusive of any GST.*

#### **Other charges**

There are no other charges (except charges levied by banks on remittance of money) payable directly by Unit Holders when purchasing or redeeming Units.

#### **Switching Fee**

You can switch all or parts of your Units of the Funds to the Units of another fund managed by us. Switching of Units from one fund to another is considered as a withdrawal of investment from one fund and an investment into another fund.

## **5.1 Charges and Fees Directly Incurred when Purchasing or Redeeming Units of the Funds (continued)**

There is no limit as to the frequency of switches. You will be given one (1) free switch per account per calendar year.

For any subsequent switching request during the year, you will be charged 1%\* of the amount switched subject to a maximum of RM100\*, whichever is lower, which will be deducted from the repurchase proceeds. The minimum unit for switching is 500 Units or such other limit at our discretion.

Switching from a Shariah-compliant fund to a conventional fund is discouraged especially for Muslim Unit Holders.

*\* The rate and amount disclosed is exclusive of any GST.*

### **Transfer Fee**

A transfer fee of RM50\* may be imposed for each transfer. However, the Manager has the right to accept or refuse to register a transfer. You can transfer all or some of your Units to another person within the same fund. The minimum unit for each transfer is 500 Units or such other limit at our discretion.

*\* The rate and amount disclosed is exclusive of any GST.*

## **5.2 Fees and Expenses Indirectly Incurred When Investing in the Funds**

### **Annual Management Fee**

The Manager is entitled to an annual management fee to cover the investment management and ongoing fund administration expenses. The annual management fee charged to the respective Funds are as follows:

<b>Fund</b>	<b>Annual Management Fee</b>
PECBF, DMP, PAXJ & PAXJI	<ul style="list-style-type: none"> <li>1.5%* p.a. of the Fund's NAV.</li> </ul> <p>The fee is calculated daily and paid to the Manager on a monthly basis.</p>
PIF	<ul style="list-style-type: none"> <li>1.0%* p.a. of the Fund's NAV.</li> </ul> <p>The fee is calculated daily and paid to the Manager on a monthly basis.</p>

*\* The rate and amount disclosed is exclusive of any GST.*

The management fee is calculated based on the following formula:

$$\text{Management fee} = \frac{\text{NAV} \times \text{management fee rate (\%)}}{365 \text{ day}}$$

## 5.2 Fees and Expenses Indirectly Incurred When Investing in the Funds (continued)

Illustration on how the management fee is calculated	
NAV (on a particular day)	= RM45,914,345
Management fee charged	= 1.5%* per annum
Management fee for the day	= $\frac{\text{RM45,914,345} \times 1.50\%}{365}$
	= RM1,886.89
GST at 6% of the management fee	= RM113.21
Total management fee + GST	= <b>RM2,000.10</b>

\* The rate and amount disclosed is exclusive of any GST.

### Annual Trustee Fee

The Trustee is entitled to an annual trustee fee for acting as custodian of the Funds' assets. The annual trustee fee charged to the respective Funds are as follows:

Fund	Annual Trustee Fee
PECBF, DMP, PIF, PAXI & PAXII	<ul style="list-style-type: none"> <li>0.07%* p.a. of the Fund's NAV subject to a minimum fee of RM18,000 (excluding foreign sub-custodian fee).</li> </ul> <p>The fee is calculated daily and paid to the Trustee on a monthly basis.</p>

\* The rate and amount disclosed is exclusive of any GST.

The trustee fee is calculated based on the following formula:

$$\text{Trustee fee} = \frac{\text{NAV} \times \text{trustee fee rate (\%)}}{365 \text{ day}}$$

Illustration on how the trustee fee is calculated	
NAV (on a particular day)	= RM45,914,345
Trustee fee charged	= 0.07%* per annum
Trustee fee for the day	= $\frac{\text{RM45,914,345} \times 0.07\%}{365}$
	= RM88.05
GST at 6% of the trustee fee	= RM5.28
Total trustee fee + GST	= <b>RM93.33</b>

\* The rate and amount disclosed is exclusive of any GST.

### **Funds' Other Expenses**

The Manager and the Trustee may be reimbursed out of each Fund for any cost reasonably incurred that are directly related and necessary in the administration of the respective Funds. These include, but are not limited, to the following:

- auditor and other professional fees;
- tax and duties imposed by the authorities;
- Shariah Adviser's fee – applicable to DMP & PAXJI only;
- investment committee members' fee;
- cost of convening meetings of Unit Holders other than those incurred by or for the benefit of the Manager or Trustee;
- cost for modification of Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- cost of production and distribution of reports of the Fund, tax vouchers, dividend warrants and notices to Unit Holders; and
- other fees/expenses permitted in the Deed.

### **5.3 Policy on Rebates and Soft Commissions**

PUTB and its officers, the Trustee and PAMSB, will not retain any rebate from, or otherwise share in any commission with any broker in consideration for directing dealings in the investments of the Funds. All dealings with brokers are executed on best available terms. Accordingly, the Manager will credit any commission and discount received in respect of investments, if any, to the Funds.

The Guidelines allow the Manager to receive soft commission from brokers, which are of demonstrable benefit to the Unit Holders. This relates to the provision of, but not limited to, data and quotation services, worldwide financial markets and news services which are incidental to the investment management of the Funds.

For the year 2016, the Manager did not receive any soft commissions.

### **5.4 Goods and Services Tax**

The Manager, the Trustee and other service providers may impose such GST in addition to any fees and/or charges in respect of any Units, and the Unit Holder and/or the Fund (as the case may be) shall pay all such GST as may be applicable.

**THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO  
CONSIDER THE FEES AND CHARGES BEFORE INVESTING IN THE FUNDS.**

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## 6 TRANSACTION INFORMATION

### 6.1 Valuation Point for the Funds

At the end of each Business Day, the Manager will value the Funds' investments to reflect the Funds' current market price. Regular revaluation of the assets of the Funds preserves the equity between Unit Holders. This is particularly important when you redeem your Units or when you purchase Units of the Funds.

### 6.2 Calculation of NAV per Unit

The NAV per Unit of the respective Funds will be calculated on a forward pricing basis, which means that it is calculated at the end of the next valuation point, after the application for investment or repurchase of Units of the respective Funds is received by us.

The NAV per Unit of the respective Funds is calculated by dividing the total NAV of that Fund by the total number of Units in circulation of the same Fund at the end of each Business Day. Below is the illustration on how NAV per Unit is calculated:

Illustration on how NAV per Unit is calculated (on a particular day)	
<b>Example</b>	
NAV	= RM42,270,811
Units in circulation	= 64,746,902
NAV / Units	= $\frac{\text{RM42,270,811}}{64,746,902}$
<b>NAV per Unit</b>	= <b>RM0.65286229</b>

Unit Holders will be able to obtain information pertaining to the Funds from our website at [www.pheimunitrusts.com](http://www.pheimunitrusts.com). A Fund's daily NAV per Unit will be published in our website to enable Unit Holders to monitor their investments. You may contact our customer service at 03-2142 8888 to obtain and further confirm the Unit prices.

**Note :** The NAV per Unit published in our website will be rounded to 4 decimal places. However, the NAV per Unit use for calculating the number of Units to be issued to you and Sales Charge (for making an investment) and the amount to be paid to you (for redeeming an investment) will be the NAV per Unit without rounding adjustment.



### 6.3 Single Pricing

The Manager adopts the single pricing policy in relation to the sale or repurchase of Units. This means that selling of Units by the Manager (i.e. when you purchase Units) and the purchase of Units by the Manager (i.e. when you redeem your Units) will be carried out at NAV per Unit. The Sales Charge or repurchase charge (if any) would be computed separately based on your net investment or repurchase amount.

#### 6.3.1 Sale of Units

Under the single pricing regime, the Selling Price for Units of a Fund is the NAV per Unit of the Fund as at the next valuation point after the request for Units is received by us. However, you will be imposed a Sales Charge when the Manager sells Units (i.e. when you make an investment) of the Fund.

Illustration showing the effect of charges payable by you when making an investment:

Assuming:

- (i) Amount you wish to invest: RM10,000.00
- (ii) Sales Charge: 5%\* of the NAV of the Fund
- (iii) NAV per Unit: RM0.50

Units issued to you	= $RM10,000 \div RM0.50$ = 20,000.00 (rounded to 2 decimal places)
Sales Charge	= $RM10,000 \times 5\%$ = RM500.00
GST on Sales Charge	= $6\% \times RM500.00$ (Sales Charge) = RM30.00
Total amount payable by you	= Amount you wish to invest + Sales Charge + GST on Sales Charge = $RM10,000 + RM500 + RM30$ = RM10,530

*\* The rate and amount disclosed is exclusive of any GST.*

#### 6.3.2 Repurchase of Units

The Repurchase Price for Units of a Fund is the NAV per Unit of the Fund as at the next valuation point after the request for repurchase is received by us. However, you will not be imposed a repurchase charge when the Manager repurchase Units (i.e. when you redeem an investment) of the Fund.

### 6.3 Single Pricing (continued)

#### 6.3.2 Repurchase of Units (continued)

Illustrations showing the effect of charges payable by you on redeeming an investment:

Illustration 1 – Assuming:

- (i) Amount you wish to redeem: RM10,000.00
- (ii) Repurchase charge: Nil
- (iii) NAV per Unit: RM0.50

No. of Units to be redeemed	= $\text{RM10,000.00} \div \text{RM0.50}$ = 20,000.00
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Repurchase charge	= Nil
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Total amount payable to you	= No. of Units redeemed $\times$ NAV per Unit = $20,000.00 \times \text{RM0.50}$ = RM10,000.00 (rounded to 2 decimal places)
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Illustration 2 – Assuming:

- (i) Number of Units you wish to redeem: 10,000.00 Units
- (ii) Repurchase charge: Nil
- (iii) NAV per Unit: RM0.50

No. of Units redeemed	= 10,000.00 Units
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Repurchase charge	= Nil
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Total amount payable to you	= No. of Units redeemed $\times$ NAV per Unit = $10,000 \times \text{RM0.50}$ = RM5,000.00 (rounded to 2 decimal places)
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#### 6.3.3 Incorrect Pricing

Subject to any relevant law, if there is an error in the pricing of the NAV per Unit of the Fund; the Manager will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.5% of the NAV per Unit:

- (a) if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;
- (b) if there is an over valuation and/or pricing in relation to the repurchase of Units, the Manager shall reimburse the Fund;

### 6.3 Single Pricing (continued)

#### 6.3.3 Incorrect Pricing (continued)

- (c) if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- (d) if there is an under valuation and/or pricing in relation to the repurchase of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

Unless the Trustee otherwise directs, there will be no reimbursement if the error is below 0.5% of the NAV per Unit and where the total impact on an individual account is less than RM10.00 in absolute amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

### 6.4 Basis of Valuation

The Funds' investments are generally valued in accordance with their respective asset classes. PUTB will ensure that the Funds are valued in accordance with the SC's guidelines at all time.

Investments of the Funds in **listed domestic equity securities**, which are quoted on a stock exchange, will be valued based on the last done market price of the securities, which is the closing price at the end of a particular Business Day. However, if a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions, then the securities will be valued at fair value, as determined in good faith by the Manager based on methods or bases approved by the Trustee after appropriate technical consultation.

Investments of the Funds in **unquoted equity securities** will be valued at fair value - as determined and reviewed once a month - in good faith by the Manager, verified by the auditor of the Funds and approved by the Trustee.

Investments in **fixed income securities/sukuk** will be valued according to whether the securities are listed or unlisted. For fixed income securities/sukuk which are listed in an eligible exchange, the investments will be valued based on the last done market price of the securities of a particular Business Day. If the securities are not listed, the investments will be valued on a daily basis using fair value prices quoted by a bond pricing agency (BPA) registered with the SC. Where the Manager is of the view that the price quoted by BPA for a specific securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains the necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.

Investments such as **bank bills and deposits** placed with banks or other financial institutions are valued each day by reference to the principal value of such investments and income accrued thereon for the relevant period.

Investments of the Funds in **listed foreign securities**, which are quoted on foreign stock exchanges, will be valued based on the market price of the securities at the close of the trading day of the foreign

stock exchanges (some Asia Pacific markets close later than Bursa Malaysia). Accordingly, the valuation point of the Funds will be at the closed of Bursa Malaysia or the last market in the Asia Pacific markets in which the Funds are invested, whichever is later. As a result of having a valuation point later than 5.00pm, the daily prices of the Funds will not be published on the next Business Day but instead after two (2) Business Days. The securities prices would be obtained from financial information service providers such as BLOOMBERG and/or REUTERS.

For **suspended listed securities**, they will be valued at their last done price on the suspended date. In the event of a suspension in the quotation of listed securities for a period exceeding 14 days and if there is conclusive evidence to conclude the value of such securities may fall below the last done price after the suspension date, the securities shall be valued at a fair value, as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Investment of the Funds in futures contracts which are quoted on a derivative exchange will be market-to-market at the end of each trading day. Any realised or unrealised gains or losses are immediately recognised. It should be valued at fair value, as determined in good faith by the Manager, based on the method or bases which have been verified by the auditor of the Funds and approved by the Trustee.

For DMP & PAXJI, the valuation will be based on Shariah requirements.

## **6.5 Additional Information in Relation to Dana Makmur Pheim**

### **6.5.1 Shariah Investment Guidelines (IBFIM)**

The following matters are adopted by IBFIM in determining the Shariah status of investments of the Fund.

#### **INVESTMENT IN MALAYSIA**

##### **Equity:**

Reference for investment in local securities is based on the list of Shariah-compliant securities issued by the SACSC twice yearly on the last Friday of May and November which is readily available at the SC's website.

However, for Initial Public Offering ("IPO") companies that have yet to be determined the Shariah status by the SACSC, IBFIM adopts the following analysis as a temporary measure in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.

- **Core Business Activities Analysis**

Companies whose activities are not contrary to Shariah will be classified as Shariah-compliant securities. On the other hand, companies will be classified as Shariah non-compliant if they are involved in the following core business activities:

- a) Conventional financial services;
- b) Gambling and gaming;
- c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
- d) Manufacture or sale of tobacco-based products or related products;
- e) Pornography;
- f) Weaponry;
- g) Entertainment activities that are not permitted by the Shariah; and
- h) Other activities considered non-permissible according to the Shariah.

• **Mixed Business Activities Analysis**

For companies with activities comprising both permissible and non-permissible elements, IBFIM applies two analyses before they can be classified as Shariah-compliant. The analyses are as follows:

**i) Qualitative Analysis**

In this analysis, IBFIM will look into aspects of general public perception of the companies' images, its core businesses which are considered important and maslahah (beneficial) to the Muslim ummah and the country, non-permissible elements are very small and involve matters like umum balwa (common plight and difficult to avoid), 'uruf (custom) and rights of the non-Muslim community which are accepted by the Shariah.

**ii) Quantitative Analysis**

Companies which passed the above qualitative analysis will be further subjected to quantitative analysis. IBFIM deduces the following to ensure that they are lower than the Shariah tolerable benchmarks:

a) Business Activity Benchmarks

The 5% benchmark would be applicable to the following business activities:

- Conventional banking;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;
- Shariah non-compliant entertainment;
- Interest income<sup>1</sup> from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- Dividends<sup>2</sup> from Shariah non-compliant investments;
- Tobacco and tobacco-related activities; and

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<sup>1</sup> Interest income will be compared against the companies' overall revenue/sales/turnover/income.

<sup>2</sup> Dividends will be compared against the companies' profit before taxation.

- Other activities considered non-compliant according to Shariah.

The 20% benchmark would be applicable to the following activities:

- Hotel and resort operations;
- Share trading;
- Stockbroking business;
- Rental received from Shariah non-compliant activities; and
- Other activities considered non-compliant according to Shariah.

The contribution of Shariah non-compliant activities to the overall revenue/sales/turnover/income and profit before tax of the companies will be calculated and compared against the relevant business activity benchmarks.

b) Financial Ratio Benchmarks

The financial ratios applied are as follow:

- Cash over Total Assets

Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.

- Debt over Total Assets

Debt will only include interest-bearing debt whereas Islamic debt/financing or sukuk will be excluded from the calculation.

Both ratios, which are intended to measure riba and riba-based elements within a companies' balance sheet, must be lower than 33%.

Should any of the above deductions fail to meet the benchmarks, IBFIM will not accord Shariah-compliant status for the companies.

**Sukuk and Islamic Money Market Instruments:**

IBFIM will verify any sukuk and/or Islamic money market instruments based on the data available at Bond Info Hub ([www.bondinfo.bnm.gov.my](http://www.bondinfo.bnm.gov.my)) and Fully Automated System For Issuing/Tendering (<https://fast.bnm.com.my>)

## **INVESTMENT IN FOREIGN MARKET**

### **Equity:**

- **Core Business Activities Analysis**

Companies whose activities are not contrary to Shariah will be classified as Shariah- compliant securities. On the other hand, companies will be classified as Shariah non-compliant if they are involved in the following core business activities:

- a) Conventional financial services;
- b) Gambling and gaming;
- c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
- d) Manufacture or sale of tobacco-based products or related products;
- e) Pornography;
- f) Weaponry;
- g) Entertainment activities that are not permitted by the Shariah; and
- h) Other activities considered non-permissible according to the Shariah.

- **Mixed Business Activities Analysis**

For companies with activities comprising both permissible and non-permissible elements, IBFIM applies two analyses before they can be classified as Shariah-compliant. The analyses are as follows:

- i) **Qualitative Analysis**

For this analysis, IBFIM will look into aspects of general public perception of the companies' images, its core businesses which are considered important and *maslahah* (beneficial) to the Muslim ummah and the country, the non-permissible elements are very small and involve matters like *umum balwa* (common plight and difficult to avoid), '*uruf*' (custom) and rights of the non-Muslim community which are accepted by the Shariah.

- ii) **Qualitative Analysis**

Companies which passed the above qualitative analysis will be further subjected to quantitative analysis. IBFIM deduces the following to ensure that they are lower than the Shariah tolerable benchmarks:

- Contribution of interest income to the total income is lower than 5% of the total income;
- Total debt of the companies (including all interest-bearing loans/debentures and their respective payable such as short-term/long-term debts, short-term/long-term debentures and all debentures payables) is lower than 30% of the total assets of the companies;
- Total sum of companies' cash and receivables is lower than 70% of its total assets; and
- Income generated from other prohibited components from Shariah perspective is lower than 5% of the companies' total income.

Should any of the above deductions fail to meet the benchmarks, IBFIM will not accord Shariah-compliant status for the companies.

**Foreign sukuk:**

IBFIM will review the information memoranda or prospectuses of the sukuk, its structures, utilisation of proceeds, Shariah contracts, Shariah pronouncements, etc.

**6.5.2 Cleansing Process for the Fund**

- **Wrong Investment**

This refers to Shariah non-compliant investment made by the fund manager. The said investment will be disposed of/withdrawn with immediate effect. In the event that the investment resulted in gains (through capital gain and/or dividend/profit), the gain is to be channelled to *baitulmal* or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the fund manager.

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

Reclassification of Shariah status refers to security which is reclassified as Shariah non-compliant by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. The said security will be disposed soonest practical, once the total amount of dividends received and the market value of the Shariah non-compliant security held equal the original investment cost.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channelled to *baitulmal* or any charitable bodies as advised by the Shariah Adviser.

**6.5.3 Zakat (tithe) for the Fund**

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

**THE SHARIAH ADVISER CONFIRMS THAT THE INVESTMENT PORTFOLIO OF THE FUNDS WILL COMPRISE INSTRUMENTS THAT HAVE BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SHARIAH ADVISORY COUNCIL ("SAC") OF THE SC OR THE SAC OF BANK NEGARA MALAYSIA ("BNM"). FOR INSTRUMENTS THAT ARE NOT CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC OR THE SAC OF BNM, THEY WILL REVIEW AND DETERMINE THE SHARIAH STATUS OF THE SAID INSTRUMENTS IN ACCORDANCE WITH THE RULING ISSUED BY THE SHARIAH ADVISER.**



## **6.6 Shariah Investment Guidelines for PAXJI**

The following processes are adopted by AA in determining the Shariah status of equity investment of the Fund.

### **Local Securities:**

#### Quantitative Analysis

- 1) Based on the opinions of the SC and most International Shariah Advisory Boards, the Shariah Adviser excludes companies which main business activities involve the following:
  - a) Conventional financial services;
  - b) Gambling and gaming;
  - c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
  - d) Manufacture or sale of tobacco-based products or related products;
  - e) Pornography;
  - f) Weaponry;
  - g) Entertainment activities that are not permitted under Shariah.
- 2) AA deduces the following and ensures that the companies do not exceed the Shariah tolerable thresholds:
  - a) Interest income over total income profit before tax not exceeding 5%;
  - b) Income contribution from mixed activity which involve Shariah-prohibited elements such as interest-based businesses, conventional banks, insurance, gambling, liquor and pork over total income not exceeding 5%;
  - c) Income contribution from mixed activities which involve tobacco and tobacco-related businesses over total income and profit before tax not exceeding 10%;
  - d) Mixed rental income contribution from Shariah non-compliant activities over total income and profit before tax not exceeding 20%; and
  - e) Income contribution from mixed activities which involve businesses such as hotel and resorts, share trading and stock broking over total income and profit before tax not exceeding 25%.

Should any of the above deductions fail to satisfy the thresholds, the AA will not accord a Shariah-compliant status for the company.

### **Foreign Securities:**

#### Quantitative Analysis

- 1) Similar to the opinions of most Shariah Advisory Boards, AA excludes companies with the following business activities:

- a) Conventional financial services;
- b) Gambling and gaming;
- c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
- d) Manufacture or sale of tobacco-based products or related products;
- e) Pornography;
- f) Weaponry; and
- g) Entertainment activities that are not permitted by Shariah.

#### Quantitative Analysis

- 2) AA deduces financial ratios of the following and ensures that companies do not exceed these benchmarks\*:

After removing companies with unacceptable primary business activities, the remaining stocks are evaluated according to several financial ratio filters. These filters are based on the criteria set by the Shariah adviser to remove companies with unacceptable levels of debts or impure interest income.

#### **All of the following must be less than 30%:**

- Total debt divided by trailing 12-month average market capitalization
- The sum of a company's cash and interest-bearing securities divided by trailing 12-month average market capitalization

#### **The following must be less than 45%:**

- Accounts receivables divided by trailing 12-month average market capitalization

#### **The following must be less than 5%:**

- Total interest income divided by total revenue

**All stocks shall be subjected to a 5% non Shariah-compliant income limit which will be cleansed out of the dividend income received by the Fund.**

\* These benchmarks are set in accordance with the opinions of the majority Shariah scholars and may vary in accordance with the development of Islamic finance. Should any of the calculations fail to satisfy these benchmarks, AA would not accord a Shariah-compliant status to the company.

#### **The process adopted by Amanie in determining the Shariah status of foreign sukuk.**

Below are the process and scrutiny at Amanie:

1) Shariah adviser will confirm the sukuk to be subscribed by the fund is complying with Shariah standards as well as in line with the fund's specific Shariah investment guideline. (There are cases where a sukuk was endorsed by its Shariah board but not in line with the fund's Shariah investment guideline due to unacceptable Shariah underlying contract).

2) In addition to the above, for non-Malaysia (foreign) sukuk, Shariah adviser has obligation to ensure the sukuk is endorsed by reputable Shariah scholars at the first layer before reviewing the info memo

of the sukuk to understand the key particulars of the sukuk. More detail review is to be performed by Shariah adviser when it noticed that the Shariah board/scholar to the sukuk is unknown within Shariah fraternity in the market. (That is why most (if not all) info memo of sukuk will have a disclaimer saying/advising that even the sukuk has been endorsed by its Shariah board/scholar but the potential investors need to get advice from the investors' Shariah adviser).

3) Sukuk may be exposed to Shariah non-compliance risk in term of contract execution as well as proceed utilization. Upon noticing such event, Shariah adviser is to advise the fund manager necessary actions according to Shariah parameters.

4) As for the monthly review, should the Shariah adviser notices any arising information on Shariah status (though never happen before), the fund manager will be advised accordingly. Such information is obtained either from fund manager or from market.

The Shariah investment guidelines for the investment in Sukuk as per below:

Sukuk means a document or certificate, documenting undivided pro-rated ownership or investment in assets in accordance with Shariah principles and concepts.

The types of sukuk that are permissible for PAXJI to invest in would include but not limited to:

1. Sukuk Ijarah
2. Sukuk Musyarakah
3. Sukuk Mudarabah
4. Sukuk Istithmaar
5. Sukuk Wakalah

All these sukuk must represent an undivided beneficial ownership of the investors in the underlying income producing assets. The profits payable to investors is to be generated from these assets.

The above list is not meant to be exhaustive. As the sukuk market is always evolving, the fund manager would be allowed to invest in newly introduced sukuk structures if they are deemed as Sharia-compliant by the Shariah adviser.

**THE SHARIAH ADVISER CONFIRMS THAT THE INVESTMENT PORTFOLIO OF THE FUNDS WILL COMPRISE INSTRUMENTS THAT HAVE BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SHARIAH ADVISORY COUNCIL (“SAC”) OF THE SC OR THE SAC OF BANK NEGARA MALAYSIA (“BNM”). FOR INSTRUMENTS THAT ARE NOT CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC OR THE SAC OF BNM, THEY WILL REVIEW AND DETERMINE THE SHARIAH STATUS OF THE SAID INSTRUMENTS IN ACCORDANCE WITH THE RULING ISSUED BY THE SHARIAH ADVISER.**

## 6.7 Transaction Details

### 6.7.1 Making an Initial Investment

#### a) For Individual Applicant

<p><b><i>Step 1 : Eligibility</i></b></p> <p><b>For single applicant</b> The applicant must be at least 18 years of age.</p> <p><b>For joint applicants</b> The first applicant must be at least 18 years of age.</p>
<p><b><i>Step 2 : Minimum investment</i></b></p> <p>Must be at least RM1,000 or such other limit at our discretion.</p>
<p><b><i>Step 3 : Complete fund application forms</i></b></p> <ul style="list-style-type: none"> <li>• Master Trust Application Form.</li> <li>• Investment Transaction Form.</li> </ul>
<p><b><i>Step 4 : Attach the required documents</i></b></p> <p><b>For single applicant</b></p> <ul style="list-style-type: none"> <li>• Photocopy of National Registration Identification Card (NRIC), front and back or passport (for non-Malaysian).</li> </ul> <p><b>For joint applicants</b></p> <ul style="list-style-type: none"> <li>• Photocopy of NRIC, front and back or passport (for non-Malaysian).</li> <li>• Photocopy of birth certificate for joint applicant who is a minor.</li> </ul>
<p><b><i>Step 5 : Payment</i></b></p> <ol style="list-style-type: none"> <li>1) Payments can be made using cheque, draft or money order made payable to “<b>Pheim Unit Trusts Berhad</b>”. Please ensure that your name and your NRIC number are written at the back of the cheque; or</li> <li>2) Pay directly into our account with Maybank at any Maybank branch nationwide (<i>bank account details are printed on the transaction form</i>).</li> </ol>
<p><b><i>Step 6 : Submission</i></b></p> <ol style="list-style-type: none"> <li>1) Forward the payment or copy of bank-in slip, the application forms and the relevant documents to our head office. <b>Please do not post cash</b>; or</li> <li>2) Hand the aforesaid documents to one of our agents for delivery to us; or</li> <li>3) For immediate processing, fax the application forms, relevant documents and bank-in slip to us at fax no.: 03-2141 9199, followed by the submission of the original of the same by hand, post or courier.</li> </ol>

**b) For Non-Individual Applicant**

<b>Step 1 : Eligibility</b>
Must be companies, co-operatives, societies, sole proprietors, institutions, partnerships, etc.
<b>Step 2 : Minimum investment</b>
Must be at least RM1,000 or such other limit at our discretion.
<b>Step 3 : Complete fund application forms</b>
<ul style="list-style-type: none"> <li>• Master Trust Application Form (<i>to affix company's rubber stamp</i>).</li> <li>• Investment Transaction Form.</li> </ul>
<b>Step 4 : Attach the required documents</b>
<ul style="list-style-type: none"> <li>• A certified true copy of the Memorandum and Articles of Association or its equivalent;</li> <li>• A certified true copy of Certificate of Incorporation or Business Registration/Licence (Form 8 or 9);</li> <li>• A certified true copy of Form 24 (Return of Allotment of Shares or its equivalent);</li> <li>• A certified true copy of Form 49 (Return Giving Particulars in Register of Directors/Managers/ Secretary &amp; Change of Particulars or its equivalent);</li> <li>• An original copy of a board resolution approving investments in the Fund(s) and a list of the authorised persons with their specimen signature to effect any instructions pertaining to the Fund(s); and</li> <li>• Any other approvals required from the relevant authorities.</li> </ul>
<b>Step 5 : Payment</b>
<ol style="list-style-type: none"> <li>1) Payments can be made using cheque, draft or money order made payable to <b>“Pheim Unit Trusts Berhad”</b>; or</li> <li>2) Pay directly into our account with Maybank at any Maybank branch nationwide (<i>bank account details are printed on the transaction form</i>).</li> </ol>
<b>Step 6 : Submission</b>
<ol style="list-style-type: none"> <li>1) Forward the payment or copy of bank-in slip, the application forms and the relevant documents to us. <b>Please do not post cash</b>; or</li> <li>2) Hand the aforesaid documents to one of our agents or consultants for delivery to us; or</li> <li>3) For immediate processing, fax the application forms, relevant documents and bank-in slip to us at fax no.: 03-2141 9199 followed by submission of the original of the same by hand, post or courier.</li> </ol>

### **6.7.2 Making an Additional Investment**

For individual and non-individual Unit Holders.

<b><i>Step 1 : Minimum additional investment</i></b>
RM100 or such other limit at our discretion.
<b><i>Step 2: Manner additional investments are made</i></b>
To complete the Transaction Form and proceed to step 3.
<b><i>Step 3: Payment and submission</i></b>
<p><b>Payment</b> - Payments can be made using cheque, bank draft, or money order made payable to “<b>Pheim Unit Trusts Berhad</b>”. Please ensure that your name and your NRIC number or the company’s name and the company registration number are written at the back of the cheque, or</p> <p>Pay directly into our account with Maybank at any Maybank branch nationwide (<i>bank account details are printed on the transaction form</i>).</p> <p><b>Submit</b> – Mail or deliver the payment, the transaction form and other relevant documentation to our head office, or hand them to one of our agents. <b>Please do not post cash.</b></p>

**INVESTORS ARE ADVISED NOT TO MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF A FUND**

### **6.7.3 Processing of Application**

A complete application for initial or additional investment received before the cut-off time on any Business Day will be processed upon clearance of payment using the price set at the close of the Business Day (forward pricing). If the said application is received after the cut-off time or on a non-Business Day, the application will be processed on the next Business Day.

Below are the details of the Business Days, operating hours and cut off time for submitting transactions:

<b>Operating Day and Hours</b>	Monday to Friday - 9.00a.m. to 5.00p.m. Saturday - 9.00a.m. to 1.00p.m.
<b>Cut off time for transactions</b>	4.00 p.m. on any Business Day

You are advised that the Bursa Malaysia is open for trading on Mondays to Fridays, except for public holiday(s). In the event the purchase and repurchase requests are received by us on days which are non-Bursa Malaysia trading days, then such requests will automatically be carried forward to the next trading day or Business Day. This elaboration holds particular significance

### 6.7.3 Processing of Application (continued)

on the issue of entitlement to income distribution by a fund at the close of its financial year.

### 6.7.4 Regular Investment Plan

Regular investment plan is a plan that allows you to invest into the Funds at a regular fixed interval with a fixed amount. As the NAV per Unit of the Funds may go down as well as up, by investing regularly, you will benefit in the long run as you are able to average the cost of your holdings in the Funds (Ringgit cost averaging).

By opting for the regular investment plan, you will have to make consistent investment (minimum RM100) at a fixed date of any of the following intervals (monthly, quarterly, half-yearly or yearly).

To sign up for this plan, you need to complete the Regular Investment Plan Form available at our head office and you may choose any payment mode listed below:

1.	<b>By giving post-dated cheques</b> - For example: If you wish to invest at a monthly interval, you may give us, in advance, cheques with a fixed amount and the date for each month (for at least 6 months).
2.	<b>By giving standing instructions to your banker</b> - For example: If you wish to invest at a monthly interval, you may give standing instructions to your banker to pay a fixed amount on a fixed date for each month, to our account with <b>Maybank*</b>
3.	<b>By direct payment</b> - For example: If you wish to invest at a monthly interval, you may bank-in cheque or cash on a fixed date of the month directly into our account with <b>Maybank*</b> at any Maybank branch and fax the bank-in slip to us at 03-2141 9199.

*\*(bank account details are printed on the Transaction Form).*

Upon receiving and identifying the payment for the regular investment and subject to clearance of the payment, we will process the regular investment using the Selling Price as at the close of Business Day when the payment is received (forward pricing). For more information about this regular investment plan, please contact our **customer service at 03-2142 8888**.

### 6.7.5 Confirmation of Investment

After receipt of your payment, application form and the relevant document(s), we will issue a temporary receipt. We will process the application upon clearance of payment and issue an **Acknowledgement of Investment** within two weeks from the date of processing. No certificates are issued. Instead, details of your investments will be entered into the register of Unit Holders, which is kept at our head office and can be inspected during our business hours.

#### **6.7.6 Repurchase of Units**

You may repurchase all or part of your Units on any Business Day subject to a minimum repurchase amount of at least 500 Units or such other limit at our discretion (unless it is a full repurchase). There is no limit to the frequency of repurchase transactions. However, if the request for repurchase leaves a Unit Holder with less than 1,000 Units (minimum holdings) or such other limit at the Manager's discretion, the Unit Holder may be required to make an application to the Manager to repurchase all of the Unit Holder's holdings in the respective Funds.

You can make a repurchase by completing the transaction form and submitting it through our agents or direct to our head office. Please ensure that the transaction form is signed in accordance with the signing instructions given to us to avoid delays in processing repurchase.

A valid repurchase request received before the cut-off time on any Business Day will be processed on the same day using the Unit price set at the close of the Business Day (forward pricing). If the said repurchase request is received after the cut-off time, the repurchase request will be processed on the next Business Day using the Unit price set at the close of that Business Day. If the application is received on a non-Business Day, the repurchase will be processed on the next Business Day using the Unit price set at the close of that Business Day.

You will be paid within 10 days from the date we receive a complete repurchase request transaction form.

#### **6.7.7 Cooling-off Rights**

A cooling-off right refers to the right of an investor to obtain a refund of his/her investment in the Fund if the Unit Holder so requests within the cooling-off period. The cooling-off period of any Fund is 6 Business Days commencing from the date of receipt of the complete application form by us. Only applicable for initial investment by investors in any funds managed by us for the first time only. The cooling-off right is not applicable to our staff and persons registered with a body approved by the SC to deal in unit trusts.

The refund for every Unit held by you pursuant to the exercise of the cooling-off right shall be the sum of:

- a) the NAV per Unit on the day the Units were first purchased; and
- b) the Sales Charge per Unit originally imposed on the day the Units were purchased.

When a cooling-off right is exercised, the money will be refunded to the applicant within 10 days of receipt of the notice of cooling-off by the Manager. The withdrawal proceeds will only be paid to the Unit Holder once the Manager has received the cleared payments for the original investment. In the case of an investment via EPF-MIS, the cooling off period is subject to terms and conditions imposed by the EPF updated from time to time.



#### **6.7.8 Where Units Can Be Purchased and Redeemed**

Units may be bought or redeemed daily on any Business Day, which is a day on which the Bursa Malaysia is open for trading. Units may be bought from us or any of our Institutional Unit Trust Advisers (IUTA), Corporate Unit Trust Advisers (CUTA) and individual agents. For the list of our IUTA and CUTA distributing our Funds, please refer to section 12.5.

You may obtain the trust account application forms and this Master Prospectus from us or from any of our IUTAs, CUTAs and individual agents.

You may contact our customer service unit for general inquiries or specific information relating to your investments in the Funds or on your account details. Our customer service unit can be contacted at the following address:

**Pheim Unit Trusts Berhad** (545919-A)  
7<sup>th</sup> Floor, Menara Hap Seng  
Letter Box 12, No. 1& 3  
Jalan P. Ramlee, 50250 Kuala Lumpur  
Tel: (603) 2142 8888  
Fax: (603) 2141 9199  
Website: [www.pheimunittrusts.com](http://www.pheimunittrusts.com)  
E-mail: [support@pheimunittrusts.com](mailto:support@pheimunittrusts.com)

#### **6.7.9 Switching Between Funds**

This facility enables you to switch Units of the respective Funds to Units of another funds managed by us. Switching of Units from one fund to another is considered as a withdrawal of investment from one fund and an investment into another fund.

There is no limit as to the frequency of switches. Unit Holders are entitled to one (1) free switch per account per calendar year. For any subsequent switching request during the year, Unit Holders will be charged 1%\* of the amount switched as switching fee subject to a maximum of RM100 (whichever is lower), which will be deducted from the repurchase (switching out) proceeds. The minimum number of units for switching of Units of the Fund is 500 Units or such other limit at our discretion.

*\* The rate and amount disclosed is exclusive of any GST.*

Switching from Shariah-compliant fund to a conventional fund is discouraged especially for Muslim Unit Holders.

If switching is from PIF to PECBF or DMP, the Unit Holder will be required to pay a Sales Charge as prescribed in this Master Prospectus. The applicable Sales Charge payable would be deducted from the proceeds from the PIF exit.

We reserve the right to effect or reject the switching request if any of the following conditions are not fulfilled:

1. Complete transaction form.

### **6.7.9 Switching Between Funds (continued)**

2. The account must maintain a minimum balance of 1,000 Units of the Fund (*for partial switching*), following the switch.
3. The amount switched must meet the minimum investment amount of the new fund.

Illustration of the Repurchase Price and the acquired price for switching between funds:

*From equity fund to income fund and back to equity fund*

<b>No. of switch</b>	<b>Switch From</b>	<b>Units Redeem at</b>	<b>Switch To</b>	<b>Units Purchase at</b>
1 <sup>st</sup>	PECBF/ DMP/ PAXJ/PAXJI	NAV	PIF	NAV
2 <sup>nd</sup>	PIF	NAV	PECBF/ DMP/PAXJ/PAXJI	NAV
3 <sup>rd</sup>	DMP/ PECBF/ PAXJ/PAXJI	NAV	PECBF/DMP/ PIF/PAXJ/PAXJI	NAV

*From income fund to equity fund and back to income fund*

<b>No. of switch</b>	<b>Switch From</b>	<b>Units Redeem at</b>	<b>Switch To</b>	<b>Units Purchase at</b>
1 <sup>st</sup>	PIF	NAV	DMP/PECBF/ PAXJ/PAXJI	NAV with Sale Charge
2 <sup>nd</sup>	DMP/ PECBF/ PAXJ/PAXJI	NAV	PIF	NAV
3 <sup>rd</sup>	PIF	NAV	PECBF/DMP/ PAXJ/PAXJI	NAV

### **6.7.10 Transfer of Units**

You can transfer all or part of your Units to another person within the same Fund by completing a transfer form and signed by both parties (transferor & transferee). The minimum unit for the transfer of Units of the Funds is 500 Units or such other limit at our discretion and a fee of RM50\* will be charged for each transfer. We reserve the right to accept or refuse to register a transfer.

*\* The rate and amount disclosed is exclusive of any GST.*

### **6.7.11 Minimum Holdings**

You are advised to always maintain an account balance of 1,000 Units or such other limit at our discretion. We reserve the right to levy an account maintenance fee of RM10 in the event the Units of the Fund held are below the minimum holdings.

## **6.8 Distribution and Distribution Reinvestment Policy**

### PECBF, PIF and DMP

The Funds intend to distribute income, if any, on an annual basis. The income distribution may be declared at the end of each financial year or any specified period as may be approved by the Trustee.

### PAXJ and PAXJI

Incidental.

By selecting the proper option in the Master Trust application form, you may choose your income distribution to be:

1. Paid out in cash	Cheque will be sent to your latest mailing address.
2. Reinvested into additional Units of that Fund	<ul style="list-style-type: none"> <li>▪ All income reinvestments will be effected based on the NAV per Unit as at the end of the distribution date. The income distributed will be credited at the NAV per Unit. There will be no additional charges imposed for Unit reinvested.</li> <li>▪ All income reinvestments will not be subject to the minimum additional investment requirement.</li> </ul>

Income distribution amount of less than RM50 per account will be automatically reinvested into additional Units of that Fund.

If an investor do not select the mode of income distribution on the application form, the income distributed from the Fund will be automatically reinvested into additional Units of the Fund based on NAV per Unit on the next Business Day after the distribution date without any additional charges.

For DMP and PAXJI, Zakat on capital gain and income distributions will not be paid on behalf of the Muslim Unit Holders. Therefore, Muslim Unit Holders are required to pay Zakat on their own.

## **6.9 Policy on Unclaimed Moneys**

For distribution of income via cheques which are not encashed by Unit Holders, upon the expiry of the six (6) months' cheque validity period, we will deal with the moneys represented by the cheques in accordance with the relevant law.

**UNIT PRICES AND DISTRIBUTIONS PAYABLE, IF ANY, MAY GO DOWN AS WELL AS UP.**

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## **7 SALIENT TERMS OF THE DEED**

### **7.1 Recognition of a Unit Holder**

You shall be recognised as a Unit Holder when you are registered as the holder of Units of a Fund.

### **7.2 Rights of a Unit Holder**

Each Unit held in a Fund entitles the Unit Holder to an equal and proportionate beneficial interest in the Fund. However, the Unit Holder would not be entitled to request for transfer to him of any assets held by a Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on its behalf, of the rights of the Trustee as registered owner of such assets.

A Unit Holder has the right, among others, to the following:

- to receive income distribution (if any), participate in any increase in the value of the Units and to enjoy such other rights and privileges as are set out in the Fund's Deed;
- to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through Special Resolution;
- to exercise the cooling-off right;
- to receive annual and interim reports of the Fund;
- to have Units repurchased;
- to transfer Units;
- to receive a statement of investment for Units;
- to inspect a copy of the Master Prospectus, Deed and certain other documents at the head office of the Trustee and Manager, during normal business hours;

Some of these rights may only be exercised in certain circumstances, which are set out in the Deed.

### **7.3 Liabilities of a Unit Holder**

A Unit Holder shall not be liable for nor shall be required to pay any amount in excess of the NAV per Unit paid for the Units as set out in this Master Prospectus and the Deed. A Unit Holder shall not be under any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and/or the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the NAV of the Fund. Any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

### **7.4 Maximum Fees and Charges Permitted by the Deed**

<b>Fund</b>	<b>Annual Management Fee</b>	<b>Annual Trustee Fee</b>	<b>Sales Charge</b>	<b>Repurchase Charge</b>
PECBF	3% p.a of the NAV	0.2% p.a of NAV subject to a minimum of RM35,000 p.a	10% p.a of the NAV per Unit	Nil
DMP				
PIF	2% p.a of the NAV			

#### **7.4 Maximum Fees and Charges Permitted by the Deed (continued)**

<b>Fund</b>	<b>Annual Management Fee</b>	<b>Annual Trustee Fee</b>	<b>Sales Charge</b>	<b>Repurchase Charge</b>
PAXJ	2% of the NAV of the respective Funds before the deduction of the management fee and trustee fee for the relevant day.	0.2% of NAV of the respective Funds before the deduction of the management fee and trustee fee for the relevant day, subject to a minimum of RM18,000 p.a (excluding foreign sub-custodian fee)	10% of the NAV per Unit	5% of the NAV per Unit
PAXJI				

The above fees and charges are subject to GST at the prevailing standard-rate, where applicable.

#### **7.5 Increase in Fees and Charges From the Level Disclosed in this Master Prospectus**

##### **Management Fee**

The Manager may not charge an annual management fee at a rate higher than that disclosed in this Master Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate in accordance with Clause 13.1.3 of the Deed;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have lapsed since the notice is sent;
- (c) a supplemental prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental prospectus is issued.

##### **Trustee Fee**

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this Master Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have lapsed since the notice is sent;
- (c) a supplemental prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental prospectus is issued.

##### **Sales Charge**

A higher Sales Charge than that disclosed in this Master Prospectus may only be imposed if:

**7.5 Increase in Fees and Charges From the Level Disclosed in this Master Prospectus (continued)**

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- (b) a supplemental prospectus in respect of the Fund setting out the higher charge is issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus.

**Repurchase Charge**

A higher repurchase charge than that disclosed in this Master Prospectus may only be imposed if:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- (b) a supplemental prospectus in respect of the Fund setting out the higher charge is issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus.

**7.6 Procedures to Increase the Maximum Rate of Fees and Charges in the Deed**

The maximum management fee, trustee fee, Sales Charge or repurchase charge set out in the Deed can only be increased if a Unit Holders' meeting has been held in accordance with the Deed. Thereafter, a supplemental deed proposing a modification to the Deed to increase the aforesaid fees and charges is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders presents and voting at the Unit Holders' meeting sanctioning the proposed modification to the Deed.

**7.7 Permitted Expenses Payable By the Funds**

Only the expenses which are directly related and necessary to the business of the Funds may be charged to the Funds. These would include (but are not limited) to the following:

- (a) commission/ fees paid to brokers in effecting dealings in investments;
- (b) taxes and other duties charged on the Funds by the government and other authorities;
- (c) fees and other expenses properly incurred by the auditor appointed for the Funds;
- (d) fees for valuation of any investment of the Funds by independent valuers for the benefit of the Funds;
- (e) costs incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or Trustee;
- (f) costs incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Funds;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Funds;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Funds;

- (j) costs, fees and expenses incurred in the preparation and audit of the taxation returns and accounts of the Funds;
- (k) costs, fees and expenses incurred in the termination of the Funds or the removal of the Trustee or the Manager and the appointment of new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Funds, including proceedings against the Trustee or the Manager by the other for the benefit of the Funds (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Funds);
- (m) remuneration and out of pocket expenses or the independent members of the investment committee of the Funds, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with the change or the need to comply with any change or introduction of law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; and
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians; and
- (p) any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under subparagraphs (a) to (o) above.

### **7.8 Removal, Replacement and Retirement of the Manager**

Subject to the approval of the relevant authorities, the Manager shall have the power to retire in favour of some other corporation and as necessary under any written law upon giving to the Trustee three (3) months' notice in writing of his desire to do so, or such lesser time as the Manager and the Trustee may agree subject to fulfilment of the conditions as stated in the Deed.

The Manager shall be removed and replaced, if so required by the Trustee on the following grounds:

- i) if the Manager failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interest of Unit Holders for it to do so after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the SC and with the approval of the Unit Holders by way of a Special Resolution;
- ii) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws;
- iii) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business; or
- iv) the manager is under investigation for conduct that contravenes the Companies Act 1956 or any relevant law.

and the Manager shall not accept any extra payment or benefit in relation to such retirement.

### **7.9 Removal, Replacement and Retirement of the Trustee**

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may retire upon expiration of the three (3) months' (or such other period the Manager and the Trustee may agree upon) notice in writing to the Manager of its desire to do so.

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may be removed and such corporation may be appointed as trustee of the Fund by a Special Resolution of the Unit Holders at a duly convened meeting.

The Manager shall take all reasonable steps to replace a Trustee as soon as practicable after becoming aware that:

- 1) the Trustee has ceased to exist;
- 2) the Trustee has not been validly appointed;
- 3) the Trustee is not eligible to be appointed or to act as trustee under any relevant law;
- 4) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or the provisions of any relevant law;
- 5) a receiver is appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment;
- 6) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or
- 7) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

### **7.10 Termination of the Funds**

The Funds may be terminated under the following circumstances:

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and relevant authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provision of any relevant law; or

If any of the above events takes place, the Trustee shall summon a Unit Holders' meeting for the purpose of seeking the Unit Holders' direction. If at the Unit Holders' meeting a Special Resolution to terminate the trust in respect of the Fund and to wind-up the Fund is passed by the Unit Holders, the Trustee shall apply to the court for an order confirming the Special Resolution. The Trustee shall also arrange for a final review and audit of the final accounts of the Fund by the auditor of the Fund; in all other cases of termination of the trust and winding-up of the Fund, the final review and audit by the auditor of the Fund shall be arranged by the Manager.



### **7.11 Unit Holders' Meeting**

#### **Quorum**

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided always that the quorum for a meeting of the Unit Holders convened for the purpose of voting on a Special Resolution shall be five (5) Unit Holders, whether present in person or by proxy, who must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting, and provided further that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of removing the Manager and/or the Trustee, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.

#### **Unit Holders' Meetings Directed By Unit Holders**

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of Unit Holders at the registered office of the Manager, summon a meeting of the Unit Holders by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed;

provided always that the Manager shall not be obliged to summon such a meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders.

### **Unit Holders' Meetings Convened By the Trustee**

Unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee pursuant to the above shall be summoned by:

- (a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of Jointholders, to the Jointholder whose name stands first in the records of the Manager at the Jointholder's last known address; and
- (b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities;

where:

- (a) the Manager is in liquidation,
- (b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act.

Unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to Clause 6.10.1 of the Deed; and
- (e) deciding on the reasonableness of the annual management fee charged to the Fund.

shall be summoned by giving at least fourteen (14) days written notice of the meeting to Unit Holders and specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

### **Unit Holders' Meetings Convened By the Manager**

The Manager may summon a meeting of Unit Holders for any purpose whatsoever by giving at least fourteen (14) days written notice of the meeting to Unit Holders and specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

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## **8 THE MANAGEMENT COMPANY**

### **8.1 Corporate Information**

PUTB, the Manager, was incorporated under the Companies Act 1965 on 24 April 2001 and has 14 years of experience in dealing in unit trust funds.. The business of PUTB is the management of unit trust funds.

PUTB is a wholly-owned subsidiary of PAMSB, a fund management company licensed under the Act to provide portfolio management and advisory services to institutional and high net worth clients.

#### **Board of Directors**

##### **Dr. Tan Chong Koay - *Non-independent director***

Dr Tan was appointed as a director of PUTB on 24 April 2001.

He has been in the fund management industry for over 40 years. He is a Chartered Fellow of Chartered Management Institute (UK) and Fellow of the Institute of Financial Accountants (UK).

From 1976 to 1981, Dr. Tan was with South East Asia Development Corporation Berhad (SEACORP) (now known as Amanah Capital Partners Bhd), an investment holding company that owned the first unit trust company in Malaysia and Singapore. He was responsible for advising individuals and institutional clients.

After his tenure at SEACORP, Dr. Tan joined Arab-Malaysian Merchant Bank (now known as AmInvestment Bank Berhad) in 1981 for 7 ¼ years as the first Head of the Investment Services division. During his time there, he built up the division from a two to a 65-man strong team with the capabilities to provide a full range of services. In 1987, as the first Executive Director of Arab-Malaysian Unit Trusts Berhad (now known as AmInvestment Services Berhad), he designed, developed and launched Arab-Malaysia Gilts – the first unit trust in Malaysia to invest solely in Malaysian government and bank-backed securities. In the same year, Dr. Tan participated actively in organising and promoting the concept of raising funds from American investors to invest in Malaysian companies through Malaysia Fund Inc., the first Malaysia closed-ended country fund managed by Morgan Stanley and listed in NYSE in May 1987. During that year, Dr. Tan was rated by William Mercer Zainal Fraser as the top manager for retirement & pension funds in Malaysia.

Dr. Tan joined DG Bank-GZB (Asia) Ltd, a merchant bank in Singapore, in 1988 for 2 years and was the Head of Investment Management Division, servicing private and institutional clients.

In 1990, Dr. Tan moved to John Govett (Asia) Pte Ltd (later known as AIB Govett) as the first Director of Portfolio Investments, for 3½ years. In 1992, he managed The Malaysian Emerging Companies Fund (an original size of US\$75m) and supervised the Singapore SESDAQ fund until November 1993.

Dr. Tan is the founder of Pheim Asset Management Sdn Bhd (“Pheim Malaysia”) and Pheim Asset Management (Asia) Pte Ltd (“Pheim Singapore”) which started operations in 1994 and 1995 respectively. Dr Tan is the Chief Strategist of Pheim Malaysia since 1994 and the Chief Strategist of Pheim Singapore since 1995 except for the period from 2011 to 2015. He is the Executive Chairman of Pheim Malaysia and the Chief Executive Officer of Pheim Singapore. Pheim Asset Management specialises in investing in the ASEAN and Asia ex-Japan region.

Dr. Tan was a Chief Examiner in the Investment paper for Institute of Bankers in Malaysia (from January 1997 to December 2007). He was a committee representative on the Executive Committee of the Investment Management Association of Singapore (IMAS) from 2004 to 2009. Dr. Tan is a member of the Investment Advisory Committee of Lee Kuan Yew Fund since 2003 and a member of the Investment Advisory Committee of the Lee Kuan Yew Fund for Bilingualism Ltd for 3 year period, both ending March 1, 2015.

Reputed for his acute sense of market timing and stock selection, Dr. Tan was labelled as the “King of the Second Board” in Malaysia for his well-timed investments in small-cap companies in 1995/1996. He was named “Southeast Asia’s small-cap King” in a Bloomberg article in August 2006. In 2008 & 2010, he was awarded “Best of the Best Award, CEO of the year for Malaysia” by Asia Asset Management, a Hong Kong based publisher of the Journal of Investments and Pensions.

Dr Tan is recognized within the fund management industry for his wealth of experience and his long and excellent performance track record. Among his best records, Pheim SICAV-SIF – ASEAN Emerging Companies Fund which he launched in 1995 took the top position for all the 1- to 20-year periods among all Equity ASEAN of Lipper Global Classification under International Offshore Universe in terms of total returns in US Dollars on the Fund’s 20<sup>th</sup> anniversary, February 3, 2015. The fund returned 497.37% (in USD terms) which far outperformed the 2<sup>nd</sup> position fund which returned 94.52% n(in USD terms) and FTSE AW ASEAN CR (in USD terms) which returned 44.56%. Additionally, Dana Makmur Pheim which he launched in 2002 won The Edge-Thomson Reuters Lipper Award in 2017 for the Best Fund among Malaysia Islamic Funds for the 3rd consecutive year under Mixed Asset MYR Balanced - Malaysia Category for 3-year and 5-year periods ending December 2016, and for the 2nd consecutive year for 10-year period ending December 2016. Also noteworthy is his largest Malaysian mandate belonging to the largest pension fund in Malaysia outperformed the benchmark by a large margin over a 20-year period ending March 2017.

In 2010, Dr. Tan was awarded “China Top 10 Financial Intelligent Persons Special Award 2010” by People’s Republic of China. Also in 2010, Dr. Tan was awarded the Outstanding Entrepreneurship Award by Enterprise Asia. In 2012, he was awarded “Most Respected Chinese Entrepreneurship Award in Asia Pacific” by China Economic Trading Promotion Agency, People’s Republic of China. In 2014, Dr. Tan was named one of the 80 Global Chinese Eminent Business Leaders by Beijing-based The China Daily. In 2016, Dr Tan was awarded the “Asia Pacific Entrepreneurship Awards 2016” under the Financial Services industry category by Enterprise Asia. He was named “The Warren Buffett of Asia” by World Wealth Creation Conference in The Straits Times, Singapore (April 20, 2017) for being one of the best performing fund managers and for truly enhancing value-investing.

Dr Tan is the author of his bestselling book “Rising Above Financial Storms” published in late 2015.

**En. Azmi Malek Merican - *Non-independent director***

En. Azmi is the founder and the managing director of Private Label Sdn Bhd, a company that designs and markets consumer goods. From 1984 to 1999 he was general manager of Janine Sdn Bhd responsible for administration; and maintaining the IT system and accounting procedures. He is currently a director of Janine Sdn Bhd. He obtained his degree of Bachelor of Science in Economics and Accounting in 1982 from University of Bristol, United Kingdom. He was appointed as an alternate director to Dato' Malek Merican on 23 April 2008 and he was subsequently appointed as a director on 21 November 2008.

**Hoi Weng Kong - *Independent director***

Mr. Hoi Weng Kong studied Law at the University of Buckingham, England and graduated in 1991 with Second Class (Upper) Honours. After completing his solicitors' finals, he returned to Malaysia and worked in an accounting and taxation firm, specialising in corporate and personal taxation. He subsequently qualified as a Certified Chartered Accountant (ACCA, UK) and a Chartered Accountant (MIA, Malaysia) in 1996. Presently, he is the Managing Director of Linden Bucks Sdn Bhd, a vendor and manufacturer of centralized vacuum system, and distributor of software and equipment for scientific research.

**8.1 Corporate Information (continued)****Board of Directors (continued)****Mr Lee Seng Young – *Independent director***

**Mr Lee Seng Young** is a Fellow of the Association of Chartered Certified Accountants, United Kingdom, a Fellow of the Chartered Accountant, Singapore and a Chartered Accountant, Malaysia. He has over thirty years of experience in the unit trust industry during which he had been in charge of the entire unit trust operations, finance, product establishment & development, and was also involved in managing equity portfolios. Prior to his appointment to the Board, he was with RHB Asset Management Sdn Bhd where he was responsible for the regional operations of the RHB Group Asset Management companies across Malaysia, Singapore, Hong Kong and Indonesia. He was appointed as an independent director of PUTB on 1 July 2016.

**8.2 Functions, Duties and Responsibilities of the Manager**

As the Manager of the Funds, we are responsible for the day-to-day administration and the management of the Funds in accordance with the provisions of the Deed and all relevant laws and guidelines. The Manager's main functions include:

- monitoring PAMSB in implementing appropriate investment strategies of the Funds;
- arranging for the sale and repurchase of Units;
- issuing reports to Unit Holders;
- making distributions of income or additional Units to Unit Holders, if any;
- keeping proper records of the Funds; and
- promoting the Funds.

### **8.3 Role and Primary Functions of the Investment Committee**

Each of the Funds is required by the Guidelines to have an investment committee. The investment committee meetings are scheduled to take place on a monthly basis to monitor and discuss the following:

#### *Compliance*

The investment committee will review the designated compliance officer's report on the Funds' compliance with the Guidelines, other relevant laws and the investment objectives, policies and restrictions as set out in this Master Prospectus and the Deed of the respective Funds.

#### *Investment strategy*

The investment committee will meet with the Manager and the external investment manager of the Funds, PAMSB, to consider and review their reports on market outlook and to determine the investment strategies for the Funds.

#### *Performance evaluation*

The performance of the Funds will be reviewed by the investment committee against their respective benchmarks and in comparison with other similar funds.

### **8.3 Role and Primary Functions of the Investment Committee (continued)**

#### **Members of the Investment Committee**

The following are members of the investment committee for the Funds. Their appointments have been duly approved by the Securities Commission Malaysia.

- i) **Pee Ban Hock (*Independent member*)** - Mr. Pee Ban Hock is an independent member of the investment committee. He graduated from the University of Malaya with a Bachelor of Accounting degree and is a member of the Malaysian Institute of Accountants. From 1989 to 1999, he was the senior general manager, finance of the Multi-Purpose Holdings Berhad Group. In this position, he oversaw and supervised the finance, accounts, investments and investors' relations functions of the MPH Group. He also held various directorships in the Magnum Group of Companies. His wide-ranging experience and knowledge in business and finance will provide the Manager with invaluable assistance to development. His appointment as a member of the investment committee took effect on 2 January 2002.
- ii) **Ho Sen Feek (*Independent member*)** - Mr. Ho Sen Feek has been in legal practice for over 42 years and is currently a consultant in Messrs. Gan Teik Chee & Ho, Penang (established in 1975). He is a director of ASEAN Emerging Companies Growth Fund Ltd and The Vittoria Fund Ltd. His appointment as a member of the investment committee took effect on 2 January 2002.
- iii) **Zarina Binti Omar (*Independent member*)** - Puan Zarina Omar is the managing director of Efficient Frontier Capital Advisors Sdn Bhd. She graduated from University of Kent, United Kingdom with a Bachelor of Arts in Accounting and Computing. Zarina is a fellow of the Institute of Public Accountants, Australia (FIPA), a Certified Financial Planner (CFP), a Registered Financial Planner (RFP) and a Shariah Registered Financial Planner (Shariah RFP)

charter holder. Zarina has extensive experience in fund management and investment analysis. She was previously attached to Aseambankers Bhd, Seacorp-Schroders Capital Management Sdn Bhd, BHLB Asset Management Sdn Bhd and PPB Asset Management as the chief investment officer. Her appointment as a member of the investment committee for DMP & PAXJI took effect on 1 April 2008 and she was subsequently appointed as an investment committee member for PECBF, PIF and PAXJ on 7 March 2014.

- iv) **Denys Antas (*Independent member*)** - Mr Denys has a Bachelor in Economics from the University of Malaya, Malaysia. He has nearly 14 years' experience in the Banking Industry; he was a Branch Manager for Bank Bumiputra in Bintulu Branch and an Assistant to General Manager for BBMB International Bank Labuan IOFC. He also worked as a Special Officer to Minister of Plantation Industries and Commodity Malaysia for 3 years. Mr. Denys was appointed as an Investment Committee member of PUTB on 15 September 2016.
- v) **Mark Wing Kong (*Independent member*)** – Mr Mark Wing Kong is an independent member of the investment committee. He is the Chief Executive Officer of LB Aluminium Berhad. Prior to the appointment to his present position, he was the executive director appointed to the board on 15 March 1997. He is a member of the Malaysian Institute of Certified Public Accountants. Mr Mark Wing Kong was with Kassim Chan & Co from 1980-1986 and subsequently as the Operations Manager with Arab-Malaysian Securities Sdn Bhd from 1986 to 1988. From 1988 to 1997, he was with Arab-Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad) where he was the General Manager, Corporate Finance at the time of his resignation. His appointment as a member of the investment committee took effect on 7 March 2014.

#### **8.4 Material Litigation And Arbitration**

As at 31 March 2017, the Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially and adversely affect the business and / or financial position of the Manager or that of any of its delegates.

#### **8.5 Fund Management Function**

##### **Pheim Asset Management Sdn Bhd (“PAMSB”)**

The investment management, compliance and risk management functions of the Manager have been delegated to PAMSB, the holding company of the Manager. As PAMSB is a holder of the Capital Markets Services Licence, the approval of the SC is not required for the delegation.

PAMSB commenced its operations on 4 January 1994. PAMSB is part of an established fund management group in Malaysia and Singapore. Founded by Dr Tan Chong Koay, the Pheim Asset Management Group (“Pheim Group”) currently comprises 3 offices, namely PAMSB, Pheim Asset Management (Asia) Pte Ltd and PUTB. The Pheim Group specializes in investing in the equity markets of Malaysia, ASEAN and Asia ex-Japan.

As a delegate of the Manager, PAMSB implements the investment strategies determined by the investment committee and manages the Funds on behalf of the Manager.

As a delegate of the manager, PAMSB also performs the compliance and risk management functions on behalf of the Manager.

The remuneration of PAMSB is borne by the Manager.

PAMSB has discretionary authority over the investments of the Funds subject to the Guidelines and regulations issued by the relevant authorities, i.e. the SC and Bank Negara Malaysia.

PAMSB reports to the investment committee of the Funds on a monthly basis on the status of the Funds, proposes investment strategies and discusses matters relating to the Funds. Apart from the monthly meetings, the investment committee will meet with PAMSB more frequently should circumstances require.

### **Designated Fund Manager of the Funds**

**Mr Leong Hoe Kit (Chief Executive Officer)** - Mr Leong has more than 20 years of work experience relating to financial services and capital markets, including active involvement in investment activities.

The early years of his career was spent in Price Waterhouse (now known as PwC) where he was a pioneering member of the Financial Services Industry Practice group, a specialist team involved in providing auditing and business advisory services to clients in industries like stockbroking, funds management, unit trusts, futures broking, commercial banks and merchant banks. After five (5) years building his foundation in Price Waterhouse, Mr Leong joined HLG Capital (now known as Hong Leong Capital), an investment banking and capital markets services provider, where he sharpened his skills and served for nine (9) years, and last held the position of Group Financial Controller. Subsequently, he joined CLSA Securities Malaysia, where he helped set up their Kuala Lumpur operations office, and served as Executive Director of Operations for seven (7) years. After leaving CLSA, Mr Leong had a short sojourn in corporate finance in the non-financial services sector before he returned to the financial services industry when he joined Pheim Asset Management as Chief Executive Officer.

Mr Leong is a Chartered Accountant registered with the Malaysian Institute of Accountants and a member of CPA Australia. He is also a holder of a Capital Markets Services Representative's Licence for Fund Management in relation to Portfolio Management issued by the Securities Commission.

**Mr. Ede Irwan Bin Abdul Rahim (Fund Manager/ Investment Analyst)** – Ede Irwan has nearly 4 years of experience in the investment industry. Prior to joining PAMSB, he was an Investment Analyst of a Rofe Holdings Sdn Bhd for 2 years and 5 month. He holds a Bachelor of Business Administration with Honours degree and a Diploma in Investment Analysis from the Universiti Teknologi Mara.

**Mr. Fung Chee Fui (Fund Manager/ Investment Analyst)** – Fung Chee Fui has more than 5 years of experience in the investment industry. Prior to joining PAMSB, he was an Investment Analyst of a Sitt Tatt Company Sdn Bhd for 1 ½ years. Before Sitt Tatt, Chee Fui was attached to Kenanga Investment Bank Berhad for 1 ½ years, involved in capital markets services and also performed due diligence and submission of IPO deals. He holds a Bachelor of Economics with Honours degree from the Universiti Utara Malaysia. He has also completed two levels of CFA examinations in 2014.



**Mr Lee Ta Wei (Fund Manager/ Investment Analyst)** - Mr Lee joined Pheim Asset Management in 2015. Mr Lee has more than 10 years of investment management experience in the Malaysia equity market. Prior to joining Pheim Asset Management, he was attached to a foreign asset valuation firm, responsible for business valuation for companies doing corporate exercise, where he undertook due diligence, financial analysis and financial modelling on the target companies. He is a bachelor degree with Dean's Award in Mechanical Engineering majoring Material from University of Technology Malaysia. He passed the final CFA Level 3 examination in 2011.

#### **Material Litigation And Arbitration**

As at 31 March 2017, the External Investment Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially and adversely affect the business and / or financial position of the External Investment Manager or that of any of its delegates.

The following table shows the amount of funds with the breakdown in type of assets under management by PAMSB as at 31 March 2017:

		Amount (RM million)	Percentage of total (%)
1	Equities	902.4	87.51
2	Fixed income instruments, deposits & cash	128.8	12.49
	<b>Total assets under management</b>	<b>1,031.2</b>	<b>100</b>

*Investors may refer to the Manager's website at [www.pheimunitrusts.com](http://www.pheimunitrusts.com) for further information (e.g. the qualification of the Shariah Adviser or panel of adviser and their respective members, experience of the investment committee members and other corporate information) on the Manager, the investment committee, the Shariah Adviser, and the fund manager for each Fund.*

#### **8.6 Shariah Adviser Appointed for DMP**

IBFIM has been appointed as the Shariah Adviser for Dana Makmur Fund ("the Fund"). IBFIM will counsel the mechanics of the operations of the Fund to ensure the operations of the Fund comply with Shariah requirements.

#### **General Information of IBFIM**

IBFIM was incorporated as a company limited by guarantee and not having share capital in Malaysia under the Companies Act, 1965 on 15 February 2007.

#### **Experience in Advisory and Services**

IBFIM is registered with the SC to act as a Shariah Adviser for Shariah-compliant collective investment schemes. IBFIM is also involved in Shariah-compliant private mandates as well as the Shariah Adviser for Islamic REITs and Islamic asset management houses.

### **Roles and Responsibilities of IBFIM as the Shariah Adviser**

As Shariah Adviser, IBFIM will ensure the operations and investments of the Fund are in compliance with Shariah requirements. IBFIM will review the Fund's investments on a monthly basis to ensure adherence with Shariah requirements at all times. In the end, the final responsibility to ensure Shariah compliancy of the Funds rests solely with the Manager.

In line with the Guidelines, the roles of IBFIM as the Shariah Adviser are:

1. Ensuring that the Shariah-compliant unit trust fund ("the fund") are managed and administered in accordance with the Shariah principles;

### **8.6 Shariah Adviser Appointed for DMP (continued)**

#### **Roles and Responsibilities of IBFIM as the Shariah Adviser (continued)**

2. Providing expertise and guidance for the fund in all matters relating to Shariah principles, including on the fund's Deed and Prospectus, its structure and investment process, and other operational and administrative matters;
3. Consulting the SC who may consult the Shariah Advisory Council of the SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. Scrutinising the fund's compliance report as provided by the compliance officer, transaction report provided by or duly approved by the trustee and any other report deemed necessary for the purpose of ensuring that the fund's investments are in line with the Shariah principles;
5. Preparing a report to be included in the fund's interim and annual report certifying whether the fund have been managed and administered in accordance with the Shariah principles;
6. Ensuring that the fund comply, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
7. Vetting and advising on the promotional materials of the fund;
8. Assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.

#### **Profile of the Shariah Team**

IBFIM's Shariah team consists of the following personnel:

**Dato' Mohd Bakir Bin Haji Mansor**  
**Chairman, IBFIM Shariah Committee**

Dato' Mohd Bakir is a member of Shariah Panel Committee of Amanah Ikhtiar Malaysia.

Prior to joining IBFIM, Dato' Mohd Bakir was the Shariah Coordinator at Bank Islam Malaysia Berhad ("BIMB") and then the Secretary of the Shariah Advisory Council of BIMB, from 1984 to 2001. Previously, he served at the National Council for Islamic Religious Affairs in the Prime Minister's Department for 10 years from 1971. He was also a Chief Assistant Director at the Islamic Research Centre for 4 years from 1981. He holds a Shahadah Ulya from Kolej Islam Malaya.

Dato' Mohd Bakir was awarded "Anugerah Maulidur Rasul 1434H/2013M" by the government of Malaysia for his services in the Islamic finance industry.

**Ahmad Zakirullah Bin Mohamed Shaarani**  
**Managing Advisor (Shariah)**

Ahmad Zakirullah is a member of Shariah Committee of the United Overseas Bank Malaysia Berhad. He joined IBFIM in February 2008. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant funds. Prior to joining IBFIM, he served at University Sains Islam Malaysia and PTPL College.

He obtained his Diploma of Shariah Islamiyyah (Hons) from Higher Institute of Islamic and Arabic Language (MADIWA), Perak, Bachelor of Shariah Islamiyyah (Hons) Degree from Al-Azhar University, Egypt and Master's Degree (Hons) of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the International Islamic University Malaysia. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

**Mohd Asyraf Bin Sharunudin**  
**Consultant (Shariah)**

Mohd Asyraf is a designated person to led the IBFIM for Shariah matters.

Mohd Asyraf is a member of IBFIM's Shariah Business Advisory team. He is responsible in providing input on advisory and intelligence regards to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds. He was previously attached to Shariah Department of Bank Muamalat Malaysia Berhad. He also completed the Islamic Capital Market Graduate Training Scheme by the Securities Commission.

Asyraf is a graduate of the International Islamic University Malaysia in Bachelor of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) (Hons) Degree and Master's Degree (Hons) of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the same university. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

**Muhammad Khairulnizam Bin Alias**  
**Consultant (Shariah)**

Muhammad Khairulnizam, a graduate of Bachelor of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) (Hons) Degree from International Islamic University Malaysia (IIUM). Prior to joining IBFIM, he has worked as a customer service and technical support.

Currently, he is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds, including but not limited to conduct surveillance on non-financial institutions activities. He is experienced in conversion of conventional product to Islamic as well as audit and review for many financial institutions. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

### **8.7 Shariah Adviser Appointed For PAXJI**

Amanie Advisors Sdn Bhd ("Amanie") is a Shariah advisory, consultancy, training, and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah advisory company for Islamic unit trust with the SC. It has been established with the aim of addressing the global needs for experts' and Shariah scholars' proactive input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah principles. Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services.

The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently the team comprises of six (6) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education.

Amanie meets the fund manager every quarter to address Shariah advisory matters pertaining to our Shariah funds. Since 2005, Amanie has acquired twelve (12) years of experience in the advisory role for unit trusts and as at 31 March 2017, there are more than 50 funds which Amanie acts as Shariah advisers.

#### **Roles and Responsibilities of AA as the Shariah Adviser**

**The roles and responsibilities of Amanie as the appointed Shariah Adviser for the Fund are as follows:**

1. To ensure that the Fund is managed and administered in accordance with Shariah principles. The Shariah Adviser will meet with the Manager once every quarter to discuss Shariah matters relating to the Fund.
2. To provide expertise and guidance in all matters relating to Shariah principles, including the Fund's deed and the Prospectus, its structure and investment process, and other operational and administrative matters.
3. To consult with SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process.
4. To act with due care, skill and diligence in carrying out its duties and responsibilities.
5. Responsible for scrutinizing the Fund's compliance report as provided by the compliance officer and investment transaction report provided by, or duly approved by, the Trustee to ensure that the Fund's investments are in line with Shariah principles.
6. To prepare a report to be included in the Fund's interim and annual reports certifying whether the Fund has been managed and administered in accordance with Shariah principles for the period concerned.

### **Profile of the Shariah Team**

The designated persons responsible for Shariah matters relating to the Fund are:

#### **Datuk Dr. Mohd Daud Bakar Shariah Adviser**

Datuk Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group that deals with many facets of global Islamic finance from Shariah advisory to structured training to media and to Big Data Analytics. Amanie, one of the companies under the Group, has presence in eight major cities in the world. He currently sits as a Chairman of the Shariah Advisory Council of Bank Negara Malaysia, the SC SAC, the Labuan Financial Services Authority and the International Islamic Liquidity Management Corporation (IILM). He is also a Shariah board member of various financial institutions, including the National Bank of Oman (Oman), Noor Islamic Bank (Dubai), Amundi Asset Management (France), Morgan Stanley (Dubai), Bank of London and Middle East (London), BNP Paribas (Bahrain), Dow Jones Islamic Market Index (New York), First Gulf Bank (UAE), amongst many others. Prior to this, he was the deputy vice-chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya. He has published a number of articles in various academic journals and has made many presentations in various conferences both local and overseas.

On the recognition side, Datuk Dr. Mohd Daud has been honored with “The Asset Triple A Industry Leadership Award” at The Asset Triple A Islamic Finance Award 2014 by The Asset magazine and been named as the “Most Outstanding Individual”, awarded by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday 2014. Datuk is currently the 3rd Professorial Chairholder in Islamic Banking and Finance of Tun Ismail Foundation (YTI-PNB) by Islamic Science University of Malaysia (USIM) and also sits as a Board Director to Sime Darby Berhad.

#### **Mohd Zikri Mohd Shairy Chief Executive Officer**

With more than 10 years' experience in Islamic finance industry, Zikri spearheads Amanie Advisors (Kuala Lumpur office) as Chief Executive Officer. He read law in International Islamic University Malaysia for his LL.B (Hons) and Master of Comparative Laws.

He joined Amanie Advisors in 2015 and since then involved in various key Shariah consultancy and advisory services encompassing setting up Islamic banking window as well as conversion from conventional to Islamic financial institution, drafting Shariah related regulatory documents for central bank, funds and sukuk structuring, product development, asset management and many others. His hands on experience in Shariah risk management has remarkably enriched Shariah audit coverage undertaken by his team on local and international clients.

Prior to join Amanie Advisors, Zikri gained his ground exposure as Financing Executive in Bank Muamalat Malaysia Berhad and RHB Islamic Bank Berhad. He then joined Bank Islam Malaysia Berhad where he led Shariah Risk Management Department before joining Amanie Advisors.

In the training field, Zikri is the Accredited Training Professional granted by Institute of Leadership and Management, United Kingdom. Zikri had conducted hundreds of training sessions on Shariah related modules including Shariah risk management in Malaysia, Singapore, Brunei and Afghanistan.

**Ainul Azura Zakiyudin**  
**Chief Operating Officer**

Ainul Azura Zakiyudin is the Chief Operating Officer of Amanie Advisors Kuala Lumpur, Malaysia office. She holds Bachelor of Law (Honours), MARA University of Technology Malaysia and was admitted to Malaysian BAR as an Advocate and Solicitor of the High Courts of Malaya in 2000.

Azura joined Amanie Advisors (Kuala Lumpur) in 2013 and has been involved in various product structuring, development and enhancement of Shariah compliant products for Islamic Financial Institution, corporate bodies and non-Islamic financial institutions.

She has also involved in providing Shariah advisory services for issuance of sukuks, conversion exercises, establishment of Islamic financial business, establishment of Shariah compliant products for non-financial business, Shariah monitoring and compliance review for various clients including financial institutions and global asset management companies.

Prior to joining Amanie, Azura was an in-house legal adviser in PLUS Expressways Berhad (PLUS), a biggest highway concessionaire in Malaysia and listed in the Main Board of Bursa Listing Securities in Malaysia. In PLUS, she received wide exposure in corporate legal work and involved directly in the issuance of several sukuks, restructuring of sukuk and other corporate exercises initiated by the company.

Azura has a combined of more than 16-years' experience mainly in corporate legal and Islamic financial matters.

**Nurul Farhan Osman**  
**Associate Consultant**

Nurul Farhan binti Osman is an associate consultant at Amanie Advisors' KL Office. She obtained her Diploma of Tahfiz and Qiraat (major in Shariah) with Mumtaz (Distinction) from Darul Quran JAKIM in 2011 and Bachelor's degree of Muamalat Management with Honors (with Distinction) from University of Malaya with in 2015.

In the advisory services, she is responsible in the Shariah screening and compliance review for global asset management companies which involves in determining the Shariah status of existing securities listed. Other than that, she is also exposed and tasked with the Shariah product structuring, Shariah audit and monitoring for various Clients which includes both financial and non-financial institutions.

Prior to joining Amanie, she was an intern at the International Shariah Research Academy for Islamic Finance (ISRA) and a Research Assistant at the Department of Shariah and Management, Academy of Islamic Studies, University of Malaya.

She also had been appointed as one of the members of Bank Negara Malaysia (BNM) Shariah Standards team in drafting and preparing the standards for Bay' al-Sarf and al-Rahn contracts. Apart from that, she was involved in translation works under ISRA in preparing the documentation of BNM Shariah Standards for Tawarruq, Musyarakah, Murabahah, Wakalah and Wa'd contracts among others.

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## **9 THE TRUSTEE**

### **9.1 Profile of Maybank Trustees Berhad**

**Maybank Trustees Berhad (5004-P)** is the Trustee of the Funds with its registered office at 8<sup>th</sup> Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

Maybank Trustees Berhad (“MTB”) was incorporated on 12 April 1963 and registered as a Trust Company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

### **9.2 Experience in Trustee Business**

Maybank Trustees Berhad has acquired experience in the administration of unit trust funds/ schemes since 1991.

### **9.3 Duties and Responsibilities of the Trustee**

The Trustee’s role is mainly to act as custodian of the Fund and to exercise all due diligence and vigilance in carrying out its functions and duties and to safeguard the rights and interests of the Unitholders. Apart from being the legal owner of the Fund’s assets, the Trustee is responsible for ensuring that the Manager performs its obligations in accordance with the provisions of the Deed and the relevant laws.

### **9.4 Delegates of the Trustee**

Maybank Trustees Berhad has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Securities Services (“MSS”), a unit within Malayan Banking Berhad. MSS provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub Custodian for major Foreign Banks and Global Custodians. MSS also provides Global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.

The roles and duties of the trustee’s delegate, MSS, are as follows:

- Safekeep, reconcile and maintain assets holdings records of funds against trustee’s instructions;
- Act as settlement agent for shares and monies to counterparties against trustee’s instructions;
- Act as agents for money market placement where applicable against trustee’s instructions;
- Disseminate listed companies’ announcements to and follow through for corporate actions instructions from trustee;



- Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the funds against trustee's instructions, etc.

MTB has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB"), as the custodian of the foreign assets of the Funds. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. The assets are automatically registered into the name of the Fund.

SCBMB opened its first branch in 1875 and is one of the oldest banks in Malaysia with more than 140 years of history. SCBMB is a subsidiary of Standard Chartered PLC and the Bank was locally incorporated as Standard Chartered Bank Malaysia Berhad on 28 February 1984. SCBMB set up its custody services in 1989 to support both domestic and foreign clients. Both custodians act only in accordance with instructions from the Trustee.

### **9.5 Material Litigation and Arbitration**

As at 31 March 2017, save for the suit(s) mentioned herein below, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Several holders of the bonds ("Bondholders") issued by Aldwich Berhad [In Receivership] ("Aldwich") have sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and cited the Trustee as one of 6 co-defendants under Kuala Lumpur High Court Civil Suit No. D-22NCC-1622-11/2012 ("Aldwich Bondholders' Suit"). The claim against the Trustee is for the sum of RM177,248,747.31 or any other sum that the Court deems fit. The other defendants are the holding company of Aldwich, the Chief Executive Officer of the holding company of Aldwich, the Security Agent and the Reporting Accountant. The Trustee does not admit liability to the Aldwich Bondholders' Suit and has defended it. Trial has concluded. The High Court has rescheduled the date for delivery of its decision on Aldwich Bondholders' Suit on 5 April 2017 after adjourning the earlier dates of 30 December 2016, 20 January 2017, 23 January 2017, 28 February 2017, 3 March 2017 and 9 March 2017. The Aldwich Bondholders' Suit will not materially affect the business or financial position of the Trustee.

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## **10 TAXATION OF THE FUNDS**

### **TAXATION ADVISER'S LETTER IN RESPECT OF THE TAXATION OF THE UNIT TRUSTS AND THE UNIT HOLDERS**

**(PREPARED FOR INCLUSION IN THIS MASTER PROSPECTUS)**

Date: 19/5/2017

Folks Taxation Sdn Bhd  
Suite 1101, 11<sup>th</sup> Floor, Wisma Tun Sambanthan,  
No.2, Jalan Sultan Sulaiman,  
50000 Kuala Lumpur

The Board of Directors  
Pheim Unit Trusts Berhad  
7<sup>th</sup> Floor, Menara Hap Seng  
Letter Box 12,  
No.1 & 3, Jalan P. Ramlee  
50250 Kuala Lumpur

Dear Sirs

#### **TAXATION OF THE UNIT TRUSTS AND UNIT HOLDERS**

This letter has been prepared for inclusion in this Master Prospectus to be dated 30 May 2017 in connection with the offer of Units in the following unit trusts:

- Dana Makmur Pheim;
- Pheim Emerging Companies Balanced Fund;
- Pheim Income Fund;
- Pheim Asia Ex-Japan Fund; and
- Pheim Asia Ex-Japan Islamic Fund.

(hereinafter collectively referred to as “the Funds”)

This letter is to provide prospective unit holders with an overview of Malaysian taxation on the Funds and the unit holders.

## A. TAXATION OF THE FUNDS

The taxation of the Funds, as unit trusts, is governed under Sections 61 and 63B of the Malaysian Income Tax Act 1967 (“ITA”), which deals with the taxation of trust bodies and unit trusts resident in Malaysia for the basis year for a year of assessment.

Subject to certain tax exemptions, the income of the Funds comprising dividends, interest<sup>1</sup> and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% effective from year of assessment 2016.

Tax allowable expenses are expenses falling under Section 33(1) and Section 63B of the ITA.

Section 33(1) of the ITA allows deduction for expenses that are wholly and exclusively incurred in the production of the gross income. Section 63B allows deduction on a portion of other expenses not directly related to the production of gross income (‘permitted expenses’), as explained below.

‘Permitted expenses’ refers to the following expenses which are not deductible under section 33(1) of the ITA:

- Manager’s remuneration;
- Maintenance of the register of unit holders;
- Share registration expenses;
- Secretarial, audit and accounting fees, telephone charges, printing and stationery cost and postage.

Partial deduction of the above expenses is allowed in arriving at the total income of the Funds under Section 63B of the ITA based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
  - B is the gross income consisting of dividend<sup>2</sup>, interest and rent chargeable to tax for that basis period; and
  - C is the aggregate of the gross income consisting of dividend<sup>3</sup> and interest (whether such dividend or interest is exempt or not), rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period.
- provided that the amount to be allowed as deduction shall not be less than 10% of the total permitted expenses incurred for that basis period.

<sup>1</sup> Pursuant to section 2(7) of the ITA, any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *shariah*, will be accorded the same treatment as if they were interest.

<sup>2</sup> A reduction in income tax rate ranging from 1% to 4% be given for the years of assessment 2017 and 2018 based on the percentage of increase in the chargeable income as compared to those for the immediate preceding year of assessment. The reduction of income tax rate is not applicable to a unit trust which is approved by the Securities Commission Malaysia as Real Estate Investment Trust or Property Trust Fund..

Any unutilized portion of the permitted expenses for a year of assessment as determined above will not be allowed to be carried forward to subsequent years of assessment for future tax deduction.

### **Exempt income**

The following income of the Funds are exempt from tax:-

- **Dividends**

- (i) Tax-exempt dividend received from investments in companies which had previously enjoyed or are currently enjoying certain tax incentives provided under the relevant legislations.
- (ii) Any dividend paid, credited or distributed to any person where the company paying such dividend is not entitled to deduct tax under section 108 of the ITA.

- **Interest**

- (i) Interest from securities or bonds issued or guaranteed by the Government of Malaysia
- (ii) Interest from debentures or sukuk (other than convertible loan stock) approved or authorized by, or lodged with the Securities Commission Malaysia;
- (iii) Interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) Interest from securities or bonds issued by Pengurusan Danaharta Nasional Berhad;
- (v) Interest derived from Malaysia and paid or credited by banks licenced under the Financial Services Act 2013 or the Islamic Financial Services Act 2013<sup>1</sup>;
- (vi) Interest derived from Malaysia and paid or credited by development financial institutions prescribed under the Development Financial Institutions Act 2002<sup>4</sup>;
- (vii) Interest paid or credited in respect of sukuk originating from Malaysia, other than convertible loan stock issued in any currency other than Ringgit and authorised by, or lodged with, the Securities Commission Malaysia or approved by the Labuan Financial Services Authority ("LFSA")<sup>2</sup>;
- (viii) Interest from bonds (other than convertible loan stocks) paid or credited by any company listed on the Malaysian Exchange of Securities Dealing and Automated Quotation Berhad ("MESDAQ")<sup>3</sup>.

- **Discount**

- (i) Discount from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) Discount from debentures or sukuk (other than convertible loan stock) approved or authorized by, or lodged with the Securities Commission Malaysia;

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<sup>3</sup> Dividend is deemed to include income distributed by a unit trust

(iii) Discount from Bon Simpanan Malaysia issued by the Bank Negara Malaysia;

- **Foreign income**

Dividends, profits and other income derived from sources outside Malaysia and received in Malaysia. Such income may be subject to tax in the country from which it is derived.

- **Gains from realisation of investments**

Pursuant to Section 61(1)(b) of the ITA, gains arising from realisation of investments by the Funds shall not be treated as taxable income of the Funds for income tax purposes.

However, such gains may be subject to real property gains tax (“RPGT”) under the Real Property Gains Tax Act 1976 (“RPGT Act”) if the gains are derived from the sale of chargeable assets, as defined in the RPGT Act.

With effect from 1 January 2014, any chargeable gain on the disposal of chargeable assets by the Funds would be subject to RPGT at the applicable tax rate depending on the holding period as follows under Part I, Schedule 5 of the RPGT Act.

<b>Disposal</b>	<b>Effective RPGT rates</b>
Within 3 years	30%
In the 4 <sup>th</sup> year	20%
In the 5 <sup>th</sup> year	15%
In the 6 <sup>th</sup> and subsequent years	0%

<sup>4</sup> Effective from the year of assessment 2017, in the case of a unit trust which is a money market fund, the exemption shall only apply to a wholesale fund which complies with the relevant guidelines of the Securities Commission Malaysia.

<sup>5</sup> Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licenced under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

<sup>6</sup> MESDAQ was replaced by FTSE Bursa Malaysia ACE with effect from 3 August 2009. Interest derived from bonds (other than convertible loan stocks) paid or credited by any company listed on the MESDAQ should still qualify for exemption up to 2 August 2009. However, from 3 August 2009 and up to the date of this letter, there is no new gazette order issued to exempt interest derived from bonds paid or credited by a company listed in the new FTSE Bursa Malaysia ACE.

- **Goods and services tax (“GST”)**

GST was implemented in Malaysia effective 1 April 2015, at the standard rate of 6% to replace the current sales and service tax systems.

The issue, holding or redemption of any unit under a trust fund is regarded as an exempt supply. The investment activities of the Funds such as buying and selling of securities are exempt supplies. Hence, the Funds are not required to be registered for GST purposes.

Certain expenses incurred by the Funds such as management fees, trustee fees and other professional and administrative fees will subject to 6% GST if the service providers are GST registered persons. The GST expenses incurred by the Funds on such expenses in making the abovementioned exempt supplies are not claimable.

## **B. TAXATION OF THE UNIT HOLDERS**

Unit holders are subject to Malaysian income tax on their share of the distributions received from the Funds.

The income of unit holders from their investment in the Funds falls under the following categories:-

1. Taxable distributions from the Funds;
2. Non-taxable and exempted distributions from the Funds; and
3. Gain from the sale of units.

The tax implications of each of the above categories are explained below.

### **1. Taxable distributions**

Distributions from the Funds are grossed up to take into account the underlying tax paid by the Funds and the unit holders will be taxed on the grossed up amount. Such distributions carry a tax credit (tax deducted at source), which is available for set off against Malaysian income tax payable by the unit holders. Should the tax deducted at source exceed the tax liability of the unit holders, the excess is refundable to the unit holders.

The gross distributions received by the Unit Holders are assessed to Malaysian income tax as follows:-

Unit holders	Malaysian income tax rates (effective from year of assessment)
<u>Malaysian tax resident:</u> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders (associations and societies)</li> <li>• Co-operatives</li> <li>• Trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Progressive tax rates ranging from 0% to 28%</li> <li>• Progressive tax rates ranging from 0% to 24%</li> <li>• 24% <sup>9</sup></li> </ul>

<ul style="list-style-type: none"> <li>Corporate unit holders               <ul style="list-style-type: none"> <li>(i) Companies with paid up ordinary share capital not exceeding RM2.5 million (at the beginning of the basis period for the year of assessment) <sup>98</sup></li> <li>(ii) Companies other than (i) above</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>For every first RM500,000 of chargeable income @ 18%<sup>4</sup></li> <li>Chargeable income in excess of RM500,000 @ 24%<sup>9</sup></li> <li>24% <sup>9</sup></li> </ul>
Non-Malaysian tax resident (Note) <ul style="list-style-type: none"> <li>Individual and non-corporate unit holders</li> <li>Corporate unit holders and trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>28%</li> <li>24%</li> </ul>

Note:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

## 2. Non-taxable and exempted distributions

Tax-exempt distributions made out of gains from realisation of investments and other exempt income earned by the Funds will not be subject to Malaysian income tax in the hands of the unit holders.

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7. Pursuant to Paragraph 12(1), Schedule 6 of the ITA, the income of any co-operative society-

- in respect of a period of five years commencing from the date of registration of such co-operative society; and
- thereafter where the members' funds [ as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.

<sup>8</sup> A company would not be eligible for the 18% (effective year of assessment 2017) tax rate on the first RM500,000 chargeable income if:-

- the company is not incorporated in Malaysia and not a Malaysian tax resident; and
- more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment; or
- more than 50% of the paid up capital in respect of ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment, is directly or indirectly owned by another company.

<sup>9</sup> A reduction in income tax rate ranging from 1% to 4% be given for the years of assessment 2017 and 2018 based on the percentage of increase in the chargeable income as compared to those for the immediate preceding year of assessment. The reduction of income tax rate is not applicable to a unit trust which is approved by the Securities Commission Malaysia as Real Estate Investment Trust or Property Trust Fund.

**3. Gains arising from sale of units**

The profits or gains made from realisation of investments will not be subject to Malaysian income tax in the hands of the unit holders unless they are traders/ dealers in securities, insurance companies or financial institutions.

**4. Others**

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax positions of these are as follows:-

- **Unit splits**

New units issued by the Funds to the unit holders pursuant to a unit split will not be subject to tax in the hands of the unit holders.

- **Reinvestment of distributions**

Unit holders may reinvest their income distribution in new units. Under this circumstance, the unit holders will be deemed to have received the distribution and reinvested it with the Funds and the tax implications will depend on the type of distribution made by the Funds as explained above.

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We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obliged to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Funds. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Funds.

Yours faithfully  
Folks Taxation Sdn Bhd (178104-M)

Ng Eng Kiat  
Director

Folks Taxation Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Master Prospectus and has not withdrawn such consent prior to the date of issue of this Master Prospectus.



## 11 RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST

### 11.1 Related-Party Transactions of the Manager

- (a) All staff of the Pheim Group of companies are allowed to invest in any of the Funds mentioned in this Master Prospectus at the NAV per Unit of the respective Funds.
- (b) As at 31 December 2016, the directors of the Manager hold the following Units in the respective Funds:

Fund Name	Units	RM
PECBF	130,761.00	148,924.00
DMP	294,316.00	599,822.00
PIF	201,091.00	219,732.00
PAXJ	-	-
PAXJI	-	-

- (c) To the best of our knowledge, the directors and the substantial shareholders of the respective Funds do not have any direct or indirect interests in any other corporations carrying on a similar business as the Manager.

### 11.2 Dealing with Conflict of Interest

The Manager, the Trustee and their delegates thereof will avoid conflict of interest arising or if conflict of interest arises, the Manager and the Trustee will ensure that the Funds are not disadvantaged by the transaction concerned. The Manager and PAMSB will maintain high standards of integrity and fair dealing to the best interests of the Unit Holders. The Manager and PAMSB will not conduct transactions in any manner that will result in unnecessary costs or risk to the Funds.

If conflicts of interest arises, the Manager and PAMSB will act in such a manner as to avoid any disadvantage to the Funds. Where any of the directors or the investment committee members is involved directly or indirectly in a particular transaction, the relevant director or committee member is bound to refrain from being involved in the decision-making process relating to the transaction.

In addition, all employees of the Manager and PAMSB will have to disclose their personal dealings to and they are monitored by the designated compliance officer. All employees are subject to approval in advance in respect of dealings in any security. The Manager and PAMSB shall ensure that the followings are adhered to strictly:

- 1) Any transaction or investment carried out by or on behalf of the Funds should be executed on arm's length transactions between independent parties.

### **11.2 Dealing with Conflict of Interest (continued)**

- 2) Cash and liquid assets of the Funds may only be placed in current or deposit account with a licensed institution or other institution licensed or approved to accept deposits.
- 3) The Funds may not participate in securities lending under clause 8.30 of the Guidelines with any party related to the Manager or the Trustee or any delegate thereof, unless the terms of the securities lending agreement are the best available for the Funds and which are no less favourable to the Funds than an arm's length transaction between independent parties.
- 4) The Manager is to obtain the prior approval of the Trustee before investing any money available, under the Deed, in any securities, property and assets in which the Manager or any officer of the Manager has a financial interest in or from which the Manager or any officer of the Manager derives a benefit from.
- 5) The Manager shall not make improper use of its position in managing the Funds to gain, directly or indirectly, an advantage for itself or for any other persons or to cause detriment to the interest of Unit Holders of the Funds.
- 6) The appointment or the renewal of appointment of any investment manager related to the Manager must be made on terms which are best available for the Funds and which are no less favourable to the Funds than an arm's length transaction between independent parties; and approved by the independent directors of the Manager.

### **11.3 Related Party Transactions of the Trustee**

As Trustee for the Funds, MTB confirms to the best of its knowledge that it does not have any related party transactions with the Funds. However should there be any, MTB will ensure compliance with the relevant regulatory requirements and its internal procedures on related party transactions.

MTB has in place policies on conflict of interest, chinese wall, insider dealing and outside interests' which regulates, amongst others, its employees' securities dealings and conflict of interest (actual or potential) arising from interest in securities.

### **11.4 Related Party Transactions of the External Investment Manager**

PAMSB has confirmed that they have no conflict of interest or potential conflict of interest with the Manager and the Funds.

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## **12 ADDITIONAL INFORMATION**

### **12.1 Keeping You Informed**

<b>When You First Invest</b>	Upon receipt of your completed application form, the required document(s) and payment, a temporary receipt will be issued followed by an acknowledgement of investment will be sent to you once the payment has been cleared by the bank.
<b>Statement of Investment</b>	A statement of investment will be sent every six months. It shows the balance of Units together with all transactions made since the last statement.
<b>Annual and Interim Report</b>	The report will be sent to you within 2 months of a Fund's financial year-end or mid financial year.
<b>Income Distribution Voucher</b>	When a Fund distributes income, we will send you the income distribution voucher (tax voucher), which sets out the information that is needed to complete a tax return.
<b>Monthly Fact Sheet</b>	Monthly fund performance's data and relevant fund reviews are made available at <a href="http://www.pheimunittrusts.com">www.pheimunittrusts.com</a>
<b>The NAV per unit</b>	The NAV per Unit of the respective Funds are available on our website. You may visit us at <a href="http://www.pheimunittrusts.com">www.pheimunittrusts.com</a> or call our appointed distribution agents (Section 12.5) and/or our customer service at 03-2142 8888 for the most current NAV price per Unit of the respective Funds.

### **12.2 Other Information**

#### **Keeping Us Informed**

Account details include, amongst other things, the Unit Holder's address, signing instructions and how income distributions are to be paid.

To change any of your account details you will need to notify us in writing.

#### **Register of Unit Holders**

The register of Unit Holders will be kept at the registered office of the Manager at 7<sup>th</sup> Floor, Menara Hap Seng, Letter Box 12, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

## **12.2 Other Information (continued)**

### **Your Feedback**

You are encouraged to send us your feedback in order for us to upgrade our services to meet your needs. You may give us your feedback by contacting us at 03-2142 8888 or by fax at 03-2141 9199 or e-mail us at [support@pheimunitrusts.com](mailto:support@pheimunitrusts.com).

## **12.3 Policy on Money Laundering**

In ensuring compliance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Manager undertakes the following approach:

- (a) Prior to accepting investment from any investor, the Manager will perform identity verifications through relevant certified true copy of certificates /identification card or other relevant documents provided.
- (b) The Manager will reject any request to create anonymous account or account in fictitious of investor or when an investor whose verification of identity proves unusually difficult.
- (c) The Manager will reject application by intermediaries (such as lawyers or accountant) on behalf of foreign clients resident in countries without rigorous banking and money laundering prevention laws.
- (d) Any suspicious transactions noted by the Manager's staff includes, but not limited to, receiving client's investment which is not consistent with the source of income, receiving investor's request to receive cheque payments from third party for investment and receiving request to make repurchase payments in the name of another person without a reasonable explanation, will be reported to the compliance officer for further actions.

## **12.4 Disclosure of Material Contracts**

There are no material contracts (including those not reduced in writing) contracted in the course of business or entered within 2 years preceding the date of this Master Prospectus.

## **12.5 Distribution Channels**

- (a) Institutional Unit Trust Advisers authorised to distribute the Funds:

❖ Amsec Nominees (Tempatan) Sdn Bhd  
18<sup>th</sup> Floor Bangunan AMBank Group  
55 Jalan Raja Chulan  
50250 Kuala Lumpur

❖ Alliance Bank Malaysia Berhad  
4<sup>th</sup> Floor, Menara Multi-Purpose, Capital Square  
8 Jalan Munshi Abdullah, 50100 Kuala Lumpur

### 12.5 Distribution Channels (continued)

- ❖ Apex Investment Services Berhad  
6<sup>th</sup> Floor Menara Apex  
Off Jalan Semenyih, Bukit Mewah  
43000 Kajang, Selangor
- ❖ PMB Investment Berhad  
Ground Floor, Wisma PMB  
No.1A Jalan Lumut  
50400 Kuala Lumpur
- ❖ Kenanga Investment Bank Berhad  
Ground Floor, West Wing, Bangunan ECM Libra  
8, Jalan Damansara Endah  
Damansara Heights  
50490 Kuala Lumpur
- ❖ Hong Leong Bank Berhad  
Level 3A, Wisma Hong Leong  
18 Jalan Perak  
50450 Kuala Lumpur
- ❖ iFAST Capital Sdn Bhd  
Level 28, Menara Standard Chartered  
30 Jalan Sultan Ismail  
50250 Kuala Lumpur
- ❖ Kuwait Finance House (Malaysia) Berhad  
Level 8, Menara Prestige  
No 1, Jalan Pinang  
50740 Kuala Lumpur
- ❖ Malayan Banking Berhad  
Level 4, Menara Maybank  
100 Jalan Tun Perak  
50050 Kuala Lumpur
- ❖ Philip Mutual Berhad  
B-2-7, Megan Avenue II  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpu
- ❖ RHB Bank Berhad  
Level 2, Tower Two, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur

### **12.5 Distribution Channels (continued)**

- ❖ Standard Chartered Bank Malaysia Berhad  
Level 10, Menara Standard Chartered  
30 Jalan Sultan Ismail  
50250 Kuala Lumpur

(b) Corporate Unit Trust Advisers authorised to distribute our Funds:

- ❖ Standard Financial Planner Sendirian Berhad  
B-8-3A, Block B West, Menara PJ8  
No.23, Jalan Barat  
46050 Petaling Jaya, Selangor
- ❖ Fin Freedom Sdn Bhd  
D’Piazza Mall  
No. 70-1-73 Jalan Mahsuri  
Bayan Baru  
11900 Pulau Pinang

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### **13 DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents or copies thereof may be inspected at the office of the Manager and/or the office of the Trustee without charge:

- The Deed and the supplementary deed(s) of the respective Funds;
- Current Master Prospectus and the supplementary or replacement master prospectus of the Funds (if any);
- The latest annual report and the interim report of the Funds;
- Any material contract or document referred to in this Master Prospectus;
- Any report, letter or other document, valuation and statement by an expert, any part of which is extracted or referred to in this Master Prospectus;
- Where applicable, the audited financial statements of the Manager and the Funds for the current financial year and for the last three financial years or if less than three years, from the date of incorporation or commencement;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in this Master Prospectus; and
- Consents given by experts disclosed in this Master Prospectus.

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## **14 DIRECTORS' DECLARATION**

The Master Prospectus dated 30 May 2017 in respect of the Pheim Emerging Companies Balanced Fund, Dana Makmur Pheim, Pheim Income Fund, Pheim Asia Ex-Japan Fund and Pheim Asia Ex-Japan Islamic Fund has been reviewed and approved by us, the directors of Pheim Unit Trusts Berhad and we collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, we confirm to the best of our knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Master Prospectus dated 30 May 2017 in respect of the Pheim Emerging Companies Balanced Fund, Dana Makmur Pheim, Pheim Income Fund, Pheim Asia Ex-Japan Fund and Pheim Asia Ex-Japan Islamic Fund false or misleading.

Directors:

- En Azmi Malek Merican
- Dr. Tan Chong Koay
- Hoi Weng Kong
- Lee Seng Young

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## **15      DIRECTORY OF SALES OFFICE**

### **Sales Office and Customer Service Unit**

**Address:**      **Pheim Unit Trusts Berhad** (545919-A)  
7<sup>th</sup> Floor, Menara Hap Seng  
Letter Box 12, No. 1 & 3, Jalan P. Ramlee  
50250 Kuala Lumpur

**Contact No:** Telephone no.      : (603) 2142 8888  
Fascimile no.                : (603) 2141 9199  
E-mail address               : support@pheimunittrusts.com

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