

Prospectus for

AmFlexi Maturity 5



Prospectus Date

23 July 2024

Valid Until

Units will be offered for sale from 23 July 2024 to 5 September 2024

The Manager

AmFunds Management Berhad

Registration number: 198601005272 (154432-A)

The Trustee

Deutsche Trustees Malaysia Berhad

Registration number: 200701005591 (763590-H)



AmInvest

THE FUND IS CONSTITUTED ON 23 JULY 2024

Growing Your Investments in a Changing World

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

DISCLAIMER

Responsibility Statements

This Prospectus for AmFlexi Maturity 5 (hereinafter referred as the “Prospectus”) has been reviewed and approved by the directors of AmFunds Management Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorised AmFlexi Maturity 5 (the “Fund”) and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

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

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

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

Additional Statements

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

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

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

THE FUND MAY DECLARE DISTRIBUTION OUT OF CAPITAL. IF THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL, THE CAPITAL OF THE FUND MAY BE ERODED AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.

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 investments in the Fund involve risks including the risk of total capital loss and no income distribution. Investors should consider the risk factors set out under the heading Risk Factors in this Prospectus.

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

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

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

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

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

Personal Data

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

products or services, maintain our records or send you relevant information. We may use your personal information which includes information on any transactions conducted with us, for one or more of the following purposes, whether in Malaysia or otherwise:

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

Investors are advised to read our latest or updated Privacy Notice (notice provided as required under the Personal Data Protection Act 2010) available on our website at www.aminvest.com. 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

AFM, the Manager, us, our or we	AmFunds Management Berhad.
AmBank Group	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 and AmCard Services Berhad.
AmInvest	The brand name for the funds management business of AMMB Holdings Berhad comprising AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd.
AmInvestment Group Berhad	AmInvestment Group Berhad and its group of companies.
Auditor	Has the same meaning as defined in the CMSA 2007.
BNM	Bank Negara Malaysia established under the Central Bank of Malaysia Act 1958 and continuing its existence under the Central Bank of Malaysia Act 2009.
Business Day (s)	<p>A day on which the Bursa Malaysia Securities Berhad and/or commercial banks in Kuala Lumpur are open for business.</p> <p>If there is a significant exposure in the markets in which the Fund is invested in are closed for business, the Manager may declare certain Business Days to be a non-Business Day although Bursa Malaysia and/or commercial banks in Kuala Lumpur are open for business. This is to ensure that investors are given a fair valuation of the Fund when making subscriptions or redemptions. This information will be communicated to you via our website at www.aminvest.com. Alternatively, you may contact our customer service at (603) 2032 2888.</p>
CMSA 2007, CMSA, the Act	Capital Markets and Services Act 2007 and any amendments made thereto.
Commencement Date	<p>Means the date on which investments of the Fund may first be made and is the date which falls on the seventh (7th) Business Day after the expiry of the Offer Period.</p> <p><i>Note: The Manager reserves the right not to make investments for the Fund on the Commencement Date in the event the fund size is below RM20 million. In such case, the Manager shall</i></p>

	<i>return the subscription amount to the Unit Holders together with the entry charge.</i>
CRS	Common Reporting Standards.
Deed	The deed dated 21 June 2024 and supplemental deeds (if any) entered into between the Manager and the Trustee in relation to the Fund.
Early Termination	Termination of the Fund before the Maturity Date pursuant to the Fund achieving early termination requirement. <i>Note: Please refer to Section 3.2 Early Termination Feature of the Fund for further information regarding early termination of the Fund.</i>
eligible market(s)	An exchange, government securities market or an over-the-counter (OTC) market: (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded.
FATCA	Foreign Account Tax Compliance Act.
Fund	AmFlexi Maturity 5.
IUTA	Institutional Unit Trust Scheme Adviser registered with the Federation of Investment Managers Malaysia (FIMM) to market and distribute unit trust funds.
Latest Practicable Date (LPD)	15 April 2024.
Launch date	The date of this Prospectus and is the date on which sales of units of the Fund may first be made; the Launch Date is also the date of constitution of the Fund.
MYR, RM	Ringgit Malaysia.
Maturity Date	The date, which is the third (3 rd) anniversary of the Fund from the Commencement Date.
NAV per unit	Net Asset Value attributable to the Fund divided by the number of units in circulation of that Fund, at the valuation point.
Net Asset Value (NAV)	The value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
Offer Period	A period of up to forty-five (45) days commencing from the date units of the Fund are being offered for sale. However, Offer Period may be shortened when the Manager deems

	<p>appropriate to enter the market in order to capitalize on the prevailing yields and/or market condition.</p> <p><i>Note: The Manager reserves the right to determine a shorter Offer Period and notify the Trustee. The decision for a shorter Offer Period is based on the sole discretion of the Manager. Units will not be available for sale after the Offer Period.</i></p>
Offer Price	RM1.0000 per unit during the Offer Period.
p.a.	Per annum.
Prospectus, this Prospectus	The prospectus in relation to AmFlexi Maturity 5.
Redemption	Repurchase of units of the Fund.
SC, the SC	Securities Commission Malaysia.
SC Guidelines	Guidelines on Unit Trust Funds issued by the SC, and shall include any amendments and revisions contained therein or made pursuant thereto.
Special Resolution	<p>Means a resolution passed by a majority of not less three-fourths of the Unit Holders present and voting at the meeting in person or by proxy.</p> <p>For the purposes of terminating the Fund, “Special Resolution” is passed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.</p>
Trustee	Deutsche Trustees Malaysia Berhad.
Unit(s)	An undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund.
Unit Holder(s), you	<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 jointholders, whose name appears in the Manager’s register of Unit Holders.</p> <p>Please note that if an investor invests through a distributor via nominee system of ownership, the investor will not be deemed a Unit Holder under the Deed.</p>
US (United States) Person	A US citizen or resident individual, a partnership or corporation organized in the US or under the laws of the US or any State thereof, a trust if: (i) a court within the US would have authority under applicable law to render orders or judgements concerning substantially all issues regarding administration of

the trust, and (ii) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the US as defined in the Malaysia-US IGA Guidance Notes on Compliance Requirements for Malaysia-US Intergovernmental Agreement on FATCA issued by Inland Revenue Board Of Malaysia dated 11 September 2015, including any amendments, guidelines and other administrative actions made thereunder.

2 CORPORATE DIRECTORY

MANAGER

AmFunds Management Berhad

Registration number: 198601005272
(154432-A)

Registered Office

22nd Floor, Bangunan AmBank Group,
No.55, Jalan Raja Chulan,
50200 Kuala Lumpur.
Tel: (03) 2036 2633

Business office

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
Website: www.aminvest.com

TRUSTEE

Deutsche Trustees Malaysia Berhad

Registration number: 200701005591
(763590-H)

Registered office / Business office

Level 20, Menara IMC,
8 Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel: (03) 2053 7522
Fax: (03) 2053 7526
Email: dtmb.rtm@db.com

TRUSTEE'S DELEGATE (CUSTODIAN)

Deutsche Bank (Malaysia) Berhad ("DBMB")

Registration number: 199401026871
(312552-W)

Registered address

Level 19, Menara IMC,
No. 8, Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel: (03) 2053 6788
Fax: (03) 2031 8710

Business office

Level 19-20, Menara IMC,
No. 8, Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel: (03) 2053 6788
Fax: (03) 2031 8710

Note: The corporate information which may be updated from time to time is also available on our website at www.aminvest.com/eng/Pages/CorporateDirectory.aspx.

3 THE FUND'S DETAILED INFORMATION

3.1 Fund Information

Fund Name	AmFlexi Maturity 5
Base Currency of the Fund	RM
Category of Fund	3-year close-ended fixed income fund
Offer Price	RM1.0000 per unit
Offer Period	<p>23 July 2024 to 5 September 2024 (total of 45 calendar days).</p> <p><i>Note: The Manager reserves the right to determine a shorter Offer Period without prior notice. No Units will be available for sale after the Offer Period. In addition, the Manager also reserves the right not to make investments for the Fund on the Commencement Date in the event the fund size is below RM20 million. In such case, the Manager shall return the subscription amount to the Unit Holders together with the entry charge.</i></p>
Maturity Date	<p>The date, which is the third (3rd) anniversary of the Fund from the Commencement Date.</p> <p>However, the Fund is embedded with an early termination feature whereby there the Fund may be terminated at the discretion of the Manager prior to the maturity date.</p>
Early Termination Feature of the Fund	<p>The Fund is embedded with an Early Termination feature where the Fund may be terminated at the discretion of the Manager prior to the Maturity Date.</p> <p>The Manager may exercise the Early Termination feature if the Fund achieves total return of 12.00% and above.</p> <p><i>Note: Please refer to Section 3.2 Early Termination Feature of the Fund (below) for further information regarding Early Termination of the Fund.</i></p>
Investment Objective	<p>The Fund seeks to provide regular income.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
Investment Strategy	<p>The Fund seeks to achieve its investment objective by investing at least 70% of the Fund's NAV in both rated and/or unrated bonds such as sovereign bonds, quasi-sovereign bonds and corporate bonds.</p>

	<p>For rated bonds, the Fund may invest in bonds with a minimum credit rating of BB- or its equivalent as rated by a local or global rating agency at the time the purchase is made.</p> <p>The Fund may utilise derivatives (such as forward contracts) on a rolling basis solely for the purpose of hedging the Fund's exposure to foreign currency, if any. The Fund may invest in foreign eligible markets.</p> <p>The Fund is actively managed. However, the frequency of its trading strategy will depend on investment opportunities.</p> <p>In the event of a credit rating downgrade below the stipulated minimum, the Manager reserves the right to hold the affected bonds until its maturity if it is in the best interest of the Unit Holders. A credit downgrade generally will have no impact on the bonds upon its maturity if credit default does not occur.</p> <p>In addition, in the event that the bond/bonds in the Fund is/are called prior to the maturity of the Fund, and the Manager is unable to find a replacement bond/bonds of similar risk and return profile of the original investments, the Manager can return the proceeds from the called bond/bonds to the investor should the Manager deemed it appropriate to do so.</p>
<p>Asset Allocation</p>	<ul style="list-style-type: none"> • At least 70% of the Fund's NAV will be invested in bonds; and • Up to 30% of the Fund's NAV will be invested in deposits and money market instruments. <p><i>Note: The Fund may reduce the exposure in bonds and increase its investments in deposits and money market instruments in adverse market, economic, political or any other condition which include times of market weakness, high redemption and as part of the temporary defensive strategy as well as for the purpose of winding up the portfolio to accommodate the Fund's maturity or to accommodate early termination of the Fund. During this period, the Fund's investment may differ from the stipulated asset allocation. The Manager may also deviate from the above asset allocation for the first two (2) months from the Fund's Commencement Date.</i></p>

3.2 Early Termination Feature of the Fund

The Fund is close-ended and will mature at the third (3rd) anniversary of the Fund from the Commencement Date. However, the Fund is embedded with an Early Termination feature where the Fund may be terminated at the discretion of the Manager prior to the Maturity Date. The decision to exercise the Early Termination feature will be based primarily on the opinion that by doing so, it will be in the best interest of the Fund and its Unit Holders, subject to the following:

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

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

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

Calculation of Total Return of the Fund

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

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

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

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

Assuming the Fund commenced on 31 July 2024 and the Fund has reach its condition for Early Termination on 28 February 2027, the following assumptions apply:

Date	Gross Distribution	NAV per unit (ex-distribution)	Income Return (RM)
31 July 2025 (end of Year 1)	Four (4) sen	RM1.0100	(RM0.04 / RM1.0100) + 1 = RM1.0396
31 July 2026 (end of Year 2)	Four (4) sen	RM1.0500	(RM0.04 / RM1.0500) + 1 = RM1.0381

- Offer Price = RM1.0000
- NAV per unit on 28 February 2027 = RM1.1000

Price return paid on 28 February 2027 = $[(RM1.1000 - RM1.0000) / RM1.0000] + 1 = RM1.1000$

Hence, total return of the Fund on 28 February 2027:

= $[(Price\ return \times Series\ of\ income\ return) - 1] \times 100$

= $[(RM1.1000 \times RM1.0396 \times RM1.0381) - 1] \times 100$

= 18.71%

Conclusion

It is observed that on 28 February 2027 (5 months before Maturity Date), the Fund has reached its condition for Early Termination (above 12.00%). However, the Manager, upon its discretion, will decide if the Early Termination feature is at the best interest of the investors at the time of observation.

3.3 Risk Factors

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

General risks associated with investing in a unit trust 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 net asset value.
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.
Manager's 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.
Non-Compliance Risk	This is the risk of the manager or the trustee not complying with their respective internal policies, the deed and its supplemental deed, securities law or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the fund when the manager or the

General risks associated with investing in a unit trust fund	
	<p>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.</p> <p>This risk may be mitigated by having sufficient internal controls in place to ensure compliance with all applicable requirements at all times.</p>
Loan Financing Risk	<p>This risk occurs when investors take a loan/financing to finance their investment. The inherent risk of investing with borrowed/financed money includes investors being unable to service the loan/financing repayments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan/financing.</p> <p><i>Note: The Manager does not provide loan/financing for the purchase of units of the Fund. However, if an investor obtains loan/financing from other providers, this is the risk that the investor should be aware of.</i></p>
Country Risk	<p>Investments of the fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the fund invests in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the fund in those affected countries. This in turn may cause the net asset value or prices of units to fall.</p>
Suspension Risk	<p>Refers to situation where the Manager suspends dealings of Units in the Fund (no redemption or subscription are allowed) under exceptional circumstances as set out in Section 5.7 Temporary suspension of determination of NAV and of the issue and redemption of units. Suspension of a Fund may potentially result in Unit Holders not being able to redeem their Units into cash based on their liquidity needs and their investments will continue to be subject to the risk factors inherent in the Fund.</p>
Specific risks associated with the investment portfolio of the Fund	
Interest Rate Risk	<p>Interest rate risk refers to the impact of interest rate changes on the valuation of bonds. When interest rates rise, bonds prices generally decline and this may lower</p>

Specific risks associated with the investment portfolio of the Fund	
	<p>the market value of the Fund's investment in bonds. The reverse may apply when interest rates fall.</p> <p>In order to mitigate interest rate risk, the Manager will need to manage the fixed income portfolio taking into account the coupon or interest rate and time to maturity of the bonds.</p> <p>For investment in deposits and money market instruments, the rise or fall of interest rates will not affect the value of the Fund if such investments are placed and held until the maturity date of the deposits and money market instruments. However, if the Fund rollovers the investment in deposits and money market instruments with lower interest rate, the Fund may be subject to interest rate risk which may affect the total return of the Fund.</p>
Distribution Risk	<p>It should be noted that the distribution of income is not guaranteed. Circumstances preventing the distribution of income include, among others, insufficient realised gains or realised income to enable income distribution. The Fund may distribute from its realised gain, realised income and capital.</p> <p>Capital distributions represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per unit of the Fund and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained.</p>
Liquidity Risk	<p>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 and consequently the value of the Unit Holders' investments in the Fund will be negatively affected when it has to sell such assets at unfavourable prices.</p> <p><i>Note: The Manager determines what is deemed to be reasonable trading volume for the Fund.</i></p>
Counterparty Credit Risk	<p>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.</p>
Credit and Default risk	<p>Credit risk relates to the creditworthiness and the expected ability to make timely payment of interest and/or principal by the issuers of the bonds and/or money market instruments,</p>

Specific risks associated with the investment portfolio of the Fund	
	<p>as well as the financial institutions where the Fund placed deposits. Any adverse situations faced by the issuer and/or financial institution may impact the value as well as liquidity of the investments. In the case of rated bonds, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a bonds or money market instruments or a financial institution where the Fund placed deposits either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the bonds, money market instruments and/or the deposits. This could adversely affect the value of the Fund.</p>
Unrated Bonds Risk	<p>The credit risk for unrated bonds is higher than investment grade bonds. The unrated bonds are subject to higher chance to default and they tend to be less liquid. During economic downturns, unrated bonds may be more vulnerable to the impact of price fluctuations. Due to (i) investors become more risk adverse; and (ii) default risk of the bond rises; as a result, the unrated bond price may drop more than the bond price of investment grade.</p>
Currency Risk	<p>As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.</p> <p>The Manager may at its discretion hedge the currency of its foreign investments against the base currency of the Fund to mitigate currency risk for the benefit of the Fund. Note that while hedging assists with mitigating the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well.</p>
Asset-liability Mismatch Risk	<p>This is the risk of mismatch between the maturity date of the Fund and the maturity dates of bonds that the Fund invests in. In the event the Fund holds bonds which extends beyond the maturity date of the Fund, this mismatch may potentially result in a loss to the Fund if the Fund has to liquidate these bonds at depressed valuations (which may be due to but not limited to bearish market condition, low market demand and</p>

Specific risks associated with the investment portfolio of the Fund	
	<p>high interest rate at the moment of liquidation) in order to repay the investors when the Fund matures.</p> <p>To mitigate this risk, the Manager will in its evaluation take into account the maturity profiles of bonds to ensure that their maturity profiles do not extend beyond the maturity date of the Fund.</p>
Early Termination Risk	<p>This is the risk of investor's investment the fund being "terminated" earlier than expected, in the event it was launched and subsequently achieved total returns as mentioned on pages 8 to 9. In such cases, investors may have to reinvest the monies returned to them into other investment vehicles or other investment instruments. These other investments in turn may not be able to match the rate of return that would have been provided by the Fund had the Fund not been terminated early.</p>

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.

3.4 Risk Management Strategy

Risk management of the Fund forms an integral part of the investment process. The Fund's portfolio is constructed and managed within pre-determined guidelines including risk returns trade-off, which will be reviewed periodically by the Manager. 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.

When deemed necessary, the Manager may also utilise derivatives, subject to SC Guidelines, for the purpose of hedging. The research team monitors the credit qualities of counter-parties. In the event of a downgrade of a counter-party of an OTC derivative below the minimum credit rating as per the SC Guidelines, the Manager should, within six (6) months or sooner, if the Trustee considers it to be in the best interest of the Unit Holders, the Manager would deliberate a recommended and appropriate action to mitigate risk associated with such OTC derivative and may extend to unwinding of such OTC derivative if there is a need to terminate current position to ensure compliance with the SC Guidelines.

In respect of liquidity risk management, the Manager identifies, monitors and mitigates liquidity risks of the Fund on an on-going basis to ensure that the liquidity profile of the Fund's investments is able to comply with the SC's regulatory requirement to meet redemption proceeds within a stipulated period. In doing so, the Manager will consider

factors which include liquidity of the Fund's holdings, any investor concentration and the Fund's ability to respond to any sizeable redemptions, if any.

The Manager may combine the following liquidity management tools:

- Borrowing of up to 10% of the Fund's NAV from financial institutions.
- Suspension of dealing of units of the Fund (due to exceptional circumstances, where there is good and sufficient reason to do so, considering the interests of Unit Holders) as a last resort after all other liquidity risk management tools have been exhausted. Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer Section 5.7 Temporary Suspension of Determination of NAV and of the Issue and Redemption of Units on page 33 for further information.

3.5 Other Information

<p>Income Distribution Policy</p>	<p>Subject to availability of income, distribution will be paid once a year.</p> <p>At the Manager's discretion, the Fund may distribute from its gain, income and capital. The rationale for distribution out of capital is to allow the Fund the ability to (i) distribute income on a regular basis in accordance with the distribution policy of the Fund or (ii) increase the amount of distributable income to the Unit Holders, after taking into consideration the risk of distributing out of capital.</p> <p>Distribution out of the Fund's capital has the effect of lowering the NAV of the Fund, may reduce part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders. When a substantial amount of the original investment is being returned to the Unit Holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</p> <p><i>Note: Income distribution (if any) will be in the form of cash.</i></p>
<p>Financial Year End</p>	<p>31 October</p>
<p>Performance Benchmark</p>	<p>The Fund has a yearly target return which at least matches the AmBank (M) Berhad 12-month conventional fixed deposit rate (fixed as at Commencement Date).</p> <p><i>You may visit www.aminvest.com or call us at (03) 2032 2888 to find out about the AmBank (M) Berhad 12-month conventional fixed deposit rate as at Commencement Date.</i></p>

	<p><i>The risk profile of the Fund's investments is higher than the risk profile of the AmBank (M) Berhad 12-month conventional fixed deposit rate and consequently, the Fund is expected to outperform the AmBank (M) Berhad 12-month conventional fixed deposit rate. There is no guarantee that the Fund's performance will always outperform the benchmark.</i></p>
Permitted Investments	<p>As permitted under the Deed and the requirements of SC, the Fund will invest in any of the following investments:</p> <ol style="list-style-type: none"> i. Bonds which include but not limited to listed or unlisted corporate bonds, government and quasi-government bonds; ii. Deposits and money market instruments; iii. Collective investment schemes; and iv. Financial derivatives for hedging purposes.
Investment Limits and Restrictions	<p>Exposure Limit</p> <ol style="list-style-type: none"> i. The aggregate value of the Fund's investments in- <ol style="list-style-type: none"> (a) transferable securities that are not traded or dealt in or under the rules of an eligible market; and (b) collective investment schemes that do not comply with requirement of the SC Guidelines; must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer or single collective investment schemes, as the case may be. <p>Investment Spread Limits</p> <ol style="list-style-type: none"> i. The value of the Fund's placement in deposit with any single financial institution must not exceed 20% of the Fund's NAV. ii. For investments in derivatives, the Fund's global exposure from derivatives position should not exceed the Fund's NAV at all times. The Fund's exposure to derivatives will be calculated based on commitment approach as disclosed in the section below under the heading "Use of derivatives". iii. The aggregate value of the Fund's investments in, or exposure to, a single issuer through transferable securities, money market instruments, deposits, underlying assets of derivatives and counterparty exposure arising from the use of OTC derivatives, must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments under Exposure Limit above, issued by the same issuer must be included in the calculation. iv. The value of the Fund's investments in units or shares of any collective investment scheme must not exceed

20% of the Fund's NAV, provided that the collective investment scheme complies with the requirement of the SC Guidelines.

- v. The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments under **Exposure Limit** above, issued by the same issuer must be included in the calculation.
- vi. The single issuer limit of 20% in item (v) may be increased to 30% of the Fund's NAV if the bond is rated by any Malaysian or global rating agency to have the highest long-term credit rating.
- vii. Where the single issuer limit is increased to 30% pursuant to item (vi), the single issuer aggregate limit of 25% in item (iii) may be raised to 30% of the Fund's NAV.
- viii. The value of the Fund's investment in transferable securities and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV ("group limit"). In determining group limit, the value of the Fund's investments in instruments under **Exposure Limit** above issued by the issuers within the same group of companies must be included in the calculation.
- ix. Where the bond or money market instruments are issued, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency, the Manager may apply the exceptions to investment spread limits in item (i) below.

Exceptions to investment spread limits

- i. Government and other public securities or money market instruments*
 - (a) The single issuer limit in item (v) may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.
 - (b) Where the single issuer limit is increased to 35% of the Fund's NAV, the single issuer aggregate limit in

item (iii) may be raised, subject to the group limit in item (viii) not exceeding 35% of the Fund's NAV.

ii. Deposits

The single financial institution limit in item (i) does not apply to placements of deposits arising from:

- (a) Subscription monies received prior to the commencement of investment by the Fund;
- (b) Liquidation of investments prior to the termination or maturity of the Fund, where the placement of deposits with various financial institutions would not be in the best interests of Unit Holders; or
- (c) Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of Unit Holders.

Investment Concentration Limits

Transferable securities

- i. The Fund's investment in bond must not exceed 20% of the bond issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of bond in issue cannot be determined.

Money market instruments

- ii. The Fund's investment in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size.

Collective investment schemes

- iii. The Fund's investments in collective investment schemes must not exceed 25% of the units or shares in the collective investment scheme.

The aforementioned investment restrictions and limits must be complied with at all times based on the most up-to-date value of the Fund's investments. Any breach as a result of any appreciation or depreciation in the value of the investments of the Fund, repurchase of Units or payments made from the Fund, change in capital of a corporation in which the Fund has invested in or downgrade in or cessation of a credit rating need not be reported to the SC but must be rectified as soon as practicable within three (3) months from the date of the breach unless otherwise specified in the SC Guidelines. Nevertheless, the three (3)-month period may be extended if it is in the best interests of Unit Holders and the

	Trustee's consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.
Use of Derivatives	<p><u>Calculation of Global Exposure to Derivatives</u></p> <p><i>Global Exposure = a + b + c</i> with</p> <p><i>a = Absolute value of exposures of each individual derivative not involved in hedging or netting</i> <i>b = Absolute value of net exposures of each individual derivative after hedging or netting</i> <i>c = Cash collateral received pursuant to:</i></p> <ul style="list-style-type: none"> <i>(i) the reduction of exposures to OTC derivatives' counterparty; and</i> <i>(ii) efficient portfolio management technique relating to securities lending and repurchasing transactions (where applicable)</i> <p>Netting and hedging arrangements may be taken into account to reduce the Fund's exposure to derivatives.</p> <p><u>Netting arrangements</u></p> <p>The Fund may net positions between:</p> <ul style="list-style-type: none"> (a) derivatives on the same underlying constituents, even if the maturity dates are different; or (b) derivatives and the same corresponding underlying constituents, if those underlying constituents are transferable securities, money market instruments, or units or shares in collective investment schemes. <p><u>Hedging arrangements</u></p> <p>The marked-to-market value of transferable securities, money market instruments, or units or shares in collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to derivatives.</p> <p>The hedging arrangement must:</p> <ul style="list-style-type: none"> (a) not be aimed at generating a return; (b) result in an overall verifiable reduction of the risk of the Fund; (c) offset the general and specific risks linked to the underlying constituent being hedged; (d) relate to the same asset class being hedged; and (e) be able to meet its hedging objective in all market conditions.

Calculation of Exposure to Counterparty of OTC Derivatives

The exposure to a counterparty of an OTC derivatives must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC derivatives.

The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC derivatives transactions entered into with the same counterparty.

Subject to the aggregate limit under the “Investment Limits and Restrictions” section, the maximum exposure of the Fund to the counterparty, calculated based on the above method, must not exceed 10% of the Fund’s NAV.

3.6 Investor Profile

The Fund is suitable for investors:

- seeking an investment that aims to provide regular income*;
- seeking participation in the local and overseas fixed income market; and
- seeking potentially higher returns than the AmBank (M) Berhad 12-month conventional fixed deposit rate (fixed as at Commencement Date).

Notes:

**Income distribution (if any) will be in the form of cash.*

For further details on the mode of income distribution, please refer to page 33.

3.7 List of Deed

Current Deed

Deed dated 21 June 2024.

4 FEES, CHARGES AND EXPENSES

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

4.1 Charges

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

Entry Charge	Distribution Channel	Entry Charge
	Direct Sales	Up to 3.00% of the Offer Price
	IUTA	Up to 3.00% of the Offer Price
	<p><i>Notes:</i> All staff of AmBank Group will be charged 1.50% of the Offer Price as entry charge. Investors are advised that they may negotiate for lower entry charge prior to the conclusion of sales. The Manager reserves the right to waive or reduce the entry charge from time to time at its absolute discretion.</p>	
Exit Penalty	<p>Up to 3.00% of NAV per unit of the Fund.</p> <p><i>Notes:</i> The proceeds of exit penalty will be retained by the Fund. There will be no exit penalty charged as a result of Early Termination of the Fund.</p>	
Other Charges	<p>Transfer Fee Nil.</p> <p>Bank Charges or Fees Bank charges or fees, if any, will be borne by you.</p> <p>Switching Fee Switching facility is unavailable for the Fund.</p>	

4.2 Ongoing Fees and Expenses

(a) Annual Management Fee

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

(b) Annual Trustee Fee

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

Assuming the NAV of the Fund is RM50 million and the trustee fee is 0.03% p.a. of the NAV of the Fund, then the daily accrued trustee fee would be:

	<u>RM</u>
Trustee's fee for the day charged to the Fund:	
(NAV of the Fund x Trustee fee) ÷ Number of days in a year	
= (RM50,000,000.00 x 0.03%) ÷ 365	41.09

Investors may refer to the Manager's website at www.aminvest.com, for the actual annual Trustee's fee of the Fund.

(c) Fund Expenses

The Manager and the Trustee may be reimbursed out of the Fund for any cost reasonably incurred in the administration of the Fund. The Fund's expenses currently include but are not limited to audit fees, tax agent's fees, printing and postages of annual and semi-annual reports, bank charges, remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, lodgement fees for Fund's reports, foreign custodians' charges (if any), fees paid to brokers or dealers (if any) and other expenses as permitted by the Deed.

4.3 Rebates And Soft Commissions

We and the Trustee do not retain any rebates from, or share in any commission with any broker or dealer in consideration for directing dealings in the Fund's assets. In line thereto, any rebate or shared commission is directed to the account of the Fund, and is subject to prevailing regulatory requirements by the SC.

However, soft commissions provided by any broker or dealer may be retained by us if:

- i. the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;

- ii. any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- iii. the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

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

5 TRANSACTION INFORMATION

5.1 Valuation of Assets

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

- Listed bonds and quoted on an exchange
The valuation for investment in listed bonds shall be determined by reference to the market price (i.e. official closing price or last known transacted price on the eligible market on which the investment is quoted).

However, if –

- (a) the market price does not represent the fair value of the bonds, 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 bonds for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee,

then the bonds should 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.

- Unlisted bonds
For unlisted RM denominated bonds, valuation is based on prices provided by the Bond Pricing Agency (BPA) registered with the SC or where prices are not available from BPA, the average indicative yield quoted by three (3) independent and reputable institutions. Where the Manager is of the view that the price quoted by BPA for a specific fixed income instrument differs from “market price” by more than 20 basis points, the Manager may use the “market price”, provided that the Manager:
 - (a) records its basis of using a non-BPA price;
 - (b) obtains necessary internal approvals to use the non-BPA price; and
 - (c) keeps an audit trail of all decisions and basis for adopting the “market yield”.

For unlisted foreign currency denominated bonds, valuation is based on the Refinitiv Evaluated Pricing quoted by Refinitiv. Where Refinitiv’s prices are not available, these unlisted foreign currency denominated fixed income securities will be valued at fair value, as determined in good faith by the Manager based on the method or bases verified by the Auditor of the Fund and approved by the Trustee.

- Units in collective investment schemes (CIS)
The value of any investment in CIS which are quoted on an approved exchange shall be based on the last done market price of the respective exchange. When investing in unlisted CIS, the value shall be determined by reference to the last published net asset value per unit (less redemption fee, if any) for that CIS.

- Deposit and money market instruments
The value of any investment in deposits placed with financial institutions shall be determined on each Business Day, with reference to the principal value of such investments and the accrued income for the relevant period.

For money market instruments (such as negotiable certificates of deposits and promissory notes), the valuation is based on marked to market prices as provided by the counterparty that issues the instruments.

- Financial Derivatives
The valuation is based on marked to market prices. The methods or bases of valuation will have to be verified by the Auditor of the Fund and approved by the Trustee.

5.2 Pricing and Valuation Points

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

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

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

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

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

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

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

Incorrect Valuation or Pricing

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

- (i) is equal or more than zero point five per centum (0.5%) of the NAV per unit; and
- (ii) result in a sum total of RM 10.00 or more (or its equivalent amount in foreign currency),

then the Manager shall reimburse the Fund and the affected Unit Holder as follows:

- (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 proceeds 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 the difference between the value of subscription proceeds paid by the Unit Holder and the amount per the amended valuation); and/or
 - (ii) the Unit Holders (for the difference between the redemption amount paid out by the Fund and the amount per the amended valuation).

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

Policy on rounding adjustment

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

NAV per unit

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

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

Making an investment

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

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

Redeeming an investment

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

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

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

5.3 Making an Investment

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

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

Minimum Initial Investment	<p>RM5,000</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager's discretion to accept.</i></p>
Minimum Additional Investment	<p>RM5,000</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager's discretion to accept.</i></p>
Step 1 Eligibility	<p><u>Individual investors</u></p> <p>For a single applicant, the applicant must be 18 years of age and above. For joint applicant, the first named applicant must be 18 years of age and above. The joint applicant can be of any age.</p> <p><u>Non-individual or corporate investors</u></p> <p>Companies, co-operatives, societies, sole proprietors, institution etc.</p> <p>Notes:</p> <p>(1) <i>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.</i></p> <p>(2) <i>If a Unit Holder is a US Person or subsequently becomes a US Person and such fact comes to the attention of the Manager:</i></p> <p>a) <i>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</i></p> <p>b) <i>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.</i></p>
Step 2 Forms To Be Completed and	<p><u>For initial investment:</u></p> <p>(1) A full set of account opening form;</p> <p>(2) Proof of payment;</p>

<p>Documents Required</p>	<p>(3) Suitability assessment form;</p> <p>(4) Personal Data Protection Act consent form (if applicable);</p> <p>(5) FATCA and CRS documentation:</p> <p>a) Self-certification by individual / entity;</p> <p>b) W-8BEN / W-8BEN-E Form (if applicable); and</p> <p>c) W-9 Form (if applicable); and</p> <p>(6) Additional documents requested by the Manager (if applicable).</p> <p><i>Individual investor/ jointholder</i></p> <p>For a single applicant, photocopy of National Registration Identity Card (NRIC) for Malaysian or passport for foreigner.</p> <p>For joint applicant, photocopy of NRIC for Malaysian or passport for foreigner of first named joint applicant and the subsequent named joint applicant.</p> <p><i>Non-individual/ corporate investors</i></p> <p>(1) Copy of NRIC/passport of all authorised signatory(ies);</p> <p>(2) Copy of NRIC/passport of directors / shareholders / partners;</p> <p>(3) A certified true copy of the Memorandum and Articles of Association, business registration documents, certificate of registration or its equivalent;</p> <p>(4) A certified true copy of Form 24 and 49 or its equivalent;</p> <p>(5) An original/extract copy of a board resolution approving investments in the Fund or its equivalent;</p> <p>(6) List of authorised personnel to effect any instructions pertaining to the Fund if the list of authorised personnel is not mentioned in the board resolution or its equivalent;</p> <p>(7) A copy of the latest audited financial statement of accounts;</p> <p>(8) Any other approvals required from relevant authorities; and</p> <p>(9) Any other documents requested by the Manager.</p> <p><u>For additional investment:</u></p> <p>(1) Transaction form or letter of instruction (for non-individual or corporate investors only); and</p> <p>(2) Proof of payment.</p>
<p>Step 3 Manner of Payment and Delivery</p>	<p>Upon clearance based on our “Know-Your-Customer” (KYC) policy, you can deposit payment into our account upon being advised by us. Your application will be accepted and shall be processed based on the net amount received. If you</p>

deposit payment into our account without notifying us, we reserve the right to reject your application and hold such amount until claimed.

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

“AmFunds Management Berhad – Trust A/C”

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

For 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 appointed distributors. If we do not receive complete documentation with the payment we reserve the right to reject the application. If you deposit payment into our account and do not notify or provide us with the complete documentation, we shall reject your application and hold such amount until claimed. Sales of units will be processed upon receipt of complete documentation and proof of payment.

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

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

**Processing an Application/
Cut-off Time**

- If an application with complete documentation is accepted by the Manager or our appointed distributors **before 4.00 p.m.** on a Business Day, it will be processed at the closing NAV per unit of the same Business Day.
- If an application with complete documentation is accepted by the Manager or our appointed distributors **after 4.00 p.m.** on a Business Day or on a non-Business Day, it will be processed at the closing NAV per unit of the next Business Day.

	<p><i>Notes:</i></p> <ul style="list-style-type: none"> <i>The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents or proof of payment. Incomplete applications will not be processed until all the necessary information has been received.</i> <i>You should note that different distributors may have different cut off times in respect of receiving application request. You are advised to contact the relevant distributors to obtain further information and should check with the relevant distributors on their cut off time in respect of receiving application request.</i>
Cooling-off Right	<p>If you make an investment and later decide that the investment does not suit your needs, you may withdraw your money within the cooling-off period. You should be aware that the cooling-off right is only available on your first investment with the Manager. Subsequent investments will not enjoy this right. The cooling-off right is not available to corporation/institution, staff of the Manager and persons registered with a body approved by the SC to deal in unit trust funds.</p> <p>The refund for every unit held by you pursuant to your exercise of a cooling-off right shall be the sum of:</p> <ul style="list-style-type: none"> (a) the NAV per unit on the day the units were purchased or the prevailing NAV per unit at the point of exercise of the cooling-off right (whichever is lower); and (b) the entry charge per unit originally imposed on the day the units were purchased. <p>Unit Holders shall be refunded within seven (7) Business Days from the receipt of the cooling-off application by the Manager.</p>
Cooling-off Period	<p>You may exercise cooling-off rights within six (6) Business Days of making the investment. This is however, only available on your first investment with the Manager.</p>
Confirmation of an Application	<p>You shall be issued a transaction advice within two (2) weeks of processing your application. No certificates are issued. Instead your details are entered into the register of Unit Holders, which is kept at our head office and can be inspected during business hours.</p>
Miscellaneous Application Information	<p>You will be responsible for all losses and expenses of the Fund in the event of any failure to make payments according to the procedures outlined in this Prospectus. In addition, a RM20 charge will be imposed if a cheque does not clear. Such losses and expenses shall be deducted by the</p>

Manager from your account with us. We reserve the right to reject any application. We also reserve the right to change or discontinue any of our application procedures

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

5.4 Making Redemptions and Payment of Maturity Proceeds

Minimum Redemption	5,000 units <i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager's discretion to accept.</i>
Minimum Holding/Balance	1,000 units <i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager's discretion to accept.</i>
Forms To Be Completed	(1) Transaction form signed by individual unit holder(s)/ authorised signatory(ies); or (2) Letter of instruction (for non-individual or corporate investors only).
Submission of Redemption Request	Every Wednesday <i>Note: If Wednesday is not a Business Day, then it will be the next Business Day.</i>
Cut-off Time	<ul style="list-style-type: none"> If a redemption request with complete documentation is accepted by the Manager or our appointed distributors before 4.00 p.m. on a Business Day, it will be processed at the closing NAV per unit of the same Business Day. If a redemption request with complete documentation is accepted by the Manager or our appointed distributors after 4.00 p.m. on a Business Day, it will be processed at the closing NAV per unit of the next Business Day. <p><i>Notes:</i></p> <ul style="list-style-type: none"> <i>In order to be consistent with the Fund's valuation, you are only allowed to redeem your units on Wednesday (or the next Business Day if Wednesday is a non-Business Day).</i> <i>The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents. Incomplete applications will not</i>

	<p><i>be processed until all the necessary information has been received.</i></p> <ul style="list-style-type: none"> <i>You should note that different distributors may have different cut off times in respect of receiving redemption request. You are advised to contact the relevant distributors to obtain further information and should check with the relevant distributors on their cut off time in respect of receiving redemption request.</i>
Payment of Redemption Proceeds	Within seven (7) Business Days of processing the transaction form.
Payment of Maturity Proceeds	Within one (1) calendar month from the Maturity Date or the date of Early Termination (in the event of Early Termination).
Manner of Payment	<p>Redemption and/or maturity proceeds will be made in the currencies which the units are denominated will be paid to a bank account (active account) held in your own name or the first named Unit Holder (for joint account) either by telegraphic transfer, cheque or bank draft.</p> <p><i>Note: We reserve the right to vary the manner of payment from time to time, and shall be communicated to you.</i></p>

No redemption will be paid in cash under any circumstances.

5.5 Distribution Payment

Income distribution policy	<p>Subject to availability of income, distribution will be paid once a year.</p> <p>At the Manager's discretion, the Fund may distribute from its gain, income and capital. The rationale for distribution out of capital is to allow the Fund the ability to (i) distribute income on a regular basis in accordance with the distribution policy of the Fund or (ii) increase the amount of distributable income to the Unit Holders, after taking into consideration the risk of distributing out of capital.</p> <p>Distribution out of the Fund's capital has the effect of lowering the NAV of the Fund, may reduce part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders. When a substantial amount of the original investment is being returned to the Unit Holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</p>
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	<i>Note: Income distribution (if any) will be in the form of cash.</i>
Mode of Income Distribution	Income distribution earned will be deposited into your bank account held in your name or the first named Unit Holder (for joint account) or to pay such income distribution by way of a bank draft under any circumstances where the income distribution cannot be transferred. Reinvestment of income distribution is unavailable for the Fund.

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

5.6 Unclaimed Moneys

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

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

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

The Manager may suspend the determination of the NAV of the Fund, the issue of units and the redemption of units in the following circumstances or if in our judgment, an earlier payment would adversely affect the Fund:

- (a) during any period when 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, if the meeting is convened as a result of exceptional circumstances (where the market value or fair value of a material portion of the Fund's assets cannot be determined); or
- (g) if in our judgement, an earlier payment of redemption proceeds during exceptional circumstances for example, where a material portion of the Fund's assets decrease in value continuously as the market drop due to events such as global or regional financial crises or in any other scenarios, would adversely affect the Unit Holders and the Fund.

All Unit Holders including those who have requested for subscription and/or switching and/or redemption of their units will be notified timely 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 the cessation of such suspension. Any suspension shall be in accordance with the Deed.

Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund.

Cross Trade

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

Notwithstanding, cross trades between the personal account of an employee of the Manager and the Fund's account and between the Manager's proprietary trading accounts and the Fund's account are strictly prohibited. The execution of cross trade will be reported to the person(s) or members of a committee undertaking the oversight function of the Fund and disclosed in the Fund's annual report accordingly.

Borrowing/Financing

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

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

5.8 Distribution Channels

The Fund will be distributed by selected IUTA distributors. You may also contact the Manager for the list of distributors. For contact details of the Manager, please refer to page 64.

6 THE MANAGEMENT COMPANY

6.1 Corporate Information of the Manager

AmFunds Management Berhad

The information relating to the Manager is available on our website at: www.aminvest.com/eng/AboutUs/Pages/AmFundsManagementBerhad.aspx.

6.2 Roles, Duties and Responsibilities of the Manager

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

6.3 The Board of Directors

The board of directors ("Board"), of which at least one-third (1/3) are independent members, exercise ultimate control over the operations of AFM. The Board meets once every two (2) months to discuss and decide on business strategies, operational priorities and ways of managing risk within AFM.

The Board acts to ensure that investment risk and operational risk are monitored and managed. It also ensures that AFM's operations comply with regulations issued by the government and regulatory authorities.

The list of Board members is available on our website at: www.aminvest.com/eng/AboutUs/Pages/AmFundsManagementBerhad.aspx.

6.4 Designated Person Responsible for the Fund Management Function

Wong Yew Joe

The profile of Wong Yew Joe is available on our website at: www.aminvest.com/eng/AboutUs/Pages/AmFundsManagementBerhad.aspx.

6.5 Material Litigation

Information on all current material litigation and arbitration, including those pending and threatened which might materially affect the business and financial position of AFM is available on our website at: www.aminvest.com/eng/AboutUs/Pages/AmFundsManagementBerhad.aspx.

Please refer to our website at www.aminvest.com for further information on the Manager and other corporate information which may be updated from time to time.

7 THE TRUSTEE

7.1 About Deutsche Trustees Malaysia Berhad

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

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

7.2 Experience in Trustee Business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 222 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

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

7.3 Roles, Duties and Responsibilities of the Trustee

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

7.4 Trustee’s Disclosure of Material Litigation

As at LPD, the Trustee has not (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee.

7.5 Trustee’s Delegate

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over thirty (30) markets globally and

a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

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

7.6 Disclosure on Related-Party Transactions/ Conflict of Interests

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

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

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

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

8 SALIENT TERMS OF THE DEED

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

8.1 Rights and Liabilities of Unit Holders

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

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

As a Unit Holder, you have the right to:

- (a) Receive income distribution (if any);
- (b) Have your units redeemed;
- (c) Transfer your units, subject to Manager's discretion;
- (d) Participate in termination or winding up of the Fund;
- (e) Call, attend and vote at meetings of unit holders (the rules governing the holding of meetings are set out in the law and the Deed);
- (f) Receive statement of investments, annual and semi-annual 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:

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

The increase in the fees and charges can only be made in accordance with the Deed and the relevant laws. Any increase in the fees and/or the charges above the level disclosed in the Prospectus may be made provided that the maximum level stated in the Deed shall not be breached. In the event of any increase in the fees and/or the charges above the level disclosed in the Prospectus and within the level disclosed in the Deed, a supplemental prospectus will be issued.

Any increase in the fees or charges above the maximum level disclosed in the Deed shall require Unit Holders' approval at a duly convened Unit Holders' meeting and subsequently a supplemental deed and supplemental prospectus will be issued.

8.3 Permitted Expenses Payable out of the Fund

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

- (a) commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor and tax agent of the Fund;
- (d) fees for the valuation of any investment 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, insurance 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 (including but not limited to legal advisors/lawyers) or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function 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 semi-annual reports;
- (p) fees in relation to fund accounting; and
- (q) any tax and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (p) above.

8.4 Retirement, Removal and Replacement of the Trustee

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may retire upon the expiration of twelve (12) months' notice in writing to the Manager of its desire so to do, or such other period as the Manager and the Trustee may agree upon.

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

8.5 Retirement, Removal and Replacement of the Manager

The Manager may be removed by the Trustee where:

- (a) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the best interests of Unit Holders for the Trustee to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- (b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- (c) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed to the property and is not removed or withdrawn within thirty (30) days from appointment or has ceased to carry on business;

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

Subject to the approval of the relevant authorities, the Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee twelve (12) months' notice in writing of its desire to do so or

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

8.6 Termination of the Fund

Termination of Trust by the Manager

Subject to the provisions of the relevant laws, the Manager may without having to obtain the prior consent of the Unit Holders, terminate the trust hereby created and wind up the Fund if such termination:

- (a) is required by the relevant authorities;
- (b) is in the best interests of Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Fund; or
- (c) is a result of small Fund size, i.e. NAV is less than RM20 million or such other amount as the Manager and the Trustee may jointly deem it to be uneconomical for the Manager to continue managing the Fund.

Notwithstanding the aforesaid:

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

Upon the termination of the trust by the Manager, the Manager shall give to each Unit Holder of the Fund being wound up a notice of such termination in accordance with the relevant laws; the Manager shall notify the existing Unit Holders in writing of the following options:

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

Termination of Trust by the Trustee

In any of the following events:

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

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

If at any such meeting a Special Resolution to terminate the trust in respect to the Fund and to wind-up the Fund is passed by the Unit Holders, the Trustee shall apply to the court for an order confirming such Special Resolution.

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

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

8.7 Unit Holders' Meeting

- (1) The Trustee or the Manager may respectively at any time convene a meeting of Unit Holders at such time or place in Malaysia (subject as hereinafter provided) as the party convening the meeting may think fit and the following provisions of the Deed shall apply thereto.
- (2)
 - (a) The quorum required for a meeting of the Unit Holders of the Fund, as the case may be, shall be five (5) Unit Holders, whether present in person or by proxy; however, if the Fund, as the case may be, has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund, as the case may be, shall be two (2) Unit Holders, whether present in person or by proxy.
 - (b) 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, as the case may be, at the time of the meeting.

- (c) If the Fund, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund, as the case may be.
- (3) Any Unit Holder being a corporation may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Unit Holders, and a person so authorized shall at such meeting be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Unit Holder.
- (4) Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll be demanded or, if it be a question which under the Deed requires a Special Resolution for it to be resolved and passed, a poll shall be taken. A poll may be demanded before or immediately after any question is put to a show of hands.
- (5) The votes by every Unit Holder present in person or by proxy shall be proportionate to the value of Units held by him.
- (6) The Unit Holders may participate in a Unit Holders' meeting by video conference, web-based communication, electronic or such other communication facilities or technologies available from time to time and to vote at the Unit Holders' meeting. For the avoidance of doubt, the chairman of the meeting shall be present at the meeting either virtually or physically at the main venue of the Unit Holders' meeting.

Participation by a Unit Holder in a Unit Holders' meeting by any of the communication facilities referred in the above shall be deemed as present at the said Unit Holders' meeting and shall be counted towards the quorum notwithstanding the fact that the Unit Holder is not physically present at the main venue of where the Unit Holders' meeting is to be held.

Unless otherwise prescribed by the relevant laws, a Unit Holders' meeting summoned pursuant to this Section 8.7(6) shall not be deemed to have proceeded for such period or periods where any of the communication facilities referred to in this Section 8.7(6) have been disconnected. The chairman of the meeting may, at his absolute discretion, adjourn the meeting which had been disconnected and which cannot be reconnected within a reasonable time, to another date and time not being less than seven (7) days from the date of such meeting.

8.8 Meeting Directed by the Unit Holders

The Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10), whichever is less of all the 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, 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;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language national daily newspaper and in one other newspaper approved by the relevant authorities; and
 - (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

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

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

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

8.9 Meeting Summoned by the Manager or the Trustee

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

- (a) giving at least fourteen (14) days' written notice to Unit Holders; and
- (b) specifying in the notice, the place and time of the meeting and the terms of the resolutions to be proposed 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 an 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 an employee is allowed, provided that the policies and procedures in respect of the personal account dealing are observed and adhered to. The directors, person(s) or members of a committee undertaking the oversight function of the Fund and employees are required to disclose their portfolio holdings and dealing transactions as required under the Personal Account Dealing Policy and the Management of Conflict of Interest Policy. Further, the abovementioned shall make disclosure of their holding of directorship and interest in any company.

10 TAXATION

Date: 12 June 2024

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

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

Dear Sirs

AmFlexi Maturity 5 Taxation of the Fund and Unit Holders

1. This letter has been prepared for inclusion in the Prospectus (hereinafter referred to as “the Prospectus”) in connection with the offer for sale of units in the AmFlexi Maturity 5 (“the Fund”).

The following is general information based on Malaysian tax law in force at the time of lodging the Prospectus with the Securities Commission Malaysia (“SC”) and investors should be aware that the tax law may change at any time. The application of tax law depends upon an investor’s individual circumstances. The information provided below does not constitute tax advice. The Manager therefore recommends that investors consult their tax adviser regarding the specific application of the tax law relating to their specific tax position.

2. Taxation of the Fund

2.1 Income Tax

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

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

lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia or received in Malaysia from outside Malaysia is liable to income tax. The Fund may be receiving income such as exit fee which will be subject to tax at the prevailing tax rate applicable on the Fund. Section 61(1)(b) of MITA provides that gains arising from the realisation of investments shall be treated as income of the trust body of the trust as gains or profits from the disposal of a capital asset, provided that such gains are not related to real property as defined under the Real Property Gains Tax ("RPGT") Act, 1976.

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

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

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

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

The Fund may also receive interest, dividends, profits and other income from investments derived from sources outside of Malaysia. Prior to 1 January 2022, income arising from sources outside Malaysia and received in Malaysia was exempted from Malaysian income tax pursuant to Paragraph 28 of Schedule 6 of the MITA. Effective from 1 January 2022, Paragraph 28 of Schedule 6 of the MITA was amended to only exempt a non-resident person from foreign sourced income received in Malaysia. Unit trusts fund with a trustee who is tax resident in Malaysia are considered tax residents of Malaysia and would not qualify for the exemption under the amended Paragraph 28 of Schedule 6 of the MITA.

The Ministry of Finance of Malaysia issued the gazette orders, Income Tax (Exemption) (No. 5) Order 2022 [P.U.(A) 234/2022] and Income Tax (Exemption)

(No. 6) Order 2022 [P.U.(A) 235/2022] on 19 July 2022 which took effect from 1 January 2022. The orders grant exemption on foreign sourced income as follows:

- Dividend income received by companies and limited liability partnerships; and
- All types of foreign sourced income received by individuals, except for those carrying on a partnership business in Malaysia.

However, as the unit trust fund is not a “company”, “limited liability partnership” or “individual”, the above gazette orders do not apply to unit trust funds.

The income of the Fund which is received in Malaysia from outside Malaysia during the period 1 January 2022 until 30 June 2022 is subject to tax at the rate of 3% on gross foreign sourced income received in Malaysia. Foreign sourced income received in Malaysia from 1 July 2022 onwards will be taxed based on the prevailing income tax rate applicable to the Fund, i.e. 24%.

The foreign sourced income of the Fund may be subject to foreign tax in the country from which the income is derived. Pursuant to Schedule 7 of the MITA, where an income is chargeable to tax in Malaysia as well as in a foreign country, a relief shall be given by way of credit known as bilateral credit if the source country has a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 100% of foreign tax suffered and unilateral credit if the source country does not have a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 50% of foreign tax suffered. Please note that claiming of bilateral credit and unilateral credit is subject to the approval of the Inland Revenue Board upon review of the requisite supporting documentation.

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

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

Expenses being manager’s remuneration, maintenance of register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage, which are not

allowed under the general deduction rules, qualify for a special deduction at the minimum of 10% of such expenses pursuant to Section 63B of the MITA.

2.2 Capital Gains Tax (“CGT”)

Based on the Finance (No. 2) Act 2023, effective 1 January 2024, CGT will be imposed on gains or profits from the disposal of capital assets. However, based on the Income Tax (Exemption)(No.7) Order 2023, there is a 2-months (January 2024 and February 2024) exemption provided for disposal made on or after 1 January 2024 to 29 February 2024 in respect of disposal of shares in companies incorporated in Malaysia not listed on the stock exchange.

Gains or profits from the disposal of a capital asset situated in Malaysia is exempted from tax. However, the exemption does not apply to disposal of unlisted shares of a company incorporated in Malaysia and disposal of shares under Section 15C of MITA.

Following to the above, the Malaysian Inland Revenue Board (“MIRB”) has issued the Guidelines: Capital Gains Tax on Unlisted Shares dated 1 March 2024 (CGT Guidelines) [*Available in Bahasa Malaysia only*].

Additionally, the Income Tax (Exemption) (No. 3) Order 2024 [P.U.(A) 75/2024] provides that gains or profits from the disposal of foreign capital assets received in Malaysia by companies, limited liability partnerships, trust bodies, and co-operative societies resident in Malaysia, which are compliance according to the economic substance requirements (“ESR”), are given exemption from CGT from 1 January 2024 to 31 December 2026, was gazetted on 4 March 2024.

According to the P.U.(A) 75/2024, the ESR condition is subject to compliance with the conditions imposed by the Minister as specified in the Guideline on Tax Treatment on Gains From the Disposal of Foreign Capital Assets Received from Outside Malaysia. The ESR for the CGT exemption includes the following:

- (a) employ adequate number of employees with necessary qualifications to carry out the specified economic activities in Malaysia; and
- (b) incur adequate amount of operating expenditure for carrying out the specified economic activities in Malaysia.

Any deduction in relation to the gains or profits exempted from CGT shall be disregarded for the purpose of ascertaining the chargeable income of the company, limited liability partnership, trust body, and co-operative society.

The CGT rate charged on gains or profits from the disposal of foreign capital asset, unlisted shares and Section 15C shares is provided under Part XXI, Schedule 1 of the MITA. The CGT rate is as follows:-

Type of capital asset	CGT Rate
Unlisted Shares and Section 15C Shares acquired before 1 January 2024	<ul style="list-style-type: none"> • 10% on chargeable income from disposal of unlisted shares and Section 15C shares; or • 2% of gross disposal price
Unlisted Shares and Section 15C Shares acquired on or after 1 January 2024	10% on chargeable income from disposal of unlisted shares and Section 15C shares
Foreign capital asset	Prevailing rate for the company, limited liability partnership, trust body or co-operative society

The Fund is required to electronically file the tax returns within 60 days from the date of each disposal. The CGT will be paid within 60 days from the date of disposal. The Fund is required to keep the records of the disposal for 7 years.

2.3 Gains on Disposal of Investments

Currently, gains on disposal of investments by the Fund, where the investments represent shares in real property companies, may be subject to RPGT under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties or shares in real property companies with a market value of not less than 75% of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

However, based on the Finance (No.2) Act 2023, gains from disposal of real property company shares which are held by a company, limited liability partnership, trust body or co-operative society will be subject to CGT under MITA effective 1 January 2024. Disposal of other real properties will still be subject to RPGT Act, 1976.

2.3 Service Tax

The issuance of units by the Fund to investors will not be subject to Service Tax. Any distributions made by the Fund to unitholders are also not subject to Service Tax. For management fees, this specifically excludes fees charged by any person who is licensed or registered with the Securities Commission for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007.

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

If the Fund acquires any imported taxable services from a service provider outside of Malaysia, these services would be subject to 6% Service Tax. However, effective from 1 March 2024, in accordance with the provisions of subsection 10(2) Service Tax Act 2018, the service tax for the above services would be subject to service tax at 8%. The Fund would be required to file an SST-02A return on an ad hoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department.

3. Taxation of Unit Holders

3.1 Taxable Distribution

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent such income is distributed to them. Unit Holders are also liable to pay income tax on the taxable income distributions paid by the Fund. Taxable income distributions carry a tax credit in respect of the tax chargeable on that part of the Fund. Unit Holders will be subject to tax on an amount equal to the net taxable income distribution plus attributable underlying tax paid by the Fund. No withholding tax will be imposed on the income distribution of the Fund.

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

Unit Holders	Malaysian Tax Rates for Year of Assessment 2023	Malaysian Tax Rates for Year of Assessment 2024
<p>Malaysian tax residents:</p> <ul style="list-style-type: none"> ▪ Individual and non-corporate Unit Holders ▪ Co-operative societies ▪ Trust bodies ▪ Corporate Unit Holders 	<ul style="list-style-type: none"> ▪ Progressive tax rates ranging from 0% to 30% ▪ Progressive tax rates ranging from 0% to 24% ▪ 24% 	<ul style="list-style-type: none"> ▪ Progressive tax rates ranging from 0% to 30% ▪ Progressive tax rates ranging from 0% to 24% ▪ 24%

Unit Holders	Malaysian Tax Rates for Year of Assessment 2023	Malaysian Tax Rates for Year of Assessment 2024
<p>i. A company* with paid up capital in respect of ordinary shares of not more than RM2.5 million where the paid up capital in respect of ordinary shares of other companies within the same group as such company is not more than RM2.5 million (at the beginning of the basis period for a year of assessment) and having gross income from source or sources consisting of a business of not more than RM50 million for the basis period of a year assessment</p> <p>ii. Companies other than those in (i) above</p> <p>Non-Malaysian tax residents:</p>	<ul style="list-style-type: none"> ▪ 15% for every first RM150,000 of chargeable income ▪ 17% for chargeable income of RM150,001 to RM600,000 ▪ 24% for chargeable income in excess of RM600,000 <ul style="list-style-type: none"> ▪ 24% 	<ul style="list-style-type: none"> ▪ 15% for every first RM150,000 of chargeable income ▪ 17% for chargeable income of RM150,001 to RM600,000 ▪ 24% for chargeable income in excess of RM600,000 <p>* Based on the Finance (No.2) Act 2023, if a company's paid-up capital is owned (directly or indirectly) by companies incorporated outside Malaysia or non-Malaysian citizens, then the company is not entitled to the preferential tax rates above.</p> <ul style="list-style-type: none"> ▪ 24%

Unit Holders	Malaysian Tax Rates for Year of Assessment 2023	Malaysian Tax Rates for Year of Assessment 2024
<ul style="list-style-type: none"> ▪ Individual and non-corporate Unit Holders ▪ Co-operative societies 	<ul style="list-style-type: none"> ▪ 30% ▪ 24% 	<ul style="list-style-type: none"> ▪ 30% ▪ 24%

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

Non-resident Unit Holders may be subject to tax in their respective tax jurisdictions depending on the provisions of the relevant tax legislation in the jurisdiction they report their income taxes. Any Malaysian income tax suffered by non-resident Unit Holders may be eligible for double tax relief under the laws of the non-resident Unit Holder's jurisdiction subject also to the terms of the double tax agreement with Malaysia (if applicable).

3.2 Withholding Tax on Distribution from Retail Money Market Fund (“RMMF”) to Unit Holders

Distribution of income of a unit trust fund that is a RMMF to its Unit Holders (other than the distribution of interest income to non-individual Unit Holders) is exempted from tax in the hands of the Unit Holders. Non-individual Unit Holders will be chargeable to tax on the income distributed to the Unit Holder from the interest income of a RMMF exempted under Paragraph 35A of Schedule 6 of the MITA with effect from 1 January 2022 as follows:-

Types of Unit Holders	Malaysian Tax Rates for Year of Assessment 2024
<u>Non-individual residents:</u> <ul style="list-style-type: none"> ▪ Withholding tax rate ▪ Withholding tax mechanism ▪ Due date of payment 	<ul style="list-style-type: none"> ▪ 24% ▪ Income distribution carries a tax credit, which can be utilised to set off against the tax payable by the Unit Holders ▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income

Types of Unit Holders	Malaysian Tax Rates for Year of Assessment 2024
<p data-bbox="208 177 418 228"><u>Non-individual non-residents:</u></p> <ul style="list-style-type: none"> <li data-bbox="208 260 460 284">▪ Withholding tax rate <li data-bbox="208 316 409 367">▪ Withholding tax mechanism <li data-bbox="208 427 468 451">▪ Due date of payment 	<ul style="list-style-type: none"> <li data-bbox="529 260 624 284">▪ 24% <li data-bbox="529 316 990 367">▪ Withholding tax deducted will be regarded as a final tax <li data-bbox="529 395 990 504">▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income

As the Fund is not a RMMF, the above withholding tax on distribution of interest income that is exempted under Paragraph 35A of Schedule 6 of the MITA will not be applicable to the non-individual Unit Holders of the Fund.

3.3 Tax Exempt Distribution

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

3.4 Distribution Voucher

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

3.5 Sale, Transfer or Redemption of Units

Currently, any gains realised by a Unit Holder on the sale, transfer or redemption of his units are generally tax-free capital gains unless the Unit Holder is an insurance company, a financial institution or a person trading or dealing in securities. Generally, the gains realised by these categories of Unit Holders constitute business income on which tax is chargeable. Unit Holders should consult their respective tax advisors based on their own tax profiles to determine whether the gain from sale, transfer or redemption of units would qualify as capital gains or trading gains.

3.6 Reinvestment of Distribution

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

3.7 Unit Splits

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

3.8 Service Tax

Pursuant to the Lampiran A of the First Schedule of the Service Tax Regulations 2018 ("First Schedule"), only taxable services listed in the First Schedule are subject to service tax. Investment income or gains received by the Unit Holder are not prescribed taxable services and hence, not subject to Service Tax.

Currently, the legal fees, consultant fees and management fees may be subject to service tax at 6% if the service providers are registered for Services Tax. Effective from 1 March 2024, in accordance with the provisions of subsection 10(2) Service Tax Act 2018, the aforementioned services would be subject to service tax at 8%.

We hereby confirm that the statements made in this tax adviser letter correctly reflect our understanding and the interpretation of the current Malaysian tax legislations and the related interpretation and practice thereof, all of which may subject to change. 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

Toh Hong Peir
Executive Director
Deloitte Tax Services Sdn Bhd

Tax Exempt Income of Unit Trusts (Non Exhaustive)

1. Interest or discount paid or credited to any individual, unit trust and listed closed end fund in respect of the following will be exempt from tax:-
 - Securities or bonds issued or guaranteed by the Government; or
 - Debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the SC; or
 - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.[Para 35 of Schedule 6 of the MITA]

2. Income of a unit trust in respect of interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 (“FSA”) or the Islamic Financial Services Act 2013 (“IFSA”) or any development financial institution regulated under the Development Financial Institutions Act 2002 (“DFIA”).

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

[Para 35A of Schedule 6 of the MITA]

3. Interest in respect of any savings certificates issued by the Government.
[Para 19 of Schedule 6 of the MITA]
4. Interest paid or credited to any person in respect of Sukuk originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved or authorized by, or lodged with, the SC or approved by the Labuan Financial Services Authority.
[Para 33B of Schedule 6 of the MITA]
5. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia.
[Income Tax (Exemption) (No. 5) Order 2001]
6. Interest income derived from bonds (other than convertible loan stocks) paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad (“MESDAQ”) (now known as Bursa Malaysia Securities Berhad ACE Market).
[Income Tax (Exemption) (No. 13) Order 2001]
7. Income derived from the Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc.
[Income Tax (Exemption) (No. 31) Order 2002]

8. Discount or profit received from the sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad within and outside Malaysia.
[Income Tax (Exemption) (No. 6) Order 2003]
9. Income derived from the Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad.
[Income Tax (Exemption) Order 2010]
10. Gain or profit received from the investment in Islamic securities, other than convertible loan stock, which are issued in accordance with the principles of Mudharabah, Musyarakah, Ijarah, Istisna' or any other principle approved by the Shariah Advisory Council established by the SC under the Capital Markets and Services Act 2007.
[Income Tax (Exemption) (No. 2) Order 2011]
11. Gains or profits in lieu of interest, derived from the Sukuk Wakala in accordance with the principle of Al-Wakala Bil Istithmar, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad.
[Income Tax (Exemption) (No. 4) Order 2011]
12. Income derived from Sukuk Kijang is exempted from the payment of income tax pursuant to Income Tax (Exemption) (No. 10) Order 2013. For the purpose of this order, "Sukuk Kijang" means the Islamic Securities of nominal value of up to two hundred and fifty million United States dollars (USD\$250,000,000) issued or to be issued in accordance with the Shariah principle of Ijarah by BNM Kijang Berhad.
[Income Tax (Exemption) (No. 10) Order 2013]
13. Gains or profits derived, in lieu of interest, derived from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (USD1,500,000,000.00) in accordance with the principle of Wakala Bil Istithmar, other than a convertible loan stock, issued by the Malaysia Sovereign Sukuk Berhad.
[Income Tax (Exemption) (No. 3) Order 2015]
14. Gains or profits derived, in lieu of interest from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (US\$1,500,000,000.00) in accordance with the principle of Wakala, other than a convertible loan stock, issued by the Malaysia Sukuk Global Berhad (formerly known as 1Malaysia Sukuk Global Berhad).
[Income Tax (Exemption) (No. 2) Order 2016]

11 ADDITIONAL INFORMATION

11.1 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 half-yearly statement. It will state the balance of units held by you together with all transactions made since the last statement.

Reports

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

The Fund's annual report is available upon request.

Tax voucher

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

Website

We publish updated information on our website www.aminvest.com, including the NAV per unit of the Fund on a weekly basis.

Avenue for advice to prospective investors

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

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

11.2 Keeping Us Informed

Changing your account details

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

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

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

Investor feedback and complaints

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

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

11.3 Customer Identification Program

Customer Identification Program

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

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

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

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

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

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

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

12 CONSENT

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

1. Deutsche Trustees Malaysia Berhad
2. Deutsche Bank (Malaysia) Berhad
3. Deloitte Tax Services Sdn Bhd

13 DOCUMENTS AVAILABLE FOR INSPECTION

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

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

14 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

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)

