

# Information Memorandum for **AmBond Select 1**

**This Information Memorandum is dated 21 November 2017**

The Manager  
**AmFunds Management Berhad**  
Company number: 154432-A

The Trustee  
**HSBC (Malaysia) Trustee Berhad**  
Company number: 001281-T



**Growing Your Investments in a Changing World**



# ABOUT THIS INFORMATION MEMORANDUM

This is an information memorandum which introduces you to AmFunds Management Berhad and the AmBond Select 1 ("Fund"), which is a wholesale fund. This Information Memorandum outlines in general what you would need to know about the Fund and is intended for the exclusive use by prospective Sophisticated Investors (as defined herein) who should ensure that all information contained herein remains confidential.

This Information Memorandum is strictly private and confidential and solely for your own use. It is not to be circulated to any third party. No offer or invitation to purchase the units of the Fund, the subject of this Information Memorandum, may be made to anyone who is not a Sophisticated Investor.

Unless otherwise indicated, any reference in this Information Memorandum to any legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which is re-enacted (with or without modification).

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

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

# DISCLAIMER

An investment in the Fund carries with it a degree of risk. The value of units and the income from it, if any, may go down as well as up, and investors may not get back the amount invested. Investors should consider the risk factors set out under Section 3.2: Risk Factors.

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

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

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

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

Investors in the Fund agree that personal details contained on the application form and data relating to them may be stored, modified and used in any other way by the Fund or the Manager or the Manager's associated companies within the AmBank Group and its group of companies for the purposes of administering and developing the business relationship with the investor.

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

## ***Personal Data***

As part of our day to day business, we collect your personal information when you apply to open an account with us, subscribe to any of our products or services or communicate with us. In return, we may use this information to provide you with our products or services, maintain our records or send you relevant information. We may use your personal information for one or more of the following purposes, whether in Malaysia or otherwise:

- a. Access and manage your application(s) for our products and services so that we can provide you with more and up to-date information such as improvements and new features to the existing products and services, development of new products and service and promotions by AmFunds Management Berhad and/or AmBank Group, which may be of interest to you;
- b. Manage and maintain your account through regular updates, consolidation and improving the accuracy of our records. In this manner we can respond to your enquiries, complaints and to generally resolve disputes quickly so that we can improve our business and your relationship with us;
- c. Conduct research for analytical purposes, data mining and analyse your transactions or use of products and services to better understand your current financial or investment position and future needs. We will also produce data, reports and statistics from time to time, however such information will be aggregated so that your identity will remain confidential. Sometimes it may be necessary if required, to verify your financial standing through credit reference or reporting checks;
- d. Comply with the requirements of any law binding on us such as conducting anti-money laundering checks, crime detection or prevention, prosecution, protection or enforcement of our rights to recover any debt owing to us including transferring or assigning our rights, interests and obligations under any of your agreement with us;
- e. Perform shared services within AmBank Group such as audit, compliance, legal, human resource and risk management including assessing financial risks;
- f. Outsourcing of business and back-room operations within AmBank Group and/or other service providers; and

- g. Any other purpose(s) that is required or permitted by any law, regulations, guidelines and/or relevant regulatory authorities including the trustee of the Fund.

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

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# 1. DEFINITIONS

<b>AFM, the Manager, us, our, we or the Company</b>	AmFunds Management Berhad.
<b>AmBank Group</b>	Refers to AMMB Holdings Berhad and all its direct and indirect subsidiaries, including, but not limited to: AmBank (M) Berhad, AmBank Islamic Berhad, AmInvestment Bank Berhad, AmInvestment Group Berhad, AmFunds Management Berhad, AmIslamic Funds Management Sdn Bhd, AmFutures Sdn Bhd, AmCard Services Berhad and AmGeneral Insurance Berhad.
<b>AmInvest</b>	The brand name for the funds management business of AMMB Holdings Berhad comprising AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd.
<b>Auditor</b>	Has the same meaning as defined in the CMSA 2007.
<b>BNM</b>	Bank Negara Malaysia established under the Central Bank of Malaysia Act 2009.
<b>Business Day</b>	<p>A day on which Bursa Malaysia and/ or banks in Kuala Lumpur are open for business.</p> <p>The Manager may declare certain Business Days to be a non-Business Days although banks are open, if the markets in which the Fund is invested in are closed for business. This is to ensure that investors are given a fair valuation of the Fund when making subscriptions or redemptions.</p>
<b>CMSA 2007, CMSA or, the Act</b>	Capital Markets and Services Act 2007 and any amendments made thereto.
<b>CRC</b>	Credit Risk Committee.
<b>Deed</b>	The deed dated 17 August 2017 and supplemental deeds (if any) entered into between the Manager and the Trustee in relation to the Fund.
<b>FATCA</b>	Foreign Account Tax Compliance Act.
<b>Fund</b>	AmBond Select 1.
<b>GST</b>	Goods and Services Tax, which includes any tax payable on the supply of goods, services, or other things in accordance with the provisions of GST Law.
<b>GST Law</b>	The Goods and Services Tax Act 2014, subsidiary legislations, statutory orders and regulations governing the application of GST, as amended from time to time.
<b>Information Memorandum</b>	Information memorandum of the Fund.
<b>Latest Practicable Date (LPD)</b>	30 April 2017.
<b>MARC</b>	Malaysia Rating Corporation Berhad.
<b>Moody's</b>	Moody's Investors Services, Inc.
<b>NAV per unit</b>	Net Asset Value divided by the number of units in circulation at the valuation point.
<b>Net Asset Value (NAV)</b>	The value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point. 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 trustee for the relevant day.
<b>RAM</b>	RAM Rating Services Berhad.
<b>Redemption</b>	Repurchase of units of the Fund.
<b>RM</b>	Ringgit Malaysia.
<b>SC, the SC</b>	Securities Commission Malaysia.
<b>SC Guidelines</b>	Guidelines on the Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC, and shall include any amendments and revisions contained herein or made pursuant thereto.

<b>Sophisticated Investors</b>	<p>Means accredited investors, high-net worth entities and high-net worth individuals as defined in Part 1, Schedule 6 and 7 of the CMSA 2007, and such other category of investors as may be prescribed by the relevant laws from time to time for a wholesale fund.</p> <p>Accredited investors refer to:</p> <ul style="list-style-type: none"> <li>(a) A unit trust scheme;</li> <li>(b) A prescribed investment scheme;</li> <li>(c) A private retirement scheme;</li> <li>(d) BNM;</li> <li>(e) The holder of a Capital Markets Services License issued pursuant to CMSA;</li> <li>(f) An executive director or a chief executive officer of a holder of the Capital Markets Services License issued pursuant to CMSA</li> <li>(g) A closed end fund approved by the SC;</li> <li>(h) A bank licensee as defined under the Labuan Financial Services and Securities Act 2010;</li> <li>(i) An insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;</li> <li>(j) An Islamic bank licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;</li> <li>(k) A takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;</li> <li>(l) A licensed person as defined in the Financial Services Act 2013 or Islamic Financial Services Act 2013;</li> <li>(m) A licensed insurer registered under the Financial Services Act 2013; or</li> <li>(n) A licensed takaful operator registered under the Islamic Financial Services Act 2013.</li> </ul> <p>High-net worth entities refer to:</p> <ul style="list-style-type: none"> <li>(a) A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit (RM10 million) or its equivalent in foreign currencies;</li> <li>(b) A corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding ten million ringgit (RM10 million) or its equivalent in foreign currencies;</li> <li>(c) A corporation with total net assets exceeding ten million ringgit (RM10 million) or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(d) A partnership with total net assets exceeding ten million ringgit (RM10 million) or its equivalent in foreign currencies;</li> <li>(e) A statutory body established by an Act of Parliament or an enactment of any state in Malaysia; or</li> <li>(f) A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967.</li> </ul> <p>High-net worth individuals refer to:</p> <ul style="list-style-type: none"> <li>(a) An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit (RM3 million) or its equivalent in foreign currencies, excluding the value of the individual's primary residence;</li> <li>(b) An individual who has a gross annual income exceeding three hundred thousand ringgit (RM300,000) or its equivalent in foreign currencies per annum in the preceding twelve (12) months; or</li> <li>(c) An individual who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit (RM400,000) or its equivalent in foreign currencies in the preceding twelve (12) months.</li> </ul>
<b>S&amp;P</b>	S&P Global rating, Inc.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.
<b>Trustee's Delegate (Custodian)</b>	The Hongkong And Shanghai Banking Corporation Limited (As Custodian) for local and foreign assets and local assets held through HSBC Nominees (Tempatan) Sdn Bhd.



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

## 2. CORPORATE DIRECTORY

### MANAGER

#### AmFunds Management Berhad

Company number: 154432-A

#### *Registered office*

22<sup>nd</sup> Floor, Bangunan AmBank Group

No. 55, Jalan Raja Chulan

50200 Kuala Lumpur

Tel: (603) 2036 2633

#### *Business address*

9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group

No. 55, Jalan Raja Chulan

50200 Kuala Lumpur

Tel : (603) 2032 2888

Fax: (603) 2031 5210

Email : enquiries@aminvest.com

Website: www.ambankgroup.com

www.aminvest.com

### TRUSTEE

#### HSBC (Malaysia) Trustee Berhad

Company number: 001281-T

#### *Registered office/ Business office*

13<sup>th</sup> Floor, Bangunan HSBC, South Tower

No. 2, Leboh Ampang,

50100 Kuala Lumpur

Tel : (603) 2075 7800

Fax: (603) 2179 6511

### TRUSTEE'S DELEGATE

#### Foreign Assets:

The Hongkong And Shanghai Banking Corporation Limited

6<sup>th</sup> Floor, Tower 1, HSBC Centre

1 Sham Mong Road

Kowloon, Hong Kong

Tel: (852)2288 6111

#### Local Assets:

The Hongkong And Shanghai Banking Corporation Limited (As Custodian), assets held through HSBC

Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)

No 2 Leboh Ampang

50100 Kuala Lumpur

Tel : (603)2075 3000

Fax: (603)2179 6488

### 3. THE FUND'S DETAILED INFORMATION

#### 3.1 Fund Information

<b>Fund name</b>	AmBond Select 1
<b>Investment objective</b>	The Fund aims to provide regular income*.  <i>*Income distribution could be in the form of units or cash.</i>  <i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>
<b>Investment strategy</b>	The Fund seeks to achieve its objective by investing in Malaysian Government Securities, Government Investment Issue and any other securities guaranteed by the Malaysian government or BNM.
<b>Fund type</b>	Income
<b>Fund category</b>	Wholesale fixed income
<b>Asset allocation</b>	Minimum 80% of the Fund's NAV in fixed income securities and the remaining in other permitted investment
<b>Income distribution policy</b>	Income (if any) will be distributed monthly  <i>Note: The income could be in the form of units or cash. Distribution of income should only be made from realised gains or realised income.</i>
<b>Base currency of the fund</b>	RM

#### 3.2 Risk Factors

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

<b>General risks associated with investing in a wholesale fund</b>	
<b>Market Risk</b>	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.
<b>Inflation Risk</b>	This is the risk that Sophisticated Investors' investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce Sophisticated Investors' purchasing power even though the value of the investment in monetary terms has increased.
<b>Manager's Risk</b>	This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or Guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
<b>Non-Compliance Risk</b>	This is the risk of the Manager or the Trustee not complying with their respective internal policies, the deed and its supplemental deed(s), securities law or Guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund when the Manager or the Trustee takes action to rectify the non-compliance. For example, non-compliance could occur due to factors such as human error or shortfalls in operational and administrative processes, or external factors such as market movements.  This risk may be mitigated by having sufficient internal controls in place to ensure compliance with all applicable requirements at all times.

<b>General risks associated with investing in a wholesale fund</b>	
<b>Country Risk</b>	Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the net asset value or prices of the units to fall.
<b>Specific risks associated with the investment portfolio of the Fund</b>	
<b>Credit and Default Risk</b>	Credit risk relates to the creditworthiness of the issuers of the fixed income instruments and their expected ability to make timely payment of profit or interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income instrument. In the case of rated fixed income instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a fixed income instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income instruments. This could adversely affect the value of the Fund.
<b>Interest Rate Risk</b>	Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income instruments. When interest rates rise, fixed income instruments prices generally decline and this may lower the market value of the Fund's investment in fixed income instruments. The reverse may apply when interest rates fall.  In order to mitigate interest rate risk, the Manager will need to manage the fixed income portfolio taking into account the coupon rate and time to maturity of the fixed income instruments.
<b>Income Distribution Risk</b>	It should be noted that the distribution of income is not guaranteed. Circumstances preventing the distribution of income include, among others, insufficient realised returns to enable income distribution. Distribution of income should only be made from realised gains or realised income.
<b>Liquidity Risk</b>	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.  <i>Note: The Manager determines what is deemed to be reasonable trading volume for the Fund.</i>
<b>Counterparty Credit Risk</b>	Counterparty credit risk is the risk arising from the possibility that the counterparty may default or not able to fulfil a trade settlement prior or on the settlement date of the trade. This could adversely affect the value of the Fund.

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

### **Risk Management Strategy**

Risk management of the Fund forms an integral part of the investment process. The Fund's portfolio is constructed and managed within pre-determined guidelines including risk returns trade-off, which will be reviewed periodically by the Manager. Assessment of risk is an important part of the asset allocation process. The Manager has the discretion to select instruments/securities from the authorised investment list approved by the independent CRC. CRC is the committee with members comprising of senior risk professionals within AmBank and senior management of AmInvest.

### **3.3 Other Information**

<b>Initial offer period</b>	1 Business Day which is the launch date of the Fund.
<b>Initial offer price</b>	RM 1.0000 per unit.

<b>Minimum initial investment</b>	RM 1,000,000.  The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.
<b>Minimum additional investment</b>	RM 500,000.  The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.
<b>Minimum redemption</b>	1,000,000 units.  The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.
<b>Minimum Holding/ Balance</b>	1,000,000 units.  The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.
<b>Financial year end</b>	30 April.
<b>Performance benchmark</b>	Quantshop MGS 1-5 years index.
<b>Permitted investment</b>	As permitted under the Deed and the requirements of SC, the Fund will invest in any of the following RM-denominated investments: <ul style="list-style-type: none"> <li>i. government securities and any other securities guaranteed by the Malaysian government, BNM or other related government agencies; and</li> <li>ii. cash, time deposits and money market instruments which includes but not limited to treasury bills, repurchase agreements and certificate of deposits.</li> </ul>
<b>Investment Limits and Restrictions</b>	<ul style="list-style-type: none"> <li>i. The maximum maturity tenure of the Fund's investment in respective fixed income securities must not exceed 10.5 years.</li> <li>ii. The average duration of the Fund's investment in fixed income securities must not exceed 5 years.</li> <li>iii. The Fund's investment in cash, time deposits and money market instruments with maturity more than 12 months is restricted to counterparties that carry a minimum long-term credit rating of AA2 by RAM, AA by MARC, BBB+ by S&amp;P, Baa1 by Moody's or BBB+ by Fitch.</li> <li>iv. The Fund's investment in cash, time deposits and money market instruments with maturity less than or equal to 12 months is restricted to counterparties that carry a minimum long-term credit rating of A1 by RAM, A+ by MARC, BBB- by S&amp;P, Baa3 by Moody's or BBB- by Fitch, provided that there are also two short-term ratings of at least P1 by RAM, MARC1 by MARC, A1 by S&amp;P or P1 by Moody's or F1 by Fitch.</li> <li>v. The maximum maturity tenure of the Fund's investment in respective cash, time deposits and money market instruments must not exceed 2 years.</li> <li>vi. *The Fund may invest in cash, time deposits and money market instruments which restricted with the following financial institutions and their respective maximum limits:- <ul style="list-style-type: none"> <li>a. Malayan Banking Berhad - RM 10 million</li> <li>b. Public Bank Berhad - RM 5 million</li> <li>c. Standard Chartered Bank Malaysia Berhad - RM 5 million</li> <li>d. CIMB Bank Berhad - RM 5 million</li> <li>e. AmBank (M) Berhad - RM 10 million</li> <li>f. Hong Leong Bank Berhad - RM 5 million</li> </ul> </li> </ul> <p><i>* This investment limits and restrictions with the financial institutions will be monitored solely by the Manager and not the Trustee.</i></p>
<b>Deed</b>	The Deed relating to the Fund is dated 17 August 2017.

## 4. FEES, CHARGES AND EXPENSES

All fees, charges, penalty and expenses disclosed in this Information Memorandum are expressed on a GST-exclusive basis. Accordingly, to the extent that services provided are subject to GST, the amount of GST payable on any related fees, charges and/or expenses are payable by the Unit Holder and/or the Fund (as the case may be) in addition to the fees, charges and expenses disclosed in this Information Memorandum.

### 4.1 Charges

This table describes the charges that you may **directly** incur when you buy or redeem units of the Fund:

<b>Entry Charge</b>	There is no entry charge for this Fund.
<b>Exit Penalty</b>	There is no exit penalty for this Fund.
<b>Other Charges</b>	Other direct charges that you may incur are as follows:  <b>Transfer fee</b> Nil. Transfer facility is not available for this Fund.  <b>Bank charges or fees</b> Bank charges or fees are incurred only upon redemption.  <b>Switching fee</b> Nil. Switching facility is not available for this Fund.

### 4.2 Ongoing Fees and Expenses

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

#### (a) Annual Management Fee

An annual management fee of up to 0.75% p.a. of the Fund's NAV is charged to the Fund. The management fee is calculated on a daily basis and will be paid monthly. A GST of 6.00% is applicable to the management fee.

An illustration of the calculation and apportionment of the daily management fee is as follows:

	<u>RM</u>
Investments	190,000,000.00
Others (Liquid assets)	10,000,000.00
NAV (before fees)	<u>200,000,000.00</u>

Management fee for the day:

$$[(\text{Investments} + \text{Liquid assets}) \times \text{Management fee}] \div \text{Number of days in a year} \\ = (\text{RM}200,000,000.00 \times 0.75\%) \div 365 \quad \text{4,109.59}$$

GST applicable to the management fee for the day:

$$\text{Management fee for the day} \times \text{GST} (\%) \\ = \text{RM}4,109.59 \times 6\% \quad \text{246.58}$$

Management fee for the day charged to the Fund inclusive of GST:	<u>4,356.17</u>
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#### (b) Annual Trustee Fee

The Trustee is entitled to an annual trustee fee for acting as trustee to safeguard the interest of Unit Holders and as custodian of the Fund's asset. This fee is calculated daily and paid monthly. The Trustee fee is up to 0.05% p.a. of the Fund's NAV.

Assuming the Fund's NAV is RM200,000,000.00 and the trustee fee is 0.05% p.a. of the NAV of the Fund, then the daily accrued trustee fee would be:

	<u>RM</u>
Trustee's fee for the day	
(NAV of the Fund x Trustee fee) ÷ Number of days in a year = (RM200,000,000.00 x 0.05%) ÷ 365	273.97
GST applicable to the trustee fee for the day:	
Trustee fee for the day x GST (%) = RM273.97 x 6%	16.44
Trustee fee for the day charged to the Fund inclusive of GST:	290.41

**(c) Fund Expenses**

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

**4.3 Rebates and Commission**

It is our policy to channel all rebates, if any, received from brokers or dealers to the Fund. However, soft commissions received for goods and services which are of demonstrable benefit to Unit Holders such as fundamental databases, financial wire services, technical analysis software and securities quotation system incidental to investment management of the Fund are retained by us.

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

## 5. TRANSACTION INFORMATION

### 5.1 Valuation of Assets

In undertaking any of its investments, the Manager will ensure that all the assets of the Fund are valued at fair value in compliance with the Guidelines and relevant laws at all times.

Investments of the Fund are valued in accordance to the following:

*i. Listed fixed income securities*

The value of any investment in listed fixed income securities shall be determined by each Business Day, with reference to the market price obtained at the close of the respective stock exchanges. However, if

- (a) a valuation based on the market price does not represent the fair value of the listed fixed income securities, for example during abnormal market conditions; or
- (b) no market price is available, including in the event of a suspension in the quotation of the listed fixed income securities for a period exceeding 14 days, or such shorter period as agreed by the trustee,

then the listed fixed income securities would 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.

*ii. Repurchase agreements, cash, fixed deposit, general investment account and money market instruments*

The value of any repurchase agreements, fixed deposit, general investment account and money market instruments placed with financial institutions shall be determined on each Business Day, with reference to the principal value of such investments and the accrued income from the relevant period.

### 5.2 Pricing and Valuation Points

The Fund adopts a single pricing policy i.e. which means subscription and redemption of units will be carried out at the NAV per unit. The valuation point of the Fund will be on daily basis (e.g. each business day).

The Fund also adopts forward pricing which means price for units will be calculated at the next valuation point after the completed documents for an application to subscribe or a request to redeem units have been received by the Manager.

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

The Sophisticated Investor will buy and sell units at the NAV per unit as at the next valuation point after the completed documents for an application to subscribe and a request to redeem units is received by the Manager.

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

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

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

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

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



Illustration of computation of NAV per unit, subscription of units and redemption of units are as follows:

### NAV per unit

The following is a hypothetical example of the valuation carried out:

Total NAV	(a)	RM200,000,000.00
Units in circulation	(b)	200,000,000.00
NAV per unit	(a) ÷ (b)	<u>RM1.0000</u>

### Making an investment

Assuming that a Sophisticated Investor wants to invest RM1,000,000 in the Fund and the NAV per unit is RM1.0000 with no entry charge. The Sophisticated Investor will need to pay the amount as illustrated below to the Manager:

Items	Amount	Explanation
Amount to be invested (c)	RM1,000,000	Not applicable
Units issued to Sophisticated Investor	1,000,000 units	(c) ÷ RM1.0000
Entry charge incurred by Sophisticated Investor	RM0	No entry charge
Net amount payable by Sophisticated Investor	RM1,000,000	Not applicable

### Redeeming an investment

Assuming a Sophisticated Investor wish to redeem 1,000,000 units from the Fund and the NAV per unit is RM1.0003 with no exit penalty. Hence, the total amount payable to the Sophisticated Investor is RM1,000,300 as illustrated below:

Items	Amount	Explanation
Units redeemed (d)	1,000,000 units	Not applicable
Gross amount payable to Sophisticated Investor	RM1,000,300	(d) × RM1.0003
Exit penalty incurred by Sophisticated Investor	0%	No exit penalty
Amount payable to Sophisticated Investor	RM1,000,300	Not applicable

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

## 5.3 Making an Investment

<b>Step 1</b> Eligibility	<p>Sophisticated Investors who are not US persons.</p> <p>Note:</p> <p>(1) The Manager has the right to reject any application by a US Person. However, if you are investing through our appointed distributor who operates under a nominee system of ownership, kindly consult the respective distributor accordingly.</p> <p>(2) If a Unit Holder is a US Person or subsequently becomes a US Person and such fact comes to the attention of the Manager:-</p> <p>a) The Manager is entitled to act in accordance with FATCA, relevant laws, rules, regulations, notes and circulars issued by the relevant authorities from time to time including but not limited to withholding such amount of the income derived from the units held by such US Person (if any); and</p> <p>b) The Manager shall by a notice in writing to that US Person require him/her to either redeem all the units of the Fund or transfer all the units of the Fund to a non-US person within thirty (30) days from the date of the notice. Upon expiry of thirty (30) days from the date of such notice, the Manager reserves the right to compulsorily redeem all the units held by such US Person.</p>
<b>Step 2</b> Forms to be completed / Documents to be provided	<p><b>FOR INITIAL INVESTMENT</b></p> <p>(a) A full set of account opening form;</p> <p>(b) Proof of payment;</p>

- (c) Suitability assessment form;
- (d) Wholesale fund declaration form;
- (e) FATCA documentation:
  - Self-certification by individual / entity;
  - W-8BEN / W-8BEN-E Form (if applicable); and
  - W-9 Form (if applicable); and
- (f) Additional documents requested by the Manager (if applicable).

**Individual investor**

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

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

**Non-individual or corporate investors**

- (a) Copy of National Registration Identity Card (NRIC) / passport of all authorised signatory(ies);
- (b) Copy of National Registration Identity Card (NRIC) / Passport of directors / shareholders / partners;
- (c) A certified true copy of the Memorandum and Articles of Association, business registration documents, certificate of registration or its equivalent;
- (d) A certified true copy of Form 24 and 49 or its equivalent;
- (e) An original/ extract copy of a board resolution approving investments in the Fund or its equivalent;
- (f) List of authorised personnel to effect any instructions pertaining to the Fund is not mentioned in the board resolution or its equivalent;
- (g) A copy of the latest audited financial statement of accounts; and
- (h) Any other approvals required from relevant authorities.

**FOR ADDITIONAL INVESTMENT**

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

**Step 3**  
Manner of payment and delivery

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

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

**For individual investor:** You are advised to write your name, new identification card number (NRIC)/ passport number and contact number at the back of the cheque or bank draft.

**For non-individual or corporate investors:** You are advised to write your company name, company no. and contact number at the back of the cheque or bank draft.

You can submit the application with complete documentation (including the proof of payment) and payment to us or submit the same to any of our listed distributors. If we do not receive complete documentation with the payment we reserve the right to reject the application. If you deposit payment into our account and do not notify or provide us with the complete documentation, we shall reject your application and hold such amount until claimed. Sales of Units will be processed upon receipt of complete documentation and proof of payment.

We reserve the right to vary the manner of payment from time to time, and it shall be communicated to you.

*Note: Where payment is by cheque, the cheque must be issued by the Sophisticated Investor. In the case of bank draft, a copy of the application for the bank draft as approved by the relevant bank must be submitted with the bank draft. **Any payment from third party other than the Sophisticated Investor will be rejected.***

<b>Minimum initial and additional investment</b>	<ul style="list-style-type: none"> <li>• <u>Minimum initial investment</u> RM1,000,000.00 The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</li> <li>• <u>Minimum additional investment</u> RM 500,000.00 The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</li> </ul>
<b>Processing an application/ cut off time</b>	<ul style="list-style-type: none"> <li>• If an application with complete documentation is accepted by the Manager or our appointed distributors <b>before</b> 4.00 p.m. on a Business Day, it will be processed at the closing NAV per unit calculated at the end of the same Business Day.</li> <li>• If an application with complete documentation is accepted by the Manager or our appointed distributors <b>after</b> 4.00 p.m. or on a non-Business Day, it will be processed at the closing NAV per unit calculated at the next Business Day.</li> </ul> <p><i>Note: The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents or proof of payment. Incomplete applications will not be processed until all the necessary information has been received.</i></p>
<b>Cooling-off right</b>	Not applicable for this Fund.

**Sophisticated investors are advised not to make payment in cash to any individual agent when purchasing units of the Fund.**

## 5.4 Making Redemption

<b>Step 1</b> Forms to be completed	<ul style="list-style-type: none"> <li>• Transaction form signed by individual unit holder(s)/ authorised signatory(ies); or</li> <li>• Letter of instruction (for non-individual or corporate investors only)</li> </ul>
<b>Step 2</b> Minimum redemption and holding balance	<ul style="list-style-type: none"> <li>• <u>Minimum redemption</u> 1,000,000 units The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</li> <li>• <u>Minimum holding balance</u> 1,000,000 units The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</li> </ul>
<b>Access to money</b>	<p>Redemption request can be made on any Business Day by completing the transaction form.</p> <ul style="list-style-type: none"> <li>• If a redemption request with complete documents is accepted by the Manager or our appointed distributors <b>before</b> 4.00 p.m. on a Business Day, it will be processed at the end of day NAV per unit of the Fund of the same Business Day.</li> <li>• If a redemption request with complete documents is accepted by the Manager or our appointed distributors <b>after</b> 4.00 p.m. or on a non-Business Day, it will be processed at the end of day NAV per unit of the Fund of the next Business Day.</li> <li>• The redemption proceeds will be paid to you within 10 calendar days from the date of receiving the redemption request with complete documents.</li> </ul>

<b>Manner of Payment</b>	<p>Redemption proceeds will be paid either:</p> <p>(a) By transferring the proceeds to a bank account (active account) held in your own name or the first named Unit Holder (for joint account) within Malaysia.</p> <p>All bank charges for the transfer will be borne by you. The relevant bank charges will be deducted directly from the transferred amount before being paid to your bank account.</p> <p>Under normal circumstances, a transfer will take less than two (2) days to reach your designated account. However, it is possible for delays in the banking system to occur, which are beyond our control and we will not be held liable for such delays. If the proceeds cannot be transferred, we shall draw a cheque payable to you; or</p> <p>(b) Under any circumstances where the redemption proceeds cannot be transferred, the manner of payment to you will be either:-</p> <p>(i) By cheque. Your redemption will be made payable by cheque in RM to your name or the first named Unit Holder (for joint account), if your units are denominated in RM; or</p> <p>(ii) By bank draft. Your redemption will be made payable by bank draft in the currencies which your units are denominated to your name or the first named Unit Holder.</p>
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**No redemption will be paid in cash under any circumstances.**

## 5.5 Distribution payment

<b>Mode of income distribution</b>	<p>You are given the option to either:</p> <p>(a) <u>Reinvest the income distribution</u> Income distribution will be reinvested into your account at no cost, based on the NAV per unit at the end of the Business Day of the income distribution date.</p> <p>(b) <u>Receive the income distribution</u> Income distribution earned will be deposited into your bank account held in your name or the first named unit holder (for joint account) or to pay such income distribution by way of a cheque or bank draft under any circumstances where the income distribution cannot be transferred</p> <p>Note: Income distribution will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if you do not elect the mode of distribution in the account opening form or transaction form.</p> <p>If income distribution earned is less than RM500, it will be automatically invested.</p>
<b>Payment of income distribution</b>	Income (if any) will be distributed monthly.

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

## 5.6 Unclaimed Moneys

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

## **5.7 Other Relevant Information when Making an Investment**

### **Switching facility**

Switching facility is not available for this Fund.

### **Transfer facility**

Transfer facility is not available for this Fund.

### **Confirmation of an application**

You shall be issued with a transaction advice within two (2) weeks of us processing your application. No certificates of units are issued. Instead your details are entered into the register of Unit Holders, which is kept at our head office and can be inspected during business hours.

### **Miscellaneous redemption information**

We reserve the right to defer the payment of redemption proceeds with the consent of the Trustee (or as permitted by the SC) after receiving the redemption request if in our judgment, an earlier payment would adversely affect the Fund.

### **Cross Trade**

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

Notwithstanding, cross trades between the personal account of an employee of the Manager and the Fund's account are strictly prohibited. The execution of cross trade will be reported to the Investment Committee.

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

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

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

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

## 6. THE MANAGEMENT COMPANY

### 6.1 Corporate Information of the Manager

#### AmFunds Management Berhad

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

Pursuant to the initiative of AMMB Holdings Berhad, the holding company of AFM and AmInvestment Management Sdn Bhd, initiative to streamline the business operations of its asset management business under AmInvestment Management Sdn Bhd and the unit trust business under AFM, the businesses of both AmInvestment Management Sdn Bhd and AFM are consolidated to operate under a single operating structure, i.e., under AFM.

With effect from 1 December 2014, AFM is the holder of a Capital Markets and Services Licence for the regulated activities of fund management, dealing in securities restricted to unit trusts and dealing in private retirement scheme issued under the Act.

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

### 6.2 Duties and Responsibilities of the Manager

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

### 6.3 The Board of Directors

The Board of Directors are as follows:-

- i. **Raja Maimunah binti Raja Abdul Aziz** (Non-Independent);
- ii. **Tai Terk Lin** (Independent);
- iii. **Mustafa bin Mohd Nor** (Independent);
- iv. **Sum Leng Kuang** (Independent); and
- v. **Goh Wee Peng** (Non-Independent).

### 6.4 Investment Committee

The Fund is required by the Guidelines to have an Investment Committee. The Committee meets at least five (5) times a year to review the Fund's investment objectives and guidelines, and to ensure that the Fund is invested appropriately.

### 6.5 Designated Person for Fund Management Function

#### Raymond Lew Wei Chien

Raymond Lew Wei Chien is Senior Vice President, Fixed Income and a Senior Fund Manager with our Fixed Income team with more than 20 years of relevant experience in this field, of which 10 years have been with the Funds Management Division of AMMB Holdings Berhad ("AmInvest"). Raymond is responsible for managing institutional clients' fixed income mandates.

Currently, he manages fixed income unit trust funds and institutional clients' portfolios. He also assists in the formulation of trading and investment strategies for fixed income portfolios. His key responsibilities are preparing periodic reports to clients on funds performances, interest rate trend and local bond market activities and making recommendations on trading or investment strategies.

## **6.6 Material Litigation**

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

Note: Please refer to our website ([www.aminvest.com](http://www.aminvest.com)) for further information in relation to AmFunds Management Berhad which may be updated from time to time.

## **7. THE TRUSTEE**

### **7.1 About HSBC (Malaysia) Trustee Berhad**

HSBC (Malaysia) Trustee Berhad (Company No. 1281-T) is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No 2, Leboh Ampang, 50100 Kuala Lumpur.

Since 1993, the Trustee has acquired experience in the administration of trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

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

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance as can be reasonably expected from a person exercising the position of a trustee and is required to act in accordance with the provisions of the Deed, CMSA 2007 and the SC Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, CMSA 2007 and the SC Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

### **7.3 Material Litigation and Arbitration**

As at LPD, the Trustee 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 business/financial position of the Trustee and any of its delegates.

### **7.4 Trustee's Delegate**

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

### **7.5 Anti-Money Laundering and Anti-Terrorism Financing Provisions**

The Trustee has in place policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, willful default or fraud of the Trustee.

### **7.6 Statement of Disclaimer**

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.



## **7.7 Consent to Disclosure**

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit holders for purposes of performing its duties and obligations in accordance to the Deed, the CMSA 2007, SC Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

## 8. SALIENT TERMS OF THE DEED

### 8.1 Rights and Liabilities of Unit Holders

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

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

As a Unit Holder, you have the right to:

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

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

### 8.2 Fees and Charges Permitted by the Deed

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

<b>Annual Management Fee</b>	Up to 2.00% p.a. of the Fund's NAV
<b>Annual Trustee Fee</b>	Up to 0.10% p.a. of the Fund's NAV
<b>Entry Charge</b>	Nil
<b>Exit penalty</b>	Nil

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

In the event of any increase in the fees and/or the charges above the level disclosed in the Information Memorandum and within the level disclosed in the Deed, a supplemental information memorandum will be issued.

### 8.3 Permitted Expenses Payable out of the Fund

The expenses which are directly related and necessary for the day to day operation of the Fund are payable out of the Fund's assets and as provided in the Deed and includes the following:

- (a) commissions/fees paid to the brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor and tax agent;
- (d) costs, fees and expenses incurred for the valuation of any 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 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 (including but not limited to legal adviser) 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) costs, fees and expenses incurred in relation to printing and postage of annual and quarterly reports;
- (p) charges and fees paid to the sub-custodians taking into custody any foreign assets of the Fund (if any); and
- (q) any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (p) above.

#### **8.4 Retirement, Removal or Replacement of the Trustee**

The Trustee may retire upon the expiration of twelve (12) months' (or such other period as the Manager and the Trustee may agree upon) notice in writing to the Manager of its desire so to do.

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

#### **8.5 Retirement, Removal or Replacement of the Manager**

Subject to the provisions of the Deed and any relevant law, the Trustee shall take all reasonable steps to remove the Manager :-

- (a) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a special resolution;
- (b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- (c) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business; and
- (d) the Manager shall not accept any extra payment or benefit in relation to such removal.

The Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee twelve (12) months' notice in writing of its desire so to do, or such lesser time as the Manager and the Trustee may agree upon, and subject to the conditions as stated in the Deed.

#### **8.6 Termination of the Fund**

The Manager may in its absolute discretion determine the trust hereby created and wind up the Fund in accordance with the relevant laws or with the prior approval of the relevant authorities. Notwithstanding the aforesaid, if the Fund is left with no Unit Holders, the Manager shall be entitled to terminate the Fund.

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

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

## **8.7 Unit Holders' Meeting**

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

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

## **8.8 Meeting convened by the Unit Holders**

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving an application from not less than fifty (50) Unit Holders or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund summon a meeting of the Unit Holders of the Fund by:

- (a) sending by post to each Unit Holder at his last known address or, in the case of joint holders, to the joint holder whose name stands first in the records of the Manager to the joint holder's last known address at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting, specifying the place, time and terms of resolutions to be proposed; and
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language national daily newspaper and in one other newspaper approved by the relevant authorities.

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) to consider any other matter in relation to the Deed

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

## **8.9 Meeting convened by the Manager or the Trustee**

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

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

## 9. RELATED PARTY TRANSACTIONS OR CONFLICT OF INTEREST

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

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

The directors of AFM may have direct or indirect interest through their directorship in AIFM.

Following are details of the directors:

- Raja Maimunah binti Raja Abdul Aziz is the non-independent director of AIFM.
- Sum Leng Kuang is the independent director of AIFM.
- Tai Terk Lin is the independent director of AIFM.

### The Trustee

As Trustee for the Fund, there may be related party transaction 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 SC Guidelines, 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 arms-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.

## 10. ADDITIONAL INFORMATION

### 10.1 Keeping You Informed

#### ***When you invest***

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

#### ***Statement of investment***

We will send you a statement monthly. It will state the balance of units together with all transactions made since the last statement.

#### ***Reports***

We will provide you with an annual report within two (2) months of the Fund's financial year end and a quarterly report within two (2) months of the end of the period covered.

#### ***Tax voucher***

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

#### ***Publication***

We will publish newsletters containing topical articles about investment trends and developments.

### 10.2 Keeping Us Informed

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

You will be required to inform us in writing of any changes to your account details. Account details will amongst other things, include the following:

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

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

#### ***Investor feedback***

We encourage feedback from you in order for us to upgrade our services to meet your needs. You may give us your feedback via phone at (03) 2032 2888 or by fax (03) 2031 5210 or email [enquiries@aminvest.com](mailto:enquiries@aminvest.com).

### 10.3 Other Additional Information

#### ***Customer Identification Program***

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

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

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

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

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

#### 10.4 How Do You Make a Complaint?

1. For internal dispute resolution, you may contact our customer service representative:
  - (a) via phone to : (03) 2032 2888
  - (b) via fax to : (03) 2031 5210
  - (c) via e-mail to : [enquiries@aminvest.com](mailto:enquiries@aminvest.com)
  - (d) via letter to : AmFunds Management Berhad  
9th Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur
2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):
  - (a) via phone to : (03) 2282 2280
  - (b) via fax to : (03) 2282 3855
  - (c) via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur
3. You can also direct your complaint to Federation of Investment Managers Malaysia (FiMM) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the FiMM's Legal Department:
  - (a) via phone to : (03) 2092 3800
  - (b) via fax to : (03) 2093 2700
  - (c) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - (d) via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
  - (e) via letter to : Legal Department  
Federation of Investment Managers Malaysia  
19-06-1, 6th Floor, Wisma Tune  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur
4. You can also direct your complaint to Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:
  - (a) via phone to the Aduan Hotline at: (03) 6204 8999
  - (b) via fax to : (03) 6204 8991
  - (c) via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - (d) via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
  - (e) via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No. 3, Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof may be inspected without charge at our registered office and head office:

- (a) The Deed of the Fund or the supplemental deed (if any);
- (b) The current Information Memorandum and supplemental or replacement Information Memorandum (if any);
- (c) The latest annual and interim reports of the Fund;
- (d) Each material contract disclosed in this Information Memorandum and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
- (e) All reports, letters or other documents, valuations and statement(s) by any expert, any part of which is extracted or referred to in this Information Memorandum (if any). Where a summary expert's report is included in this Information Memorandum, the corresponding full expert's report must be made available for inspection;
- (f) The audited financial statements of the Fund for the current financial year (where applicable) and for the last three (3) financial years or if the Fund has been established/ incorporated for a period less than three (3) years, the entire period preceding the date of this Information Memorandum;
- (g) Writ and relevant cause papers for all material litigation and arbitration disclosed in this Information Memorandum; and
- (h) Any consent given by experts (if any) or persons whose statement appears in this Information Memorandum.



## 12. DIRECTORY

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

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

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

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**AmFunds Management Berhad**

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Tel : 03-2032 2888

Fax : 03-2031 5210

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