



INFORMATION MEMORANDUM

MUAMALAT INVEST ISLAMIC SUKUK FUND 1

MANAGER:
MUAMALAT INVEST SDN BHD
199601012286 (384635-P)

TRUSTEE:
AMANAHRAYA TRUSTEES BERHAD
200701008892 (766894-T)

This Information Memorandum is dated 19 February 2021

Units of the Muamalat Invest Islamic Sukuk Fund 1 may only be sold to Sophisticated Investors.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS SEE "RISK FACTORS" COMMENCING ON PAGE 12.

RESPONSIBILITY STATEMENT

This Information Memorandum has been reviewed and approved by the directors of Muamalat Invest Sdn Bhd (“Manager”) 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, there are no false or misleading statements, or omission of other facts which would make any statement in this Information Memorandum false or misleading.

STATEMENT OF DISCLAIMER

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Muamalat Invest Islamic Sukuk Fund 1 (“Fund”) or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Information Memorandum.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager who is responsible for the Fund and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, 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.

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

Muamalat Invest Islamic Sukuk Fund 1 has been certified as being Shariah-compliant by the Shariah Adviser appointed for this Fund.

This Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia. The Manager reserves the right not to sell to any person other than a Malaysian resident or citizen, any Units of the Fund to which this Information Memorandum relates.

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SECTION 1: GLOSSARY

The following words or abbreviations shall have the following meanings in the Information Memorandum unless otherwise stated:

“Aqad”	Islamic contract.
“ART”	AmanahRayaTrustees Berhad (200701008892 (766894-T)).
“Benchmark”	The 12-months Maybank Islamic Bank Berhad General Investment Account (GIA) rate
“BMMB”	Bank Muamalat Malaysia Berhad
“Board of Directors”	The board of directors of Muamalat Invest Sdn. Bhd.
“Business Day”	A day on which the Bursa Malaysia is open for trading unless otherwise provided for in the Information Memorandum.
“CMSA” or “the Act”	Capital Markets & Services Act 2007 as originally enacted and amended or modified from time to time.
“Deed”	The Deed dated 9 February 2021 and any other supplemental deed(s) that may be entered into between the Manager and the Trustee.
“Development Financial Institution”	A financial institution licensed or deemed to be licensed under the Development Financial Institutions Act 2002.
“Financial Institutions”	Means any of the following: (i) a licensed bank; (ii) a licensed investment bank; (iii) a licensed Islamic bank; and (iv) a licensed development financial institution.
“Forward Pricing”	The buying or selling price for Units is the NAV per Unit of the Fund as at the next valuation point, after the request for repurchase or purchase is received by the Manager.
“FSA”	The Financial Services Act 2013
“the Fund”	Muamalat Invest Islamic Sukuk Fund 1
“Guidelines”	Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC and as amended, substituted or replaced from time to time.
“Initial Offer Period”	A period whereby Units will be offered at the Initial Offer Price.
“Initial Offer Price”	A fixed price per Unit offered to investors during the Initial Offer Period.
“Investment Accounts”	As defined under the Islamic Financial Services Act 2013, an account under which money is paid and accepted for the purposes of investment, including for the provision of finance, in accordance with Shariah on terms that there is no express or implied obligation to repay the money in full and— (a) either only the profits, or both the profits or losses, thereon shall be shared between the person paying the money and the person accepting the money; or (b) with or without any return
“Islamic Bank”	A financial institution licensed or deemed to be licensed under the Islamic Financial Services Act 2013.
“Islamic Deposits”	Refer to shariah-compliant money market deposit with licensed Islamic banks and financial institutions.

“Islamic Money Market Instruments”	The Islamic money market instruments may include: (a) Short-term Islamic deposits; (b) Short-term Islamic investment accounts; (c) Short-term Islamic negotiable instruments (INIs); (d) Short-term Islamic repurchase agreement (REPO); and (e) Short-term Islamic commercial papers
“Islamic FSA”	The Islamic Financial Services Act 2013
“Licensed Bank”	A bank, including a banking and finance company, licensed or deemed to be licensed pursuant to the Financial Services Act 2013.
“Licensed Investment Bank”	An investment bank licensed or deemed to be licensed pursuant to the Financial Services Act 2013.
“Long-term”	A period of more than five years.
“LPD” or “Latest Practicable Date”	As at 31 December 2020, being the latest practicable date for the purposes of ascertaining certain information contained in this Information Memorandum.
“the Manager” or “Muamalat Invest”	Muamalat Invest Sdn Bhd (199601012286) ((384635-P)).
“MARC”	Malaysian Rating Corporation Berhad.
“Medium-term”	A period of more than one year and less than five years.
“MER” or “Management Expense Ratio”	The ratio of the sum of the fees and the recovered expenses of the Fund to the average value of the Fund calculated on a daily basis.
“NAV”	Net Asset Value of the Fund is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at the valuation point.
“NAV per Unit”	Net Asset Value of the Fund divided by the total number of Units in circulation at the valuation point.
“Overnight Policy Rate”	An overnight interest rate set by Bank Negara Malaysia (BNM) used for monetary policy direction. It is the target rate for the day-to-day liquidity operations of the BNM.
“RAM”	RAM Rating Services Berhad.
“Repurchase Price”	NAV per Unit of the Fund and the price at which the Manager repurchases/buys back Units from Unit Holders.
“RM”	Ringgit Malaysia.
“SACSC”	Shariah Advisory Council of the Securities Commission.
“SC”/ “Securities Commission” or “Commission”	Securities Commission Malaysia established under the Securities Commission Act 1993.
“Selling Price”	NAV per Unit of the Fund and the price at which the Manager sells the Units to the Unit Holders.
“Shariah”	Islamic law originating from Qu’ran (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad PBUH (Sunnah) and ijthad of ulama’ (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
“Shariah-compliant”	Shariah-compliant refers to compliance to Shariah rulings and decisions issued by the Shariah Advisory Council of Securities Commission and the Shariah Adviser of the Fund, and as determined by other relevant bodies.

“Shariah Adviser”	Bank Muamalat Malaysia Berhad.
“Shariah-compliant Malaysian Government Securities”	Refer to Government Investment Issues (GII), Malaysian Islamic Treasury Bills (MITB) or/and any other securities guaranteed by the Malaysian government, Bank Negara Malaysia or other Malaysian government - related agencies.
“Shariah Requirements”	A phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah, all the essential elements that make up the conduct must be present and meet all the necessities required by the Shariah.
“Short-term”	A period of 365 days and less.
“Sophisticated Investors”	<p>Means any person who comes within any of the categories of investors set out in Part I, Schedule 6 and 7 of CMSA:</p> <div data-bbox="491 667 1417 719" style="border: 1px solid black; padding: 5px;"> <p>High-Net-Worth Individual</p> <ul style="list-style-type: none"> ▪ An individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds RM3 million or its equivalent in foreign currencies, excluding the value of the individual’s primary residence. ▪ An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months. ▪ An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months. </div> <div data-bbox="491 1055 1417 1648" style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>High-Net-Worth Entity</p> <ul style="list-style-type: none"> ▪ A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts. ▪ A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies. ▪ A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies. ▪ A corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding RM10 million or its equivalent in foreign currencies. ▪ A pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967. ▪ A statutory body established by an Act of Parliament or an enactment of any State. </div> <div data-bbox="491 1693 1417 1995" style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Accredited Investor</p> <ul style="list-style-type: none"> ▪ Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009. ▪ A holder of a Capital Markets Services Licence. ▪ An executive director or chief executive officer of a holder of a Capital Markets Services Licence. ▪ A unit trust scheme or a prescribed investment scheme. ▪ A closed-end fund approved by the SC. </div>

	<ul style="list-style-type: none"> ▪ A licensed bank as defined in the Financial Services Act 2013 or a licensed Islamic bank as defined in the Islamic Financial Services Act 2013. ▪ A Labuan bank as defined in the Labuan Financial Services and Securities Act 2010. ▪ A licensed insurer as defined in the Financial Services Act 2013. ▪ An insurance licensee as defined in the Labuan Financial Services and Securities Act 2010. ▪ A takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010. ▪ A licensed takaful operator as defined in the Islamic Financial Services Act 2013. ▪ A private retirement scheme as defined in the CMSA.
“Special Resolution”	A resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders voting at the meeting in person or by proxy.
“Sukuk”	Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SACSC.
“The Information Memorandum” or “Info Memo”	Refers to this Information Memorandum for the Muamalat Invest Islamic Sukuk Fund 1.
“The Trustee”	AmanahRaya Trustees Berhad (200701008892 (766894-T)).
“Unit” or “Units”	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.
“Unit Holder(s)”	The person registered as the holder of a Unit or Units including persons jointly registered.

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SECTION 2: CORPORATE DIRECTORY

<p>MANAGER Muamalat Invest Sdn Bhd 199601012286 (384635-P)</p> <p><u>Registered Office</u> 30th Floor, Menara Bumiputra Jalan Melaka 50100 Kuala Lumpur</p> <p><u>Business Office</u> 4th Floor, Menara Bumiputra Jalan Melaka 50100 Kuala Lumpur</p> <p>Telephone No: 03-2615 8400 Fax No : 03-2070 0157 Email : misb@muamalat.com.my</p> <p>BOARD OF DIRECTORS</p> <ul style="list-style-type: none">▪ Khairul Bin Kamaruddin (Chairman and Non-Executive Non-Independent Director)▪ Dato' Dr. Adnan Bin Alias (Non-Executive Independent Director)▪ Fakhiah Binti Azahari (Non-Executive Independent Director)▪ Mohd Faruk Bin Abdul Karim (Executive Director) <p>KEY MANAGEMENT</p> <ul style="list-style-type: none">▪ Mohd Faruk Bin Abdul Karim (Chief Executive Officer/Head of Investment)▪ Eugene Chew Boon Chye (Head of Strategic Operations Management)▪ Dahlia Binti Mohd Razali (Compliance Officer) <p>SHARIAH ADVISER Bank Muamalat Malaysia Berhad</p> <p>TRUSTEE AmanahRaya Trustees Berhad (200701008892 (766894-T))</p> <p><u>Registered Office</u> Tingkat 11, Wisma Amanah Raya No. 2, Jalan Ampang 50508 Kuala Lumpur</p> <p>Telephone No: 03-2055 7388</p> <p><u>Business Office</u> Tingkat 14, Wisma AmanahRaya No. 14, Jalan Ampang 50508 Kuala Lumpur</p> <p>Telephone No: 03-2036 5129 Fax No : 03-2072 0322 Website : www.artrustees.my</p>	<p>PRINCIPAL BANKER Bank Muamalat Malaysia Berhad 1st Floor, Podium Block Menara Bumiputra Jalan Melaka 50100 Kuala Lumpur</p> <p>COMPANY SECRETARY Julaida binti Jufri (LS0009358) No. 28, Jalan 3/15 Bangi Perdana, Seksyen 3 43650 Bandar Baru Bangi Selangor</p> <p>AUDITORS PricewaterhouseCoopers 10th Floor, 1 Sentral, Jalan Travers KL Sentral 50706 Kuala Lumpur</p> <p>TAX ADVISER PricewaterhouseCoopers Taxation Services Sdn Bhd 10th Floor, 1 Sentral, Jalan Travers KL Sentral 50706 Kuala Lumpur</p>
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SECTION 3: KEY DATA

This section is only a summary of the salient information about the Fund. Investors should read and understand the whole Information Memorandum before making any investment decisions.

3.1 SUMMARY OF FUND INFORMATION

INFORMATION ABOUT THE FUND		FOR DETAILS, SEE PAGE
Name of Fund	Muamalat Invest Islamic Sukuk Fund 1	14
Fund Type	Income	14
Fund Category	Wholesale Sukuk Fund	14
Financial Year End	30 th April	-
Initial Offer Price	RM1.0000	-
Initial Offer Period	7 Business Days	-
Investment Objective	<p>The Fund aims to generate regular income* for Unit Holders.</p> <p><i>*Note: Please be aware that income can be distributed either in the form of cash or Units. Kindly refer to the information under the heading “Mode of Distribution” at pages 7 and 18 for a better understanding on the mode of distribution.</i></p> <p>Any material change to the investment objective would require Unit Holders’ approval.</p>	14
Investment Policy and Strategy	<p>The Fund seeks to achieve its objective by investing up to 100% of the NAV in sukuk issued by the Government of Malaysia and/or Malaysian corporates with maximum remaining maturity of 5 years. The Fund may also invest up to 20% of the NAV in Islamic money market instruments, cash/cash equivalents and other permitted Shariah-compliant investments.</p> <p>The Manager may also take temporary defensive measures (for up to 6 months) that may be inconsistent with the Fund’s principal strategy in attempting to respond to adverse market conditions, economic, political or any other conditions which the Manager deem detrimental to the Fund. This includes any event that requires large creation of units in the Fund – to allow the Manager more time to find suitable sukuk papers to invest in in order to comply with the Fund’s asset allocation. The defensive measures that the Manager may undertake are in no way to deviate from the Fund’s objective mandates or breaching any laws and regulations.</p>	14

	<p>The Fund's strategies in yield enhancement for the portfolio will also be balanced with other investment needs of the Fund, such as liquidity and risk management. On liquidity management, the Fund will maintain sufficient amount of liquidity to accommodate redemption by unit holders. As for risk management, the portfolio duration is kept at optimal level, subject to the maximum remaining maturity period, where yield enhancement can be optimised on risk adjusted basis, and at the same time, balanced with the need for managing the portfolio's volatility.</p> <p><i>Note: Please note that the Fund is neither a capital guaranteed nor a capital protected fund.</i></p>	
Asset Allocation	<ul style="list-style-type: none"> ▪ Up to 100% of NAV in sukuk. ▪ Up to 20% of NAV in Islamic money market instruments, cash/cash equivalents and other permitted Shariah-compliant investments. 	15
Principal Risks of Investing in the Fund	<ul style="list-style-type: none"> ▪ Credit/Default Risk ▪ Profit/Interest Rate Risk ▪ Liquidity Risk 	12
Benchmark	<p>The benchmark for the Fund is based on the 12-months Maybank Islamic Bank Berhad General Investment Account (GIA) rate.</p> <p>Source: www.maybank2u.com.my</p> <p><i>Note: The risk profile of the Fund is different than the risk profile of the Benchmark.</i></p>	15
Distribution Policy	Subject to the availability of realized income received from the investment, the Fund will distribute income at least once a year.	21
Mode of Distribution	All income distributions will be automatically reinvested into additional Units of the Fund based on the NAV per Unit at the end of the immediate next Business Day following the income distribution declaration date, unless written instructions to the contrary are communicated by the Unit Holder to the Manager. No sales charge will be imposed for the reinvestment.	21
Investor's Profile	<p>The Fund is suitable for Sophisticated Investors who:</p> <ul style="list-style-type: none"> ▪ want a portfolio of investments that adhere to Shariah principles; ▪ have medium to long-term investment horizon; and ▪ have low to medium risk tolerance. 	14
Investor's Risk Profile	Low to medium	14
The Manager / Management Company	Muamalat Invest Sdn Bhd 199601012286 (384635-P)	30
Designated Fund Manager	Mohd Faruk Abdul Karim	33

The Trustee	AmanahRaya Trustees Berhad 200701008892 (766894-T)	36
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3.2 FEES AND CHARGES

This table describes the charges that you may **directly** incur when you purchase or redeem Units of the Fund.

CHARGES	GENERAL INFORMATION	FOR DETAILS, SEE PAGE
Sales Charge	The Manager does not intend to impose any sales charge.	18
Switching Fee	A switching fee will be imposed on Unit Holders switching between funds under management (that allow switching). A switching fee of RM25.00 will be imposed and deducted from the redemption amount of the units to be switched for a switch between funds that impose a similar sales charge or a switch to a fund that impose a lower sales charge. Unit Holders switching to a fund that imposes a higher sales charge will pay the difference in sales charge which is deductible from the redemption amount of the Units to be switched.	18
Repurchase Charge	A repurchase charge of up to 2.5% of the NAV per Unit will be imposed for all repurchase made within 365 days from the date of investment. No repurchase charge will be charged during the Initial Offer Period and after 365 days from the date of investment. The repurchase charge may be waived or lowered at the discretion of the Manager. The repurchase charge imposed will be for the benefit of the Unit Holders of the Fund. <i>Note: Investors may negotiate for a lower Repurchase Charge.</i>	18
Other Fees	Any applicable bank fees and other bank charges incurred as a result of purchasing or withdrawal of Units will be borne by the Unit Holder.	-

This table describes the fees that you may **indirectly** incur when you invest in the Fund.

CHARGES	GENERAL INFORMATION	FOR DETAILS, SEE PAGE
Management Fee	Up to 0.50% per annum of the NAV of the Fund accrued daily and payable monthly.	19
Trustee Fee	0.04% per annum of the NAV of the Fund accrued daily and payable monthly.	19
Expenses of the Fund	Only the expenses (or parts thereof) which are directly related and necessary in operating and administering the Fund may	20

be charged to the Fund. These would include (but are not limited to) the following:

- (a) commissions/fees paid to brokers in effecting dealings in the Shariah-compliant 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/or tax agent appointed for 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 investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser 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 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) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians;
- (p) expenses and charges incurred in the printing and postage for the annual/interim report, tax certificates, notice of meeting of unitholders, newspaper advertisement, reinvestment statements and other

	<p>services properly incurred in the administration of the Fund as may be approved by the Trustee; and</p> <p>(q) all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer.</p>	
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3.3 INFORMATION ON TRANSACTION OF UNITS

UNITS TRANSACTION	GENERAL INFORMATION	FOR DETAILS, SEE PAGE
Minimum Initial Investment	RM100,000.00 or such amount as the Manager may from time to time decide.	26
Minimum Additional Investment	RM100,000.00 or such amount as the Manager may from time to time decide.	26
Minimum Units Held	Not applicable.	27
Frequency and Minimum Units Redeemed	No limit in relation to the frequency of Units redeemed. Minimum 100,000.00 Units or Units equivalent to RM100,000.00 (whichever is higher) or such amount as the Manager may from time to time decide.	-
Cut off Time for Purchase Transaction	4.00 p.m. on a Business Day or such other time as the Manager may deem fit in its discretion (cut-off time). Any purchase application received after 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) will be considered to be received on the next Business Day.	27
Cut off Time for Repurchase Transaction	4.00 p.m. on a Business Day or such other time as the Manager may deem fit in its discretion (cut-off time). Any repurchase application received after 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) will be considered to be received on the next Business Day.	27
Period of Payment of Repurchase Proceeds	Period of payment for repurchase proceeds shall be within ten (10) days from the day that the Manager is considered to have received the repurchase application form from unit holders in good and proper form.	27
Transfer Facility	Not applicable.	27
Switching Facility	Switching is a facility which enables you to convert units of a particular fund for the units of other funds managed by the Manager, subject to a minimum units for switching of 100,000.00 units or such other amount as the Manager may from time to time decide.	27

3.4 OTHER INFORMATION

OTHER INFORMATION	GENERAL INFORMATION	FOR DETAILS, SEE PAGE
Deed(s) Governing the Fund	The Deed dated 9 February 2021 relating to the Fund, entered into between the Manager and the Trustee.	-
Avenue For Advice Available To Prospective Investors	Muamalat Invest Sdn Bhd strives to provide investors with high quality information services to assist investors to make well-informed investment decisions in relation to the Fund. Muamalat Invest Sdn Bhd's personnel are available to investors at 03-2615 8400 during normal office hours Monday – Friday from 9.00 a.m. – 5.00 p.m. to provide assistance for enquiries on their investments.	-

Unit prices and distributions payable, if any, may go down as well as up.

Prospective Unit Holders should read and understand the contents of this Information Memorandum and, if necessary, should consult their adviser(s).

There are fees and charges involved and investors are advised to consider them before investing in the Fund.

For information concerning certain risk factors which should be considered by prospective investors, see the “Risk Factors” commencing on page 12.

END OF PAGE

SECTION 4: RISK FACTORS

4.1 GENERAL RISKS OF INVESTING IN THE FUND

This section of the Information Memorandum provides you with information on the different types of risks the Fund may be subjected to.

The Fund is exposed to the following general risks:

- (a) **Market Risk** – Market risk is a risk which generally affects all types of investments. The Fund will be affected by the fluctuation in the performance of the financial markets, caused by changing conditions as a result of global, regional or domestic economic conditions, political developments, and/or governmental policies which will in turn affect the value of the Fund.
- (b) **Financing Risk** – This risk occurs when the Unit Holder obtains financing to invest in the Fund. Unit Holders should be aware of inherent risk by investing using borrowed money such as inability to service the repayment and/or increase in repayment amount, if profit/interest rate increases. In the case of Unit Holders who provides units as collateral, the Unit Holder may be required to provide additional collateral should the Fund's unit price fall beyond certain level.
- (c) **Risk of Non-Compliance** – This risk arises from non-compliance with laws, rules, regulations, prescribed practices and internal policies and procedures by the Manager. This risk may also occur indirectly due to the amendment to the relevant regulatory frameworks, laws, rules and other prescribed practices affecting the Fund. The risk may also occur due to internal factors, for example, the Manager failing to comply with internal control procedures due to the fund manager's oversight, human error and/or system error. The magnitude of such risk and its impact on the Fund and/or Unit Holders are dependent on the nature and severity of the non-compliance. As an example, non-compliance may adversely affect the returns of the Fund especially if the investment of the Fund has to be disposed at an undesirable price to rectify the non-compliance. The Manager has put in place internal controls to ensure that comprehensive and timely compliance monitoring is undertaken.

4.2 SPECIFIC RISKS ASSOCIATED WITH INVESTING IN THE FUND

The specific risks of the Fund include:

- (a) **Credit/Default Risk** – Credit/default risk arises when the issuer is unable to make timely payments of profit and/or principal. In the event that the issuer of a sukuk defaults in the payment of profit and/or principal, the value of the Fund may be adversely affected. We intend to mitigate this risk by investing in sukuk with a minimum long term credit rating of AA3/AA- and above or a minimum short term rating of P1/MARC-1 as assigned respectively by RAM or MARC, or its equivalent. In addition, the Manager may invest in unrated sukuk, of which the creditworthiness of the issuers is not affirmed by any independent rating agency. To mitigate these risks, the Manager will conduct a credit valuation process and analysis or obtain secondary credit research encompassing credit analysis and valuation to ascertain the creditworthiness of the issuer of an unrated sukuk.
- (b) **Profit/Interest Rate Risk** - Interest rate movements will have an impact on the management of a fund. This risk refers to the effect of profit/interest rate changes on the market value of Islamic money market instruments, Islamic deposit placements and sukuk.

For investment in sukuk and Shariah-compliant Malaysian government securities, generally the profit/interest rate has an inverse relationship with its price. Hence, when the profit/interest rate increases, the price may decrease.

As profit/interest rates offered by the financial institutions will fluctuate according to the Overnight Policy Rate (OPR) determined by Bank Negara Malaysia, this has indirect correlation with Islamic deposits. The movement of profit/interest rates may affect the Fund's performance.

The above-mentioned interest rate movement is a general indicator that may have an impact on the management and performance of the Fund. This does not suggest that this Fund will invest in conventional instruments.

- (c) **Liquidity Risk** – The ability of the Fund to honour requests for redemption by unit holders in a timely manner is subject to the Fund's holding of adequate liquid assets and/or its ability to source financing on a temporary basis as permitted by the relevant laws. The Fund may seek an Islamic financing facility to meet the above requests. In the event there is insufficient liquid assets, the Manager may have to liquidate the Fund's investments at an unfavorable price.

It is important to note that events affecting investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The different asset classes generally exhibit different levels of risk. The investment of the Fund carries risk and investors are recommended to read the whole Information Memorandum to assess the risks of the Fund.

Investors are reminded that the above list of risks may not be exhaustive and if necessary, they should consult their adviser(s), e.g. their bankers, lawyers, stockbrokers or any professional adviser for a better understanding of the risks.

END OF PAGE

SECTION 5: DETAILED INFORMATION OF THE FUND

5.1 FUND'S PROFILE

Name of Fund	Muamalat Invest Islamic Sukuk Fund 1
Category of Fund	Wholesale Sukuk Fund
Type of Fund	Income
Investor's Risk Profile	Low to medium
Distribution Policy	Subject to the availability of realized income received from the investment, the Fund will distribute income at least once a year.

5.2 INVESTOR'S PROFILE

The Fund is suitable for Sophisticated Investors who:

- want a portfolio of investments that adhere to Shariah principles;
- have medium to long-term investment horizon; and
- have low to medium risk tolerance.

5.3 INVESTMENT OBJECTIVE

The Fund aims to generate regular income* for Unit Holders.

**Note: Please be aware that income can be distributed either in the form of cash or Units. Kindly refer to the information under the heading "Mode of Distribution" at pages 7 and 21 for a better understanding on the mode of distribution.*

Any material change to the investment objective of the Fund would require the approval of Unit Holders.

5.4 INVESTMENT POLICY AND STRATEGY

The Fund seeks to achieve its objective by investing up to 100% of the NAV in sukuk issued by the Government of Malaysia and/or Malaysian corporates with maximum remaining maturity of 5 years. The Fund may also invest up to 20% of the NAV in Islamic money market instruments, cash/cash equivalents and other permitted Shariah-compliant investments.

The Manager may also take temporary defensive measures (for up to 6 months upon investment committee's approval) that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economic, political or any other conditions which the Manager deem detrimental to the Fund. This includes any event that requires large creation of units in the Fund – to allow the Manager more time to find suitable sukuk papers to invest in in order to comply with the Fund's asset allocation. The defensive measures that the Manager may undertake are in no way to deviate from the Fund's objective mandates or breaching any laws and regulations.

The Fund's strategies in yield enhancement for the portfolio will also be balanced with other investment needs of the Fund, such as liquidity and risk management. On liquidity management, the Fund will maintain sufficient amount of liquidity to accommodate redemption by unit holders. As for risk management, the portfolio duration is kept at optimal level, subject to the maximum remaining maturity period, where yield enhancement can be optimised on risk adjusted basis, and at the same time, balanced with the need for managing the portfolio's volatility.

Note: Please note that the Fund is neither a capital guaranteed nor a capital protected fund.

5.5 ASSET ALLOCATION

The Fund may invest:

- Up to 100% of NAV in sukuk.
- Up to 20% of NAV in Islamic money market instruments, cash/cash equivalents and other permitted Shariah-compliant investments.

The allocation and the decision to invest, sell or trade are based on the decision of the Manager who adopt an active fund management approach.

Please refer to Section 5.9 for the minimum credit rating of the financial institution or instruments that the Fund intends to invest in.

5.6 RISK MANAGEMENT

The Manager has in place proper risk management structures including:

- (a) strict adherence to the Fund's investment objective, policies and strategies as stated in the Information Memorandum. The Trustee plays a role as a safe keeper and custodian for the assets of the Fund as per SC's Guidelines.
- (b) conducting regular monitoring, as well as evaluation of market prices; valuation reports are generated daily to be reviewed by the Manager's designated compliance officer. The same report is then forwarded to the Trustee.
- (c) reviewing and reporting investment matters to the management and established investment meetings; the Manager's designated compliance officer shall review and report investment matters to the senior management of the Manager and Shariah Adviser, where applicable, including notifying the Board of Directors.
- (d) employing active and effective asset allocation strategy; asset allocation of the Fund is monitored and reviewed daily by the Manager to ensure that the investment objective of the Fund is adhered to.
- (e) employing prudent liquidity management in a timely and cost-effective manner.

5.7 BENCHMARK

The benchmark for the Fund is based on the 12-months Maybank Islamic Bank Berhad General Investment Account (GIA) rate.

Source: www.maybank2u.com.my

Note:

The risk profile of the Fund is different than the risk profile of the Benchmark.

5.8 PERMITTED INVESTMENTS

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund shall invest in the following:

- (i) Sukuk;
- (ii) Islamic money market instruments; and
- (iii) Any other form of Shariah-compliant investments as may be agreed upon between the Manager and the Trustee from time to time.

5.9 INVESTMENT RESTRICTIONS AND LIMITS

The restrictions and investment limits for this Fund are as follows:

- (a) the value of the Fund's holding in sukuk must be at least 80% of the Fund's NAV;
- (b) the value of the Fund's holding in Islamic money market instruments must not be more than 20% of the Fund's NAV;
- (c) the investments in sukuk should carry a minimum long term credit rating of AA3 and above or a minimum short term rating of P1 as assigned by RAM or AA- and MARC-1 by MARC, or its equivalent or as may be agreed upon between the Manager and the Trustee from time to time;
- (d) the value of the Fund's holding in sukuk issued by any single issuer must not exceed 30% of the Fund's NAV;
- (e) The value of the Fund's investments in Islamic money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV;
- (f) The value of the Fund's placement in Islamic deposits with any single financial institution must not exceed 20% of the Fund's NAV;
- (g) The value of the Fund's investments in Islamic money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV;
- (h) The Fund's investments in Islamic money market instruments must not exceed 20% of the instruments issued by any single issuer.

A 5% variation from any limit or restriction may be permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in the value of the investments or as a result of repurchase of Units or payment made from the Fund).

The Manager, within a reasonable period of not more than 3 months from the date of the breach, should take all necessary steps and actions to rectify the breach.

5.10 VALUATION OF ASSETS OF THE FUND

Investments in sukuk will be valued on a daily basis by reference to the fair value prices quoted by a bond pricing agency registered with the SC. Where no such quotations are available, such investments will be valued on a weekly basis or as and when appropriate, by reference to the average indicative yield quoted by three reputable financial institutions in over-the-counter markets at the close of trading. These institutions include investment banks and commercial banks dealing in investments. However, in the absence of reliable quotations, such investments will be valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee.

The value of any investments in Islamic money market instruments shall be determined each day by reference to the principal value of such investments and the income accrued thereon for the relevant period as provided by the financial institutions that issues the instruments and verified by the Manager.

5.11 VALUATION POINT FOR THE FUND

The Fund will be valued at the end of every Business Day. As Forward Pricing method is used for this Fund, any request received on or before 4.00 p.m. (or such other time as the Manager may deem fit in its discretion (cut-off time)) on any Business Day, the Units would be created and/or cancelled based on the NAV per Unit at the end of that Business Day. Any request received after the cut-off time will be considered to be received on the next Business Day.

5.12 POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS

The Fund is not permitted to borrow cash or other assets (including the borrowing of Shariah-compliant securities within the meaning of the Securities Borrowing and Lending Guidelines) in connection with its activities. However, the Fund may seek Islamic financing for the purpose of meeting repurchase requests for Units and such financing is subjected to the following:

- (a) The Fund's financing is only on a temporary basis and that financing is not persistent;
- (b) The financing period should not exceed a month;
- (c) The aggregate financing of the Fund should not exceed 20% of the Fund's NAV at the time the financing is incurred;
- (d) The Fund may only seek Islamic financing from financial institutions; and
- (e) The instruments for such activity must comply with the Shariah Requirements.

Except for Shariah-compliant securities lending, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

5.13 ADOPTED SHARIAH INVESTMENT GUIDELINES AND CLEANSING/PURIFICATION PROCESS

- (a) Shariah Investment Guidelines

The investments of the Fund would be restricted to instruments and securities that are permitted under the Shariah principles as approved by the Shariah Adviser.

- (b) Cleansing/purification process for the Fund

Cleansing process for the Fund - Wrong Investment

Refers to Shariah non-compliant investments made by the Manager. The said investments will be disposed of with immediate effect. In the event the investment resulted in some gain (through profit and/or capital gain), the gain is to be channeled to charitable bodies as advised by the Shariah Adviser. If the disposal of the investments resulted in losses to the Fund, the losses are to be borne by the Manager.

Purification Process – Zakat for the Fund

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

END OF PAGE

SECTION 6: FEES, CHARGES AND EXPENSES

There are charges and fees involved and investors are advised to consider the charges and fees before investing in the Fund.

6.1 CHARGES DIRECTLY INCURRED

This table describes the charges that you may **directly** incur when you purchase or redeem Units.

Sales Charge	The Manager does not intend to impose any sales charge.
Repurchase Charge	<p>A repurchase charge of up to 2.5% of the NAV per Unit will be imposed for all repurchase made within 365 days from the date of investment. No repurchase charge will be charged during the Initial Offer Period and after 365 days from the date of investment. The repurchase charge may be waived or lowered at the discretion of the Manager.</p> <p>The repurchase charge imposed will be for the benefit of the Unit Holders of the Fund.</p> <p><i>Note: Investors may negotiate for a lower Repurchase Charge.</i></p>
Transfer Fee	Not applicable.
Switching Fee	A switching fee will be imposed on Unit Holders switching between funds under management (that allow switching). A switching fee of RM25.00 will be imposed and deducted from the redemption amount of the units to be switched for a switch between funds that impose a similar sales charge or a switch to a fund that impose a lower sales charge. Unit Holders switching to a fund that imposes a higher sales charge will pay the difference in sales charge which is deductible from the redemption amount of the Units to be switched.

6.2 POLICY ON ROUNDING ADJUSTMENT

The NAV per Unit of the Fund is rounded to four (4) decimal places. When you invest in the Fund, the investment amount payable by you will be rounded to two (2) decimal places. Units in your account will be rounded to two (2) decimal places. Your redemption value will also be rounded to two (2) decimal places.

END OF PAGE

6.3 FEES INDIRECTLY INCURRED

This table describes the fees that you may **indirectly** incur when you invest in the Fund.

Annual Management Fee	<p>The Fund pays an annual management fee of up to 0.5% per annum of the NAV of the Fund to the Manager for managing the Fund. The management fee is calculated and accrued on a daily basis, payable monthly to the Manager.</p> <p><i>Illustration:</i></p> <p>On the assumption that the NAV of the Fund is RM10 million and the management fee is 0.5% per annum. The daily accrued management fee would be:</p> <p>RM10 million x 0.5% x 1/365 = RM136.99 and Monthly amount payable to the Manager: RM136.99 X 30-days = RM4,109.70</p>
Annual Trustee Fee	<p>The Fund pays an annual trustee fee of 0.04% per annum of the NAV of the Fund.</p> <p>In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties.</p> <p>The trustee fee is accrued daily and paid monthly.</p> <p>The fees and charges quoted are exclusive of tax and duties.</p> <p><i>Illustration:</i></p> <p>On the assumption that the NAV of the Fund is RM10 million and the trustee fee is 0.04% per annum. The daily accrued trustee fee would be:</p> <p>RM10 million x 0.04% x 1/365 = RM10.96 and Monthly amount payable to the Trustee: RM10.96 X 30-days = RM328.80</p>

END OF PAGE

6.4 EXPENSES RELATED TO THE FUND

Expenses of the Fund	<p>Only the expenses (or parts thereof) which are directly related and necessary in operating and administering the Fund may be charged to the Fund. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none">(a) commissions/fees paid to brokers in effecting dealings in the Shariah-compliant 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/or tax agent appointed for 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 investment of the Fund;(i) costs, fees and expenses incurred in engaging any valuer, adviser 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 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) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians;(p) expenses and charges incurred in the printing and postage for the annual/interim report, tax certificates, notice of meeting of unitholders, newspaper advertisement, reinvestment statements and other services properly incurred in the administration of the Fund as may be approved by the Trustee; and
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	(q) all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer.
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6.5 POLICY ON REBATES AND SOFT COMMISSION

The Manager or any delegate thereof shall not retain any rebate from, or otherwise share in any commission with, any broker in consideration for direct dealings in the investments of the Fund. Accordingly, any rebate or shared commission shall be directed to the account of the Fund concerned. However, the Manager or any delegate thereof may and intends to retain goods and services ("Soft Commissions") from any broker/dealer, only if the goods and services are of demonstrable benefit to the Unit Holders such as research and advisory services that assist in the decision making process relating to the Fund's investment.

6.6 DISTRIBUTION POLICY AND MODE OF DISTRIBUTION

Subject to the availability of realized income received from the investment, the Fund will distribute income at least once a year.

All income distributions will be automatically reinvested into additional Units of the Fund based on the NAV per Unit at the end of the immediate next Business Day following the income distribution declaration date, unless written instructions to the contrary are communicated by the Unit Holder to the Manager. No sales charge will be imposed for the reinvestment.

6.7 MANAGEMENT EXPENSE RATIO (MER)

The Management Expense Ratio is the ratio of the sum of fees and the recovered expenses of the Fund to the average Net Asset Value of the Fund calculated on a daily basis.

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

END OF PAGE

SECTION 7: TRANSACTION INFORMATION

7.1 DETERMINATION OF PRICES

7.1.1 Computation of NAV and NAV per Unit

Net Asset Value of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets, at the valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund shall be inclusive of the management fee and the trustee fee for the relevant day.

For illustration purposes, we assume the following for a particular day:

Shariah-compliant investments of the Fund	= RM100,000,000.00
Other assets including cash	= RM50,000,000.00
Liabilities of the Fund	= RM50,000,000.00
Number of Units in circulation	= 100,000,000.00
Management fee (at 0.5% per annum calculated based on NAV)	= RM 1,369.86
Trustee fee (at 0.04% per annum calculated based on NAV)	= RM109.59

The NAV of the Fund will be:

DETAILS	RM
Shariah-compliant investments	100,000,000.00
Add other assets including cash	50,000,000.00
Total assets	150,000,000.00
Less:	
<i>Liabilities</i>	<i>50,000,000.00</i>
NAV (before deduction of management fee and trustee fee for the day)	100,000,000.00
Less:	
<i>Management fee for the day</i>	<i>1,369.86</i>
<i>Trustee fee for the day</i>	<i>109.59</i>
NAV	99,998,520.55

The NAV per Unit of the Fund will be:	<u>RM99,998,520.55</u>
	100,000,000.00
	= RM0.99998521
	= RM1.0000 (adjusted to 4 decimal places)

Please note that the NAV per Unit will be rounded up to four (4) decimal places for the purposes of publication of the NAV per Unit.

END OF PAGE

7.1.2 Pricing of Units

The repurchase and sale transactions will be executed on a Forward Pricing basis. Under the Forward Pricing basis:

- (a) the sale of Units by the Manager to an investor will be executed at the Selling Price at the next valuation point after the purchase request from the investor is received by the Manager; and
- (b) the repurchase of Units by the Manager from a Unit Holder will be executed at the Repurchase Price at the next valuation point after the repurchase request from the Unit Holder is received by the Manager.

For the Fund, all transactions of Units by a Unit Holder on a Business Day will be based on the NAV at the valuation point i.e. 4.00 p.m.

A transaction of Units of the Fund by a Unit Holder is considered as carried out on a particular Business Day only if the payment together with completed application form and relevant supporting documents are received by the Manager not later than 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) on that same Business Day. In the event the same is only received by the Manager after 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time), the transaction is considered as carried out on the immediate following Business Day. Any payment made on a non-Business Day shall be treated as payment made on the following Business Day.

7.1.3 Manager's Single Pricing Regime

The Securities Commission has implemented a Single-Pricing Regime (**SPR**) effective 1 July 2007 onwards. The single pricing, which equates to sales and repurchases quoted and transacted on a single price (i.e. NAV per unit), offer many advantages to investors. Under the SPR, both the Repurchase Price and the Selling Price should be the NAV per Unit of the Fund as at the next valuation point following an application to purchase or request for repurchase of Units of the Fund is received by the Manager. The repurchase charge and sales charge are calculated and charged separately, therefore it is easier to understand and fairer to investors as they can see what they are being charged for.

(a) Purchase of Units

The minimum initial investment for Units of the Fund is One Hundred Thousand Ringgit (RM100,000.00) or such amount as the Manager may from time to time decide. The minimum additional investment for Units of the Fund is One Hundred Thousand Ringgit (RM100,000.00) or such amount as the Manager may from time to time decide.

END OF PAGE

Based on the above, Investor A will have 100,000.00 Units credited into his investment account as shown below:

Amount invested	= RM100,000.00
NAV per Unit	= RM1.0000
Units credited to investor's account	= 100,000.00 Units
Sales Charge per Unit	= NAV per Unit x Sales Charge (%) = RM1.0000 x 0.0% = NIL
Total sales charge incurred by Investor A	= Sales Charge per Unit x Units Credited to Investor's account = RM0.00 x 100,000.00 Units = NIL
Total amount payable by Investor A	= Amount Invested in the Fund + Sales Charge incurred = RM100,000.00 + RM0.00 = RM100,000.00

Investors can obtain the Information Memorandum, account opening form and investment application form from the Manager. The Fund application form can be handed directly to the Manager's business office, or sent by mail, together with a cheque or bank draft made payable to "ART-MUAMALAT INVEST ISLAMIC SUKUK FUND 1".

All cheques and bank drafts have to be crossed and drawn on a local bank. Bank charges, where relevant, for outstation cheques will be borne by the investors. Individual or joint-application must be accompanied by a copy of the applicant's identity card or passport or other document of identification.

Application by a corporation must be accompanied by a certified true copy of its Memorandum and Articles of Association, Certificate of Incorporation, Form 24, Form 44, Form 49 (or its equivalent documents) and Board Resolution relating to the investment, a list of their authorized signatories and their respective specimen signatures. Sale of Units will only be honored upon cheque clearance. If payment for Units is by way of telegraphic transfer, a bank validated fund transfer form must be presented as evidence of payment.

(b) Repurchase of Units

Unit Holders may redeem their investments in the Fund at any point in time by simply completing the repurchase application form and returning it to the Manager on any Business Day. Repurchase can be made either in terms of Units or in Ringgit Malaysia (RM) values. The amount to be received by the Unit Holder for repurchase of Units will be calculated by either multiplying the number of Units redeemed by the Manager's Repurchase Price or dividing the Ringgit Malaysia (RM) amount with the prevailing NAV per Unit to determine the total Units to repurchase.

The repurchase charge of 2.5% of the NAV per Unit is only applicable if the repurchase application is made within 365 days from the date of purchase transaction.

END OF PAGE

The following illustrations demonstrate the four (4) computation methods of repurchase:

Computation no. 1 – Repurchase request by giving absolute ringgit total instruction (within 365 days).

Repurchase Amount Request	= RM100,000.00
NAV per Unit	= RM1.0000
Total Units to Repurchase	= Repurchase Amount divided by NAV per Unit = RM100,000.00 / RM1.0000 = 100,000.00 Units
Repurchase Charge of 2.5%	= 2.5% x NAV per Unit x Total Units Repurchased = 2.5% x RM1.0000 x 100,000.00 = RM2,500.00
Net amount payable to investor	= Repurchase Amount – Repurchase Charge = RM100,000.00 – RM2,500.00 = RM97,500.00

Computation no. 2 – Repurchase request by giving absolute ringgit total instruction (after 365 days).

Repurchase Amount Request	= RM100,000.00
NAV per Unit	= RM1.0000
Total Units to Repurchase	= Repurchase Amount divided by NAV per Unit = RM100,000.00 / RM1.0000 = 100,000.00 Units
Repurchase Charge of 2.5%	= RM0.00
Net amount payable to investor	= Repurchase Amount – Repurchase Charge = RM100,000.00 – RM0.00 = RM100,000.00

Computation no. 3 – Repurchase request by giving total number of units instruction (within 365 days).

Repurchase Units Request	= 100,000.00 Units
NAV per Unit	= RM1.0000
Total Gross Repurchase Proceeds	= Units Repurchased x NAV per Unit = 100,000.00 Units x RM1.0000 = RM100,000.00
Repurchase Charge of 2.5%	= 2.5% x NAV per Unit x Total Units Repurchased = 2.5% x RM1.0000 x 100,000.00 = RM2,500.00
Net amount payable to investor	= Repurchase Amount – Repurchase Charge = RM100,000.00 – RM2,500.00 = RM97,500.00

Computation no. 4 – Repurchase request by giving total number of units instruction (after 365 days).

Repurchase Units Request	= 100,000.00 Units
NAV per Unit	= RM1.0000
Total Gross Repurchase Proceeds	= Units Repurchased x NAV per Unit = 100,000.00 Units x RM1.0000 = RM100,000.00
Repurchase Charge of 2.5%	= RM0.00
Net amount payable to investor	= Repurchase Amount – Repurchase Charge = RM100,000.00 – RM0.00 = RM100,000.00

All payments in regard to repurchase of Units of the Fund will be reverted back to the Unit Holder's account.

7.1.4 Incorrect Pricing

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

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

7.2 TRANSACTION DETAILS

7.2.1 Minimum Initial Investment

The Minimum Initial Investment is RM100,000.00 or such amount as the Manager may from time to time decide.

7.2.2 Minimum Additional Investment

The Minimum Additional Investment is RM100,000.00 or such amount as the Manager may from time to time decide.

END OF PAGE

7.2.3 Switching Facility

Investors may switch between unit trust funds under the management of the Manager that allow switching of units by forwarding the completed form of request to switch to the Manager by 4.00 p.m. on a Business Day or such other time as the Manager may deem fit in its discretion (cut-off time). Any switching application received after 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) will be considered to be received on the next Business Day. There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching. Following a switch transaction, if the quantity of holdings of a Unit Holder in a fund falls below its minimum holding, the Manager can withdraw the entire investment and forward the proceeds to the Unit Holder. The Manager, however, reserves the right to vary these terms.

7.2.4 Transfer Facility

Not applicable.

7.2.5 Minimum Units Held

Not applicable.

7.3 PROCEDURES AND PROCESSES

7.3.1 Where to Purchase and Repurchase

Units can be purchased or repurchased on any Business Day from Mondays to Fridays between 9.00 a.m. to 5.00 p.m. The cut-off time for a purchase transaction is 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) on a Business Day. Any application for purchase received after 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) will be considered to be received on the next Business Day.

The cut-off time for a repurchase transaction is 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) on a Business Day. Any repurchase request received after 4.00 p.m. or such other time as the Manager may deem fit in its discretion (cut-off time) will be considered as received on the next Business Day. Such repurchase requests are deemed received and shall be irrevocable only if all documents and forms received by the Manager are duly and correctly completed.

7.3.2 Payment of Repurchase Proceeds upon Receipt of Repurchase Application

The Manager may redeem Units utilising its own funds or alternatively, the Manager may request the Trustee to cancel Units of the Fund for the purpose of meeting a Unit Holder's repurchase request. In such a circumstance, the Trustee will pay the repurchase proceeds to the Manager for onward payment to the Unit Holder within 10 days of the date on which the written repurchase request is received by the Manager PROVIDED that the written repurchase request is received in good and proper form by the Manager before the cut-off time on that day. However, if repurchase proceeds can only be met by the sale of assets of the Fund at an inappropriate price or on terms which are not in the interest of existing Unit Holders, the Trustee may suspend the repurchase and act in accordance with the Deed. Any repurchase application received after the cut-off time will be considered to be received on the next Business Day.

END OF PAGE

7.4 DISTRIBUTION CHANNEL

Units can be purchased and repurchased during normal business hours at the business office of Muamalat Invest Sdn Bhd.

Investors are advised not to make payment in cash when purchasing Units of the Fund.

7.5 UNCLAIMED MONIES POLICY

Repurchase proceeds payable to Unit Holders who have requested for full or partial repurchase of their investments in the Fund that remain unclaimed after twelve (12) months as prescribed by the Unclaimed Moneys Act, 1965 (as may be amended from time to time), shall be lodged with the Registrar of Unclaimed Moneys in accordance with the provisions of the Act.

7.6 ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) is the act that provides for the offence of money laundering and also the measures to be taken for the prevention of money laundering and terrorism financing offences. The Financial Intelligence and Enforcement Department (FIED) of Bank Negara Malaysia has been established to carry out the functions as the competent authority under the AMLA. All market intermediaries under the Act and management companies approved by the SC under the Act are obliged to comply with the provisions of the AMLA.

Under the AMLA, any person who –

- (a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
- (b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence;
- (c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence; or
- (d) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence,

commits a money laundering offence and shall on conviction be liable to imprisonment for a term not exceeding fifteen (15) years and shall also be liable to a fine of not less than five (5) times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or five (5) million ringgit, whichever is the higher.

When opening new accounts and entering into a fiduciary transaction with a client, the Manager identifies and verifies the investors through documents such as identity card, passport, birth certificate, driver's license, constituent documents or any other official documents, whether in the possession of a third party or otherwise. Such documents shall be filed by the Manager in accordance with relevant laws.

Where the Manager suspects that a particular transaction may not be genuine, a Suspicious Transaction Report (STR), will be made to the FIED.

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SECTION 8: CLIENT COMMUNICATION

8.1 AVENUE FOR ADVICE AVAILABLE TO PROSPECTIVE INVESTORS

Muamalat Invest Sdn Bhd strives to provide investors with quality information services to assist investors to make well informed investment decisions in relation to the Fund. Muamalat Invest Sdn Bhd's personnel are available to investors at 03-2615 8400 during normal office hours Monday – Friday from 9.00 a.m. – 5.00 p.m. whenever you have any enquiries and require any form of assistance with your investments.

8.2 NAV PER UNIT OF THE FUND

The daily NAV per Unit of the Fund is available at the Manager's business office and is published on www.muamalat.com.my on a daily basis.

8.3 STATEMENT OF INVESTMENT AND FUND'S FINANCIAL REPORTS

The Manager will publish and send to every Unit Holder quarterly and annual reports of the Fund.

Statements to Confirm and Record Transaction	Monthly statement of accounts will be issued to provide Unit Holders with a record of each and every transaction made.
Quarterly and Annual Reports	The investment strategies, performance, portfolio holdings and accounts of the Fund are detailed in quarterly and annual reports which are sent to all Unit Holders of the Fund within 2 months of the end of the period covered. A financial statement audited by the Fund's appointed auditors will be included in the annual report.

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SECTION 9: THE MANAGER

9.1 CORPORATE PROFILE OF THE MANAGER

The Manager of the Fund is Muamalat Invest Sdn Bhd (Muamalat Invest), a wholly-owned subsidiary of Bank Muamalat Malaysia Berhad which in turn is 70% owned by DRB-Hicom Berhad, a company listed on Bursa Malaysia Berhad. Muamalat Invest, a licensed Islamic fund manager, has been a licensed fund management company since 2006, and was accorded the Islamic Fund Management license in September 2010. As at 31 December 2020, Muamalat Invest has an authorised capital of RM13 million and issued and paid up capital of RM13 million with a total fund size under management of RM2.3 billion.

As the Manager of the Fund, Muamalat Invest is responsible for the day-to-day operations of the Fund in accordance with the provisions of the Deed. The main responsibilities of Muamalat Invest include:

- managing the Shariah-compliant investment portfolio of the Fund;
- arranging the sale and repurchase of Units;
- keeping proper records of the Fund and Unit Holders;
- issuing reports on the performance to Unit Holders;
- arranging distribution of income and/or Units to Unit Holders; and
- marketing the Units of the Fund to investors.

9.2 FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March 2018, 31 March 2019, 31 December 2019 and 31 December 2020

DETAILS	FINANCIAL YEAR			
	31 MARCH 2018 AUDITED (RM)	31 MARCH 2019 AUDITED (RM)	31 DECEMBER 2019 (9 months period)* AUDITED (RM)	31 DECEMBER 2020 UNAUDITED (RM)
Issued and Paid Up Capital	10,000,000	13,000,000	13,000,000	13,000,000
Shareholder's Funds	8,800,111	12,477,715	13,321,968	13,865,429
Turnover	4,493,779	4,404,259	3,875,795	4,509,608
Pretax Profit	663,930	736,934	938,847	628,276
After Tax Profit	603,712	677,623	866,327	543,517

Note:

* Following the approval by the Board of Directors, the financial year end of the Manager changed from 31 March to 31 December. The financial results covered is for a period of nine months from 1 April 2019 to 31 December 2019. Thereafter, the financial year of the Manager shall revert to twelve months ending 31 December, for each subsequent year.

9.3 BOARD OF DIRECTORS

The Board of Directors takes an active part in the affairs of the Manager and the funds under its management. The Board of Directors meets at least once every three (3) months to receive recommendations and reports on investment activities, set policies and guidelines of the Manager including review of business performance, financial and audit reports of the Manager. Additional meetings shall also be convened, should the need arise.

The Board of Directors comprises of:

Name	Khairul Kamarudin
Position	Chairman and Non-Executive Non-Independent Director
Experience and Qualifications	<p>En. Khairul Kamarudin is currently the Chief Executive Officer of Bank Muamalat Malaysia Berhad. Encik Khairul bin Kamarudin brings with him 22 years of experience in the financial industry, of which 14 years were with Bank Islam Malaysia Berhad (BIMB). He was Chief Executive Officer (CEO) of BIMB (July 2017 to August 2018) and former CEO of BIMB Holdings Berhad (June 2017 to August 2018). During his tenure with BIMB and prior to his appointment as the CEO he held the positions of Deputy CEO, Director of Business Development, Head of Consumer Banking and Head of Special Recovery.</p> <p>He has a Law Degree from Anglia Ruskin University, United Kingdom. He is also a Member of the Chartered Institute of Islamic Finance (CIIF).</p> <p>Encik Khairul's Islamic Banking and Finance Industry experience includes being Director of BIMB Investment Berhad, Board Member of IAP (Investment Account Platform), Board Member of Islamic Banking and Finance Institute Malaysia (IBFIM), Board Member of Majlis Agama Islam Wilayah Persekutuan (MAIWP). Before joining BIMB he was with Pengurusan Danaharta Nasional Berhad for 5 years. Encik Khairul started his career as an Audit Senior with PriceWaterhouseCoopers Malaysia (Assurance & Business Advisory Services, Banking & Financial Services Group).</p>

Name	Dato' Dr. Adnan Bin Alias
Position	Non-Executive Independent Director
Experience and Qualifications	<p>Dato' Dr. Adnan Alias has held several senior positions in the areas of human capital development. Prior to joining IBFIM, Dato' Dr. Adnan Alias was the Vice Chancellor of Universiti Industri Selangor (UNISEL). He was also the Deputy Vice Chancellor of Universiti Teknologi Mara (UiTM), UiTM Dungun Campus Director, founder Head of Centre for Total Quality Education (CTQE), and he was also the Head of Malaysian Entrepreneurship Development Centre (MEDEC).</p> <p>He is a recognized international expert in the areas of entrepreneurship development, franchising and total quality education. In Islamic finance, he specializes in marketing and talent development. He graduated with Doctorate in Business Administration from Nova Southeastern University, Florida, USA, in 1990; MBA (cum laude) from Catholic University of Leuven, Belgium, in 1977; Bachelor of Arts (Hons), University of Malaya, in 1974.</p>

Name	Fakihah Azahari
Position	Non-Executive Independent Director
Experience and Qualifications	<p>Pn. Fakihah is an Independent Director of the Manager and is currently a partner at Messrs Nik Hisham, Fakihah & Co providing legal advisory on Syariah issues on amongst others, Islamic Finance and Islamic Capital Markets. She was admitted as an Advocate and Solicitor of the High Court of Malaya and called to the Selangor Syariah Bar in June 1992 and November 1992 respectively. She read in the chambers of Messrs Ariff & Co and commenced legal practice at Messrs Amin Tan & Co and Messrs Paul Ong & Associates until February 1994.</p> <p>Pn. Fakihah graduated from the International Islamic University with an LLB 2nd Class (Hons). She has a Certificate in WTO International Trade from the Geneva Graduate Institute in 2014, is a certified Mediator and Chartered Arbitrator of the Chartered Institute Arbitrator, UK. She has a Diploma in Islamic Banking & Finance Arbitration from the Chartered Institute Arbitrator in 2015.</p>

Name	Mohd Faruk Bin Abdul Karim
Position	Executive Director
Experience and Qualifications	<p>Mohd Faruk joined Muamalat Invest Sdn Bhd (“MISB”) in November 2016. He holds an Honours Degree in Accountancy from Association of International Accountants, UK (professional body). He has more than 20 years of experience in debt and capital market industry. Prior to joining MISB, he was the Head of Investment at Zurich Takaful Malaysia Bhd for approximately 9 years. Before that, he was attached to AIA Malaysia Investment Department, managing fixed income portfolios for 7 years and few other companies including Avenue Securities, Am Investment and Deutsche Bank.</p>

9.4 KEY MANAGEMENT STAFF

Name	Mohd Faruk bin Abdul Karim
Position	Chief Executive Officer/Head of Investment
Experience and Qualifications	As aforementioned.

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Name	Eugene Chew Boon Chye
Position	Head of Strategic Operations
Experience and Qualifications	Eugene joined Muamalat Invest Sdn Bhd (“MISB”) in July 2014. He holds a Bachelor of Business majoring in Accountancy (Distinction) degree from RMIT University, Australia and is a Fellow Chartered Accountant with the Institute of Chartered Accountants Australia and New Zealand and a Chartered Accountant with the Malaysian Institute of Accountants. He started his career with one of the Big 4 auditing firms as an auditor where he worked for 7 years in the areas of assurance and risk management, and left as an Audit Manager. He then headed the fund accounting department with a major unit trust management company for 2 years and was the Head of Business Development for an established trust company and the Head of Institutional Business Development for the Securities Services Division of an established investment bank. Prior to joining MISB, he was the Head of Transaction Services of an established fund management company for 6 years.

Name	Dahlia binti Mohd Razali
Position	Compliance Officer
Experience and Qualifications	Dahlia Mohd Razali joined Muamalat Invest Sdn Bhd in September 2018. Prior to this, she was the Compliance Officer for MIDF Amanah Asset Management Berhad as well as MIDF Amanah Investment Bank Berhad. She started her career with Malaysian Industrial Development Finance Berhad as an Internal Auditor in October 1996. She holds a Bachelor (Hons) in Business Administration, majoring in Finance from De Montfort University, United Kingdom in 1996. She is also the AML/CFT Officer for Muamalat Invest Sdn Bhd and holds Advance Certification in AML/CFT from International Compliance Association. She has more than 22 years of working experience in capital market industry.

9.5 INVESTMENT TEAM

The investment team implements the Fund’s investment strategies and policies. The investment team will continually review and monitor the success of these strategies and policies using predetermined benchmark. The investment team will also advise the Manager if there is any need to change the investment policies and strategies depending on the outlook of the market.

Members of the investment team meet once every month or as and when the need arises in performing its functions. The designated fund manager for the Fund is Mohd Faruk bin Abdul Karim.

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SECTION 10: SHARIAH ADVISER

10.1 RESPONSIBILITIES OF SHARIAH ADVISER

The Shariah Adviser functions independently from the Manager and has responsibility only to the Fund's Unit Holders. The Shariah Adviser meets at least half yearly or from time to time to advise the Manager on the conformance of the investments, operations and marketing aspects of the Fund with the Shariah principles. The Shariah Adviser was appointed on the launch date of the Fund.

The role of Shariah Adviser is to provide expertise and guidance as well as:

- (i) ensuring that the Fund is managed and administered in accordance with Shariah principles;
- (ii) reviewing the report received from the compliance officer on the Fund's transactions provided by the Manager; and
- (iii) ensuring that the Fund complies with any guidelines, ruling or decision issued by the SC or any regulatory authority in relation to Shariah matters.

10.2 THE SHARIAH ADVISER

Bank Muamalat Malaysia Berhad ("BMMB") was incorporated on 1 October 1999. It is a full-fledged Islamic financial institution operating under the Islamic Financial Services Act 2015. Its mission is to deliver the best value to the stakeholders and its vision is to be the preferred Islamic financial service provider. Headquartered in Kuala Lumpur, BMMB offers Shariah compliant financial products and services to its customers, irrespective of their race and religious belief. BMMB is a full-fledged commercial bank providing a full range of deposit, financing and banking product and services. Its products and services are comparable with those offered by the conventional banks. Its reach is underpinned by its nation-wide network of branches, service centers and off-shore branch in Labuan International Financial Centre. BMMB is expanding its business activities through its subsidiaries, involved in Islamic venture capital businesses and the provision of fund management services.

The following are the designated persons responsible for all Shariah matters for the Fund:

Name	Tn. Haji Azizi bin Che Seman (Chairman)
Experience and Qualifications	Haji Azizi Che Seman is currently a lecturer at the Islamic Studies Academy, University of Malaya, a position he has held since 2002. He has been with Bank Muamalat Malaysia Berhad (the Bank) since 1 April 2005. Until now, he is entrusted to be the Chairman for the Bank's Shariah Committee. He has been appointed as Shariah Advisor of AIBIM. In terms of qualification, he holds a Master Degree in Economics from International Islamic University of Malaysia in 2001 and a Bachelor of Shariah from University Malaya in 1996. His specialisation areas are in Islamic Capital Market, Islamic Economics and Fiqh Muamalat.

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Name	Assoc. Prof. Dr. Mohamad Sabri bin Haron
Experience and Qualifications	Assoc. Prof Dr Mohamad Sabri bin Haron is a lecturer at the Centre of General Studies, National University of Malaysia. He is also an Associate Senior Fellow at Institute of West Asian Studies. He obtained a Diploma in Islamic Studies from Kolej Sultan Zainal Abidin in 1985 and Bachelor of Islamic Studies (al-Quran and al-Sunnah) from National University of Malaysia in 1988. He has completed his Master of Comparative Law at International Islamic University of Malaysia in 1993. He succeeded in obtaining his Ph.d. in Islamic Law (Fiqh and Usul Fiqh) in 1998 from University of Jordan. He has been with Bank since December 2003. His specialisation areas are in Islamic Economics and Islamic Civilisation. He also has been seconded to the Securities Commission as the Senior Manager in Islamic Capital market starting from 1 June 2009 until 31 May 2010.

Name	Dr. Wan Marhaini Wan Ahmad
Experience and Qualifications	Wan Marhaini Wan Ahmad is currently a lecturer at the Finance and Banking Department, University of Malaya, a position she has held since 2002. Previously, she was appointed as Shariah Committee for EONCAP Islamic Bank Berhad since April until November 2011. In terms of qualification, she completed her PhD in University of Edinburgh, United Kingdom with her dissertation on Zakat Investment in Malaysia. She holds a Master Degree in Economics from International Islamic University of Malaysia in 2002 concentrating on Economics and Finance and her dissertation is related to Study of Gharar in Insurance and Takaful. She also graduated from Islamic Academy, University of Malaya for her Bachelor degree in 1996. Her specialisation areas are in Fiqh Muamalat, Islamic Economics, Islamic Finance and Banking. In University of Malaya, she teaches undergraduate and Masters programmes (MBA and MM) and the courses taught among others are Islamic Finance, Financial Decision-Making, Managerial Finance, Economics for Managers, International Finance and Communication & Thinking Skills.

Name	Dr. Yusri Mohamad
Experience and Qualifications	Dr. Yusri currently serves as a Shariah advisor and consultant in various capacities. In the past, he was an academic at the Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia before a stint in legal practise in both the Civil and Shariah Courts. He has held leading posts at the Yayasan Dakwah Islamiah Malaysia (YADIM) from 2014 to 2018 and a number of national level NGOs. Besides at the Bank, Dr Yusri is an Independent Director and member of the Shariah Committee at Zurich Takaful (2007–present), KADA (Kemubu Agricultural Development Authority) Kelantan (2020–present) and Kenanga Investment Bank Berhad (2013–2015). He obtained a double major in Law and the Shariah at the International Islamic University Malaysia (1995-96). He then completed his Masters in Law (LLM) at The School of Oriental and African Studies (SOAS), University of London in 1997. He obtained his Ph.D in Laws at International Islamic University Malaysia in 2010 with a thesis on Contemporary Ijtihad. His areas of specialisation are Islamic Jurisprudence, Islamic and Malaysian Constitutional Law and Islamic Finance.

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SECTION 11: THE TRUSTEE – AMANAHRAYA TRUSTEES BERHAD

11.1 PROFILE OF AMANAHRAYA TRUSTEES BERHAD (“ART”)

ART was incorporated under the laws of Malaysia on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949. ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the Minister of Finance (Incorporated). ART took over the corporate trusteeship functions of ARB and acquired ARB’s experience of more than 50 years in trustee business. ART has been registered and approved by the SC to act as trustee to unit trust funds.

11.2 DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

The Trustee’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 all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, the Act and the Guidelines. Apart from being the legal owner of the Fund’s assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, the Act and the Guidelines. In respect of monies paid by an investor for the application of Units, the Trustee’s responsibility arises when the monies are received in the Fund’s account and in respect of repurchase, the Trustee’s responsibility is discharged once it has paid the repurchase amount to the Manager.

11.3 TRUSTEE’S RESPONSIBILITY STATEMENT

The Trustee has given its willingness to assume the position as Trustee of the Fund and undertakes all the obligations in accordance with the Deed, all relevant laws and rules of law, and for the benefit of the registered Unit Holders of the Fund.

11.4 MATERIAL LITIGATION AND ARBITRATION

As at LPD, the Trustee is not engaged in any material litigation or arbitration either as plaintiff or defendant, and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially affect the business and financial position of the Trustee.

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SECTION 12: SALIENT TERMS OF DEED

12.1 UNIT HOLDER'S RIGHTS

- (a) Unit Holder shall have the right to receive distributions of income (if any) and participate in any increase in the value of the Units.
- (b) No Unit Holder shall be entitled to require the transfer to him of any of the assets comprised in the Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on his behalf of the rights of the Trustee as the registered owner of such assets.
- (c) Unit Holder shall have the right to call for Unit Holder's meeting and to vote for the removal of the Trustee or the Manager through a Special Resolution.
- (d) Unit Holder shall have the right to receive monthly statements, annual and quarterly reports on the Fund.
- (e) Unit Holder shall have the right to exercise other rights and privileges as provided for in the Deed.

12.2 UNIT HOLDER'S LIABILITIES

As a Unit Holder of the Fund, and subject to the provisions of the Deed, Unit Holders' liabilities would be limited to the following:

- (a) Unit Holder would not be liable for nor would Unit Holders be required to pay any amount in addition to the payment for Units of the Fund as set out in this Information Memorandum and the Deed.
- (b) Unit Holder would not be liable to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

12.3 TERMINATION OF THE FUND

The Fund may be terminated or wound up upon the occurrence of any of the following events:

- (a) a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund, following occurrence of events stipulated under Section 301(1) of the Act and the court has confirmed the resolution, as required under Section 301(2) of the Act; and
- (b) a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

12.4 POWER TO CALL FOR UNIT HOLDERS MEETING

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

- (a) sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

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

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;

- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed.

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

Prospective Unit Holders should read and understand the contents of the Information Memorandum and, if necessary, should consult their adviser(s).