

Prospectus for

# AmFlexi Maturity 4



**Prospectus Date**

**11 August 2020**

**Valid Until**

**Units will be offered for sale from 11 August 2020 to 24 September 2020**

The Manager

**AmFunds Management Berhad**

Company number: 198601005272 (154432-A)

The Trustee

**Deutsche Trustees Malaysia Berhad**

Company number: 200701005591 (763590-H)



**AmInvest**

**THE FUND IS CONSTITUTED ON 11 AUGUST 2020**

**Growing Your Investments in a Changing World**

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE SECTION 3.3: RISK FACTORS COMMENCING ON PAGE 9.**

# DISCLAIMER

## *Responsibility Statements*

This Prospectus for AmFlexi Maturity 4 (the “Prospectus”) has been reviewed and approved by the directors of AmFunds Management 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 the Prospectus false or misleading.

## *Statements of Disclaimer*

The Securities Commission Malaysia has authorised AmFlexi Maturity 4 (the “Fund”) and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of AmFunds Management Berhad, the management company responsible for the Fund and takes no responsibility for the contents in this Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this 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*

No units of the Fund will be issued or sold based on this Prospectus after the Offer Period.

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 Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any person in relation to the Fund.

The Fund has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund. While our Islamic funds have been structured to conform to Shariah principles, investors should seek their own independent Shariah advice prior to investing in any of our Islamic funds.

An investment in a Fund is not a deposit of any bank. Neither returns nor repayments of capital are guaranteed by any member of the AmBank Group or its group of companies.

An investment in a Fund carries with it a degree of risk. The value of units and the income from it, if any, may go down as well as up, and investment in a Fund involve risks including the risk of total capital loss and no income distribution. Investors should consider the risk factors set out under Section 3.3: Risk Factors in this Prospectus.

Statements made in this Prospectus are based on the law and practices currently in force in Malaysia and are subject to changes in such law and practices.

Any references to a time or day in this Prospectus shall be a reference to that time or day in Malaysia, unless otherwise stated.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of units in the Fund other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon by an investor. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations in this Prospectus will be solely at the risk of the investor. Investors may wish to consult their independent professional adviser about the suitability of the Fund for their investment needs.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Manager has the right to reject any application by a US Person. However, if you are investing through our appointed distributor who operates under a nominee system of ownership, kindly consult the respective distributor accordingly.

### ***Personal Data***

As part of our day to day business, we collect your personal information when you apply to open an account with us, subscribe to any of our products or services or communicate with us. In return, we may use this information to provide you with our products or services, maintain our records or send you relevant information. We may

use your personal information which includes information on any transactions conducted with us, for one or more of the following purposes, whether in Malaysia or otherwise:

- a. Assess your eligibility or suitability for our products which you had applied for and to verify your identity or financial standing through credit reference checks;
- b. To notify you of more and up to-date information such as improvements and new features to the existing products and services, development of new products, services and promotions which may be of interest to you;
- c. Manage and maintain your account(s) through regular updates, consolidation and improving the accuracy of our records. In this manner we can respond to your enquiries, complaints and to generally resolve disputes quickly so that we can improve our business and your relationship with us;
- d. Conduct research for analytical purposes, data mining and analyse your transactions / use of products and services to better understand your current financial / investment position and future needs. We will also produce data, reports and statistics from time to time, however such information will be aggregated so that your identity will remain confidential;
- e. Comply with the requirements of any law and regulations binding on us such as conducting anti-money laundering checks, crime detection / prevention, prosecution, protection and security;
- f. Enforcement of our rights to recover any debt owing to us including transferring or assigning our rights, interests and obligations under any of your agreement with us;
- g. In the normal course of general business planning, oversight functions, strategy formulation and decision making within AmBank Group;
- h. To administer and develop the Manager's and/or the Manager's associated companies within the AmBank Group business relationship with you;
- i. Outsourcing of business and back-room operations within AmBank Group and/or other service providers; and
- j. Any other purpose(s) that is required or permitted by any law, regulations, standards, guidelines and/or relevant regulatory authorities including with the trustee of the Fund.

Investors are advised to read our latest or updated Privacy Notice (notice provided as required under the Personal Data Protection Act 2010) available on our website at [www.aminvest.com](http://www.aminvest.com). Our Privacy Notice may be revised from time to time and if there is or are any revision(s), it will be posted on our website and/or other means of communication deemed suitable by us. However any revision(s) will be in compliance with the Personal Data Protection Act 2010.

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# 1 DEFINITIONS

<b>AFM, the Manager, us, our or we</b>	AmFunds Management Berhad.
<b>AIFM, Investment Manager</b>	AmIslamic Funds Management Sdn Bhd.
<b>AmBank</b>	AmBank (M) Berhad.
<b>AmBank Group</b>	Refers to AMMB Holdings Berhad and all its direct and indirect subsidiaries, including, but not limited to: AmBank (M) Berhad, AmBank Islamic Berhad, AmInvestment Bank Berhad, AmInvestment Group Berhad, AmFunds Management Berhad, AmIslamic Funds Management Sdn Bhd, AmFutures Sdn Bhd, AmCard Services Berhad and AmGeneral Insurance Berhad.
<b>AmInvest</b>	The brand name for the funds management business of AMMB Holdings Berhad comprising AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd.
<b>Auditor</b>	Has the same meaning as defined in the CMSA 2007.
<b>BNM</b>	Bank Negara Malaysia established under the Central Bank of Malaysia Act 2009.
<b>Business Day</b>	<p>A day on which the Bursa Malaysia and/or commercial banks in Kuala Lumpur are open for business.</p> <p>The Manager may declare certain Business Days to be non-Business Days although Bursa Malaysia and/or commercial banks in Kuala Lumpur are open, if the markets in which the Fund is invested in are closed for business. This is to ensure that investors are given a fair valuation of the Fund when making subscriptions or redemptions. This information will be communicated to you via our website at <a href="http://www.aminvest.com">www.aminvest.com</a>. Alternatively, you may contact our Customer Service at 603- 2032 2888.</p>
<b>CMSA 2007, CMSA, the Act</b>	Capital Markets and Services Act 2007 and any amendments made thereto.
<b>Commencement Date</b>	<p>Means the date on which investments of the Fund may first be made and is the date which falls on the seventh (7<sup>th</sup>) Business Day after the expiry of the Offer Period.</p> <p><i>Note: The Manager reserves the right not to make investments for the Fund on the Commencement Date in the event the fund size is below RM50 million. In such case, the</i></p>

	<i>Manager shall return the subscription amount to the Unit Holders together with the entry charge.</i>
<b>CRS</b>	Common Reporting Standards.
<b>Deed</b>	The deed dated 9 July 2020 and supplemental deeds (if any) entered into between the Manager and the Trustee in relation to the Fund.
<b>Early Termination</b>	Termination of the Fund before the Maturity Date pursuant to the Fund achieving early termination requirement.  <i>Note: Please refer to Section 3.2 Early Termination Feature of the Fund for further information regarding early termination of the Fund.</i>
<b>FATCA</b>	Foreign Account Tax Compliance Act.
<b>Fund</b>	AmFlexi Maturity 4.
<b>IUTA</b>	Institutional Unit Trust Scheme Adviser registered with the Federation of Investment Managers Malaysia (FIMM) to market and distribute unit trust funds.
<b>Investment committee</b>	Means the committee established pursuant to the Deed.
<b>Latest Practicable Date (LPD)</b>	31 May 2020.
<b>Launch date</b>	The date of this Prospectus and is the date on which sales of units of the Fund may first be made; the Launch Date is also the date of constitution of the Fund.
<b>MYR, RM</b>	Ringgit Malaysia.
<b>Maturity Date</b>	The date, which is the third (3 <sup>rd</sup> ) anniversary of the Fund from the Commencement Date.
<b>NAV per unit</b>	Net Asset Value attributable to the Fund divided by the number of units in circulation of that Fund, at the valuation point.
<b>Net Asset Value (NAV)</b>	The value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
<b>Offer Period</b>	A period of up to forty-five (45) days commencing from the date units of the Fund are being offered for sale. However, Offer Period may be shortened when the Manager deems appropriate to enter the market in order to capitalize on the prevailing yields and/or market condition.



	<i>Note: The Manager reserves the right to determine a shorter Offer Period and notify the Trustee. The decision for a shorter Offer Period is based on the sole discretion of the Manager. Units will not be available for sale after the Offer Period.</i>
<b>Offer Price</b>	RM1.0000 per unit during the Offer Period.
<b>p.a.</b>	Per annum.
<b>Prospectus, this Prospectus</b>	The prospectus in relation to AmFlexi Maturity 4.
<b>Redemption</b>	Repurchase of units of the Fund.
<b>SAC</b>	Shariah Advisory Council.
<b>SC, the SC</b>	Securities Commission Malaysia.
<b>SC Guidelines</b>	Guidelines on Unit Trust Funds issued by the SC, and shall include any amendments and revisions contained herein or made pursuant thereto.
<b>Shariah</b>	Islamic law originating from the Qur'an, and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijthad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit.)
<b>Shariah Adviser</b>	Amanie Advisors Sdn Bhd.
<b>Shariah Investment Guidelines</b>	The Shariah Investment Guidelines as detailed in Section 3.6 of this Prospectus which are based on Principles of Islamic Law.
<b>Special Resolution</b>	<p>Means a resolution passed by a majority of not less three-fourths of the Unit Holders present and voting at the meeting in person or by proxy.</p> <p>For the purposes of terminating the Fund, "Special Resolution" is passed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.</p>
<b>Trustee</b>	Deutsche Trustees Malaysia Berhad.
<b>Unit(s)</b>	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), you</b>	The person(s) for the time being registered under the provisions of the Deed as a holder of units of the Fund

	<p>including the jointholders, whose name appears in the Manager's register of Unit Holders.</p> <p>Please note that if an investor invests through a distributor via nominee system of ownership, the investor will not be deemed a Unit Holder under the Deed.</p>
<p><b>US (United States) Person</b></p>	<p>A US citizen or resident individual, a partnership or corporation organized in the US or under the laws of the US or any State thereof, a trust if: (i) a court within the US would have authority under applicable law to render orders or judgements concerning substantially all issues regarding administration of the trust, and (ii) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the US as defined in the Malaysia-US IGA Guidance Notes on Compliance Requirements for Malaysia-US Intergovernmental Agreement on FATCA issued by Inland Revenue Board Of Malaysia dated 11 September 2015, including any amendments, guidelines and other administrative actions made thereunder.</p>

## 2 CORPORATE DIRECTORY

### MANAGER

**AmFunds Management Berhad**  
**Company number: 198601005272**  
**(154432-A)**

**Registered office**  
22<sup>nd</sup> Floor, Bangunan AmBank Group,  
No.55, Jalan Raja Chulan,  
50200 Kuala Lumpur.  
Tel: (03) 2036 2633

**Business office**  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank  
Group,  
No.55, Jalan Raja Chulan,  
50200 Kuala Lumpur.  
Tel: (03) 2032 2888  
Fax: (03) 2031 5210  
Email: enquiries@aminvest.com  
Website: www.aminvest.com

### MANAGER'S DELEGATE (INVESTMENT MANAGER)

**AmIslamic Funds Management Sdn  
Bhd**  
**Company number: 200801029135**  
**(830464-T)**

**Registered office**  
22<sup>nd</sup> Floor, Bangunan AmBank Group,  
No.55, Jalan Raja Chulan,  
50200 Kuala Lumpur.

**Business office**  
10<sup>th</sup> Floor, Bangunan AmBank Group,  
No.55, Jalan Raja Chulan,  
50200 Kuala Lumpur.  
Tel: (03) 2032 2888  
Fax: (03) 2031 5210

### TRUSTEE

**Deutsche Trustees Malaysia Berhad**  
**Company number: 200701005591**  
**(763590-H)**

**Registered office / Business office**  
Level 20, Menara IMC,  
8 Jalan Sultan Ismail,  
50250 Kuala Lumpur.  
Tel: (03) 2053 7522  
Fax: (03) 2053 7526

### TRUSTEE'S DELEGATE (CUSTODIAN)

**Deutsche Bank (Malaysia) Berhad**  
**Company number: 199401026871**  
**(312552-W)**

**Registered office**  
Level 18, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : (603) 2053 6788  
Fax: (603) 2031 8710

**Business office**  
Level 18-20, Menara IMC,  
No. 8, Jalan Sultan Ismail,  
50250 Kuala Lumpur.  
Tel : (603) 2053 6788  
Fax: (603) 2031 8710

### SHARIAH ADVISER

**Amanie Advisors Sdn Bhd**  
**Company number: 200501007003**  
**(684050-H)**  
Level 13A-2, Menara Tokio Marine Life,  
189, Jalan Tun Razak,  
50400 Kuala Lumpur.  
Tel: (03) 2161 0260  
Fax: (03) 2161 0262

## 3 THE FUND'S DETAILED INFORMATION

### 3.1 Fund Information

<b>Fund Name</b>	AmFlexi Maturity 4
<b>Base Currency of the Fund</b>	RM
<b>Category of Fund</b>	3-year close-ended sukuk fund
<b>Offer Price</b>	RM1.0000 per unit
<b>Offer Period</b>	<p>11 August 2020 to 24 September 2020 (total of 45 calendar days).</p> <p><i>Note: The Manager reserves the right to determine a shorter Offer Period without prior notice. No Units will be available for sale after the Offer Period. In addition, the Manager also reserves the right not to make investments for the Fund on the Commencement Date in the event the fund size is below RM50 million. In such case, the Manager shall return the subscription amount to the Unit Holders together with the entry charge.</i></p>
<b>Maturity Date</b>	<p>The date, which is the third (3<sup>rd</sup>) anniversary of the Fund from the Commencement Date.</p> <p>However, the Fund is embedded with an early termination feature whereby the Fund may be terminated at the discretion of the Manager prior to the maturity date.</p>
<b>Early Termination Feature of the Fund</b>	<p>The Fund is embedded with an Early Termination feature where the Fund may be terminated at the discretion of the Manager prior to the Maturity Date.</p> <p><b>The Manager may exercise the Early Termination feature if the Fund achieved total return of 12.00% and above.</b></p> <p><i>Note: Please refer to Section 3.2 Early Termination Feature of the Fund (below) for further information regarding Early Termination of the Fund.</i></p>
<b>Investment Objective</b>	<p>The Fund seeks to provide regular income.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Investment Strategy</b>	<p>The Fund seeks to achieve its investment objective by investing a maximum of 95% of the Fund's NAV in both rated</p>

	<p>and/or unrated sukuk such as sovereign sukuk, quasi-sovereign sukuk and corporate sukuk.</p> <p>For rated sukuk, the Fund may invest in sukuk with a minimum credit rating of BB- or its equivalent as rated by a local or global rating agency at the time the purchase is made.</p> <p>The Fund may utilise Islamic financial derivatives (such as Islamic forward contracts) on a rolling basis solely for the purpose of hedging the Fund's exposure to foreign currency, if any. The Fund will invest in countries where the regulatory authority is an ordinary or associate member of International Organization of Securities Commissions (IOSCO).</p> <p>The Fund is actively managed. However, the frequency of its trading strategy will depend on investment opportunities.</p> <p>In the event of a credit rating downgrade below the stipulated minimum, the Manager reserves the right to hold the affected sukuk until its maturity if it is in the best interest of the Unit Holders. A credit downgrade generally will have no impact on the sukuk upon its maturity if credit default does not occur.</p>
<p><b>Asset Allocation</b></p>	<ul style="list-style-type: none"> <li>• A maximum of 95% of the Fund's NAV in sukuk; and</li> <li>• A minimum of 5% of the Fund's NAV in Islamic liquid asset such as cash, Islamic deposits and Islamic money market instruments.</li> </ul> <p><i>Note: In adverse market, economic, political or any other condition which include times of market weakness and high redemption and as part of the temporary defensive strategy, the Fund may reduce the exposure in sukuk and increase its investments in Islamic liquid assets such as cash and other Shariah compliant permitted investments. During this period, the Fund's investment may differ from the stipulated asset allocation. The Manager may also deviate from the above asset allocation for the first two (2) months from the Fund's Commencement Date.</i></p>

### 3.2 Early Termination Feature of the Fund

The Fund is a close-ended and will mature at the third (3<sup>rd</sup>) anniversary of the Fund from the Commencement Date. However, the Fund is embedded with an Early Termination feature where the Fund may be terminated at the discretion of the Manager prior to the Maturity Date. The decision to exercise the Early Termination

feature will be based primarily on the opinion that by doing so, it will be in the best interest of the Fund and its Unit Holders.

**The Manager may exercise the Early Termination feature if the Fund achieved total return of 12.00% and above.**

Should the Manager decide to terminate the Fund early, the following applies:

- The Manager will issue a notice to Unit Holders before the date of Early Termination, notifying that the Early Termination is exercised and that the Fund will mature on the date of Early Termination as specified in the notice.
- The Fund's assets will be returned to the Unit Holders, less any applicable fees and expenses, at the prevailing NAV per unit within one (1) month from the date of Early Termination.
- Unit Holders will not be subject to an exit penalty fee as a result of Early Termination.

**Calculation of Total Return of the Fund**

Below is an example of calculation of the total return of the Fund at the prevailing NAV per unit:

$\text{Total return of the Fund} = [(\text{Price return} \times \text{Series of income return}) - 1] \times 100$
--

Price return = NAV per Unit on a Business Day – Offer Price

Income return =  $\frac{\text{Gross distribution within the period}}{\text{NAV per unit on ex-distribution date}}$

Assuming the Fund commenced on 30 November 2019 and the Fund declares two (2) distribution as follows:

- On 30 November 2020, gross distribution of three (3) cents paid out. NAV per unit for that day was RM1.0100\*
- On 30 November 2021, gross distribution of three (3) cents paid out. NAV per unit for that day was RM1.0500\*

Therefore,

Income return for distribution paid on 30 November 2020 =  $(\text{RM}0.03 / \text{RM}1.0100^*) + 1 = \text{RM}1.0297$

Income return for distribution paid on 30 November 2021 =  $(\text{RM}0.03 / \text{RM}1.0500^*) + 1 = \text{RM}1.0286$

Offer Price = RM1.0000

NAV per unit on 30 June 2022 = RM1.10000

Price return paid on 30 June 2022 =  $[(\text{RM}1.1000 - \text{RM}1.0000) / \text{RM}1.0000] + 1 = \text{RM}1.10000$

$$\begin{aligned}
&\text{Hence, total return of the Fund on 30 June 2022} \\
&= [(Price\ return\ \times\ Series\ of\ income\ return) - 1] \times 100 \\
&= [(RM1.100 \times RM1.0297 \times RM1.0286) - 1] \times 100 \\
&= 16.50\%
\end{aligned}$$

*\*Ex-distribution*

### Conclusion

It is observed that on 30 June 2022 (3 months before Maturity Date), the Fund has reached its condition for Early Termination (above 12.00%). However, the Manager, upon its discretion, will decide if the Early Termination feature is at the best interest of the investors at the time of observation.

### 3.3 Risk Factors

All investments carry some degree of risk. Therefore, before making an investment decision, you may consider the different types of risk that may affect the Fund or you individually.

<b>General risks associated with investing in a unit trust fund</b>	
<b>Market Risk</b>	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's net asset value.
<b>Inflation Risk</b>	This is the risk that investors' investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
<b>Manager's Risk</b>	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
<b>Non-Compliance Risk</b>	This is the risk of the manager, the investment manager or the trustee not complying with their respective internal policies, the deed and its supplemental deed, securities law or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the fund when the manager, the investment manager or the trustee takes action to rectify the non-compliance. For example, non-compliance could occur due to factors such as human

<b>General risks associated with investing in a unit trust fund</b>	
	<p>error or shortfalls in operational and administrative processes, or external factors such as market movements.</p> <p>This risk may be mitigated by having sufficient internal controls in place to ensure compliance with all applicable requirements at all times.</p>
<b>Loan Financing Risk</b>	<p>This risk occurs when investors take a loan/financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the repayments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan/financing.</p> <p><i>Note: The Manager does not provide financing for the purchase of units of the Fund. However, if an investor obtains financing from other providers, this is the risk that the investor should be aware of.</i></p>
<b>Country Risk</b>	<p>Investments of the fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the fund invests in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the fund in those affected countries. This in turn may cause the net asset value or prices of units to fall.</p>
<b>Specific risks associated with the investment portfolio of the Fund</b>	
<b>Rate of Return Risk</b>	<p>Rate of return risk refers to the impact of rate of return changes on the valuation of fixed income instruments. When rate of return rises, fixed income instruments prices generally decline and this may lower the market value of the Fund's investment in fixed income instruments. The reverse may apply when rate of return falls.</p> <p>In order to mitigate rate of return risk, the Investment Manager will need to manage the fixed income portfolio taking into account the coupon rate and time to maturity of the fixed income instruments.</p>



<b>Specific risks associated with the investment portfolio of the Fund</b>	
<b>Income Distribution Risk</b>	It should be noted that the distribution of income is not guaranteed. Circumstances preventing the distribution of income include, among others, insufficient realized returns to enable income distribution. Distribution of income should only be made from realised gains or realised income.
<b>Liquidity Risk</b>	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.
<b>Counterparty Credit Risk</b>	Counterparty credit risk is the risk arising from the possibility that the counterparty may default or not able to fulfil a trade settlement prior or on the settlement date of the trade. This could adversely affect the value of the Fund.
<b>Credit and Default risk</b>	Credit risk relates to the creditworthiness of the issuers of the sukuk and/or Islamic money market instruments and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the instruments. In the case of rated sukuk and/or Islamic money market instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a sukuk and/or Islamic money market instruments either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the sukuk and/or Islamic money market instruments. This could adversely affect the value of the Fund.
<b>Currency Risk</b>	<p>As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.</p> <p>The Manager or Investment Manager may at its discretion hedge the currency of its foreign investments against the base currency of the Fund to mitigate currency risk for the benefit of the Fund. Note that while hedging assist with mitigating the potential foreign exchange losses by the Fund,</p>

<b>Specific risks associated with the investment portfolio of the Fund</b>	
	any potential gains from the hedging strategy will be capped as well.
<b>Asset-liability Mismatch Risk</b>	<p>This is the risk of mismatch between the maturity date of the Fund and the maturity dates of sukuk that the Fund invests in. In the event the Fund holds sukuk which extends beyond the maturity date of the Fund, this mismatch may potentially result in a loss to the Fund if the Fund has to liquidate these sukuk at depressed valuations (which may be due to but not limited to bearish market condition, low market demand and high rate of return rate at the moment of liquidation) in order to repay the investors when the Fund matures.</p> <p>To mitigate this risk, the Manager will in its evaluation take into account the maturity profiles of sukuk to ensure that their maturity profiles do not extend beyond the maturity date of the Fund.</p>
<b>Early Termination Risk</b>	<p>This is the risk of investor's investment in the fund being "terminated" earlier than expected, in the event it was launched and subsequently achieved a 12% total return. In such cases, investors may have to reinvest the monies returned to them into other investment vehicles or other investment instruments. These other investments in turn may not be able to match the rate of return that would have been provided by the Fund had the Fund not been terminated early.</p>
<b>Shariah Non-Compliance Risk</b>	<p>This is the risk of the Fund not conforming to Shariah Investment Guidelines. The appointed Shariah Adviser for the Fund would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah Investment Guidelines. Note that as the Fund can only invest in Shariah-compliant instruments, non-compliance may adversely affect the NAV of Fund when the rectification of non-compliance results in losses.</p> <p>If the non-compliance is due to active breach by the Investment Manager (i.e. buying a Shariah non-compliant investment), then any gain received arising from the disposal of the Shariah non-compliant investment shall be channeled to baitulmal or charity; however, if there is a loss arising from the disposal, the Investment Manager shall bear the loss, subject to the consultation with the Shariah Adviser.</p>

*Note: The abovementioned risks which investors should consider before investing into the Fund should not be considered to be an exhaustive list. Investors should be aware that investments in the Fund may expose to other risks of an exceptional nature from time to time.*

### 3.4 Risk Management Strategy

Risk management of the Fund forms an integral part of the investment process. The Fund's portfolio is constructed and managed within pre-determined guidelines including risk returns trade-off, which will be reviewed periodically by the Manager or Investment Manager. Assessment of risk is an important part of the asset allocation process. The investment team of the Manager/Investment Manager has the discretion to select instruments/securities from the authorised investment list.

When deemed necessary, the Manager/Investment Manager may also utilise Islamic financial derivatives, subject to SC Guidelines, for the purpose such as hedging. The research team monitors the credit qualities of counter-parties. In the event of a downgrade of a counter-party of an over-the-counter Islamic financial derivative below the minimum credit rating as per the SC Guidelines, the Manager/Investment Manager would deliberate a recommended action and reserve the right to deal with the over-the-counter Islamic financial derivatives in the best interest of Unit Holders as per the SC Guidelines. The Manager/Investment Manager should, within six (6) months or sooner, if the Trustee considers it to be in the best interest of the unit holders, take the necessary action to ensure compliance with the SC Guidelines.

### 3.5 Other Information

<b>Income Distribution Policy</b>	Subject to availability of income, distribution will be paid once a year.  <i>Note: Income distribution (if any) will be in the form of cash.</i>
<b>Financial Year End</b>	31 October
<b>Performance Benchmark</b>	<p>The Fund has a yearly target return which at least matches the AmBank Islamic Berhad 12-month Term Deposit-i rate (fixed as at Commencement Date).</p> <p>You may visit <a href="http://www.aminvest.com/eng/IndividualInvestors/Pages/FundsBenchmark.aspx">http://www.aminvest.com/eng/IndividualInvestors/Pages/FundsBenchmark.aspx</a> or call us at (03) 2032 2888 to find out about the AmBank Islamic Berhad 12-month Term Deposit-i rate as at Commencement Date.</p> <p><i>The risk profile of the Fund's investments is higher than the risk profile of the AmBank Islamic Berhad 12-month Term Deposit-i rate and consequently, the Fund is expected to outperform the AmBank Islamic Berhad 12-month Term Deposit-i. There is no guarantee that the Fund's performance will always outperform the benchmark.</i></p>

<b>Permitted Investments</b>	<p>As permitted under the Deed and the requirements of SC, the Fund will invest in any of the following investments:</p> <ol style="list-style-type: none"> <li>i. Sukuk which include but not limited to listed or unlisted corporate sukuk, government sukuk and quasi-government sukuk;</li> <li>ii. Islamic liquid assets which include but not limited to cash, Islamic deposits and Islamic money market instruments;</li> <li>iii. Islamic collective investment schemes;</li> <li>iv. Islamic financial derivatives for hedging purposes: and</li> <li>v. Any other kind of Shariah-compliant investments as permitted by the SC or any other relevant authorities from time to time which is in line with the investment objectives of the Fund.</li> </ol>
<b>Investment Limits and Restrictions</b>	<p><b>Exposure Limit</b></p> <ol style="list-style-type: none"> <li>i. The value of the Fund's investments in unlisted sukuk must not exceed 10% of the Fund's NAV. The 10% exposure limit doesn't apply to unlisted sukuk traded on an organised over-the-counter market.</li> </ol> <p><b>Investment Spread Limits</b></p> <ol style="list-style-type: none"> <li>i. The value of the Fund's placement in Islamic deposit with any single financial institution must not exceed 20% of the Fund's NAV.</li> <li>ii. For investments in Islamic financial derivatives: <ol style="list-style-type: none"> <li>(a) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines; and</li> <li>(b) the value of the Fund's over-the-counter Islamic financial derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.</li> </ol> </li> <li>iii. The aggregate value of the Fund's investments in sukuk, Islamic money market instruments, Islamic deposits and Islamic financial derivatives issued by or placed with, as the case may be, any single issuer/financial institution must not exceed 25% of the Fund's NAV. However, the limit of 25% may be increased to 30% of the Fund's NAV provided that the investments are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of profit and principal.</li> </ol>

	<ul style="list-style-type: none"> <li>iv. The value of the Fund's investments in units/shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV.</li> <li>v. The value of the Fund's investments in sukuk issued by any single issuer must not exceed 20% of the Fund's NAV. However, the limit of 20% may be increased to 30% of the Fund's NAV provided that the sukuk are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of profit and principal.</li> <li>vi. The value of the Fund's investment in sukuk issued by any one group of companies must not exceed 30% of the Fund's NAV.</li> </ul> <p><b>Investment Concentration Limits</b></p> <ul style="list-style-type: none"> <li>i. The Fund's investment in sukuk must not exceed 20% of the sukuk issued by any single issuer.</li> <li>ii. The Fund's investment in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer, except for which the Islamic money market instruments do not have a pre-determined issue size.</li> <li>iii. The Fund's investment in Islamic collective investment schemes must not exceed 25% of the units/shares in any one Islamic collective investment scheme.</li> </ul>
<b>Current Deed</b>	The Deed relating to the Fund is dated 9 July 2020.

### 3.6 Shariah Investment Guidelines

The following are the Shariah Investment Guidelines for the Fund, which we are to strictly adhere to on a continuous basis. At all times, the Fund shall invest in activities and instruments that are allowed under Shariah principles and shall not invest in activities and instruments that are prohibited by Shariah principles based on the parameters of the applicable SAC and the Shariah Adviser.

#### 1. Sukuk

Sukuk are certificates that provide evidence of an investment into an underlying asset or a project which is typically an income generating asset or project. The Fund will only invest in sukuk which is endorsed by the SAC of the SC, or approved by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and/or other Shariah boards/standards acceptable to the Shariah Adviser.

## **2. Islamic money market instruments**

For investment in Islamic money market, the Fund may acquire any Islamic money market instruments based on the data available at:

- Bond Info Hub ([www.bondinfo.bnm.gov.my](http://www.bondinfo.bnm.gov.my))
- Fully Automated System for issuing/ tendering (<https://fast.bnm.gov.my>)

The Fund may also invest into any other Islamic money market instruments deemed Shariah-compliant by the SAC of the BNM or the Shariah Adviser.

## **3. Investment in Islamic deposits**

The Fund is also prohibited from investing in interest-bearing deposits and recognizing any interest income.

## **4. Islamic collective investment schemes (CIS)**

The Fund shall invest in domestic and foreign Islamic CIS investing predominantly in sukuk. The domestic Islamic CIS must be approved by the SC. For the foreign Islamic collective investment schemes, it must be approved by the Shariah Adviser upon review of the necessary and relevant documentation.

## **5. Islamic financial derivatives**

Financial derivatives that are endorsed by other Shariah advisers or committees must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.

## **6. Any other investments**

For avoidance of doubt, any instruments which are not within the approved list above should be informed to the Shariah Adviser for the Shariah Adviser's approval. Where the Shariah Adviser request a change to the Shariah Investment Guidelines, it shall give the Manager a reasonable period of time to effect such change in the Prospectus in accordance with the requirements of any applicable law and regulation.

## **Purification Process for the Fund**

### Shariah non-compliant investment

This refers to Shariah non-compliant investment made by the Manager. The said investment will be disposed of or withdrawn, within a month of knowing the status of the investment. If the investment resulted in gain (through capital gain and/or profit), the gain is to be channeled to baitulmal or any other charitable bodies of the

Manager's choice as approved by the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

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

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

**The investment portfolio of the Fund comprises of instruments that are classified as Shariah-compliant by the SAC of the SC and, where applicable by the SAC of the BNM. For instruments which are not classified as Shariah-compliant by the SAC of the SC and, where applicable by the SAC of the BNM, the instruments will be determined in accordance with the ruling by the Shariah Adviser.**

### **3.7 Investor Profile**

The Fund is suitable for investors seeking:

- an investment that aims to provide regular income\*;
- participation in the local and oversea sukuk market; and
- potentially higher returns than the AmBank Islamic Berhad 12-month Term Deposit-i rate (fixed as at Commencement Date).

*Note: \*Income distribution (if any) will be in the form of cash. For further details on the mode of income distribution, please refer to page 29.*

## 4 FEES, CHARGES AND EXPENSES

Unless stated otherwise, all fees, charges and/or expenses disclosed in the Prospectus are exclusive by way of example and not limitation; goods and services tax, value added tax, consumption tax, levies, duties and other taxes as may be imposed by the Government of Malaysia from time to time (collectively known as “Taxes”). If these fees, charges and/or expenses are subject to any Taxes, such Taxes shall be borne and payable by the Unit Holders and/or the Fund (as the case may be) at the prevailing rate, including any increase or decrease to the rate, in addition to the fees, charges and/or expenses stated herein.

### 4.1 Charges

This table describes the charges that you may **directly** incur when you buy or redeem units of the Fund (*rounded to 2 decimal points*):

Entry Charge	Distribution Channel	Entry Charge*
	Direct Sales	Up to 3.00% of the Offer Price
	IUTA	Up to 3.00% of the Offer Price
<p><i>Notes:</i>  <i>Entry charge is negotiable.</i>  <i>All staff of AmBank Group will be charged 1.50% of the Offer Price as entry charge.</i></p>		
Exit Penalty	Up to 3.00% of NAV per unit of the Fund.	
<p><i>Notes:</i>  <i>The proceeds of exit penalty will be retained by the Fund.</i>  <i>Unit Holders will not be subject to an exit penalty fee as a result of Early Termination of the Fund.</i></p>		
Other Charges	<b>Transfer Fee</b> Nil.	
	<b>Bank Charges or Fees</b> Bank charges or fees, if any, will be borne by you.	
	<b>Switching Fee</b> Switching facility is unavailable for the Fund.	

### 4.2 Ongoing Fees and Expenses

The fees and expenses that you may indirectly incur are as follows:



**(a) Annual Management Fee**

The Manager does not charge annual management fee for the Fund.

**(b) Annual Trustee Fee**

The Trustee is entitled to an annual trustee fee for acting as trustee for the Fund. This fee is calculated daily and paid monthly. The trustee fee is up to 0.03% p.a. of the NAV of the Fund (excluding foreign sub-custodian fee and charges, where applicable). An illustration of the trustee fee per day is as follows:

Assuming the NAV of the Fund is RM100 million and the trustee fee is 0.03% p.a. of the NAV of the Fund, then the daily accrued trustee fee would be:

	<u>RM</u>
Trustee's fee for the day charged to the Fund:	
$(\text{NAV of the Fund} \times \text{Trustee fee}) \div \text{Number of days in a year}$	
$= (\text{RM}100,000,000.00 \times 0.03\%) \div 365$	
	82.19

**(c) Fund Expenses**

The Manager and the Trustee may be reimbursed out of the Fund for any cost reasonably incurred in the administration of the Fund. The Fund's expenses currently include but are not limited to audit fees, tax agent's fees, Shariah Adviser's fee, printing and postages of annual and interim reports, bank charges, investment committee fee for independent members, lodgement fees for Fund's reports, foreign custodians' charges (if any) in respect of any foreign investments of the Fund, fees paid to brokers or dealers (if any) and other expenses as permitted by the Deed.

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

## 5 TRANSACTION INFORMATION

### 5.1 Valuation of Assets

In undertaking any of its investments, the Manager will ensure that all the assets of the Fund are valued at fair value in compliance with the SC guidelines and relevant laws at all times. Investments of the Fund are valued in accordance to the following:

- Listed sukuk  
The last traded prices quoted on an exchange will be used.
- Unlisted sukuk  
Valuation is based on prices provided by the Bond Pricing Agency (BPA) registered with the SC or where prices are not available from BPA, the average indicative yield quoted by three (3) independent and reputable institutions. For unlisted foreign currency denominated sukuk, valuation is based on fair value by reference to the average indicative yield/prices quoted by three (3) independent and reputable institutions.

Where the Manager is of the view that the price quoted by BPA for a specific sukuk differs from “market price” by more than 20 basis points, the Manager may use the “market price”, provided that the Manager:

- (a) records its basis of using a non-BPA price;
- (b) obtains necessary internal approvals to use the non-BPA price; and
- (c) keeps an audit trail of all decisions and basis for adopting the “market yield”.

- Units in Islamic collective investment schemes (CIS)  
The value of any investment in Islamic CIS which are quoted on an approved exchange shall be based on the last done market price of the respective exchange. When investing in unlisted Islamic CIS, the value shall be determined by reference to the last published net asset value per unit (less redemption fee, if any) for that Islamic CIS.
- Islamic liquid assets  
The value of any investment in non-tradable Islamic liquid assets, such as Islamic money market instruments and Islamic deposits placed with financial institutions shall be determined on each Business Day, with reference to the principal value of such investments and the accrued income for the relevant period. For tradable Islamic liquid assets and Islamic money market instruments (such as negotiable certificates of deposits and promissory notes), the valuation is based on marked to market prices based on average of three (3) quotations by financial institutions daily.
- Islamic financial derivatives  
The valuation is based on marked to market prices. The methods or bases of valuation will have to be verified by the Auditor of the Fund and approved by the Trustee.

## 5.2 Pricing and Valuation Points

As the Fund is a close-ended sukuk fund, subscription and redemption (during Offer Period) will be carried out at the Offer Price. Redemption of units (after Offer Period) will be carried out at the NAV per unit.

In addition, the Fund also adopts forward pricing, which means price for units i.e. the NAV per unit will be calculated at the next valuation point after the complete documentation is received. Entry charge and exit penalty will be computed and charged separately based on your subscription amount or amount redeemed.

Valuation point refers to such time(s) on a Business Day as may be decided by the Manager wherein the NAV per unit of the Fund is calculated. The valuation of the Fund will be carried out after the close of every Wednesday\*.

During the Offer Period, an investor will buy units at the Offer Price plus entry charge of up to 3.00% of the Offer Price. Redemption during Offer Period is allowed on any Business Day. Redemption during the tenure of the Fund is only allowed once a week i.e. on a Wednesday\*. As such, redemption request should reach the Manager or their appointed distributors before the cut-off times mentioned in the Prospectus.

Exit penalty of 3.00% of the NAV per unit will be deducted from the NAV per unit as at the end of every Wednesday's valuation\* after the acceptance of complete redemption transaction form.

Since the Fund may also invest in foreign markets, the valuation of the Fund will be carried out on the next Business Day (T+1) by 5.00 p.m. This is to cater for the currency translation of the foreign securities/instruments to the Fund's base currency based on the bid exchange rate quoted by Bloomberg/Reuters at 4.00 pm (UK time) which is equivalent to 11.00 pm or 12.00 am midnight (Malaysian time) on the same day, or such other time as stipulated in the Investment Management Standards issued by the Federation of the Investment Managers Malaysia (FIMM).

*Note: \*If Wednesday is not a Business Day, then it will be the next Business Day.*

### **Incorrect Pricing**

In the event of any incorrect pricing of units of the Fund, the Manager shall take immediate remedial action to rectify the incorrect pricing. Where the incorrect pricing:

- (i) is equal or more than zero point five per centum (0.5%) of the NAV per unit; and
- (ii) the total impact on an individual account is less than RM 10.00 or its foreign currency equivalent in absolute amount;

then the Manager shall reimburse the Fund and/or the affected Unit Holder in the following manner:

- (a) where the error is as a result of over valuation (i.e. the price quoted is higher than the actual price), the Manager shall reimburse:

- (i) the Fund (for the difference between the redemption amount paid out by the Fund and the amount per the amended valuation); and/or
  - (ii) the Unit Holders (for the difference between the value of subscription amount paid by the Unit Holder and the amount per the amended valuation).
- (b) where the error is as a result of under valuation (i.e. the price quoted is lower than the actual price), the Manager shall reimburse:
- (i) the Fund (for difference between the value of subscription amount paid by the Unit Holder and the amount per the amended valuation); and/or
  - (ii) the Unit Holders (for difference between the redemption amount paid out by the Fund and the amount per the amended valuation).

Subject to any regulatory requirements, the Manager shall have the right to amend, vary or revise the above said limits or threshold from time to time.

### **Policy on rounding adjustment**

The NAV per unit for the Fund is rounded to four (4) decimal points. Redemption proceeds, units created, fees and charges are rounded to two (2) decimal points.

### **NAV per unit**

The following is a hypothetical example of the calculation of the NAV per unit:

<b>Total NAV</b>	RM50,000,000.00
<b>Units in circulation (units)</b>	50,000,000
<b>NAV per unit</b> (Total NAV/Units in circulation)	RM1.0000

### **Making an investment**

Assuming an investor wants to invest RM10,000 in the Fund during Offer Period. The Offer Price is RM1.0000 per unit and entry charge is 3.00% for this Fund. The investor will need to pay the amount as illustrated below to the Manager:

<b>Items</b>	<b>RM/Units</b>	<b>Explanation</b>
(i) Amount to be invested (investment amount)	RM10,000	
(ii) Units issued to investor	10,000 units	RM10,000/ RM1.0000 per unit
(iii) Entry charge incurred by investor	RM300	10,000 units x RM1.0000 per unit x 3.00%
(iv) Amount payable by investor	RM10,300	

## **Redeeming an investment**

Assuming an investor wish to redeem 10,000 units from the Fund before the Maturity Date. The NAV per unit is RM1.0000 with and the exit penalty is 3.00% for this Fund. Hence, the total amount payable to the investor is RM9,700 as illustrated below:

<b>Items</b>	<b>RM/Units</b>	<b>Explanation</b>
(i) Units redeemed	10,000 units	
(ii) Gross amount payable to investor	RM10,000	10,000 units x RM1.0000
(iii) Exit penalty incurred by investor	RM300	10,000 units x RM1.0000 per unit x 3.00%
(iv) Amount payable to investor	RM9,700	RM10,000 – RM300

***Note: Redemption request will not be available when the Fund is matured as the Manager will commence the process to payout the maturity proceeds. The same applies in the event of Early Termination.***

## **5.3 Making an Investment**

Cash (notes or coins) will strictly not be accepted. Persons dealing in unit trust are not authorised to accept cash payments under any circumstances. If you give any of our licensed distributors (which include persons dealing in unit trust) cash, you do so at your own risk. We shall not be held responsible in any way.

Please note that both new and additional investments can only be made during Offer Period of the Fund.

<b>Minimum Initial Investment</b>	RM5,000.00  <i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</i>
<b>Minimum Additional Investment</b>	RM5,000.00  <i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</i>
<b>Step 1 Eligibility</b>	<b><u>Individual investors</u></b> For a single applicant, the applicant must be 18 years of age and above. For joint applicant, the first named applicant must be 18 years of age and above. The joint applicant can be of any age.

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**Non-individual or corporate investors**

Companies, co-operatives, societies, sole proprietors, institution etc.

Notes:

- (1) *The Manager has the right to reject any application by a US Person. However, if you are investing through our appointed distributor who operates under a nominee system of ownership, kindly consult the respective distributor accordingly.*
- (2) *If a Unit Holder is a US Person or subsequently becomes a US Person and such fact comes to the attention of the Manager:*
  - a) *The Manager is entitled to act in accordance with FATCA, relevant laws, rules, regulations, notes and circulars issued by the relevant authorities from time to time including but not limited to withholding such amount of the income derived from the units held by such US Person (if any); and*
  - b) *The Manager shall by a notice in writing to that US Person require him/her to either redeem all the units of the Fund or transfer all the units of the Fund to a non-US Person within thirty (30) days from the date of the notice. Upon expiry of thirty (30) days from the date of such notice, the Manager reserves the right to compulsorily redeem all the units held by such US Person.*

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**Step 2  
Forms To Be  
Completed and  
Documents  
Required****For initial investment:**

- (1) A full set of account opening form;
- (2) Proof of payment;
- (3) Suitability assessment form;
- (4) Personal Data Protection Act consent form (if applicable);
- (5) FATCA and CRS documentation:
  - a) Self-certification by individual / entity;
  - b) W-8BEN / W-8BEN-E Form (if applicable); and
  - c) W-9 Form (if applicable); and
- (6) Additional documents requested by the Manager (if applicable).

***Individual investor/jointholder***

For a single applicant, photocopy of National Registration Identity Card (NRIC) for Malaysian or passport for foreigner.

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For joint applicant, photocopy of NRIC for Malaysian or passport for foreigner of first named joint applicant and the subsequent named joint applicant.

***Non-individual/corporate investors***

- (1) Copy of NRIC/passport of all authorised signatory(ies);
- (2) Copy of NRIC/passport of directors/shareholders/partners;
- (3) A certified true copy of the Memorandum and Articles of Association, business registration documents, certificate of registration or its equivalent;
- (4) A certified true copy of Form 24 and 49 or its equivalent;
- (5) An original/extract copy of a board resolution approving investments in the Fund or its equivalent;
- (6) List of authorised personnel to effect any instructions pertaining to the Fund if the list of authorised personnel is not mentioned in the board resolution or its equivalent;
- (7) A copy of the latest audited financial statement of accounts;
- (8) Any other approvals required from relevant authorities; and
- (9) Any other documents requested by the Manager.

**For additional investment:**

- (1) Transaction form or letter of instruction (for non-individual or corporate investors only); and
- (2) Proof of payment.

**Step 3  
Manner of  
Payment and  
Delivery**

Upon clearance based on our “Know-Your-Customer” (KYC) policy, you can deposit payment into our account upon being advised by us. Your application will be accepted and shall be processed based on the net amount received. If you deposit payment into our account without notifying us, we reserve the right to reject your application and hold such amount until claimed.

Payments can be made by depositing payment into our account using either cheque, bank draft or telegraphic transfer payable to:

**“AmFunds Management Berhad – Trust A/C”**

**For individual investors:** You are advised to write your name, NRIC/ passport number and contact number at the back of the cheque or bank draft.

	<p><b>For corporate investors:</b> You are advised to write your company name, company no. and contact number at the back of the cheque or bank draft.</p> <p>You can submit the application with complete documentation (including the proof of payment) and payment to us or submit the same to any of our appointed distributors. If we do not receive complete documentation with the payment we reserve the right to reject the application. If you deposit payment into our account and do not notify or provide us with the complete documentation, we shall reject your application and hold such amount until claimed. Sales of units will be processed upon receipt of complete documentation and proof of payment.</p> <p>We reserve the right to vary the manner of payment from time to time, and shall be communicated to you.</p> <p><i>Note: Where payment is by cheque, the cheque must be issued by the investor. In the case of bank draft, a copy of the application for the bank draft as approved by the relevant bank must be submitted with the bank draft. <b>Any payment from third party other than the investor will be rejected.</b></i></p>
<p><b>Processing an Application/ Cut-off Time</b></p>	<ul style="list-style-type: none"> <li>• If an application with complete documentation is accepted by us or our appointed distributors <b>before 4.00 p.m.</b> on a Business Day, it will be processed at the closing NAV per unit of the same Business Day.</li> <li>• If an application with complete documentation is accepted by us or our appointed distributors <b>after 4.00 p.m.</b> on a Business Day or on a non-Business Day, it will be processed at the closing NAV per unit of the next Business Day.</li> </ul> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>• <i>The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents or proof of payment. Incomplete applications will not be processed until all the necessary information has been received.</i></li> <li>• <i>You should note that different distributors may have different cut off times in respect of receiving application request. You are advised to contact the relevant distributors to obtain further information and should check with the relevant distributors on their cut off time in respect of receiving application request.</i></li> </ul>
<p><b>Cooling-off Right</b></p>	<p>If you make an investment and later decide that the investment does not suit your needs, you may withdraw your</p>



	money within the cooling-off period. You should be aware that the cooling-off right is only available on your first investment with the Manager. Subsequent investments will not enjoy this right. The cooling-off right is not available to corporation/institution, staff of the Manager and persons registered to deal in unit trust funds of the Manager.
<b>Cooling-off Period</b>	You may exercise cooling-off rights within six (6) Business Days of making the investment. This is however, only available on your first investment with the Manager.
<b>Confirmation of an Application</b>	You shall be issued a transaction advice within two (2) weeks of processing your application. No certificates are issued. Instead your details are entered into the register of Unit Holders, which is kept at our head office and can be inspected during business hours.
<b>Miscellaneous Application Information</b>	You will be responsible for all losses and expenses of the Fund in the event of any failure to make payments according to the procedures outlined in this Prospectus. In addition, a RM20 charge will be imposed if a cheque does not clear. Such losses and expenses shall be deducted by the Manager from your account with us. We reserve the right to reject any application. We also reserve the right to change or discontinue any of our application procedures.

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

#### **5.4 Making Redemptions and Payment of Maturity Proceeds**

<b>Minimum Redemption</b>	5,000 units  <i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</i>
<b>Minimum Holding/ Balance</b>	1,000 units  <i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</i>
<b>Forms To Be Completed</b>	(1) Transaction form signed by individual unit holder(s)/ authorised signatory(ies); or (2) Letter of instruction (for non-individual or corporate investors only).
<b>Submission of Redemption Request</b>	Every Wednesday  <i>Note: If Wednesday is not a Business Day, then it will be the next Business Day.</i>

<b>Cut-off Time</b>	<ul style="list-style-type: none"> <li>• If an application with complete documentation is accepted by us or our appointed distributors <b>before 4.00 p.m. on a Wednesday</b>, it will be processed at the closing NAV per unit of the same Business Day.</li> <li>• If an application with complete documentation is accepted by us or our appointed distributors <b>after 4.00 p.m. on a Wednesday (which is a Business Day)</b>, it will be processed at the closing NAV per unit of the next Wednesday.</li> </ul> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>• <i>The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents. Incomplete applications will not be processed until all the necessary information has been received.</i></li> <li>• <i>You should note that different distributors may have different cut off times in respect of receiving redemption request. You are advised to contact the relevant distributors to obtain further information and should check with the relevant distributors on their cut off time in respect of receiving redemption request.</i></li> </ul>
<b>Payment of Redemption Proceeds</b>	<p>Within ten (10) calendar days of processing the transaction form.</p>
<b>Payment of Maturity Proceeds</b>	<p>Within one (1) calendar month from the Maturity Date or the date of Early Termination (in the event of Early Termination).</p>
<b>Manner of Payment</b>	<p>Redemption and/or maturity proceeds will be made in the currencies which the units are denominated will be paid to a bank account (active account) held in your own name or the first named Unit Holder (for joint account) either by telegraphic transfer, cheque or bank draft.</p> <p><i>Note: We reserve the right to vary the manner of payment from time to time, and shall be communicated to you.</i></p>
<b>Miscellaneous Redemption Information</b>	<p>We reserve the right to defer the calculation of redemption price with the consent of the Trustee (or as permitted by the SC) after receiving the redemption request if in our judgment, an earlier payment would adversely affect the Fund.</p>

**No redemption will be paid in cash under any circumstances.**

## 5.5 Distribution payment

<b>Income distribution policy</b>	Subject to availability of income, distribution will be paid once a year.
<b>Mode of Income Distribution</b>	Income distribution earned will be deposited into your bank account held in your name or the first named Unit Holder (for joint account) or to pay such income distribution by way of a bank draft under any circumstances where the income distribution cannot be transferred.  Reinvestment of income distribution is unavailable for the Fund.

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

## 5.6 Unclaimed Moneys

Any moneys payable to you which remains unclaimed (hereinafter referred to as unclaimed amount) for the last twelve (12) months or such period as may be prescribed under the Unclaimed Moneys Act 1965 from the date of payment will be paid to Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Thereafter, all claims need to be made to the Registrar of Unclaimed Moneys.

## 5.7 Other Relevant Information When Making an Investment

### Switching Facility

Switching facility is not available for this Fund.

### Transfer Facility

Transfer of the Fund units is allowed at the Manager's discretion. You can transfer all or some of your investments to another person by completing a transfer form signed by both parties (transferor and transferee). A full set of account opening documents are also required to be filled by the transferee if he/she is a new client to the Manager.

We may, at our absolute discretion without giving any reason, refuse to register a transfer.

### Temporary Suspension of Determination of NAV and of the Issue and Redemption of Units

The Manager may suspend the determination of the NAV of the Fund, the issue of units and the redemption of units in the following circumstances:

- (a) during any period when the Malaysian market on which a material part of the investments of the Fund is closed, or during which dealings are substantially suspended or restricted;
- (b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the Fund is not possible;
- (c) during any breakdown in the means of communication normally employed in determining the price of the Fund's investments on any market;
- (d) when for any other reason the prices of any investments owned by the Fund cannot promptly or accurately be ascertained;
- (e) during any period when remittance of monies which will or may be involved in the realization of or in the payment for any of the Fund's investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;
- (f) in the event of the publication of a notice convening a Unit Holders meeting; or
- (g) if in our judgement, an earlier payment of redemption proceeds would adversely affect the Fund.

Unit Holders who have requested for subscription and/or switching and/or redemption of their units will be notified in writing of any such suspension of the right to subscribe, to switch or to require redemption of units and will be promptly notified upon termination of such suspension. Any suspension shall be in accordance with the Deed.

### **Customer Identification Program**

Pursuant to the relevant laws of Malaysia on money laundering, we have an obligation to prevent the use of the Fund for money laundering purposes. As such, we and/or our appointed distributors have put in place a "Know Your Customer" ("KYC") policy where procedures are in place to identify and verify the investor's identification through documents such as identity card, passport, constituent documents or any other official documents.

We and/or our appointed distributors reserve the right to request such information, either at the time an application is made or thereafter, as is necessary to verify the identity of an investor (or each of the investors in the case of joint investors) and/or to periodically update our records. We and/or our appointed distributors require you to provide us with your information and information of beneficial owner such as name, date of birth, national registration card number, residential and business address, (and mailing address if different), name of beneficial owner, address of beneficial owner, national registration card number of beneficial owner, date of birth of beneficial owner or other information and official identification.

For corporate clients, we and/or our appointed distributors require you to provide us the name of the company, principal place of business, source of income/asset, identification documents of the directors/shareholders/partners, board resolution pertaining to the investment and the person authorized to operate the account, all of which as per requirements under regulation when you open or re-open an account.

We and/or our appointed distributors also reserve the right to request additional information including the source of the funds, source of wealth, net worth, annual income and identity of any beneficial owners as may be required to support the verification information and to allow us to complete adequate due diligence. In the event of delay or failure by the investor to produce any information required for verification purpose, we and/or our appointed distributors may refuse to accept an application request. In relation to a subscription application, any monies received will be returned without interest/profit to the account from which the monies were originally debited, and in relation to redemption application, no units will be redeemed to the investor. We and/or our appointed distributors also reserve the right to place restrictions on transactions or redemptions on your account until your identity is verified.

In the event of any breaches to the applicable laws on money laundering, we have a duty to notify the relevant authority of the said breaches.

### **Anti-Money Laundering (“AML”)/KYC Obligation on distributor**

If you have invested in the Fund via a distributor, there may be additional information that the distributor may need to provide to us, which may include the release of your particulars and details of ultimate beneficiaries / ultimate beneficial owners investing in the Fund to us. Without such information being provided, we may be required to reject your subscription or redemption request until such information is provided by the distributor to us.

### **Cross Trade**

The Manager may conduct cross trades between funds and private mandates it currently manages provided that all criteria imposed by the regulators are met.

Notwithstanding, cross trades between the personal account of an employee of the Manager and the Fund’s account and between the Manager’s proprietary trading accounts and the Fund’s account are strictly prohibited. The execution of cross trade will be reported to the investment committee and disclosed in the Fund’s report accordingly.

### **Rebates and Soft Commission**

It is our policy to channel all rebates, if any, received from brokers or dealers to the Fund. However, soft commissions for goods and services which are of demonstrable benefit to Unit Holders and in the form of research and advisory services that assist in the decision making process relating to the Fund’s investments as allowed under regulatory requirements and incidental to investment management of the Fund and the dealing with the broker or dealer is executed on terms which are the most favourable for the Fund are retained by us.

## **Borrowing/Financing**

The Fund is prohibited from borrowing other assets (including borrowing of securities within the meaning of *Securities Borrowing and Lending Guidelines*) in connection with its activities. However, the Fund may borrow cash for the purpose of meeting repurchase requests for units of the Fund and for short-term bridging requirements. Such borrowings are subject to the following:

- (a) the Fund's cash borrowing is only on a temporary basis and that borrowings are not persistent;
- (b) the borrowing period should not exceed one month;
- (c) the aggregate borrowings of the Fund should not exceed 10% of the Fund's NAV at the time the borrowing is incurred; and
- (d) the Fund only borrows from financial institutions.

### **5.8 Distribution Channels**

The Fund will be distributed by selected IUTA distributors. You may also contact the Manager for the list of distributors. For contact details of the Manager, please refer to page 60.

## 6 THE MANAGEMENT COMPANY

### 6.1 Corporate Information of the Manager

AFM was incorporated on 9 July 1986 and is a wholly owned by AmInvestment Bank Berhad with effective from 21 July 2016. As at LPD, AFM has more than thirty (30) years of experience in the unit trust industry.

AFM is the holder of a Capital Markets and Services Licence for the regulated activities of fund management, dealing in securities restricted to unit trusts and dealing in private retirement scheme issued under the Act.

### 6.2 Roles, Duties and Responsibilities of the Manager

The Manager is responsible for setting the investment policies and objective for the Fund. The Manager is also responsible for the promotion and administration of the Fund which include but not limited to issuing units, preparing and issuing of the Fund's offering documents.

AFM is responsible to manage, invest, realize, reinvest or howsoever deal with the Fund in accordance with the investment objective and guidelines, including investment limits and restrictions of the Fund.

### 6.3 The Board of Directors

The board members are:

- i. **Jeyaratnam a/l Tamotharam Pillai** (Independent);
- ii. **Tai Terk Lin** (Independent);
- iii. **Mustafa Bin Mohd Nor** (Independent);
- iv. **Sum Leng Kuang** (Independent); and
- v. **Goh Wee Peng** (Non-Independent).

### 6.4 The Investment Committee

The Fund is required by the SC Guidelines to have an investment committee. The roles and primary functions of the investment committee of the Fund are to review the Fund's investment objectives and guidelines and to ensure that the Fund is invested appropriately. The investment committee members are:

- i. **Sum Leng Kuang** (Independent);
- ii. **Mustafa Bin Mohd Nor** (Independent);
- iii. **Tai Terk Lin** (Independent);
- iv. **Zainal Abidin Mohd. Kassim** (Independent); and
- v. **Goh Wee Peng** (Non-Independent).

## **6.5 Designated Person Responsible for the Fund Management Function**

### **Wong Yew Joe**

Wong Yew Joe is the designated person responsible for the fund management function of the Fund. He is the Chief Investment Officer of AFM overseeing investments in the firm. He has more than twenty (20) years of experience in financial services and funds management. Over this tenure, his roles covered investment analysis, trading and portfolio management. He also played a key role in product development, business development and managing client relationships. Yew Joe first joined the Funds Management Division in 2006 as a fund manager. His last post was the Head of Fixed Income and oversaw investments in Islamic fixed income instruments and other related instruments. He holds a Bachelor of Commerce (Accounting and Finance) from the University of Southern Queensland, Australia. He also holds a Capital Markets Services Representative's License for the regulated activity of fund management.

## **6.6 The Investment Manager**

AFM has appointed AIFM, a licensed fund manager approved by the SC on 13 January 2009, to implement the Fund's investment strategy to achieve the objectives of the Fund. AIFM was established on 25 August 2008 to be a dedicated Islamic investment solutions provider which offers a comprehensive and innovative range of Shariah-compliant funds and provides investment management services for all Shariah-compliant assets. AIFM has more than seven (7) years' experience in providing fund management services and is a wholly owned subsidiary of AmlInvestment Bank Berhad.

## **6.7 Key Personnel of the Investment Manager**

### **Calvin Kuek Wee Yong**

Calvin Kuek Wee Yong is the Head of Fixed Income of AIFM, leading the fixed income team in the firm. He has more than ten (10) years of experience in Treasury/Global Markets and Funds Management. He also won the Best 3-Year ROI and Best Domestic Sukuk Portfolio Manager at EPF External Fund Managers Annual Awards for the Year 2016 and 2017. Calvin joined AIFM in January 2020 as the Head of Fixed Income. His previous post was a Senior Portfolio Manager, managing domestic bond funds and Global Sukuk funds. He holds a Bachelor Degree in Electrical-Telecommunication Engineering (Hons) from University of Technology Malaysia. He holds a Capital Markets Services Representative's License for the regulated activity of fund management.



## **6.8 Material Litigation of the Manager and the Investment Manager**

As at the LPD, the Manager and the Investment Manager are not engaged in any material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Manager and the Investment Manager.

***Note: Please refer to our website ([www.aminvest.com](http://www.aminvest.com)) for further information on the Manager, Investment Manager, investment committee and other corporate information which may be updated from time to time.***

# 7 THE SHARIAH ADVISER

## 7.1 Amanie Advisors Sdn Bhd

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 Adviser with the SC. It has been established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active 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 eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education.

Amanie meets every quarter to address Shariah advisory matters pertaining to our Islamic funds. Since 2005, Amanie has acquired fourteen (14) years of experience in the advisory role of unit trusts with more than 200 funds locally and globally. As at LPD, Amanie acts as Shariah adviser to 100 Islamic funds.

The roles of Shariah Adviser are:

1. To advise on all aspects of the Fund and fund management business in accordance with Shariah principles.
2. To ensure that the Fund is managed and administered in accordance with Shariah principles.
3. To provide expertise and guidance in all matters relating to Shariah principles, including on the Deed and Prospectus, its structure and investment process, and other operational and administrative matters.
4. To consult with SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process.
5. To act with due care, skill and diligence in carrying out its duties and responsibilities.
6. Responsible for scrutinizing the Fund's compliance report as provided by the compliance officer and investment transaction reports to ensure that the Fund's investments are in line with Shariah principles.

7. To prepare a report to be included in the Fund's interim and annual reports certifying whether the Fund have been managed and administered in accordance with Shariah principles for the period concerned.

## **7.2 Designated Person Responsible for Shariah Matters of the Fund**

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

Datuk Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in few cities globally. He has recently being appointed as the Chairman of the Shariah Advisory Council (SAC) of the Astana International Financial Centre (AIFC), Kazakhstan. He also serves as the Chairman of the SAC at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Labuan Financial Services Authority, the First Abu Dhabi Bank and Permodalan Nasional Berhad (PNB).

Datuk Dr Daud is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas Najma (Bahrain), Natixis Bank (Dubai), Oasis Asset Management (South Africa), Noor Islamic Bank (Dubai), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg), and Dow Jones Islamic Market Index (New York) amongst many others.

In July 2019, he has just been appointed as the 8th President of the International Islamic University of Malaysia (IIUM) due to his vast skill and experience serving the university. His last post there was as the Deputy Vice-Chancellor before.

In the corporate world, Datuk sits as a Board Director at Sime Darby Property Berhad and a member of the PNB Investment Committee. He was recently appointed as the Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). He is also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdaftar (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinb.

In 2016, he received the “Award of Excellence for Outstanding Contribution for Shariah Leadership & Advisory” at London Sukuk Summit Awards and “Shariah Adviser Award” at The Asset Triple A Islamic Finance Award. In 2014, he received the “Most Outstanding Individual” award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad’s birthday. Under his leadership, Amanie Advisors received the “Islamic Economy Knowledge Infrastructure Award” at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai, in October 2015.

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.

**Please refer to our website ([www.aminvest.com](http://www.aminvest.com)) for further information on the Shariah Adviser, its qualifications and other information which may be updated from time to time.**

## **8 THE TRUSTEE**

### **8.1 About Deutsche Trustees Malaysia Berhad**

Deutsche Trustees Malaysia Berhad (“DTMB”), Company No. 200701005591 (763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The Company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

### **8.2 Experience in Trustee Business**

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 185 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

### **8.3 Roles, Duties and Responsibilities of the Trustee**

DTMB’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA 2007 and all relevant laws.

### **8.4 Material Litigation and Arbitration**

As at LPD, neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the trustee and any of its delegate.

## **8.5 Trustee's Delegate**

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over thirty (30) markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

## **8.6 Disclosure on Related-Party Transactions/Conflict of Interests**

As the Trustee for the Fund and the Manager's delegate for the fund accounting and valuation services, there may be related party transactions involving or in connection with the Fund in the following events:

- (1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC Guidelines and other applicable laws;
- (3) Where the Manager appoints the Trustee to perform its back office functions (e.g. fund accounting and valuation); and
- (4) Where the Trustee has delegated its custodian functions for the Fund to DBMB.

The Trustee will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best available for or to the Fund and are on an arm's length basis as if between independent parties.

While the Trustee has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB's commitment to act in the best interests of the Unit Holders of the Fund do not preclude the possibility of related party transactions or conflicts.

## 9 SALIENT TERMS OF THE DEED

Please note that if an investor invests through a distributor via a nominee system of ownership, the investor will not be deemed a Unit Holder under the Deed.

### 9.1 Rights and Liabilities of Unit Holders

An investor is deemed to be a Unit Holder when units are issued upon the Manager accepting completed documentation with payment.

Each unit held in the Fund entitles a Unit Holder to an equal and proportionate beneficial interest in the Fund. However, a Unit Holder does not own or have a right to any particular asset held by the Fund and cannot participate in management decisions except in very limited circumstances as set out in the Deed.

As a Unit Holder, you have the right to:

- (a) Receive income distribution (if any);
- (b) Have your units redeemed;
- (c) Transfer your units, subject to Manager's discretion;
- (d) Participate in termination or winding up of the Fund;
- (e) Call, attend and vote at meetings of unit holders (the rules governing the holding of meetings are set out in the law and the Deed);
- (f) Receive statement of investments, annual and interim reports of the Fund; and
- (g) To exercise such other rights and privileges as provided for in the Deed.

The law and the Deed limit a Unit Holder's liability to the value of their investments in the Fund. Accordingly, if the Fund's liabilities exceed its assets, no Unit Holder by reason alone of being a Unit Holder, will be personally liable to indemnify the Trustee or the Manager or any of their respective creditors.

### 9.2 Fees and Charges Permitted by the Deed

The following are the maximum fees and charges as provided in the Deed:

<b>Annual Management Fee</b>	Up to 5.00% p.a. of the NAV of the Fund
<b>Annual Trustee Fee</b>	Up to 0.03% p.a. of the NAV of the Fund (excluding foreign custodian fees and charges, where applicable)
<b>Entry Charge</b>	Up to 3.00% of the Offer Price of the Fund
<b>Exit Penalty</b>	Up to 3.00% of the NAV per unit of the Fund

The increase in the fees and charges can only be made in accordance with the Deed and the relevant laws. Any increase in the fees and/or the charges above the level disclosed in the Prospectus may be made provided that the maximum level stated in the Deed shall not be breached. Any increase in the fees or charges above the maximum level disclosed in the Deed shall require Unit Holders' approval at a duly convened Unit Holders' meeting and subsequently a supplemental deed and supplemental prospectus will be issued.

### **9.3 Permitted Expenses Payable out of the Fund**

The expenses (or parts thereof) which are directly related and necessary for the day to day operation and administration of the Fund are payable out of the Fund's assets. As provided in the Deed, these would include (but are not limited to) the following:

- (a) commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor and tax agent of the Fund;
- (d) costs, fees and expenses incurred for the valuation of any Shariah-compliant investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed Shariah-compliant investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser (including but not limited to legal advisors/lawyers) or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a 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 Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (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 Fund);
- (m) remuneration and out of pocket expenses of the independent members of the investment committee and Shariah Adviser of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in



- connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) costs, fees and expenses incurred in relation to printing and postage of annual and interim reports;
  - (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians in respect of the foreign investments of the Fund (if any); and
  - (q) any tax 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 sub-paragraphs (a) to (p) above.

#### **9.4 Retirement, Removal and Replacement 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 the expiration of twelve (12) months' notice in writing to the Manager of its desire so to do, or such other period as the Manager and the Trustee may agree upon.

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a duly convened meeting of which notice has been given to the Unit Holders in accordance with the Deed.

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

The Manager may be removed by the Trustee where:

- (a) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the best interests of Unit Holders for the Trustee to do so after the Trustee has given notice to the Manager 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 relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- (b) 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; or
- (c) 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;

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

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 relevant law upon giving to the Trustee twelve (12) months' notice in writing of its desire to

do so or such other period as the Manager and the Trustee may agree subject to the conditions stated in the Deed.

## **9.6 Termination of the Fund**

The Fund may be terminated or wound up should the following events occur:

- (a) A special resolution is passed following the occurrence of any of the events stipulated under any relevant law, with the sanction of the court if so required;
- (b) A special resolution is passed to terminate or wind up the Fund;
- (c) The Fund has reached its maturity date as specified in the Deed; and
- (d) The effective date of an approved transfer scheme (if any) has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

### **Termination of Trust by the Manager**

The Manager may determine the trust hereby created and wind up the Fund in accordance with the relevant laws. Notwithstanding the aforesaid:

- (a) the Manager may, in its sole discretion terminate the Fund by Early Termination; it is hereby expressly declared that the consent of the Unit Holders shall not be required for this purpose; or
- (b) the Manager shall be entitled to terminate the Fund, if the Fund is left with no Unit Holders.

Upon the termination of the trust by the Manager, the Trustee shall as soon as practicable, give to each Unit Holder of the Fund being wound up notice of such termination; the Manager shall notify the existing Unit Holders in writing of the following options:

- (a) to receive the net cash proceeds derived from the sale of all the investment and assets of the Fund less any payment for liabilities of the Fund and any cash produce available for distribution in proportion to the number of Units held by them respectively;
- (b) to switch to any other unit trust scheme managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- (c) to choose any other alternative as may be proposed by the Manager.

### **Termination of Trust by the Trustee**

In any of the following events:

- (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 the 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 provisions of any relevant law;

the Trustee shall summon a meeting of Unit Holders in accordance with the provisions of the Deed for the purpose of seeking directions from the Unit Holders.

If at any such meeting a Special Resolution to terminate the trust in respect to 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 such Special Resolution.

Upon such application by the Trustee, the court may, if it considers it to be in the interests of the Unit Holders, confirm the Special Resolution and make such orders as it thinks necessary or expedient for the termination of the trust in respect of the Fund and the effective winding-up of the Fund.

The termination of the trust and the winding up of the Fund shall not affect the continuity of any other unit trust scheme created and established hereunder.

## **9.7 Unit Holders' Meeting**

### **Quorum required for a Unit Holders' meeting**

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided 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 voting on a Special Resolution, 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 of the Fund at the time of the meeting.

## **9.8 Meeting directed by the Unit Holders**

The Manager shall within twenty-one (21) days of receiving a direction from not less than fifty (50) Unit Holders or one-tenth (1/10) of all the Unit Holders of the Fund, as the case may be, summon a meeting of the Unit Holders of the Fund 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, 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 to the jointholder's last known address;
- (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 national daily newspaper and in one other 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 any such meeting unless direction has been received from not less than fifty (50) Unit Holders or one-tenth (1/10) of all the Unit Holders of the Fund.

### **9.9 Meeting summoned by the Manager or the Trustee**

The Manager or the Trustee may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days' written notice to Unit Holders; and
- (b) specifying in the notice, the place and time of the meeting and the terms of the resolutions to be proposed.

## 10 RELATED PARTY TRANSACTIONS OR CONFLICT OF INTEREST

All transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties. The Fund may have dealings with parties related to the Manager. The related parties defined are AIFM, AmInvestment Bank Berhad, AmInvestment Group Berhad, AmBank (M) Berhad and AmBank Islamic Berhad.

Trading in securities by an employee is allowed, provided that the policies and procedures in respect of the personal account dealing are observed and adhered to. The directors, investment committee members and employees are required to disclose their portfolio holdings and dealing transactions as required under the Conflict of Interest Policy. Further, the abovementioned shall make disclosure of their holding of directorship and interest in any company.

The directors of AFM may have direct or indirect interest through their directorship in AIFM. Following are the details of the directors:

- Sum Leng Kuang is the independent director of AIFM.
- Tai Terk Lin is the independent director of AIFM.
- Goh Wee Peng is the non-independent director of AIFM.

For further details of the director's profile, please refer our website ([www.aminvest.com](http://www.aminvest.com)).

To the best of Trustee's knowledge, there has been no event of conflict of interest or related party transaction which exists between the Trustee and the Manager or any potential occurrence of it.

# 11 TAXATION

Date: 30 June 2020

Deloitte Tax Services Sdn Bhd  
Level 16, Menara LGB  
1 Jalan Wan Kadir  
Taman Tun Dr Ismail  
60000 Kuala Lumpur

The Board of Directors  
**AmFunds Management Berhad**  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur

Dear Sirs

## **AmFlexi Maturity 4 Taxation of the Fund and Unit Holders**

1. This letter has been prepared for inclusion in the Prospectus in connection with the offer of units in the **AmFlexi Maturity 4** (hereinafter referred to as “the Fund”).

The following is general information based on Malaysian tax law in force at the time of lodging the Prospectus with the SC and investors should be aware that the tax law may be changed at any time. To an extent, the application of tax law depends upon an investor’s individual circumstances. The information provided below does not constitute tax advice. The Manager therefore recommends that an investor consult his accountant or tax adviser on questions about his individual tax position.

## **2. Taxation of the Fund**

### **2.1 Income Tax**

As the Fund’s Trustee is resident in Malaysia, the Fund is regarded as resident in Malaysia. The taxation of the Fund is governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 (“MITA”).

Pursuant to the Section 2(7) of MITA, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah. The effect of this is that 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 tax treatment as if they were interest.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia is liable to income tax. The Fund may be receiving income such as exit fee which will be subject to tax at the prevailing tax rate applicable on the Fund. Gains on disposal of investments by the Fund will not be subject to income tax.

The income tax rate applicable to the Fund is 24%.

Tax exempt interest as listed in the Appendix attached received by the Fund are not subject to income tax.

With effect from 1 January 2014, Malaysia has fully moved to a single-tier income tax system. The Fund is not liable to tax on any Malaysia sourced dividends paid, credited or distributed to the Fund under the single tier tax system, where the company paying such dividend is not entitled to deduct tax under the MITA. The tax deductibility of other deductions by the Fund against such dividend income will be disregarded in ascertaining the chargeable income of the Fund.

In addition to the single-tier dividend that may be received by the Fund, the Fund may also receive Malaysian dividends which are tax exempt from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund is not subject to income tax on such tax exempt dividend income.

The Fund may also receive dividends, profits and other income from investments outside Malaysia. Income derived from sources outside Malaysia and received in Malaysia by a unit trust is exempted from Malaysian income tax. However, such income may be subject to foreign tax in the country from which the income is derived.

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into. Generally, any gain or loss relating to the principal portion will be treated as capital gain or loss. Gains or losses relating to the income portion would normally be treated as revenue gains or losses. The gain or loss on revaluation will only be taxed or claimed upon realisation. Any gain or loss on foreign exchange is treated as capital gain or loss if it arises from the revaluation of the principal portion of the investment.

Generally, income from distribution by the Malaysia Real Estate Investment Trusts (“REIT”) will be received net of withholding tax of 10%. No further tax will be payable by the Fund on the distribution. Distribution from such income by the Fund will also not be subject to further tax in the hands of the Unit Holders.

Expenses being manager’s remuneration, maintenance of register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage, which are not allowed under the general deduction rules, qualify for a special deduction, subject to a minimum of 10% and a maximum of 25% of such expenses pursuant to Section 63B of the MITA.

## **2.2 Gains on Disposal of Investments**

Gains on disposal of investments by the Fund will not be subject to income tax but where the investments represent shares in real property companies, such gains may be subject to Real Property Gains Tax (“RPGT”) under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties or shares in real property companies with a market value of not less than 75% of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

## **2.3 Service Tax**

The issuance of units by the Fund to investors will not be subject to Service Tax. Any distributions made by the Fund to Unit Holders are also not subject to Service Tax. The Fund would not be required to pay Service Tax on the acquisition of fund management services from the Fund Manager.

To the extent that the Fund invests in any financial services products (e.g. securities, derivatives, units in a fund or unit trust), the acquisition of these interests will also not be subject to Service Tax.

If the Fund acquires any imported taxable services from a service provider outside of Malaysia, these services would be subject to 6% Service Tax. The Fund would be required to file an SST-02A return on an adhoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department.



### 3. Taxation of Unit Holders

#### 3.1 Taxable Distribution

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent such income is distributed to them. Unit Holders are also liable to pay income tax on the taxable income distributions paid by the Fund. Taxable income distributions carry a tax credit in respect of the tax chargeable on that part of the Fund. Unit Holders will be subject to tax on an amount equal to the net taxable income distribution plus attributable underlying tax paid by the Fund.

Income distributed to Unit Holders is generally taxable as follows in Malaysia:

Unit Holders	Malaysian Tax Rates for Year of Assessment 2019	Malaysian Tax Rates for Year of Assessment 2020
<p>Malaysian tax residents:</p> <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> </ul> <p>Malaysian tax residents:</p> <ul style="list-style-type: none"> <li>▪ Trust bodies</li> <li>▪ Corporate Unit Holders</li> </ul> <p>i. A company with paid up capital in respect of ordinary shares of not more than RM2.5 million where the paid up capital in respect of ordinary shares of other companies within the same group as such company is not more than RM2.5 million (at the beginning of the basis period for a year of</p>	<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%</li> <li>▪ 17% for every first RM500,000 of chargeable income</li> <li>▪ 24% for chargeable income in excess of RM500,000</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 30%</li> <li>▪ Progressive tax rates ranging from 0% to 24%</li> <li>▪ 24%</li> <li>▪ 17% for every first RM600,000 of chargeable income</li> <li>▪ 24% for chargeable income in excess of RM600,000</li> </ul>

assessment) and having gross income from source or sources consisting of a business of not more than RM50 million for the basis period of a year assessment		
ii. Companies other than those in (i) above	▪ 24%	▪ 24%
Non-Malaysian tax residents:		
▪ Individual and non-corporate Unit Holders	▪ 28%	▪ 30%
▪ Co-operative societies	▪ 24%	▪ 24%

The tax credit that is attributable to the income distributed to the Unit Holders will be available for set off against tax payable by the Unit Holders. There is no withholding tax on taxable distributions made to non-resident Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

### **3.2 Tax Exempt Distribution**

Tax exempt distributions made out of gains from realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian tax in the hands of Unit Holders, whether individual or corporate, resident or non-resident. All Unit Holders do not pay tax on that portion of their income distribution from the Fund's distribution equalisation account.

### **3.3 Distribution Voucher**

To help complete a Unit Holder's tax returns, the Manager will send to each Unit Holder a distribution voucher as and when distributions are made. This sets out the various components of the income distributed and the amount of attributable income tax already paid by the Fund.

### **3.4 Sale, Transfer or Redemption of Units**

Any gains realised by a Unit Holder on the sale, transfer or redemption of his units are generally tax-free capital gains unless the Unit Holder is an

insurance company, a financial institution or a person trading or dealing in securities. Generally, the gains realised by these categories of Unit Holders constitute business income on which tax is chargeable.

### **3.5 Reinvestment of Distribution**

Unit Holders who receive their income distribution by way of investment in the form of the purchase of new units will be deemed to have received their income distribution after tax and reinvested that amount in the Fund.

### **3.6 Unit Splits**

Unit splits issued by the Fund are not taxable in the hands of the Unit Holders.

Yours faithfully

**Mark Chan Keat Jin**  
Executive Director

**Tax Exempt Income of Unit Trusts**

1. Interest or discount paid or credited to any individual, unit trust and listed closed-end fund in respect of the following will be exempt from tax: -
  - Securities or bonds issued or guaranteed by the Government; or
  - Debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the SC; or
  - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.
2. Income of a unit trust in respect of interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 (“FSA”) or the Islamic Financial Services Act 2013 (“IFSA”) or any development financial institution regulated under the Development Financial Institutions Act 2002 (“DFIA”).

Provided that the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.

In addition to the above, the Ministry of Finance (“MoF”) has informed vide their letter to the SC dated 23 January 2020 informed that the tax exemption on interest income received by corporate investors for investment in retail money market fund will be withdrawn with effect from 1 July 2020 (expiry date). However, in view of the unprecedented situation due to the COVID-19 outbreak, the MoF has agreed to defer the expiry date to 1 July 2021 vide its letter to SC dated 17 April 2020.

3. Interest in respect of any savings certificates issued by the Government.
4. Interest paid or credited to any person in respect of sukuk originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved or authorized by, or lodged with, the SC or approved by the Labuan Financial Services Authority.
5. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia.
6. Interest income derived from bonds (other than convertible loan stocks) paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad (“MESDAQ”) (now known as Bursa Malaysia Securities Berhad ACE Market).

7. Income derived from the Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc.
8. Discount or profit received from the sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad within and outside Malaysia.
9. Income derived from the Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad.
10. Gain or profit received from the investment in Islamic securities, other than convertible loan stock, which are issued in accordance with the principles of *Mudharabah*, *Musarakah*, *Ijarah*, *Istisna'* or any other principle approved by the Shariah Advisory Council established by the SC under the Capital Markets and Services Act 2007.
11. Gains or profits in lieu of interest, derived from the Sukuk Wakala in accordance with the principle of *Al-Wakala Bil Istithmar*, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad.
12. Income derived from Sukuk Kijang is exempted from the payment of income tax pursuant to Income Tax (Exemption) (No. 10) Order 2013. For the purpose of this order, "Sukuk Kijang" means the Islamic Securities of nominal value of up to two hundred and fifty million United States dollars (USD\$250,000,000) issued or to be issued in accordance with the Shariah principle of Ijarah by BNM Kijang Berhad.
13. Gains or profits derived, in lieu of interest, derived from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (USD1,500,000,000.00) in accordance with the principle of *Wakala Bil Istithmar*, other than a convertible loan stock, issued by the Malaysia Sovereign Sukuk Berhad.
14. Gains or profits derived, in lieu of interest from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (US\$1,500,000,000.00) in accordance with the principle of *Wakala*, other than a convertible loan stock, issued by the Malaysia Sukuk Global Berhad (formerly known as 1Malaysia Sukuk Global Berhad).
15. Income received by the Fund from Malaysia Building Society Berhad ("MBSB").

## 12 ADDITIONAL INFORMATION

### 12.1 Keeping You Informed

#### **When you invest**

A transaction advice slip/ tax invoice will be sent to you.

#### **Statement of investment**

We will send you a statement every six (6) months. It will state the balance of units held by you together with all transactions made since the last statement.

#### **Reports**

Within two (2) months of the Fund's financial year or interim period, an annual or interim report will be sent to you.

***The Fund's annual report is available upon request.***

#### **Tax voucher**

We will send you tax vouchers (if any) which will set out the information that is needed to complete your tax return form.

#### **Internet**

We publish updated information on our website [www.aminvest.com](http://www.aminvest.com).

#### **Avenue for advice to prospective investors**

If you have any question about the information in this Prospectus or would like to know more about investing in the Fund, you may contact our customer service at (03) 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday) and 5.45 a.m. to 5.00 p.m. (Friday) or fax (03) 2031 5210. Alternatively, you may email us at [enquiries@aminvest.com](mailto:enquiries@aminvest.com).

**Please take note that if you have invested through our appointed distributor via a nominee system of ownership, please obtain the abovementioned information from that distributor.**

### 12.2 Keeping Us Informed

#### **Changing your account details**

You will be required to inform us or your personal adviser from our appointed distributor in writing on any changes of your account details. Account details will amongst other things, include the following:

- your address;
- bank account details;
- signing instructions; and
- how income distributions are to be paid (if any).

Kindly ensure that you keep us or your personal adviser from our appointed distributor updated on any changes to your account details. This will enable us to keep you informed of the latest development of your investments and to ensure any payment of income distribution (if any) is paid successfully to your account or such cheque/ bank draft reaches you successfully at your updated address. Failure to inform us of any changes to your account details may result in us being unable to contact you and failure to make any income distribution payment to you, such income distribution will become unclaimed moneys and be treated as unclaimed moneys under Section 5.6.

**Investor feedback and complaints**

We encourage feedback from you in order for us to upgrade our services to meet your needs. Additionally, if you have any complaints, you may direct your complaints to your personal adviser from our appointed distributor. You may also direct your feedback or complaints to us by contacting our customer service representative at (03) 2032 2888 or email [enquiries@aminvest.com](mailto:enquiries@aminvest.com). If you wish to write to us, please address your letter to:

AmFunds Management Berhad  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur

## 13 DOCUMENTS AVAILABLE FOR INSPECTION

For the period of at least twelve (12) months from the date of this Prospectus, a copy of the following documents, where applicable may be inspected at our registered office and business office or at the Trustee's business office:

- (a) The Deed of the Fund and the supplemental deed (if any);
- (b) The current Prospectus and supplemental or replacement Prospectus (if any);
- (c) The latest annual and interim reports of the Fund;
- (d) Each material contract disclosed in this Prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
- (e) Where applicable, the audited financial statements of the Manager and the Funds for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- (f) Any report, letter or other document, valuation and statement by any expert, any part of which is extracted or referred to in this Prospectus. Where a summary expert's report is included in this Prospectus, the corresponding full expert's report must be made available for inspection;
- (g) Writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
- (h) Consent given by an expert disclosed in this Prospectus.



## **14 CONSENT**

The following parties have given their written consent and have not withdrawn their consent to the inclusion in the Prospectus of their names and reports in the form and context in which their name appear:

1. Deutsche Trustees Malaysia Berhad
2. Deutsche Bank (Malaysia) Berhad
3. Deloitte Tax Services Sdn Bhd
4. Amanie Advisors Sdn Bhd
5. AmIslamic Funds Management Sdn Bhd

## 15 DIRECTORY

Head Office      AmFunds Management Berhad  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel: (03) 2032 2888      Fax: (03) 2031 5210  
Email: enquiries@aminvest.com

Postal Address      AmFunds Management Berhad  
P.O. Box 13611, 50816 Kuala Lumpur

For enquiries about this Fund and any other funds offered by AmFunds Management Berhad, please call (03) 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday-Thursday), 8.45 a.m. to 5.00 p.m. (Friday)

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**AmFunds Management Berhad**

*198601005272 (154432-A)*

Tel : 03-2032 2888

Fax : 03-2031 5210

Email : [enquiries@aminvest.com](mailto:enquiries@aminvest.com)