



# PROSPECTUS

**This Prospectus is dated 3 September 2019**

**This Prospectus incorporates  
the following fund :-**

Muamalat Invest Islamic Equity Fund

**Date of constitution**

18 June 2019

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**Manager:**  
**MUAMALAT INVEST SDN BHD**  
**(384635-P)**

**Trustee:**  
**MAYBANK TRUSTEES BERHAD**  
**(5004-P)**

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE  
CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS"  
COMMENCING ON PAGE 9.**

## **RESPONSIBILITY STATEMENT**

This Prospectus 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, that there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading.

## **STATEMENTS OF DISCLAIMER**

The Securities Commission Malaysia has authorized the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorization of the Fund, and the registration of this Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the said 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 the Manager who is 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.**

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 other person in relation to the Fund.

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

This Prospectus 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 Prospectus relates.

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# DEFINITIONS

Act / CMSA	: means the Capital Markets and Services Act 2007 including all amendments thereto;
BNM	: means Bank Negara Malaysia;
Bursa Malaysia	: means the stock exchange managed or operated by Bursa Malaysia Securities Berhad;
Business Day	: means a day on which Bursa Malaysia is open for trading and/or banks in Kuala Lumpur are open;
Commencement Date	: means the date on which investments of the Fund may first be made and is a date after the expiry of the Initial Offer Period.
Deed	: means the principal deed dated 18 June 2019 in respect of the Fund entered into between the Manager and the Trustee and any supplemental(s) thereto;
Eligible Markets	: means a market that: <ul style="list-style-type: none"> <li>(a) is regulated by a regulatory authority;</li> <li>(b) operates regularly;</li> <li>(c) is open to the public; and</li> <li>(d) has adequate liquidity for the purposes of the Fund.</li> </ul>
Financial institution	: <ul style="list-style-type: none"> <li>(a) if the institution is in Malaysia:               <ul style="list-style-type: none"> <li>(i) licensed bank;</li> <li>(ii) licensed investment bank;</li> <li>(iii) licensed Islamic bank;</li> </ul> </li> <li>(b) if the institution is outside Malaysia, any institution that is licensed or registered or approved or authorized by the relevant banking regulator to provide financial services.</li> </ul>
Forward pricing	: means the purchase or redemption of units is based on the NAV per unit of the Fund next determined or calculated after the application to purchase or redemption request from unitholder(s) is received by the Manager in proper form;
Fund	: Muamalat Invest Islamic Equity Fund;
Guidelines	: means the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia as may be amended from time to time;
Initial Offer Period	: A period when the Manager invites potential investors to participate in the Fund by subscribing for Units in the Fund. During this period, Units are created, cancelled, sold and repurchased at the Initial Offer Price;
Initial Offer Price	: means the price payable by an applicant for the purchase of Units during the Initial Offer Period;
Islamic Investment Accounts	: means 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.

Investment of the Fund : means the purchases of or by the Fund as permitted by the Deed, Prospectus and any relevant law;

Islamic bank : means a bank licensed under the Islamic Financial Services Act 2013;

Islamic deposits : means a sum of money accepted or paid in accordance with Shariah –

- (a) on terms under which it will be repaid in full, with or without any gains, return or any other consideration in money or money's worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and person accepting it; or
- (b) under an agreement, on terms whereby the proceeds under the arrangement to be paid to the person paying the sum of money shall not be less than such sum of money,

but excludes money paid *bona fide* –

- (i) by way of an advance or a part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;
- (ii) by way of security for the performance of a contract or by way of security in respect of any loss which may result from the non-performance of a contract;
- (iii) without limiting paragraph (ii), by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise; and

in such other circumstances, or to or by such other person, as set out in schedule 2 of the Islamic Financial Services Act 2013;

Islamic liquid assets : means cash and Islamic deposits;

Islamic money market instruments : means:-

- (i) Islamic Investment Accounts;
- (ii) Islamic Negotiable Instruments (INIs);
- (iii) Islamic repurchase agreement (REPO);and
- (iv) Islamic Commercial Papers.

Jointholder : means a person who holds Units together with another person or persons and "Jointholders" means the persons who are holding the same Units;

Latest Practicable Date or LPD	: 31 May 2019, in which all information provided herein, shall remain current and relevant as at such date;
Licensed bank	: has the same meaning as prescribed under the Financial Services Act 2013;
Licensed investment bank	: has the same meaning as prescribed under the Financial Services Act 2013;
Long-term	: means a period of more than 5 years;
Manager / we / us	: refers to Muamalat Invest Sdn Bhd (Company No. 384635-P), the management company of the Fund;
MIIEF	: Muamalat Invest Islamic Equity Fund;
Medium-term	: means a period between 3 to 5 years;
Net Asset Value (NAV)	: means the value of all assets of the Fund less the value of all the liabilities of the Fund at the valuation point; solely for the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant day;
NAV per Unit	: means the NAV of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point;
Prospectus	: means the disclosure document issued by the Manager describing the details of the Fund;
Redemption Price	: means the price payable to a Unit Holder pursuant to a redemption of a Unit and is the NAV per Unit as at the next valuation point (Forward pricing) after the repurchase request is received by the Manager; for the avoidance of doubt, Redemption Price does not include any redemption charge which may be imposed;
RM	: means Ringgit Malaysia, the official currency of Malaysia;
SAC	: refers to the Shariah Advisory Council of the Securities Commission Malaysia and / or BNM;
SC	: refers to the Securities Commission Malaysia established under the Securities Commission Act 1993;
Selling Price	: means the price payable by an applicant for a Unit pursuant to a successful application for Units and is the NAV per Unit as at the next valuation point (Forward pricing) after the request for investment is received by the Manager; for the avoidance of doubt, Selling Price does not include any sales charge which may be imposed;
Shariah	: means Islamic Law comprising the whole body of rulings pertaining to human conducts derived from sources of Shariah;
Shariah requirements	: is a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element



must meet all the necessary conditions required by the Shariah for that element;

Special Resolution : means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths of the Unit Holders voting at the meeting, in person or by proxy.

For the purpose of terminating the Fund, a special resolution is passed 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;

Shariah Adviser : refers to Bank Muamalat Malaysia Berhad, the shariah adviser appointed for the MIIEF and includes its permitted assigns, successors in title and any new or replacement shariah adviser;

Sukuk : refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SAC;

Trustee : refers to Maybank Trustees Berhad (Company No. 5004-P), the Trustee appointed for the Fund;

Unit/Units : means 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;

Units in circulation : means Units created and fully paid for and which has not been cancelled and is the total number of Units issued at a particular valuation point; and

Unit Holder/Unit Holders : means a person for the time being who is registered pursuant to the Deed as a holder of Units including persons jointly registered.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to person shall include corporations.

Any reference in this Prospectus to any enactment or guideline is a reference to the enactment or guideline as for the time being amended or re-enacted.

Any reference to a time of day in the Prospectus shall be referenced to Malaysian time, unless otherwise stated.

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## CORPORATE DIRECTORY

### THE MANAGER

NAME : MUAMALAT INVEST SDN BHD  
COMPANY NO. : 384635-P  
REGISTERED OFFICE : 30<sup>th</sup> Floor, Menara Bumiputra  
Jalan Melaka  
50100 Kuala Lumpur  
BUSINESS ADDRESS : 4<sup>th</sup> Floor, Menara Bumiputra  
Jalan Melaka  
50100 Kuala Lumpur  
TELEPHONE NO. : 03-2615 8400  
FAX NO. : 03-2070 0157  
EMAIL ADDRESS : misb@muamalat.com.my  
WEBSITE : www.muamalat.com.my

### THE TRUSTEE

NAME : MAYBANK TRUSTEES BERHAD  
COMPANY NO. : 5004-P  
REGISTERED OFFICE : 8<sup>th</sup> Floor, Menara Maybank  
AND BUSINESS OFFICE 100 Jalan Tun Perak  
50050 Kuala Lumpur  
TELEPHONE NO. : 03-2070 8833  
FAX NO. : 03-2070 9387  
EMAIL ADDRESS : mtb.ut@maybank.com.my  
WEBSITE : www.maybank2u.com.my

### THE SHARIAH ADVISER

NAME : BANK MUAMALAT MALAYSIA BERHAD  
COMPANY NO. : 6175-W  
REGISTERED OFFICE : 30<sup>th</sup> Floor, Menara Bumiputra  
Jalan Melaka  
50100 Kuala Lumpur  
BUSINESS ADDRESS : 20<sup>th</sup> Floor, Menara Bumiputra  
Jalan Melaka  
50100 Kuala Lumpur  
TELEPHONE NO. : 03-2615 8400  
FAX NO. : 03-2031 0634  
WEBSITE : www.muamalat.com.my  
EMAIL : shariah.group@muamalat.com.my

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## CHAPTER 1: DETAILED INFORMATION ON THE FUND

### 1.1 Fund Profile

#### **Muamalat Invest Islamic Equity Fund**

##### **Base Currency**

Ringgit Malaysia (“RM”)

##### **Fund Category**

Equity (Shariah Compliant)

##### **Initial Offer Period**

The period of twenty-one (21) days commencing from the launch date or such other shorter period as may be determined by the Manager.

The Manager may shorten the Initial Offer Period in the event the Manager is of the view that it is timely to commence the Fund to enable it to purchase assets of the Fund due to market conditions.

##### **Initial Offer Price**

RM1.0000 per unit.

##### **Investment Objective**

The Fund seeks to achieve capital appreciation over medium to long term period.

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

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

The Fund targets an allocation of up to 95% of the Fund’s NAV in Shariah-compliant equities and Shariah-compliant equity-related instruments, and a maximum of 30% of the Fund’s NAV invested in Islamic money market instruments, Sukuk and/or Islamic liquid assets. The selection of Shariah-compliant equity investments of the Fund will be in line with those in the list of Shariah-compliant securities issued by SAC.

The portfolio construction process is research driven – combining bottom-up fundamental analysis with top down economic and sector analysis. In identifying investable listed companies, the Manager relies on fundamental research where track records, prospects, business operation and management of the companies are considered. In addition, prospects for the economies and sectors in which the companies operate are also assessed.

Analysis is also made on revenue growth, profit margins, sustainability of earnings and/or dividend pay-out, balance sheet and cash flow. In view of its investment objective, the designated fund manager will trade the securities depending on the securities market conditions.

The selection of Sukuk and Islamic money market instruments will depend largely on its credit quality where the respective issuers of Sukuk and Islamic money market instruments are required to possess strong ability to meet their financial obligations and offer highest safety for timely payment of profit and principal.

#### *Temporary Defensive Measures*

The Manager may undertake temporary defensive positions (for up to 6 months upon investment committee's approval) that may be inconsistent with the Fund's principal strategy by raising cash levels or increasing the Fund's asset allocation weighting in Islamic money market instruments, Sukuk and/or Islamic liquid assets, in its attempt to respond to adverse financial market conditions.

#### *Policy on Active and Frequent Trading of Securities*

For the Fund's trading policy, the Manager will maintain a core holding for the Fund, which it intends to hold over a medium to long-term investment horizon bias, which is similar to a buy and hold philosophy. At the same time, the Manager will also, when the opportunity arises and when there is high conviction, trade in the market to benefit from potential market movements to assist with meeting the Fund's objective.

#### *Cross Trades*

The Manager may conduct cross trades between funds it currently manages provided that all criteria imposed by the regulators are met. Notwithstanding the above, cross trades with the personal account of an employee of the Manager and the Manager's proprietary accounts are strictly prohibited. Compliance with the criteria are monitored by the compliance unit of the Manager. All cross trades require prior approval from the compliance officer or the chief executive officer or executive director, to avoid conflict of interests and manipulation that could have a negative impact on investors.

### **Asset Allocation**

The Fund may invest:

- A maximum of 95% of the Fund's NAV to be invested in Shariah-compliant equities and Shariah-compliant equity-related instruments; and
- A maximum of 30% of the Fund's NAV to be invested in Islamic money market instruments, Sukuk and/or Islamic liquid assets.

### **Investor Profile**

The Fund is suitable for Unit Holders who:

- seek medium to long term capital appreciation;
- have a medium to long term investment horizon; and
- have a high risk tolerance.

### **Distribution Policy**

The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate – subject to the availability of realized income.

### **Performance Benchmark**

FTSE Bursa Malaysia EMAS Shariah Index

Source: [www.bursamalaysia.com](http://www.bursamalaysia.com)

Note : The risk profile of the Fund is different from the risk profile of the benchmark.

## 1.2 Permitted Investments

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

- (a) Shariah-compliant equities and Shariah-compliant equity-related securities such as shariah-compliant warrants and Islamic options listed on Bursa Malaysia;
- (b) Shariah-compliant stocks of initial public offering (IPO) companies seeking a listing on Bursa Malaysia;
- (c) Unlisted Shariah-compliant equity and Shariah-compliant equity-related securities whether or not approved for listing and quotation on Bursa Malaysia, which are offered directly by the company to the Fund;
- (d) Islamic deposits and Islamic money market instruments;
- (e) Government investment issues (GII), Islamic accepted bills, Bank Negara monetary notes-i, Cagamas sukuk and other obligations issued or guaranteed by the Malaysian government, BNM and other government-related agencies that comply with Shariah requirements;
- (f) Corporate sukuk traded in Islamic money market;
- (g) Islamic collective investment schemes; and
- (h) Any other form of Shariah-compliant investments as may be agreed upon between the Manager and the Trustee from time to time.

## 1.3 Investment Restrictions and Limits

The Fund is subject to the following investment restrictions and limits in the course of execution of its investment policies and strategies:

- The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV.
- The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV. ("Shariah-compliant transferable securities" are Shariah-compliant equities, and Shariah-compliant warrants etc).
- The value of the Fund's placement in Islamic deposits with any single institution must not exceed 20% of the Fund's NAV.
- The aggregate value of the Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments and Islamic deposits issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
- The value of the Fund's investment in units/shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV.

- The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instrument issued by any group of companies must not exceed 20% of the Fund's NAV.
- The Fund's investment in Shariah-compliant transferable securities (other than Sukuk) must not exceed 10% of the Shariah-compliant securities issued by any single issuer.
- The Fund's investments in Sukuk must not exceed 20% of the Sukuk issued by any single issuer.
- The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have pre-determined issue size.
- The Fund's investments in Islamic collective investment schemes must not exceed 25% of the units/shares in any one Islamic collective investment scheme.

The aforesaid investment restrictions and limits have at all times to be complied with based on the most up-to-date valuation of the Shariah-compliant investments of the Fund. However, a 5% allowance in excess of any restriction or limit may be permitted where the restriction or limit is breached through the appreciation or depreciation in the Fund's NAV, whether as a result of an appreciation or depreciation in value of the Fund's assets, or as a result of repurchase of units or payment made out of the Fund.

If a particular restriction or limit is breached, no further acquisition of the relevant investment may be made. The Manager will then, as soon as possible but in any event no later than three (3) months from the date of breach, take all necessary steps and actions to rectify the breach.

## 1.4 General Risks of Investing in Unit Trust Fund

Prior to making an investment, prospective investors should consider the following risk factors carefully in addition to the other information set forth elsewhere in this Prospectus. Although the Manager seeks to mitigate risks by investing in a diversified portfolio, investors should be warned that there are potential risks in investing in unit trust funds. They include:

**Fund management risk** - 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.

**Market risk** - 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 NAV.

**Liquidity risk** - 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.

**Performance risk** – There is no guarantee in relation to the investment returns of the Fund.

**Inflation Risk** - 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.

***Loan financing risk*** - This risk occurs when investors take a financing to finance their investment. The inherent risk of investing includes investors being unable to service the financing payments. 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 financing.

***Non-Compliance risk*** - The risk that a management company and other parties associated with a unit trust fund inadvertently fails to comply with the rules set out in the Fund's deed, or the law that governs the Fund, or act fraudulently or dishonestly. It also includes the risk of a management company failing to comply with internal control procedures due to an oversight. The non-compliance may expose the Fund to higher risks that may result in a fall in the value of the Fund.

## **1.5 Specific Risks of Investing in the Fund**

### **Stock Specific Risk**

Prices of a particular Shariah-compliant stock or Shariah-compliant securities may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such Shariah-compliant stock will adversely affect the Fund's NAV. The Manager aims to mitigate this risk through diversification.

### **Risk Associated with Investments in Warrants**

The market price of Shariah-compliant warrants held by the Fund may be affected by changes in market price of the underlying Shariah-compliant securities as well as the exercise price and expiry date of the Shariah-compliant warrants. Any adverse movements in the market price of the Shariah-compliant warrants may impact the Fund's NAV and price of Units.

### **Equity-related Instruments Risk**

The value of the Shariah-compliant equity-related securities depends on the value of the underlying Shariah-compliant equities that the securities are related to. Any downward movement in the value of the underlying Shariah-compliant equities may result in a downward movement of the value of the respective Shariah-compliant equity-related securities **and may impact the Fund's NAV and price of Units.**

### **Credit and Default Risk**

Credit and default risk relates to the creditworthiness of the issuers of the sukuk and their expected ability to make timely payment of profit income and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the sukuk. In the case of rated sukuk, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the sukuk. This could adversely affect the value of the Fund.

### **Interest Rate Risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of a sukuk portfolio. When interest rates rise, valuation for sukuk will generally decline and this may lower the market value of the Fund's investment in a sukuk portfolio. The reverse may apply when interest rates fall. The risk will be mitigated via the management of the duration structure of the sukuk portfolio.

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

## Reclassification of Shariah Status Risk

The risk that the currently held Shariah-compliant securities in the portfolio of Islamic Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the SAC. If this occurs, the Manager will take the necessary steps to dispose of such Shariah non-compliant securities. There may be opportunity loss to the Fund from not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant securities at a price lower than the investment cost.

## 1.6 Risk Management Strategies

The Manager adopts an active investment strategy to manage the risks of equity investment of the Fund. The market volatility may lead to capital loss which affects the Fund's return. Stock selection and diversification of investment in Shariah-compliant equity securities are keys to mitigating the overall risk of the Fund.

The equity market risk of the Fund is prudently managed through the following strategies:-

### 1. Stock Selection

Specific stock selection is done based on stringent investment criteria which include the company's financial strength, track records, business operations, management quality as well as positive growth outlook. The Fund also takes into account trading liquidity to manage the stock specific risk.

### 2. Sector Diversification

To diversify the Fund's investments into different sectors which gives the flexibility to move the Fund's equity exposure actively from one sector to another, depending on capital market conditions. The flexibility allows the Manager to remain invested during adverse market conditions.

For investment in sukuk, credit evaluation and profit rate direction are the most critical risk factors to be considered. As for credit evaluation, the fund manager has set stringent investment criteria in assessing sukuk, covering mainly the nature of business, cash flow, gearing level, management and collateralization. In case the Fund invests in such instrument, only investment grade sukuk rated by either RAM Rating Services Berhad ("RAM Ratings") or "Malaysian Rating Corporation Berhad ("MARC") or other equivalent rating agency will be considered. As for the profit or interest rate direction, the expected direction of Kuala Lumpur Islamic Reference Rate ("KLIRR") will be taken into consideration.

In addition, regular reporting to and consulting with the investment committee members are held at periodic meetings. The reporting to the investment committee consists of, amongst others, the review on the performance of the Fund and the relevant markets, immediate and future investment approach and asset allocation strategy, and compliance status.



## 1.7 Additional Information in Relation to the Fund

### 1.7.1. Shariah Investment Guidelines

At all times, the Fund's investments would be restricted to Shariah-compliant instruments. The Fund is prohibited from investing in investments which do not comply with Shariah principles. The Fund is also prohibited from investing in interest-bearing deposits and recognising any interest income.

#### Shariah Screening Process

For domestic Shariah-compliant listed equities, reference is made to the list of Shariah-compliant securities issued by the SAC on a half-yearly basis. For domestic unlisted Shariah-compliant equities, the Shariah Adviser applies the two-tier quantitative approach based on the business activity and financial ratio benchmarks in determining the Shariah status of the equities. The contribution of Shariah non-compliant activities to the group revenue or group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:

#### (i) **The 5% benchmark**

The 5% benchmark is applicable to the following businesses/activities:

- conventional banking;
- conventional insurance;
- gambling;
- liquor and liquor-related activities;
- pork and pork related-activities;
- non-halal food and beverages;
- tobacco and tobacco related activities;
- interest income\* from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- dividends\* from Shariah non-compliant investments, Shariah non-compliant entertainments; and
- other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 5%.

*Note: Interest income and dividends from Shariah non-compliant investments will be compared against the group revenue. However, if the main activity of the company is holding of investments, the dividends from Shariah non-compliant investments will be compared against the group revenue and group profit before taxation.*

#### (ii) **The 20% benchmark**

The 20% benchmark is applicable to the following businesses/activities:

- share trading;
- stockbroking business;
- rental received from Shariah non-compliant activities; and
- other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 20%. For financial ratio benchmark, the Shariah Adviser will determine if the financial ratios (i.e. debt over total assets and cash over total assets ratio is less than 33%) of the equities, comply with the financial ratio benchmarks. For cash over total assets, cash only includes cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments is excluded from the calculation. For debt over total assets, debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation. In addition to the above two-tier quantitative criteria, the Shariah Adviser also

takes into account the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching.

### **Reclassification of Shariah status**

Shariah-compliant equities which are reclassified to be Shariah non-compliant upon review of the equities by the SAC or Shariah Adviser will result in the Shariah non-compliant equities being disposed off. For the purpose of purification, any dividends received up to the announcement/review day and capital gain arising from the disposal of the Shariah non-compliant equities made at a market price/valuation, at the time of the announcement/review day can be kept. However, any dividends received and excess gains derived from the disposal of the Shariah non-compliant equities after the announcement/review day at a market price/valuation that is above the closing price/valuation on the announcement/review day should be deposited into a separate account which is segregated from the Fund's account. The Fund may channel such tainted income to baitumal and/or charitable bodies as may be advised by the Shariah Adviser. The Fund may also at its discretion distribute the tainted income to the investors as soon as practically possible which shall be advised by the Shariah Adviser. Should such income be distributed to investors, the Manager will inform investors that it is the investors' obligation to purify it in accordance to Shariah principles upon receiving it from the Fund.

### **Divestment**

In the event the Fund invests in Shariah non-compliant instruments, the Fund needs to dispose or close any Shariah non-compliant instruments, within a month of knowing the status of the instruments. Any gain made in the form of capital gain received during or after the disposal or closure of the mentioned instruments has to be channeled to charitable bodies, as approved by the Shariah Adviser. The Fund has a right to retain only the original investment cost, which may include transaction costs.

If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Fund Manager.

### **Periodic Review**

The Shariah Adviser will review the Fund twice a year to ensure the Fund has been managed and operated in accordance with the Shariah principles. Upon completion of each review, the Shariah Adviser will deliver its opinion on the Shariah compliancy.

### **The Fund's Compliance to Shariah Principles**

The Shariah Adviser is of the view that, given the prevailing circumstances, the Fund and its respective investments as disclosed and presented in this Prospectus are acceptable and within the principles of Shariah, subject to proper execution of the legal documents and other transactions related to the Fund.

#### **1.7.2. Cleansing Process for the Fund**

Under the Shariah principles, any income received by the Fund from investments in its portfolio which relates to income from Shariah non-compliant instruments as determined by the Shariah Adviser is considered impure income. This impure income is subject to an income purification process as determined by the Shariah Adviser, from time to time and without limitation, where the impure income will be distributed to charitable bodies approved by the Shariah Adviser.

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

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

THE INVESTMENT PORTFOLIO OF THE FUND WILL COMPRISE OF INSTRUMENTS THAT HAVE BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC OR THE SAC OF BNM. FOR INSTRUMENTS WHICH ARE NOT CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC OR THE SAC OF BNM, THE SHARIAH ADVISER WILL REVIEW THE SAID INSTRUMENTS AND OPINE THAT THESE INSTRUMENTS ARE SHARIAH-COMPLIANT IN ACCORDANCE WITH THE RULING BY THE SHARIAH ADVISER.

**NOTE:**

THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE REALISED. YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS, AND IF NECESSARY, CONSULT YOUR ADVISORS.

ANY MATERIAL CHANGES TO THE FUND'S INVESTMENT OBJECTIVE WOULD REQUIRE YOUR APPROVAL.

## CHAPTER 2: FEES, CHARGES AND EXPENSES

This part of the Prospectus informs you about the fees, charges and expenses involved so that you will know the costs of your investments better. It also shows how Units of the Fund is priced to enable you to make your investment decisions prudently.

Costs, however, are not the only consideration with respect to investment goals. Time horizons, risk tolerance and financial resources are also important factors.

We may, for any reason at any time, waive, or reduce the amount of any fees (except for the trustee fee) or any other charges payable by you in respect of the Fund. This may apply either generally (for all investors) or specifically (any particular investor) and for any period or periods of time at our discretion.

### FEE AND CHARGES DIRECTLY INCURRED WHEN YOU INVEST IN THE FUND

#### 2.1 Sales Charge

The Manager imposes a sales charge of up to 5.50% of the NAV per Unit.

The sales charge is used mainly to defray advertising and promotions expenses, and commissions payable to distributors and agents.

The above sales charge is negotiable. *Please refer to Chapter 3.2, Pricing Policy for information on how the sales charge is calculated.*

#### 2.2 Redemption Charge

Manager does not intend to impose any redemption charge.

#### 2.3 Policy on Rounding Adjustment

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

Assuming that the NAV per Unit of the Fund is RM0.999963, as shown on the illustration below, the Selling Price will be:

=NAV per Unit  
=RM0.999963  
= RM1.0000 (rounded to four decimal points)

Note: This applies to all calculations or illustrations whether direct or indirect expenses incurred by investors when investing in the Fund as set out in this Prospectus.

#### 2.4 Transfer Fee

A fee of up to RM50.00 per transfer is imposed on Unit Holders for any requests to transfer Units.

## 2.5 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.

The Manager however, reserves the right to vary this fee or to vary the terms of the switching facility. The Manager may reject any switching request:

- (i) That it regards as disruptive to efficient portfolio management; or
- (ii) If deemed by the Manager to be contrary to the best interest of the Fund.

## FEES AND EXPENSES INDIRECTLY INCURRED WHEN YOU INVEST IN THE FUND

### 2.6 Management Fee

The annual management fee imposed by the Fund is up to one point six five per centum (1.65%) per annum of the NAV of the Fund calculated and accrued on a daily basis.

*Please refer to Chapter 3.1.3, Computation of NAV and NAV per Unit for information on how the management fee is calculated.*

### 2.7 Trustee Fee

The annual trustee fee imposed by the Fund is zero point zero eight per centum (0.08%) per annum of the NAV of the Fund, subject to a minimum of RM18,000 per annum, calculated and accrued on a daily basis (excluding foreign custodian fees and charges, if any).

*Please refer to Chapter 3.1.3, Computation of NAV and NAV per Unit for information on how the trustee fee is calculated.*

### 2.8 Other Expenses

The following is a list of expenses directly related to and which will be paid out of the Fund:

- Commissions or fees paid to brokers;
- Auditors' fee;
- Tax adviser's fee;
- Shariah Adviser's fee (where applicable);
- Valuation fees incurred for valuation of any Shariah-compliant investment of the Fund by independent valuers for the benefit of the Fund;
- Taxes and other indirect or similar duties imposed by the law or government and/or other regulatory authorities required to be paid in connection with any costs, fees and expenses as may be charged to the Fund;
- Cost for modification of the Deed save where such modification is for the benefit of the Manager and/or Trustee;
- 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;
- Independent investment committee members fee;
- Other fees and/or expenses directly related to the Fund such as printing and publishing interim and annual reports; and
- Any other fees and/or expenses allowed under the Deed.

## **2.9 Other Charges**

In executing your transaction, certain charges may be incurred. You shall bear such transaction charges, for instance bank charges, telegraphic charges and courier charges. We reserve the right to vary such conditions from time to time, which shall be communicated to you in writing.

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

The Manager (for its own account) or its delegate (if any) thereof must not retain any rebate from, or otherwise share in any commission with, any broker in consideration for direct dealings in the Shariah-compliant investments of the Fund. The Manager will pursue a policy of not accepting any stockbroking rebates.

However, goods and services ("soft commissions") from any broker may be retained by the Manager or its delegate (if any) thereof, only if the goods and services are of demonstrable benefit to the Unit Holders such as research materials and computer software which are incidental to the investment management activities of the Fund.

**ALL FEES, EXPENSES AND CHARGES PAYABLE TO OR BY THE MANAGER, THE TRUSTEE AND/OR THE FUND ARE SUBJECT TO APPLICABLE TAXES AND/OR DUTIES AS MAY BE IMPOSED BY THE GOVERNMENT OR OTHER AUTHORITIES FROM TIME TO TIME.**

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

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## **CHAPTER 3: TRANSACTION INFORMATION**

### **3.1 Valuation of the Fund and Bases for Valuation of the Assets of the Fund**

#### **3.1.1 Valuation of the Fund**

The Manager will ensure that all assets of the Fund will be valued at fair value at the close of each Business Day and at all times be in compliance with the Guidelines and all relevant laws.

The valuation point of the Fund is at 5.00 p.m. on every Business Day.

#### **3.1.2 Bases for Valuation of the Assets of the Fund**

The Manager will ensure that all the Shariah-compliant investments of the Fund will be valued at fair value and at all times be in compliance with the Guidelines and all relevant laws.

The valuation point for the Fund is at 5.00 p.m. of every Business Day.

Shariah-compliant securities listed on Bursa Malaysia – valuation will be based on the last done market price or the market price of the Shariah-compliant securities which is the price at the end of a particular Business Day. In the case of newly subscribed issues e.g. rights and warrants which have not yet been traded, valuation shall be at cost.

Unlisted Shariah-compliant securities – valuation will be based at book cost or at a valuation verified by the auditor of the Fund and approved by the Trustee.

Unlisted sukuk and Islamic commercial papers denominated in Ringgit Malaysia – valued on a daily basis using fair value prices quoted by a bond pricing agency registered with the SC. However, if the Manager is of the view that the price quoted by the bond pricing agency differs from the market price by more than 20 basis points, the Manager may use the market price provided the Manager adheres to the requirements stipulated by the SC.

Cash or Islamic deposits - the valuation of such investments which are Islamic deposits placed with licensed financial institutions and bank bills shall be determined each day by reference to their nominal values and the accrued profit thereon for the relevant period.

Islamic money market instruments – valuation will be performed on daily basis by reference to the value of such investment as provided by the bank or the financial institution that issues the investment.

Units in Islamic collective investment scheme – valuation will be based on the last published repurchase price.

Suspended Shariah-compliant securities – valued at their price at the end of the trading day prior to suspension unless there is conclusive evidence to indicate that the value of such shares have gone below the suspended price or where the quotation of the Shariah-compliant securities has been suspended for a period exceeding 14 days, then the Shariah-compliant securities shall be valued at fair value as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

### 3.1.3 Computation of NAV and NAV per Unit

The 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. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and the trustee fee for the relevant day.

#### ***An illustration of computation of NAV and NAV per Unit of the Fund***

For illustration purposes, we assume the Shariah-compliant investments of the Fund are worth RM10,006,000.00 and the liabilities are at RM5,890.07, at the valuation point. The NAV of the Fund at that valuation point will be:

<b>Example: Computation of NAV and NAV per Unit</b>	<b>RM</b>
Investments	10,001,000.00
Other Assets	5,000.00
Total Assets	10,006,000.00
<b>Less:</b> Liabilities	5,890.07
<b>NAV of the Fund</b> <i>(before deduction of Management and Trustee Fees)</i>	<b>10,000,109.93</b>
<b>Less:</b> Management Fee - Calculated on a Daily Basis (1.65% per annum/365 days)	452.06
Trustee Fee - Calculated on a Daily Basis (0.08% per annum/365days)	21.92
<b>NAV of the Fund</b> <i>(after deduction of Management and Trustee Fees)</i>	<b>9,999,635.95</b>
<b>Units In Circulation</b>	10,000,000.00
<b>NAV per Unit</b>	0.999964
<b>NAV per Unit</b> <i>(Rounded up to four decimal points)</i>	1.0000

#### **Computation of the NAV per Unit for the Fund**

The NAV per Unit of the Fund at a valuation point is determined by dividing the NAV of the Fund at that valuation point by the number of units in circulation of the Fund at the same valuation point.

$$\begin{aligned}
 \text{NAV per Unit of the Fund} &= \text{NAV} \div \text{units in circulation} \\
 &= \text{RM}9,999,635.95 \div 10,000,000 \text{ Units} \\
 &= \text{RM}0.999964 \\
 &= \text{RM}1.0000 \text{ (rounded to four decimal points)}
 \end{aligned}$$

## 3.2 Pricing Policy

### **Single Pricing Policy**

We adopt the single pricing policy in calculating your investment for subscription and redemption of Units. Single pricing equates to the sales and redemption of Units being quoted and transacted on a single price (i.e., NAV per Unit). Sales charges by different distribution channels are separately disclosed which make it easier for you to understand, compare and to make an informed decision on the choice of investment products and the preferred distribution channel. This will also facilitate you to clearly gauge or ascertain the performance of your investment.



## Basis of Determining Selling/Redemption Price

**The Selling Price and Redemption Price per Unit for the Fund shall be at the NAV per Unit of the Fund.** The Selling Price and Redemption Price are based on Forward pricing; this means that Units will be bought and sold on the NAV per Unit at the next valuation point following the receipt by the Manager of an application to buy or a request to redeem Units.

### Selling Price

Assuming a sales charge of up to 5.50% of the NAV per Unit of the Fund may be imposed on the sale of the Units.

Kindly refer to the illustrations below on how the sales charge is calculated and how Units will be allocated to you.

As an example, if you invest RM10,000.00 in the Fund:

Selling Price	=	NAV per Unit	
	=	RM1.0000	
Sales charge	=	5.50% of the NAV per Unit	
Sales charge incurred	=	Investment Amount	x Sales Charge (%)
		<hr/>	
		[1 + Sales Charge (%)]	
	=	RM10,000.00	x 5.5%
		<hr/>	
		[1 + 5.5%]	
	=	RM521.33	
Net investment amount	=	Investment Amount – Sales Charge incurred	
	=	RM10,000.00 – RM521.33	
	=	RM9,478.67	
Units allocated to you	=	Net Investment Amount / NAV per Unit	
	=	RM9,478.67 / RM1.0000	
	=	9,478.67 Units	

### Redemption Price

The Redemption Price is calculated by dividing the NAV of the Fund by the total number of Units of the Fund in circulation at the point of valuation; this is the same as the NAV per Unit of the Fund.

Assuming that the NAV per Unit of the Fund is RM1.2573282, as shown in the illustration below, the Redemption Price will be:

= NAV per Unit  
= RM1.2573282  
= RM1.2573 (rounded to four decimal points)

Your redemption proceeds are based on the Redemption Price at the next valuation point upon receipt of your request. Assuming you request to redeem 5,000 Units of the Fund on 31 July 2019 and the Redemption Price as at the next valuation point is RM1.2573 per Unit for the Fund, as shown in the illustration below, the redemption proceeds that you will receive will be:

$$\begin{aligned} &= 5,000 \text{ Units} \times \text{RM}1.2573 \\ &= \text{RM}6,286.50 \end{aligned}$$

Redemption proceeds will be paid within 10 days of the date on which the written redemption request is received by the Manager PROVIDED that the written redemption request is received in good and proper form by the Manager before the cut-off time on that day.

If the date of receipt of a redemption request is not a Business Day, the price determination point for the purpose of determining the Redemption Price will be 5:00 p.m. Malaysian time on the following Business Day.

The NAV per Unit will be published on [www.muamalat.com.my](http://www.muamalat.com.my) on a daily basis following a Business Day.

**Note: The Manager does not intend to impose any redemption charge for the Fund.**

#### **Incorrect Pricing**

The Manager shall take immediate action to rectify any incorrect valuation and/or pricing of the Fund and/or the Units and to notify the Trustee and the SC of the same unless the Trustee considers the incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance.

The Trustee shall not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on a Unit Holder's account is less than RM10.00. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee shall result in reimbursement of moneys in the following manner:

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

#### **Policy on Rounding Adjustment**

In calculating your investments with us, the NAV per Unit which is also the Selling Price and Redemption Price will be rounded to four decimal points and the Units allocated to you will be rounded to two decimal points.

### 3.3 Application and Redemption

#### 3.3.1 Purchase of Units

Investors can obtain this Prospectus and an application form for Units from the Manager's office or any of the authorised distributors/agents of the Manager. This Prospectus is also available at the Manager's website at [www.muamalat.com.my](http://www.muamalat.com.my). The application for Units of the Fund may be conducted at the Manager's office.

Any application for Units received or deemed to have been received by the Manager on or before 4.00 p.m. on a Business Day ("the cut-off time"), the Selling Price would be the NAV per Unit at the end of the Business Day on which the application for Units is received by the Manager. Any application for Units received or deemed to have been received after 4.00 p.m. would be considered as having been received on the next Business Day and would be based on the NAV per Unit on the next Business Day.

The application form should be submitted together with a cheque or bank draft made payable to "*MTB A/C – Muamalat Invest IEF*". All cheques and bank drafts have to be crossed and drawn on a local bank. Bank charges (where relevant) for outstation cheques, will have to be borne by investors. Subject to prior arrangements, the Manager reserves the right to accept payment for Units applied for in any other form as may be acceptable to the Manager.

Applications by individuals must be accompanied by a copy of the applicant's identity card or passport or other valid document of identification.

Investors are required to complete application forms which are available at the Business office of the Manager (*please refer to Corporate Directory*)

**Note:**

- (1) *The Manager reserves the right to accept or reject any application in whole or part thereof without assigning any reason.***
- (2) *Investors are advised not to make payment in cash to any individual agent when purchasing units of the Fund.***

#### Regular Investment Plan

Applicants can make regular investment by way of giving standing instructions to their banker for periodic and regular draw downs to purchase Units of the Fund, provided a duly completed application form and a copy of such standing instruction are forwarded to the Manager's office for record and monitoring purposes.

#### 3.3.2 Redemption of Units

Unit Holders may redeem their investments in the Fund at any point in time by completing the prescribed redemption request form and returning it to the Manager on any Business Day; this form is available at the office of the Manager.

Any redemption request received or deemed to have been received by the Manager on or before 4.00 p.m. on a Business Day ("the cut-off time"), the Redemption Price would be the NAV per Unit at the end of the Business Day on which the redemption request is received by the Manager. Any redemption request received or deemed to have been received after 4.00 p.m. would be considered as having been received on the next Business Day and would be based on the NAV per Unit on the next Business Day.

**The Manager does not intend to impose any redemption charge for the Fund.**

In a case where the Units are standing in the names of more than one Unit Holder, where mode of holding is specified as “Joint Application”, all joint holders will have to sign the redemption requests. However, in cases of holding specified as “Either Applicant to sign”, any one of the Unit Holders will have the power to make redemption requests, without it being necessary for all the Unit Holders to sign. In all cases, the first-named Unit Holder will receive the proceeds of the redemption.

The redemption of units of the Fund may be conducted at the Manager’s office.

### **Payment of Redemption Proceeds**

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 redemption request. In such a circumstance, the Trustee will pay the redemption proceeds to the Manager for onward payment to the Unit Holder within 10 days of the date on which the written redemption request is received by the Manager PROVIDED that the written redemption request is received in good and proper form by the Manager before the cut-off time on that day.

However, if redemption 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 redemption and act in accordance with the Deed.

### **Redemption Frequency and Minimum Units Redeemed**

There is no restriction on the frequency of redemption and the number of times a Unit Holder can make a redemption request. However, there is a minimum redeemed amount of 100 units or such other amount as the Manager may from time to time decide.

## **3.4 Minimum Initial Investment**

The minimum initial investment for the Fund is RM1,000.00 or such other lower amount as we may decide from time to time.

## **3.5 Minimum Holdings**

The minimum holding for the Fund is 1,000 Units or such other lower amount as we may decide from time to time.

## **3.6 Minimum Additional Investment**

The minimum additional investment for the Fund is RM100.00 or such other lower amount as we may decide from time to time.

## **3.7 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 1,000 units or such other amount as the Manager may from time to time decide, the switch will be effected by redeeming Units from the fund in which the Units are held and investing the net proceeds in the other fund(s), subject to the minimum balance (where applicable) and terms and conditions applicable for the respective fund(s). You may switch some or all of your Units in the Fund into units of our other funds by completing a Transaction Form – Switch.

### **3.8 Transfer of Ownership of Units**

A transfer involves the change of ownership of Units from one Unit Holder to another person. Subject to the discretion of the Manager, Unit Holders may transfer the ownership of their Units of the Fund to any person at any point in time by completing the transfer application form and returning it to the Manager on any Business Day. Transfers must be in terms of Units and not in Ringgit Malaysia (RM) value. A fee of up to RM50.00 will be charged for each transfer of ownership.

### **3.9 Cooling-Off**

If you change your mind about an investment that you have made in the Fund, you may request for a refund of your investment within six (6) Business Days from the date of your application for Units accepted by us. Refund for every Unit held following a request for a reversal of an application would be the sum of:

- (a) the NAV per Unit on the day the Units were first purchased; and
- (b) the sales charge originally imposed on the day the Units were purchased.

All such requests must be received or be deemed to have been received by us before 4.00 p.m. on a Business Day. Requests received or deemed to have been received after 4:00 p.m. will be treated as having been received on the following Business Day.

Cooling-off proceeds will only be paid after we receive cleared funds for the original investment. Such proceeds shall be refunded to you within 10 days of receipt of the application for cooling-off.

A cooling-off right is only available to an individual investor who is investing for the first time in any of the unit trust funds managed by us. Our staff and a person, who is registered with a body approved by the SC to deal in unit trust funds are not entitled to a cooling-off right.

### **3.10 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 and its updates from time to time) in connection with its activities.

Except for securities lending as provided under the Securities Borrowing and Lending Guidelines, none of the cash or Shariah-compliant 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.

### **3.11 Mode of Distribution**

The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate – subject to the availability of realized income. All income distribution proceeds, if any, will be automatically reinvested as additional Units at the NAV per Unit within three (3) Business Days following the income distribution declaration date at no charge, unless otherwise requested by Unit Holders.

### **3.12 Unclaimed Money**

In accordance with the provision of the Deed, if the Unit Holders do not cash the distribution by way of cheque payment within 6 months from the date of the cheque, the Manager shall cause the distribution to be converted into additional Units. The conversion shall be based on the NAV per Unit at the said cheque expiry date. However, if the Unit Holder no longer maintains an account with the Manager, the Unit Holder may request the Manager to arrange for the monies to be paid by replacement cheque to the Unit Holder. After the lapse of one year from the date of the replacement cheque, the Manager shall file and pay the

unpresented payments to the Registrar of Unclaimed Moneys and Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to claim their monies.

In the event any of the cheques is not presented meant for redemption, for payment by the date which falls **six (6) months** from the date of the cheque, the Unit Holder may request the Manager to arrange for the monies to be paid by replacement cheque to the Unit Holder. However, after the lapse of one year from the date of the cheque, the Manager shall file and pay the unpresented payments to the Registrar of Unclaimed Moneys and Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to claim their monies.

### **3.13 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 transaction with a client, the Manager identifies and verifies the client through documents such as identity card, passport, birth certificate, 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 report will be made to the FIED.

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

## A QUICK GUIDE ON HOW TO BUY, SELL, SWITCH AND TRANSFER (WHERE APPLICABLE)

	Type of Application	Procedure	Unit holder acknowledgement
First Application (Purchase)	1.Individual	<ul style="list-style-type: none"> <li>• Account Opening Form</li> <li>• Purchase Form</li> <li>• Transaction Slip</li> <li>• A copy of the photocopy NRIC /passport/ other valid document of identification</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of Transaction Slip</li> <li>• Unit Holder Statement</li> </ul>
	2. Corporate	<ul style="list-style-type: none"> <li>• Account Opening Form</li> <li>• Purchase Form</li> <li>• Transaction Slip</li> <li>• Certified true copy of NRIC or Passport or valid document of identification of the beneficial owners.</li> <li>• Board Resolution (including specimen signatures) and list of authorized signatories or authorization for any person(s) to represent/ open/ operate on behalf of the organization</li> <li>• Certificate of Incorporation/ Certificate of Registration Business Registration Certificate/ Relevant Constituent Documents or other similar documents</li> <li>• Duly Certified true copy of Latest Form 9, 24, 49 or any other equivalent documentation issued by the authorities</li> <li>• Duly Certified true copy of a Memorandum and Articles of Association or Constitution or By Laws</li> <li>• Specimen card (Directors and / or Authorized Personnel)</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of Transaction Slip</li> <li>• Unit Holder Statement</li> </ul>
	3. Joint Account (Individual)	<ul style="list-style-type: none"> <li>• Account Opening Form</li> <li>• Purchase Form</li> <li>• Transaction Slip</li> <li>• Photocopy NRIC/passport/other document of identification</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of Transaction Slip</li> <li>• Unit Holder Statement</li> </ul>

Additional Purchase	1. Individual	<ul style="list-style-type: none"> <li>• Purchase Form</li> <li>• Transaction Slip</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of Transaction Slip</li> <li>• Unit Holder Statement</li> </ul>
	2. Corporate	<ul style="list-style-type: none"> <li>• Purchase Form</li> <li>• Transaction Slip</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of Transaction Slip</li> <li>• Unit Holder Statement</li> </ul>
	3. Joint Account (Individual)	<ul style="list-style-type: none"> <li>• Purchase Form</li> <li>• Transaction Slip</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of Transaction Slip</li> <li>• Unit Holder Statement</li> </ul>
Redemption	Individual / Corporate / Joint Account (Individual)	<ul style="list-style-type: none"> <li>• Repurchase Form</li> </ul>	<ul style="list-style-type: none"> <li>• Unit Holder Statement</li> </ul>
Switch	1. Individual / Joint Account	<ul style="list-style-type: none"> <li>• Switching Form</li> <li>• Letter of Authorization- joint account (Decease / Sick Client)</li> <li>• Under 18 one person only</li> </ul>	<ul style="list-style-type: none"> <li>• Unit Holder Statement</li> </ul>
	2. Corporate	<ul style="list-style-type: none"> <li>• Switching Form</li> <li>• Board Resolution</li> <li>• Specimen card (Directors and / or Authorized Personnel)</li> </ul>	<ul style="list-style-type: none"> <li>• Unit Holder Statement</li> </ul>
Transfer	1. Individual / Joint Account	<ul style="list-style-type: none"> <li>• Transfer Form</li> <li>• A copy of the photocopy NRIC /passport/ other valid document of identification of transferee</li> <li>• Under 18 one person only</li> </ul>	<ul style="list-style-type: none"> <li>• Unit Holder Statement</li> </ul>
	2. Corporate	<ul style="list-style-type: none"> <li>• Transfer Form</li> </ul> <p>From the transferee:</p> <ul style="list-style-type: none"> <li>• Certified true copy of NRIC or Passport or valid document of identification of the beneficial owners.</li> <li>• Board Resolution (including specimen signatures) and list of authorized signatories or authorization for any person(s) to represent/ open/ operate on behalf of the organization</li> <li>• Certificate of Incorporation/ Certificate of Registration Business Registration Certificate/ Relevant</li> </ul>	<ul style="list-style-type: none"> <li>• Unit Holder Statement</li> </ul>



		Constituent Documents or other similar documents <ul style="list-style-type: none"> <li>• Duly Certified true copy of Latest Form 9, 24, 49 or any other equivalent documentation issued by the authorities</li> <li>• Duly Certified true copy of a Memorandum and Articles of Association or Constitution or By Laws</li> <li>• Specimen card (Directors and / or Authorized Personnel)</li> </ul>	
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*\* We may, for any reason at any time, lower or raise the minimum initial/additional investment, switch and/or transfer amounts (where applicable) in respect of the Fund. This may apply either generally (for all investors) or specifically (for any particular investor) and for any period or periods of time at our discretion.*

*In the event the account of the Fund has more than one registered owner, the first-named Unit Holder (as determined by reference to the original Fund Account Opening Form) shall receive the confirmation advices, all notices and correspondence with respect to the Fund Account, as well as any redemption proceeds or income distribution or other distributions.*

*In the case of joint holders, any one of such joint holders may vote either personally or by proxy as comprised in the joint holding. If the joint holders are present at any meeting either personally or by proxy, the joint holder whose name stands first in the unit holder register shall alone be entitled to vote.*

## CHAPTER 4: THE MANAGER OF THE FUND

### 4.1 Background Information

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.

### 4.2 Role of the Manager

The Manager is responsible for the day-to-day management of the Fund to ensure its management and operations are in accordance with the provisions of the Deed, the Guidelines and other relevant securities laws and regulations.

### 4.3 Board of Directors

Dato' Mohd Redza Shah bin Abdul Wahid (Chairman and Non-Executive Non-Independent Director)  
Dato' Adnan bin Alias (Non-Executive Independent Director)  
Fakihah binti Azahari (Non-Executive Independent Director)  
Mohamed Fadzil Sulaiman (Non-Executive Non-Independent Director)  
Norahmadi bin Sulong (Executive Director)

### 4.4 Investment Committee

#### Roles and Primary Function of the Investment Committee

The investment committee of the Fund ("Investment Committee") formulates, establishes and implements investment strategies and policies. The Investment Committee will continually review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The Investment Committee will also ensure investment guidelines and regulations are complied with. The Investment Committee will meet at least once every quarter.

### 4.5 Investment Team

The investment team is responsible for managing, realising, investing or howsoever dealing in accordance with the investment objectives of the Fund. The investment team shall have discretionary authority over the investments of the Fund subject to the Guidelines, the relevant securities laws, the internal procedures as well as the direction of the investment committee of the Fund.

The investment team of the Manager is headed by the Head of Investment, Mohd Faruk bin Abdul Karim who is also the designated person responsible for the investment management of the Fund. The team will report directly to the investment committee on a regular basis on the status of the portfolio of the Fund, proposed investment strategy and discuss matters relating to the portfolio.

**Mohd Faruk bin Abdul Karim**  
***Head of Investment / Designated Fund Manager***

Mohd Faruk joined the Manager 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 the Manager, 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.

## 4.6 Material Litigation and Arbitration

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

## 4.7 Shariah Adviser

### Responsibilities of the 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 role of Shariah Adviser is to provide expertise and guidance as well as:

- (i) advising on all aspects of unit trust and fund management business in accordance with Shariah principles;
- (ii) providing Shariah expertise and guidance in all matters, particularly on the Fund's deed and prospectus, Fund structure, investments and other operational matters;
- (iii) ensuring that the Fund is managed and administered in accordance with Shariah principles, relevant SC regulations and standards, including resolutions issued by the SAC of the SC;
- (iv) reviewing the Fund's compliance report and investment transaction report received from the compliance officer on the Fund's transactions provided by the Manager to ensure that the Fund's investments are in line with Shariah principles;
- (v) preparing a report to be included in the Fund's annual and interim reports stating its opinion whether the Fund has been operated and managed in accordance with the Shariah principles for the financial period concerned; and
- (vi) ensuring that the Fund complies with any guidelines, ruling or decision issued by the SC or any regulatory authority in relation to Shariah matters.

### 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 2013. 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 networks 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:-

<b>Name</b>	:	<b>Tn. Haji Azizi bin Che Seman (Chairman)</b>
<b>Experience and Qualifications</b>	:	Tn. Haji Azizi bin 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 since 1st 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. He holds a Master Degree in Economics from International Islamic

		University of Malaysia in 2001 and a Bachelor of Islamic Studies from University Malaya in 1996. His specialization areas are in Islamic Capital Market, Islamic Economics, Fiqh Muamalat and Islamic Research Methodology.
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<b>Name</b>	:	<b>Prof. Madya Dr. Mohamad Sabri bin Haron</b>
<b>Experience and Qualifications</b>	:	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.

<b>Name</b>	:	<b>Y.M. Engku Ahmad Fadzil bin Engku Ali</b>
<b>Experience and Qualifications</b>	:	Engku Ahmad Fadzil bin Engku Ali has obtained his early education at Malay College Kuala Kangsar until 1986. He has furthered his study in a Bachelor Degree in Laws (Second Class Honors Upper) from International Islamic University of Malaysia and graduated in 1993. In the subsequent year, he graduated from the same university with a Bachelor Degree in Shariah Law with First Class Honors. He was called to the bar, admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1995. He then pursued his studies at Jordan University and in the year 2000, he successfully obtained a Masters Degree in Islamic Judiciary. Since then, he served as a lecturer at International Islamic University of Malaysia. Some of the subjects that he teaches are Islamic Law of Successions, Islamic Jurisprudence and Islamic Criminal Laws. He is now pursuing PhD in Multi Level Marketing from Islamic Law in University of Malaya. He has been a member of the Bank's Shariah Committee since 2005.

<b>Name</b>	:	<b>Dr. Wan Marhaini Wan Ahmad</b>
<b>Experience and Qualifications</b>	:	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.

<b>Name</b>	:	<b>Dr. Mohd Shahid Md Noh</b>
<b>Experience and Qualifications</b>	:	Dr. Mohd Shahid Mohd Noh is currently serves at University of Malaya as a lecturer at Academy of Islamic Studies, Economy & Shariah Department since 2018. He has obtained a Diploma Tahfiz Al-Quran wa Al-Qiraat, Darul Quran JAKIM in 2002 and

	<p>Bachelor of Art in Qiraat Specialization from Maahad Qiraat Shoubra Al-Azhar, Arab Republic of Egypt in 2005. He has completed his first Master in Business Administration (Muamalah), Selangor Islamic College University (KUIS) in 2011 and his second Master in Islamic Financial Practice (MIFP) at INCEIF, Malaysia in 2015. He has succeeded in obtaining his Ph.D. in Faculty of Economy and Muamalat, Islamic Science University of Malaysia in 2017.</p> <p>Dr. Mohd Shahid Mohd Noh's specialisation areas are in Islamic Financial Transactions, Islamic Capital Market, Islamic Economics, and General Islamic Jurisprudence. He also currently appointed and served as Religious Officer &amp; Imam at Masjid Al-Ghufran, Pinggir Taman Tun Dr. Ismail since 2007 and also entrusted as Director of Iqra Foundation (Training and Consultancy) from 2015 till present.</p>
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<b>Name</b>	:	<b>Dr. Yusri Mohamad</b>
<b>Experience and Qualifications</b>	:	<p>Dr. Yusri bin Mohamad is currently a practicing lawyer and also partner at Wajdi Mohammad Yusri &amp; Co since 2015. He obtained two Bachelors at International Islamic University Malaysia, i.e Bachelor of Laws, &amp; Bachelor of Laws (Shariah) Double Major in the year of 1996. In 1996, He continued his Diploma in Shariah Law and Practise at International Islamic Univ. Malaysia. He succeeded in obtaining his Ph.D. in Laws at International Islamic University Malaysia in 2010.</p> <p>He has served as Assistant Professor (Senior Lecturer) Ahmad Ibrahim Kulliyah of Laws 2010 – 2012 and before that as a lecturer of Ahmad Ibrahim Kulliyah of Laws 1997 – 2010. He has been appointed as president of Yayasan Dakwah Islamiah Malaysia (YADIM) for 3 years started from 2015 to 2018. He also appointed as Shariah advisor for various institutions and companies among them; member of Shariah Advisory Board at Zurich Takaful (2007 – Present), Kenanga Investment Bank Berhad (2013 – 2015), Kolej Universiti Insaniah (2017-2018), Majlis Perundangan Islam (2016-Present), Hijrah Strategic Advisory Group Sdn.Bhd. 2003-2004.</p> <p>Dr. Yusri bin Mohamad's specialisation areas are in Islamic Constitutional Law, Islamic Law, Human Rights &amp; Islamic Jurisprudence.</p>

**FURTHER INFORMATION ON THE MANAGER, INVESTMENT COMMITTEE AND SHARIAH ADVISER IS PROVIDED IN THE MANAGER'S WEBSITE AT [www.muamalat.com.my](http://www.muamalat.com.my).**

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## CHAPTER 5 : THE TRUSTEE

### 5.1 Trustee of the Fund

The trustee of the Fund is Maybank Trustees Berhad.

### 5.2 Roles, Duties and Responsibilities of the Trustee

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

### 5.3 Corporate Profile of Maybank Trustees Berhad ("MTB")

#### Profile of Maybank Trustees Berhad

MTB is the Trustee of the Fund with its registered office at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

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

#### Experience in Trustee Business

MTB has acquired experience in the administration of unit trust funds/ schemes since 1991.

#### Delegates of the Trustee

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

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

- Safekeep, reconcile and maintain assets holdings records of funds against trustee's instructions;
- Act as settlement agent for shares and monies to counterparties against trustee's instructions;
- Act as agents for money market placement where applicable against trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from trustee;
- Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the funds against trustee's instructions, etc.

The custodian act only in accordance with instructions from the Trustee.

## **Material Litigation**

As at 15 March 2019, save for the suit mentioned herein below, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Several holders of the bonds ("Bondholders") issued by Aldwich Berhad [In Receivership] ("Aldwich") had sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and cited the Trustee as one of 6 co-defendants under Kuala Lumpur High Court Civil Suit No. D-22NCC-1622-11/2012 ("Aldwich Bondholders' Suit"). The claim against the Trustee is for the sum of RM177,248,747.31 or any other sum that the Court deems fit. The other defendants are the holding company of Aldwich ("Holding Company"), the Chief Executive Officer of the holding company of Aldwich ("CEO"), the Security Agent and the Reporting Accountant. The Trustee does not admit liability to the Aldwich Bondholders' Suit and has defended it. Trial has concluded.

The High Court had on 24 July 2017 delivered its judgement on the Aldwich Bondholders' Suit ("Judgement") that (a) all the defendants [i.e. Aldwich, Holding Company, CEO, Security Agent, Trustee and Reporting Accountant] are liable to the Bondholders for the sum of RM177,248,747.31 ("Judgement Sum"); (b) Aldwich, Holding Company and CEO are 100% liable for the Judgement Sum; and (c) liability is apportioned among Security Agent, Trustee and Reporting Accountant in the proportion of 50%, 30% and 20% of the Judgement Sum respectively.

The High Court had on 5 October 2017 decided in respect of the outstanding matters arising from the Judgement that (a) the quantum of the Judgement Sum is maintained, and (b) interest is payable based on the reduced sum of RM148,653,953.20 at the rate of 5% per annum from 1 November 2011 to the date of payment.

The Trustee had filed an appeal against the Judgement ("Appeal") at the Court of Appeal. The Appeal was heard on 12 – 13, 15, 22 – 23 and 27 – 29 November 2018. The Court of Appeal then directed the parties to file and serve their respective Note of Reply Submissions by 11 January 2019. Parties will be notified when decision is ready.

The Aldwich Bondholders' Suit will not materially affect the business or financial position of the Trustee.

## CHAPTER 6 : SALIENT TERMS OF THE DEED

### 6.1 Rights and Liabilities of the Unit Holders

#### 6.1.1 Rights of the Unit Holders

As a Unit Holder of the Fund, and subject to the provisions of the Deed, you have the right:

- 1) to receive distributions of income, if any, of the Fund;
- 2) to participate in any increase in the NAV of Units of the Fund;
- 3) to call for Unit Holders' Meetings and to vote for the removal of the Trustee or the Manager through a special resolution;
- 4) to exercise the cooling-off right (only for qualified investors) in accordance with Clause 3.9 herein;
- 5) to receive annual and interim reports on the Fund; and
- 6) to exercise such other rights and privileges as provided for in the Deed.

However, a Unit Holder would not have the right to require the transfer to the Unit Holder of any of the Shariah-compliant investments or assets of the Fund. Neither would a Unit Holder have the right to interfere with or to question the exercise by the Trustee (or the Manager on the Trustee's behalf) of the rights of the Trustee as trustee of the Shariah-compliant investments of the Fund.

#### 6.1.2 Liabilities of the Unit Holders

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

- 1) A Unit Holder would not be liable for nor would a Unit Holder be required to pay any amount in addition to the payment for Units of the Fund as set out in this Prospectus and the Deed.
- 2) A Unit Holder would not be liable to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and/or the Manager on behalf of the Fund exceed the NAV of the Fund and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

Note: Please be advised that if a Unit Holder invests in Units through an IUTA which adopts the nominee system of ownership, the Unit Holder would not be considered to be a Unit Holder under the Deed and the Unit Holder may consequently not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holders' Meeting and to vote thereat and the right to have the Unit Holder's particulars appearing in the register of Unit Holders of the Fund).

### 6.2 Maximum Fees and Charges Permitted by the Deed

The maximum rate of **direct** charges allowed by the Deed is as follows:-

#### **Sales Charge**

6.50% of the NAV per Unit.

#### **Redemption Charge**

3.00% of the NAV per Unit.



The maximum rate of *indirect* fees allowed by the Deed is as follows:-.

#### **Annual Management Fee**

The maximum rate of the annual management fee shall be one point six five per centum (1.65%) per annum of the Net Asset Value of the Fund calculated and accrued on a daily basis.

#### **Annual Trustee Fee**

The maximum rate of the annual trustee fee shall be zero point zero eight per centum (0.08%) per annum of the Net Asset Value of the Fund subject to a minimum of RM18,000 per annum calculated and accrued on a daily basis (excluding foreign custodian fees and charges, if any).

### **6.3 Increase in Fees and Charges**

#### **Sales Charge**

The Manager may not charge a sales charge at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has notified the Trustee in writing of the higher rate and the date on which such higher rate is to become effective;
- (b) a supplemental Prospectus stating the higher rate is issued thereafter; and
- (c) such time as may be prescribed by any relevant law shall have elapsed since the supplemental Prospectus is registered, lodged and issued.

#### **Redemption Charge**

The Manager may not charge a Redemption Charge at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has notified the Trustee in writing of the higher rate and the date on which such higher rate is to become effective;
- (b) a supplemental Prospectus stating the higher rate is issued thereafter; and
- (c) such time as may be prescribed by any relevant law shall have elapsed since the supplemental Prospectus is registered, lodged and issued.

#### **Annual Management Fee**

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

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

## **Annual Trustee Fee**

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

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

## **6.4 Procedures to Increase the Maximum Rate of the Direct and Indirect Fees and Charges in the Deed**

The maximum sales charge, redemption charge, annual management fee or annual trustee fee set out in the Deed are not allowed to be increased unless a Unit Holders Meeting has been held in accordance with the Deed. A supplemental deed proposing a modification to the Deed to increase such charges is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders at the Unit Holders Meeting sanctioning the proposed modification to the Deed.

## **6.5 Permitted Expenses Payable Out of the Fund's Property**

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:

- (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
- (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.

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

## **6.6 The Manager's Right To Retire**

The Manager has the power to retire in favour of some other corporation by giving to the Trustee three (3) months' notice in writing of the Manager's desire so to do, or such other period as the Trustee and the Manager may agree upon, and subject to the fulfilment of the following conditions:

- the retiring Manager shall appoint such corporation by writing under its seal as the management company of the Fund in its stead and assign and transfer to such corporation all its rights and duties as management company of the Fund;
- such corporation shall enter into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund; and
- upon the payment to the Trustee of all sums due from the retiring Manager to the Trustee hereunder at the date of such retirement, the retiring Manager shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Trustee or any Unit Holder or other person in respect of any act or omission on the part of the retiring Manager prior to such retirement and the new management company may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Manager hereunder as fully as though such new management company had been originally a party to this Deed.

## **6.7 Removal and Replacement of the Manager**

The Manager may be removed by the Trustee on the grounds that:

- 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 Unit Holders interest to do so after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- 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
- 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 or replacement.

In any of the above occurs, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, by writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds with the Trustee as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund during the remainder period of the Fund.

## **6.8 Retirement of the Trustee**

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

## **6.9 Removal and Replacement of the Trustee**

The Manager is obliged to give the Unit Holders notice in writing to consider the removal of the Trustee if the Trustee fails or neglects to carry out its duties as stipulated in the Deed and under the Act. The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware of any such circumstances that:

- the Trustee has ceased to exist;
- the Trustee has not been validly appointed;
- the Trustee is not eligible to be appointed or act as a trustee under the Act;
- the Trustee has failed or refused to act as Trustee in accordance with the provisions and covenants of the Deed and the provisions of the Act;
- a receiver has been appointed over the whole or substantial part of the assets or undertaking of the Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or
- the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

In addition, 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.

## **6.10 Termination of the Fund**

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

- The SC's approval is revoked under section 256E of the Act;
- 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(3) of the Act;
- A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund;
- The Fund has reached its maturity date as specified in the Deed; and
- 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.

Upon the termination of the Fund, the Trustee shall:

- (a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and
- (b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:
  - (i) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and
  - (ii) any available cash produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of Fifty (50) sen in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event of the Fund is terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by the Deed and all relevant laws.

The Manager and the Trustee shall, as soon as practicable after the winding up of the Fund inform Unit Holders and the relevant authorities of the same.

Where the termination of the Fund and the winding-up of the Fund has been occasioned by any of the events set out herein;

- (a) if the Manager have 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 for a Unit Holders meeting to get directions from the Unit Holders. If a Special Resolution is passed by the Unit Holders at the meeting to terminate the trust and wind-up the Fund, the Trustee shall apply to the court for an order confirming such Special Resolution. The Trustee shall arrange for a final review and audit of the final accounts of the Fund by the auditor of the Fund.

In all other cases of termination of the trust and winding-up of the Fund, such final review and audit by the auditor of the Fund shall be arranged by the Manager.

## **6.11 Unit Holders' Meeting**

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed and/or the SC Guidelines.

### **6.11.1 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 at the time of the meeting.

### **6.11.2 Meeting Convened by the Unit Holders**

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, whichever is the lesser number.

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

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

- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

### **6.11.3 Meeting Convened by the Manager**

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

- (a) giving at least fourteen (14) days written notice of the meeting 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 at the meeting.

### **6.11.4 Meeting Convened by the Trustee**

Where:

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

the Trustee shall summon a Unit Holders' meeting by:

- (a) sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of Jointholders, to the Jointholder whose name stands first in the records of the Manager at the Jointholder's last known address; and
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

The Trustee may also summon a Unit Holders' meeting by giving at least fourteen (14) days written notice of the meeting to Unit Holders, specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting, for any purpose including, without limitation, for the purpose of:

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

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

## **CHAPTER 7: RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

### **7.1 Manager**

The directors and officers of the Manager, and members of the Investment Committee should avoid any conflict of interest arising, and if any conflict arises, should ensure that the Fund is not disadvantaged by the transaction concerned. Any transaction carried out by or on behalf of the Fund should be executed on terms which are the best available for the Fund and which are no less favourable to the Fund than an arm's length transaction between independent parties. In the event the interest of any directors and employees of the Manager, and members of the Investment Committee is directly or indirectly involved, he or she would abstain from being involved with any decision making process of the said transaction.

No fees other than the ones set out in this Prospectus have been paid to any promoter of the Fund, or the Trustee (either to become a trustee or for other services in connection with the Fund), or the Manager for any purpose or as allowed by regulations or approved by the authorities.

#### **Interests in the Fund and employees' securities dealings**

Subject to the paragraph below and any legal and regulatory requirement, any officers or directors of the Manager, Trustee or any of their respective related corporations, may invest in the Fund. Such officers or directors will receive no payments from the Fund other than usual income distributions that they may receive as a result of investment in the Fund.

The Manager has in place a policy contained in its rules of business conduct, which regulates its employees' securities dealings. An annual declaration of securities trading is required of all employees to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the Manager and customers of the Manager.

The Fund may also invest in related companies and/or instruments issued by related companies of the Manager and/or deposit money in financial institutions related to the Manager. All related party transaction will be transacted at arm's length and are established on terms and conditions that are stipulated in the applicable regulations of the respective stock exchanges and/or other applicable laws and market convention.

#### **Cross trades**

The Fund may conduct cross trades with another fund under the management of the Manager provided that:

- 1) the sale and purchase decisions are in the best interest of both funds;
- 2) transactions are executed on arm's length and fair value basis;
- 3) reason for such transactions is documented prior to execution; and
- 4) transaction is executed through a dealer or financial institution.

Cross trades between staff personal account and the Fund's account(s), and cross trades between proprietary accounts and the Fund's account(s) are prohibited.



## **7.2 Trustee**

The Trustee is independent of the Manager.

As trustee for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:-

- 1) Where the Fund invests in instruments offered by the related party of the Trustee (e.g. placement of monies, structured products, etc);
- 2) Where the Fund is being distributed by the related party of the Trustee as Institutional Unit Trust Adviser (IUTA);
- 3) Where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) Where the Fund obtains financing as permitted under the Securities Commission's Guidelines on Unit Trust Funds, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made 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.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

The board of directors of the Trustee declares that the requirements of the guidelines on allowing a person to be appointed or to act as trustee under subsection 290(1) of the Capital Markets and Services Act 2007 have been complied with at the appointment of application.

## **7.3 Advisers**

The auditor for the Fund, the tax adviser for the Fund and Shariah Adviser for the Manager have confirmed that they have no interest/potential interest or conflict of interest/potential conflict of interest with the Manager and the Fund.

## CHAPTER 8: TAX ADVISER'S LETTER ON TAXATION OF THE FUND AND UNIT HOLDERS



**TAXATION ADVISER'S LETTER**  
**ON TAXATION OF THE FUND AND UNIT HOLDERS**  
**31 MAY 2019**

**PricewaterhouseCoopers Taxation Services Sdn Bhd**  
Level 10, 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
P.O.Box 10192  
50706 Kuala Lumpur

**The Board of Directors**  
Muamalat Invest Sdn Bhd  
30<sup>th</sup> Floor  
Menara Bumiputra  
Jalan Melaka  
50100 Kuala Lumpur

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

Dear Sirs,

This letter has been prepared for inclusion in the prospectus ("hereinafter referred to as "the Prospectus") in connection with the offer of units in the Muamalat Invest Islamic Equity Fund ("the Fund").

The taxation of income for both the Fund and the Unit Holders are subject to the provisions of the Malaysian Income Tax Act, 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

### **TAXATION OF THE FUND**

The Fund will be regarded as resident for Malaysian tax purposes since the trustee of the Fund is resident in Malaysia.

#### **(1) Domestic Investments**

##### **(i) General Taxation**

Subject to certain exemptions, the income of the Fund consisting of dividends, interest income or profit<sup>1</sup> (other than interest income and profit<sup>1</sup> which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments in Malaysia by the Fund will not be subject to Malaysian income tax.

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*PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M),  
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, [www.pwc.com/my](http://www.pwc.com/my)*



## **(ii) Dividends and Other Exempt Income**

Effective 1 January 2014, all companies would adopt the single-tier system. Hence dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or profit<sup>1</sup> or discount income derived from the following investments is exempt from tax:

- (a) Securities or bonds issued or guaranteed by the government of Malaysia;
- (b) Debentures<sup>2</sup> or sukuk, other than convertible loan stocks, approved or authorised by, or lodged with, the Securities Commission Malaysia; and
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest income or profit<sup>1</sup> derived from the following investments is exempt from tax:

- (a) Interest income or profit<sup>1</sup> paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013;
- (b) Interest or profit<sup>1</sup> paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- (d) Interest income or profit<sup>1</sup> paid or credited by Malaysia Building Society Berhad<sup>3</sup>.

With effect from 1 January 2019, the exemption shall not apply to interest income paid or credited to a unit trust that is a wholesale fund which is a money market fund.

The interest income or profit<sup>1</sup> or discount income exempted from tax at the Fund's level will also be exempted from tax upon distribution to the Unit Holders.

## **(2) Foreign Investments**

Income of the Fund in respect of overseas investment is exempt from Malaysian tax by virtue of Paragraph 28 of Schedule 6 of the Act and distributions from such income will be tax exempt in the hands of the Unit Holders. Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. However, any foreign tax suffered on the income in respect of overseas investment is not tax refundable to the Fund in Malaysia.

The foreign income exempted from Malaysian tax at the Fund level will also be exempted from tax upon distribution to the Unit Holders.



### **(3) Hedging Instruments**

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

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

### **(4) Securities Borrowing and Lending Transaction ("SBL")**

The following is a summary of tax treatment of SBL transactions in Malaysia and the Malaysian securities listed on Bursa Malaysia Berhad ("Bursa").

Pursuant to Income Tax (Exemption) (No. 30) Order 1995 - Revised 2008, the authorised borrower or lender in a SBL approved by SC will qualify for tax exemption on any income (other than dividends, manufactured payments, lending fees and interest earned on collateral) arising from loan of securities listed under Bursa. The same exemption also applies on the return of the same or equivalent securities and the corresponding exchange of collateral.

Lending fees are taxable when received by the lender. Withholding tax of 10 percent is also applicable if the borrower pays lending fees to a non-resident lender.

Interest earned on collateral is not exempted from income tax / withholding tax. Interest or profit paid by Bursa Malaysia Securities Clearing Sdn Bhd on cash collateral will be exempted from tax when received by non-resident borrowers and individual borrowers who are residents.

Pursuant to Stamp Duty (Exemption) (No.28) Order 1995 and Stamp Duty (Exemption) (No. 12) Order 2000, the instrument of transfer of securities listed on Bursa and Bursa Malaysia Securities Malaysia Berhad ACE Market executed in favour of a borrower or lender and an instrument of transfer of collateral are exempted from stamp duty

### **(5) Other Income**

The Fund may be receiving income such as exit fee which will be subject to tax at the rate of 24 per cent.

### **(6) Income from Malaysia Real Estate Investment Trusts ("REITs")**

Income from distribution from REITs will be received net of final withholding tax of 10 per cent. 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.



#### **(7) Tax Deductible Expenses**

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

#### **(8) Real Property Gains Tax ("RPGT")**

With effect from 1 January 2014, any gains on disposal of real properties or shares in real property companies<sup>4</sup> would be subject to RPGT as follows:-

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

#### **(9) Sales and Service Tax ("SST")**

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax ("GST"). Both the Sales Tax Act 2018 and Services Tax Act 2018 have been gazetted on 28 August 2018. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 6 per cent.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable costs to the business.

In general, the Fund, being a collective investment vehicle, will not be caught under the service tax regime.

Certain professional, consultancy or management services obtained by the Fund may be subject to service tax at 6 percent. However, fund management services and trust services are excluded from service tax.

#### **TAXATION OF UNIT HOLDERS**

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Fund.



Corporate Unit Holders, resident<sup>6</sup> and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

Individuals and other non-corporate Unit Holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 28 per cent. Individuals and other non-corporate Unit Holders who are not resident in Malaysia will be subject to income tax at 28 per cent. The tax credits attributable to the distribution of income will be utilised against the tax liabilities of these 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 treaty with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

The distribution of exempt income and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the Unit Holders.

Any gains realised by Unit Holders (other than those in the business of dealing in securities, insurance companies or financial institutions) on the sale or redemption of the Units are treated as capital gains and will not be subject to income tax. This tax treatment will include in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit Holders electing to receive their income distribution by way of investment in the form of new Units will be regarded as having purchased the new Units out of their income distribution after tax.

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

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,  
for and on behalf of

**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

Jennifer Chang  
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which they appear in this Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.



<sup>1</sup> Under section 2(7) of the Income Tax Act 1967, 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.

<sup>2</sup> Structured products approved by the Securities Commission Malaysia are deemed to be “debenture” under the Capital Markets and Services Act 2007 and fall within the scope of exemption.

<sup>3</sup> Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect year of assessment (“YA”) 2015.

<sup>4</sup> A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent 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.

<sup>5</sup> The RPGT rate for disposal in the 6th and subsequent years from the date of acquisition be increased from 5% to 10% with effect from 1 January 2019.

<sup>6</sup> Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 17 per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent with effect from 1 January 2019.

With effect from YA 2009, the above shall not apply if more than –

- (a) 50 per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50 per cent of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50 per cent of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

“Related company” means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

## CHAPTER 9: ADDITIONAL INFORMATION

### 9.1 Customer Service

#### Where to Purchase and Redeem

Units can be purchased or redeemed on any Business Day between 9.00 a.m. to 4.00 p.m. at the business office of the Manager, details of which are as follows:

4<sup>th</sup> Floor, Menara Bumiputra  
Jalan Melaka  
50100 Kuala Lumpur

You may always contact our team of Customer Service personnel who would be happy to assist in:

1. enquiry on balance of account and personal details;
2. repurchase, transfer, switching and cooling-off request (where applicable);
3. request to change correspondence/registered address, telephone number and other personal details;
4. request for confirmation advices on purchase and other transactions related to your unit holdings, half yearly statements and copy of annual and/or interim reports;
5. other queries regarding the Fund's performance.

You may choose to communicate with us via:

- customer service hotline: 603-2615 8400
- facsimile: 603-2070 0157
- email: [misb@muamalat.com.my](mailto:misb@muamalat.com.my)

You can also review and track the performance of your Units by checking the unit prices which are published on [www.muamalat.com.my](http://www.muamalat.com.my) on a daily basis.

#### Who should I contact for further information or to lodge a complaint?

For internal dispute resolution, you may contact us:

- |                   |   |
|-------------------|---|
| a) Via phone to:  | 603-2615 8400   |
| b) Via fax to:    | 603-2070 0157   |
| c) Via email to:  | <a href="mailto:misb@muamalat.com.my">misb@muamalat.com.my</a>                |
| d) Via letter to: | 4 <sup>th</sup> Floor, Menara Bumiputra<br>Jalan Melaka<br>50100 Kuala Lumpur |

#### Keeping Abreast of Developments in the Fund

Investors are able to obtain the latest information on the Fund as well market updates at our office or through any of our authorised distributors/agents set out in *Sections 9.1 and 9.2*. Investors can also view or track the unit prices of the Fund which are published on [www.muamalat.com.my](http://www.muamalat.com.my) on a daily basis.



## 9.2 Avenue for Advice

### BUSINESS ADDRESS:

4<sup>th</sup> Floor, Menara Bumiputra  
Jalan Melaka  
50100 Kuala Lumpur

Or you may contact our customer service at 03-2615 8400 or visit our website at [www.muamalat.com.my](http://www.muamalat.com.my).

## 9.3 Deed

Fund	Deed
MIIEF	18 June 2019

## 9.4 Financial Year End

Fund	Financial Year End
MIIEF	30 June

When you invest in the Fund, the Manager will undertake to send you the following within 2 months:-

- Written confirmation on all transactions and income distributions;
- Unaudited interim report for the half year of the Fund's financial year; and
- Annual audited report for the Fund's financial year-end.

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

## **CHAPTER 10: DOCUMENTS AVAILABLE FOR INSPECTION**

Unit Holders may inspect without charge, at the registered office of the Manager and the business office of the Trustee, during their ordinary business hours, the following documents or copies thereof, where applicable:

- (a) The Deed and the supplementary deed(s) (if any) of the Fund;
- (b) The current Prospectus and supplementary/replacement Prospectuses (if any) of the Fund;
- (c) The latest annual and interim reports of the Fund (if any);
- (d) Each material contract or document referred to in this Prospectus;
- (e) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus;
- (f) The audited financial statements of the Manager and the Fund for the current financial year and for the last three financial years or from the date of incorporation/commencement (if less than three years);
- (g) Any writ and relevant cause papers for all material litigation and arbitration disclosed in the Prospectus (where applicable); and
- (h) Any consent given by experts or persons named in this Prospectus as having made a statement that is included in this Prospectus or on which a statement made in this Prospectus is based.



**MUAMALAT INVEST SDN BHD** 199601012286 (384635-P)  
(a wholly owned subsidiary of Bank Muamalat Malaysia Berhad)  
4th Floor, Menara Bumiputera, 21 Jalan Melaka, 50100 Kuala Lumpur  
Tel: 03 2615 8400 / 8176 / 8177 Fax: 03 2070 0157  
Customer Care: 03 2600 5500 Website: www.muamalat.com.my

## ACCOUNT APPLICATION FORM Individual / Corporate

☐ Individual ☐ Joint ☐ Corporate  
☐ Staff Application

This Form should not be circulated unless accompanied by the relevant Master Prospectus(es)/ Prospectus(es). Investor(s) should read and understand the contents of the relevant Master Prospectus(es)/ Prospectus(es) and Supplementary Master Prospectus(es)/ Prospectus(es) if any before completing this Form. In compliance with the Capital Markets and Services Act 2007, this application must be circulated together with the Master Prospectus(es)/ Prospectus(es) and Supplementary Master Prospectus(es)/ Prospectus(es) (if any). Please complete in BLOCK LETTERS only, and tick(✓) where applicable. For 1st time Investor(s), this Form is required to be completed.

### PARTICULARS OF INDIVIDUAL APPLICANT / CORPORATE APPLICANT

You MUST be 18 years old and above as at the date of this application. Please provide a copy of your NRIC or Passport.

Name of Individual/ Corporate Applicant

(as in NRIC/Passport No./Certificate of Incorporation)

NRIC(old)/Passport No./Company Registration No.

Date of Birth (DD/MM/YYYY)

NRIC No. (new)

Sex

Male

Female

(To be completed if Individual Applicant)

Marital Status

☐ Single

☐ Married

☐ Widowed

☐ Divorced

No. of Dependents (please indicate) \_\_\_\_\_

Nationality

☐ Malaysian

☐ Others (please specify) \_\_\_\_\_

Religion

☐ Muslim

☐ Non Muslim

Bumiputera Status

☐ Yes

☐ No

Race

☐ Malay

☐ Chinese

☐ Indian

☐ Others

Occupation

Education Level

☐ Primary

☐ Secondary

☐ STPM / Diploma / PreU

☐ Degree

☐ Post Graduate

Annual Household Income

☐ Below RM20,000

☐ RM120,001 - RM180,000

☐ RM20,001 - RM60,000

☐ RM180,001 - RM240,000

☐ RM60,001 - RM120,000

☐ RM240,001 and above

Source of Income

☐ Employment

☐ Business

☐ Savings / Inheritance

☐ Others (please specify) \_\_\_\_\_

Individual Applicant Email Address :

BY PROVIDING YOUR EMAIL ADDRESS TO MUAMALAT INVEST SDN BHD ("MISB"), YOU HAVE CONSENTED TO RECEIVE COMMUNICATIONS AND/OR INFORMATION FROM MISB RELATING TO YOUR INVESTMENT VIA EMAIL. NOTICES DELIVERED VIA EMAIL TO APPLICANT ARE DEEMED SENT AND RECEIVED ON THE DATE SUCH EMAIL IS SENT.

Mother's Maiden Name

(To be completed if Corporate Applicant)

Date of Incorporation (DD/MM/YYYY)

Country of Incorporation

Nature of Business

Status

☐ Bumiputra Controlled

☐ Non-Bumiputra Controlled

☐ Non-Malaysian Controlled

Source of Income

☐ Disposal of non-core business/asset/investments

☐ Fund raising exercise such as right issue

☐ Cash in hand/surplus funds/working capital

Contact Person ( 1 )

Designation

Department

Tel No.

ext.

Fax No.

Office Email Address

Contact Person ( 2 )

Designation

Department

Tel No.

ext.

Fax No.

Office Email Address

Please refer to clause 4 of the Terms and Conditions to ascertain the documents required to be submitted with this application.

### PARTICULARS OF JOINT INDIVIDUAL APPLICANT (not applicable for EPF Investment Scheme("EPF"))

Name as in NRIC/Passport

NRIC(old)/Passport No./Birth Certificate No.

Date of Birth (DD/MM/YYYY)

NRIC No. (new)

Sex

Male

Female

Nationality

☐ Malaysian

☐ Others (please specify) \_\_\_\_\_

Bumiputera Status

☐ Yes

☐ No

Occupation

Relationship to Individual Applicant

☐ Parent

☐ Spouse

☐ Child

☐ Sibling

☐ Relative

☐ Others \_\_\_\_\_

### CORRESPONDENCE ADDRESS

Address

Post Code

Town / City

State

Country

Tel No.

(house)

ext.

Fax No.

(mobile)

### FOR UTC/DISTRIBUTOR USE ONLY

MISB/Distributor

Branch Code/

Stamp

Name of Staff/

UTC/Distributor

Staff/UTC Code

Signature of Staff/

UTC/Distributor

FIMM Code

### FOR OFFICE USE ONLY

Account No.

Trans. Sequence No.

Price of Transaction  
(RM/relevant currency)

INVESTMENT OBJECTIVE & EXPERIENCE

Investment Objective

☐ Capital Growth  
☐ Education

☐ Regular Income  
☐ Wealth Accumulation

☐ Capital Protection

☐ Retirement

Investment Experience

☐ Unit Trust \_\_\_\_\_ year(s)  
☐ Futures / Options \_\_\_\_\_ year(s)  
☐ No experience

☐ Trading on Bursa Malaysia \_\_\_\_\_ year(s)  
☐ Others \_\_\_\_\_ year(s)

Investment Time Frame

☐ Long Term (> 5 years)  
☐ Medium (3-5 years)  
☐ Short Term (< 3 years)

APPLICABLE SHARIAH CONTRACT

**Wakalah bil istithmar** - A form of wakalah contract (or agency contract) entered into for the purpose of investment.

**Wakalah** means a contract in which a party (muwakkeel) authorises another party as its agent (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of fee.

Under this Fund, the applicant(s) or unitholder(s) as the **Muwakkeel** or principal, authorises MSB (the Manager) as **Wakeel** or agent to undertake investment activities and in return the Manager will receive a fee for the services provided.

EXCHANGE CONTROL DECLARATION BY NON-MALAYSIAN RESIDENT(S) / REGISTERED ORGANISATION(S)

I/We declare that I am/We are non-Malaysian residents(s)/registered organisation(s). I am a/We are permanent resident(s) of/ Our organisation is incorporated in

PARTICULARS OF TAKAFUL BENEFITS (if any)

Name of Beneficiary  
(as in NRIC/Passport/Birth Certificate)

NRIC(old)/Passport No./Birth Certificate No.

NRIC No. (new)

-

-

Relation to Applicant

DECLARATIONS AND SIGNATURES

INDIVIDUAL APPLICANT

- I/We acknowledge that I/We have received, read and understood the relevant Master Prospectus(es)/ Prospectus(es) for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with Muamalat Invest Sdn Bhd. ("MSB").
- I/We acknowledge that I/We have received a copy of Unit Trust Loan Financing Risk Disclosure Statement and understand its contents.
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) i.e. Prospectus, Product Highlight Sheet and any marketing materials subscribed to as if I was/ we were a party thereto.
- I am/ I/We are 18 years old and above as at the date of this application. Copy/Copies of my/our NRIC/ Passport is/are enclosed.
- I/We do declare and represent that as at the date hereto, I/We am/are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us.
- I/We declare that I am/ I/We are neither engaged in any unlawful activity nor are my/our monies obtained from any illegal source or related to any illegal activity.
- I/We declare that I am/we are in compliance and undertake that I/we will comply with all applicable laws and regulations.
- I/We undertake to provide MSB with all information as it may reasonably require for the purpose of and in connection with completing the Account Application Form, including but not limited to, my/our information on financial position(s), where applicable.
- I/We acknowledge that I/We shall keep MSB informed of any change of my/our particulars as stated in this Account Application Form and/or of any material facts that will, direct or indirectly, affect my/our financial position(s), where applicable.
- I/We undertake to provide such information and documents that MSB may reasonably require for the purpose of due diligence/ enhanced due diligence as required under the Anti-Money Laundering, Anti Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA 2001) (including any amendments, variations, and/or modifications to AMLATFPUAA 2001 as may be made at any time and from time to time) and any guidelines issued by any regulators, authorities and/or statutory bodies.
- (For joint application only) In the absence of written explicit instructions, I/We acknowledge that instructions must be given by both of us.
- (Distribution Instruction as per Purchase/ Switch Form) Depending on the Fund invested and subject to each respective Fund's Master Prospectus(es)/ Prospectus(es), income distribution will either be reinvested into further units in the relevant fund or be paid out.
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- Save and except due to MSB's fraud, default, wilful misconduct, negligence or breach of law, I/We hereby agree to indemnify MSB against all actions, suits, proceedings, claims, damages and losses which may be suffered by MSB as a result of any inaccuracy of the declarations herein.

CORPORATE APPLICANT

- I/We acknowledge that I/We have received, read and understood the relevant Master Prospectus(es)/ Prospectus(es) for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with Muamalat Invest Sdn Bhd. ("MSB").
- I/We acknowledge that I/We have received a copy of Unit Trust Loan Financing Risk Disclosure Statement and understand its contents.
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) i.e. Prospectus, Product Highlight Sheet and any marketing materials subscribed to as if I was/We were a party thereto.
- I am/ I/We are duly authorised officer(s) of the Corporation, and warrant that the Corporation has the power and capacity to enter into this agreement and undertake transactions involving the Fund(s). Attached is a certified true copy of the Corporation's list of authorised signatories.
- I/We, as directors(s) of the Corporation do hereby declare that the Corporation is a legally incorporated Corporation. Copy of my/our Certificate of Incorporation is enclosed.
- I/We, hereby declare and represent that as at this date, the Corporation is not wound up nor has there been any winding-up petition presented to the Corporation which would have material adverse effect.
- I/We declare that I am/ we are neither engaged in any unlawful activity nor are my/our monies obtained from any illegal source or related to any illegal activity.
- I/We undertake to provide MSB with all information as it may reasonably require for the purpose of and in connection with completing the Account Application Form, including but not limited to, the Corporation and its group of companies' information on financial position, where applicable.
- I/We shall keep MSB informed of any change of the information stated in this Account Application Form and/or of any material facts that will, direct or indirectly, affect the Corporation and its group of companies' financial position, where applicable.
- I/We undertake to provide such information and documents that MSB may reasonably require for the purpose of due diligence/ enhanced due diligence as required under the AMLATFPUAA 2001 (including any amendments, variations, and/or modifications pursuant to AMLATFPUAA 2001 as may be made at any time and from time to time, provided that prior written notice is given by MSB to the Corporation) and any guidelines issued by any regulators, authorities and/or statutory bodies.
- (Distribution Instruction as per Purchase/ Switch Form) Depending on the Fund invested and subject to each respective Fund's Master Prospectus(es)/ Prospectus(es), income distribution will either be reinvested into further units in the relevant fund or be paid out.
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- Save and except due to MSB's fraud, default, wilful misconduct, negligence or breach of law, I/We hereby agree to indemnify MSB against all actions, suits, proceedings, claims, damages and losses which may be suffered by MSB as a result of any inaccuracy of the declarations herein.

\*AMLATFPUAA 2001 - Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001

DECLARATION FOR PERSONAL DATA PROTECTION ACT 2010 (Applicable for Individual/Corporate Applicant)

- We shall fully comply with the provisions of the Personal Data Protection Act 2010 ("the Act") applicable to the processing of personal data as defined in the Act and specifically, that all necessary consents have been obtained from individuals whose personal data may be disclosed to MSB or its representatives ("Disclosed Data") in respect of such disclosure to and processing by MSB and its representatives and that I/We will always furnish MSB or its representatives with up-to-date Disclosed Data.
- We shall procure any third party that processes Disclosed Data for or on behalf of me/us to agree in writing to the same terms that I/We agree in line with the Act and in this declaration.
- We shall immediately notify MSB in the event of any claim or complaint from any data subject of Disclosed Data and/or where there has been an event of non-compliance with the Act by me/us, whether discovered by me/us or forming the subject of an investigation and/or action by the relevant authorities.
- Save and except due to MSB's fraud, default, wilful misconduct, negligence or breach of law, I/We shall indemnify MSB against all proceedings, costs, expenses, liabilities or damages arising from my/our failure to comply with the Act with respect to Disclosed Data and the terms of this declaration. The remedies available to MSB contained in this clause are without prejudice to and in addition to any warranties, indemnities, remedy or other rights provided by law or any prior agreement.
- Based on the above declaration, I/we undertake that this declaration shall not be assigned without MSB's prior written consent; will be binding upon my/our servants, agents, personal representatives, assigns and successor-at-law; will inure to the benefit of MSB and its successors and assigns, and shall supersede all prior representations, negotiations, arrangements, understandings or agreements and all other communications between MSB and me/us in connection with the processing and disclosure of Disclosed Data to MSB.

No delay or omission by MSB in exercising any right under this declaration will operate as a waiver of that or any other right. The covenants set out in this declaration are separate and severable and enforceable accordingly and whilst the restrictions are considered by the parties to be reasonable in all the circumstances as at the date hereof, it is acknowledged that restrictions of such a nature may be invalid because of changing of the circumstances or other unforeseen reasons and accordingly, if any restrictions shall be adjudged to be void or ineffective for whatever reason but would be adjudged to be valid and effective if part of the wording thereof were deleted or the periods thereof reduced, such modifications shall be applied as may be necessary to make them valid and effective.

INSTRUCTION FOR REDEMPTION PAYMENT (for joint applicants account only)

We would like to request the redemption payment to be issued in the name of :-

☐ Applicant only  
☐ Joint Applicant only

Please tick (✓) one

☐ All Applicants


ALL APPLICANTS MUST SIGN THIS FORM

Applicant / Authorised Signatory (ies)

Date

Joint Applicant / Authorised Signatory (ies)

Date



For Joint Application, please tick (✓) account operating mode for future transactions

☐ Applicant Only  
☐ Joint Applicant Only  
☐ Either Applicant to sign  
☐ Both Applicants to sign

TERMS AND CONDITIONS

- You are advised to read and understand the relevant Master Prospectus(es)/ Prospectus(es) and deed(s) which shall be made available upon request before
- 1. MINIMUM INVESTMENT**
  - Initial and subsequent investment must be for a minimum amount stated in the relevant Master Prospectus(es)/ Prospectus(es).

**2. INDIVIDUAL APPLICANT**
  - Applicant must be 18 years old and above.
  - Please enclose a photocopy of your identity card or passport.
- 3. JOINT INDIVIDUAL APPLICANT**
  - Please enclose a photocopy of your identity card or passport.
  - If aged 18 years old and above, he/she is also required to sign the application form.
  - In the case of death of a joint-holder, the surviving holder will be the only person recognised by the Manager and the Trustee as having any title to or interest in the units held.
  - In the absence of written explicit instructions, I/we acknowledge that instructions must be given by both of us.

**4. CORPORATE APPLICANT**
  - Please enclose a copy of the Memorandum and Articles of Association, Company's latest audited accounts, list of Authorised Signatories and Specimen Signatures.
  - For a corporation, the Common Seal or the Company stamp will have to be affixed. If the Company stamp is used, an Authorised Officer must sign and state his/her representative capacity.
  - Certified True Copy (by company secretary, if applicable) of the Board Resolution, Form 11, Form 9, Form 13 (if applicable), Form 24, Form 44, Form
- 5. RIGHTS OF THE MANAGER**
  - The Manager reserves the right to accept or reject any application in whole or in part thereof and reject any Fund Application Form which is not completed in full and supported by the requested documents and payments.

**6. CUSTOMER CARE**
  - If you require further information or clarification, please contact our Customer Service for assistance.
  - All notices and other communications sent by or to the applicant shall be sent at the risk of the applicant.

Unless due to wilful default or negligence of the Manager, the Manager shall not be responsible for any inaccuracy, interruption, error, delay or failure in transmission or delivery of any notices via whatever means, or for any equipment failure or malfunction. The Manager shall not be liable for any direct or indirect consequential losses arising from the foregoing.

The information that you have provided will be used strictly for our own purpose and shall not be shared with any other parties unless as required by law.

**Loan/Financing Risk Disclosure****Investing in a Unit Trust Fund with Borrowed/Financed Money is More Risky than Investing with Your Own Savings**

It is important for you to conduct your own assessment if loan/financing is suitable for you in light of your objectives, attitude to risk and financial circumstances.

Before you proceed you must be aware of the risks, which would include the following:

1. The higher the margin of loan/financing (that is, the amount of money you borrow / finance for every Ringgit of your own money that you put in as deposit or down payment), the greater the potential for losses as well as gains.
2. You should assess whether you have the ability to service the repayments/ payments on the proposed loan/financing. If your loan/financing is a variable rate loan/financing, and if interest rates/profit rate rise, your total repayment/payments amount will be increased.
3. If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral or pay additional amounts on top of your normal installments.  
If you fail to comply within the time prescribed, your units may be sold to settle your loan / financing.
4. Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are experienced. Whether you eventually realise a gain or loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

The brief statement cannot disclose all the risks and other aspects of loan/financing. You should therefore carefully study the terms and conditions before you decide to take a loan/financing. If you are in doubt in respect of any aspect of this Risk Disclosure Statement or the terms of the loan/ financing, you should consult the institution offering the loan/financing.