

# Replacement Information Memorandum for **AmIncome Premium**

This is a Replacement Information Memorandum supersedes/replaces the Information Memorandum for AmIncome Premium dated 19 September 2006.

The Manager

**AmInvestment Services Berhad**

Company number: 154432-A

The Trustee

**HSBC (Malaysia) Trustee Berhad**

Company number: 001281-T



**AmInvest**

This Replacement Information Memorandum is dated 1 December 2014 **Growing Your Investments in a Changing World**

Qualified investors are advised to read and understand the contents of the information memorandum. If in doubt, please consult a professional adviser before subscribing to the wholesale fund. For information concerning certain risk factors which should be considered by qualified investors, see "risk factors" commencing on page 10.

# PREFACE

Dear Qualified Investors,

This Information Memorandum introduces you to AmIncome Premium (the “Fund”), a fund managed by AmInvestment Services Berhad.

The Fund aims to obtain consistent and stable growth and to achieve better yield enhancement from the portfolio over the prevailing 12 months fixed deposit rate.

The Fund will invest up to 100% of its NAV in fixed income and money market instruments with no limit imposed for investment in any single issuer/counterparty, (i.e. 100% of the NAV may be invested in a single issuer/counterparty). There is no minimum rating for a security purchased or held.

The specific risks of investing in the Fund are credit (default) risk, concentration risk, interest rate risk, and liquidity risk.

Kindly refer to page 11 for detailed information on the specific risk of investing in the Fund.

There are fees payable when investing in the Fund. The fees and charges payable are as follows:

- (i) annual management fee of up to 0.75% p.a. of the NAV of the Fund; and
- (ii) annual trustee fee of up to 0.08% p.a. of the NAV of the Fund

There will be no entry charge or exit penalty charged by the Fund.

The Fund is suitable for Qualified Investors who seek:

- regular income\*; and
- to preserve\*\* their capital.

*Note: \* The income could be in the form of units or cash.*

*\*\* The Fund is not a capital protected /a capital guaranteed fund. Therefore, capital / returns are not guaranteed. For further details on the mode of income distribution please refer to page 25.*

If you are interested in purchasing units of the Fund or require further information or have any inquiries, kindly contact us on (03) 2032 2888 or by fax at (03) 2031 5210 or email enquiries@aminvest.com

Finally, thank you for your interest in AmIncome Premium.

.....  
Datin Maznah Mahbob  
Chief Executive Officer  
AmInvestment Services Berhad

*Note: Please refer to pages 1 to 3 for definition of words in caption above*

**THIS IS A REPLACEMENT INFORMATION MEMORANDUM THAT REPLACES AND SUPERCEDES THE INFORMATION MEMORANDUM DATED 19 SEPTEMBER 2006**

# DISCLAIMER

## ***Responsibility Statements***

This Replacement Information Memorandum for AmlIncome Premium has been seen and approved by the Directors of AmlInvestment Services Berhad and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted of which would make any statement herein misleading.

## ***Statements of Disclaimer***

The Securities Commission Malaysia has authorized AmlIncome Premium, the subject of this Replacement Information Memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of AmlInvestment Services Berhad and takes no responsibility for the contents of the Replacement Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this Replacement Information Memorandum.

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

## ***Additional Statements***

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

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

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 Qualified Investors may not get back the amount invested. Qualified Investors should consider the risk factor set out under the heading Risk Factors in this Replacement Information Memorandum.

**THIS IS A REPLACEMENT INFORMATION MEMORANDUM THAT REPLACES AND SUPERCEDES THE INFORMATION MEMORANDUM DATED 19 SEPTEMBER 2006**

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

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

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 AmInvestment Group Berhad or its group of companies.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of units in the Fund other than those contained in this Information Memorandum or any supplemental therein and, if issued, given or made, such advertisement, information or representations must not be relied upon by a Qualified Investor.

Qualified Investors may wish to consult their independent professional adviser about the suitability of this Fund for their investment needs.

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

The Fund has not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Person, except in a transaction which does not violate the securities laws of the United States of America.

### **Personal Data**

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

- a. Access and manage your application(s) for our products and services so that we can provide you with more and up to-date information such as improvements and new features to the existing products and services, development of new products and service and promotions by AmInvestment Services Berhad and/or AmBank Group, which may be of interest to you;
- b. Manage and maintain your account through regular updates, consolidation and improving the accuracy of our records. In this manner we can respond to your enquiries, complaints and to generally resolve disputes quickly so that we can improve our business and your relationship with us;
- c. Conduct research for analytical purposes, data mining and analyse your transactions or use of products and services to better understand your current financial or investment position and future needs. We will also produce data, reports and statistics from time to time, however such information will be aggregated so that your identity will remain confidential. Sometimes it may be necessary if required, to verify your financial standing through credit reference or reporting checks;

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- d. Comply with the requirements of any law binding on us such as conducting anti-money laundering checks, crime detection or prevention, prosecution, protection or enforcement of our rights to recover any debt owing to us including transferring or assigning our rights, interests and obligations under any of your agreement with us;
- e. Perform shared services within AmBank Group such as audit, compliance, legal, human resource, risk management including assessing financial risks;
- f. Outsourcing of business and back-room operations within AmBank Group; and
- g. Any other purpose(s) that is required or permitted by any law, regulations, guidelines and/or relevant regulatory authorities including with the trustee of the fund you invest in.

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

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## DEFINITIONS

<b>AHB</b>	AMMB Holdings Berhad and its group of companies
<b>AIS, Manager, we, us, our, the Company</b>	AmInvestment Services Berhad
<b>AmBank</b>	AmBank (M) Berhad
<b>AmBank Group</b>	Refers to AMMB Holdings Berhad and all its direct and indirect subsidiaries, including, but not limited to: AmBank (M) Berhad, AmIslamic Bank Berhad, AmInvestment Bank Berhad, AmInvestment Group Berhad, AmInvestment Services Berhad, AmInvestment Management Sdn Bhd, AmIslamic Funds Management Sdn Bhd, AmFutures Sdn Bhd, AmCard Services Berhad, AmGeneral Insurance Berhad, AmMetLife Insurance Berhad and AmMetLife Takaful Berhad
<b>AmInvestment Bank</b>	AmInvestment Bank Berhad
<b>AmInvestment Group Berhad</b>	AmInvestment Group Berhad and its group of companies
<b>AmInvest</b>	The brand name for the funds management business of AMMB Holdings Berhad comprising AmInvestment Services Berhad and AmIslamic Funds Management Sdn Bhd
<b>Auditor</b>	Has the same meaning as defined in the CMSA 2007
<b>BNM</b>	Bank Negara Malaysia
<b>Business Day</b>	A day on which commercial banks are open for business in Malaysia other than Saturday, Sunday or public holidays.
<b>Buying price</b>	The price at which the Manager buys units
<b>CMSA 2007, the Act</b>	Capital Markets and Services Act 2007 and any amendments made thereto
<b>Deed</b>	The Master Deed dated 17 January 2000 as modified by the first supplemental deed dated 27 September 2001, the thirteenth supplemental deed dated 21 July 2006 and the sixteenth supplemental deed is dated 12 July 2007 all entered into between the Manager and the Trustee in respect of the Fund
<b>Deposits, enter, subscriptions</b>	Applications
<b>FATCA</b>	Foreign Account Tax Compliance Tax
<b>Fund</b>	AmIncome Premium
<b>Latest Practicable Date</b>	30 September 2014
<b>MARC</b>	Malaysian Rating Corporation Berhad
<b>MER</b>	Management Expense Ratio

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<b>NAV per unit</b>	Net Asset Value of the Fund divided by the number of units in circulation, at the valuation point.
<b>Net Asset Value (NAV) of the Fund</b>	The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant day
<b>Qualified Investor</b>	<p>refers to :</p> <ul style="list-style-type: none"> <li>(a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;</li> <li>(b) an individual who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months;</li> <li>(c) an individual who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months;</li> <li>(d) a corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(e) a partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies;</li> <li>(f) a unit trust scheme or prescribed investment scheme;</li> <li>(g) a private retirement scheme;</li> <li>(h) a closed-end fund;</li> <li>(i) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit or its equivalent in foreign currencies;</li> <li>(j) a corporation that is a public company under the Companies Act 1965 which is approved by the Securities Commission Malaysia to be a trustee under the CMSA and has assets under management exceeding ten million ringgit or its equivalent in foreign currencies;</li> <li>(k) a statutory body established by an Act of Parliament or an enactment of any state in Malaysia;</li> <li>(l) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967;</li> <li>(m) a holder of a Capital Markets Services Licence issued pursuant to the CMSA;</li> <li>(n) a licensed institution;</li> <li>(o) an Islamic bank;</li> <li>(p) an insurance company licensed under Financial Services Act 2013;</li> <li>(q) a takaful operator registered under the Islamic Financial Services Act 2013;</li> <li>(r) a bank licensee or insurance licensee as defined under the</li> </ul>

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	<p>Labuan Financial Services and Securities Act 2010;</p> <p>(s) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;</p> <p>(t) any other fund manager; and</p> <p>(u) a person who acquires securities pursuant to an offer, as principal, if the aggregate consideration for the acquisition is not less than RM250,000 or its equivalent in foreign currencies for each acquisition.</p>
<b>RAM</b>	RAM Rating Services Berhad
<b>Replacement Information Memorandum</b>	Replacement Information Memorandum for AmlIncome Premium and includes any supplemental information memorandum
<b>RM</b>	Ringgit Malaysia
<b>SC</b>	Securities Commission Malaysia
<b>SC Guidelines</b>	Guidelines on Wholesale Funds issued by the Securities Commission Malaysia, and shall include any amendments and revisions contained therein or made pursuant thereto.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad
<b>Unit Holder(s), investor(s) applicant, you</b>	The person(s) for the time being registered under the provision of the Deed as a holder of units of the Fund and includes the Manager and joint holders.
<b>US (United States) Person</b>	A citizen or resident of the United States of America, a partnership organized or existing under the laws of any state, territory or possession of the United States of America, or a corporation organized under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it. If a unit holder subsequently becomes a "United States Person" and such fact comes to the attention of the Manager, units owned by that person must be compulsorily redeemed by the Manager.
<b>Wholesale Fund</b>	A fund, the units which are issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units have been made, exclusively to Qualified Investors
<b>Withdrawal, exit</b>	Redemptions

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# CORPORATE DIRECTORY

## MANAGER

### **AInvestment Services Bhd**

Company number: 154432-A

#### *Registered office*

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

#### *Head office*

9<sup>th</sup> & 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.ambankgroup.com  
www.aminvest.com

## **Board of Directors**

Kok Tuck Cheong (*Non – Independent*)  
Datin Maznah Mahbob (*Non – Independent*)  
Harinder Pal Singh (*Non – Independent*)  
Mohd Fauzi Mohd Tahir (*Non – Independent*)  
Professor Dr. Annuar Md. Nassir (*Independent*)  
Mustafa Bin Mohd Nor (*Independent*)

## **Investment Committee**

Professor Dr. Annuar Md. Nassir (*Independent*)  
Mustafa Bin Mohd Tahir (*Independent*)  
Dato' Mohd Effendi bin Abdullah (*Non – Independent*)  
Harinder Pal Singh (*Non – Independent*)

## **Audit Compliance Committee**

Kok Tuck Cheong  
Professor Dr. Annuar Md Nassir (*Independent*)  
Mustafa Bin Mohd Tahir (*Independent*)

## **Secretary**

Koh Suet Peng (MAICSA 7019861)

22nd Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur

## TRUSTEE

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

Company number: 001281-T

#### *Registered office/Business office*

13th Floor, HSBC South Tower  
No. 2, Leboh Ampang  
50100 Kuala Lumpur  
Tel: (03) 2075 7800  
Fax: (03) 2179 6511

## TRUSTEE'S DELEGATE

(local custodian)

**The Hong Kong and Shanghai Bank Corporation limited and assets held through HSBC Nominees (Tempatan) Sdn Bhd**

Company number: 258854-D

#### *Business office*

No. 2, Leboh Ampang  
50100 Kuala Lumpur  
Tel: (03) 2075 3000  
Fax: (03) 2179 6488

(foreign custodian)

**HSBC Institutional Trust Services (Asia) Limited**

#### *Business office*

6th Floor, Tower One  
HSBC Centre  
No. 1 Sham Mong Road  
Kowloon, Hong Kong  
Tel: (852) 2822 1111  
Fax: (852) 2810 5259

## AUDITORS

### **Ernst & Young**

AF 0039

#### *Registered office*

Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel: (03) 7495 8000 Fax: (03) 2095 9076

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## **TAXATION ADVISOR**

### **Deloitte Tax Services Sdn Bhd**

*(formerly known as Deloitte KassimChan Tax Services Sdn Bhd)*

Company number: 36421-T

Level 16, Menara LGB  
1 Jalan Wan Kadir  
Taman Tun Dr Ismail  
60000 Kuala Lumpur  
Tel : (03) 7610 8888 Fax : (03) 7725 7768

## **FEDERATION OF INVESTMENT MANAGERS MALAYSIA (FIMM)**

19-06-1, 4th Floor, Wisma Tune,  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur  
Tel: (03) 2093 2600 Fax: (03) 2093 2700  
Email: [info@fimm.com.my](mailto:info@fimm.com.my)  
Website: [www.fimm.com.my](http://www.fimm.com.my)

# KEY DATA OF THE FUND

The description on the following pages introduces you to AmIncome Premium and helps you decide whether AmIncome Premium best fits your investment needs. Keep in mind, however that no fund can guarantee it will meet its investment objective at all times, and no fund should be relied upon as a complete investment program.

**THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE FUND AND QUALIFIED INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE REPLACEMENT INFORMATION MEMORANDUM BEFORE MAKING INVESTMENT DECISIONS.**

## FUND INFORMATION

<b>Name of the Fund</b>	AmIncome Premium
<b>Category of Fund</b>	Wholesale Fixed Income
<b>Type of Fund</b>	Income
<b>Investment Objective</b>	<p>To obtain consistent and stable growth and to achieve better yield enhancement from the portfolio over the prevailing 12 months fixed deposit rate.</p> <p><i>Note: Any material change to the Fund's investment objective would require Unit Holders' approval</i></p>
<b>Investment Strategy</b>	<p>The Fund will invest up to 100% of its NAV in fixed income and money market instruments with no limit imposed for investment in any single issuer/ counterparty, (i.e. 100% of the NAV may be invested in a single issuer/ counterparty). There is no minimum rating for a security purchased or held.</p>
<b>Investor Profile</b>	<p>The Fund is suitable for Qualified Investors who seek:</p> <ul style="list-style-type: none"> <li>• regular income*; and</li> <li>• to preserve** their capital</li> </ul> <p>Note: * The income could be in the form of units or cash.</p> <p><i>** The Fund is not a capital protected / a capital guaranteed fund. Therefore, capital / returns are not guaranteed. For further details on the mode of income distribution please refer to page 25.</i></p>
<b>Financial Year</b>	30 September
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• Up to 100% of the Fund will be invested in fixed income and money market instruments.</li> </ul>

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<b>Base Currency of the Fund</b>	Ringgit Malaysia
<b>Performance Benchmark</b>	RAM Quantshop Short Term MGS Index  (Obtainable via <a href="http://www.aminvest.com">www.aminvest.com</a> )  <i>Note: The performance benchmark is only a measurement of the Fund's performance and there is no guarantee that the Fund will achieve the performance benchmark in any particular year.</i>
<b>Specific Risk Associated with the Fund</b>	<ul style="list-style-type: none"> <li>• Credit (default) risk</li> <li>• Interest rate risk</li> <li>• Liquidity risk</li> <li>• Concentration risk</li> </ul>
<b>Income Distribution</b>	Income (if any) is incidental and at the discretion of the Manager.  <i>Note: The income could be in the form of units or cash. For further details on the mode of income distribution please refer to page 25.</i>  <i>Should there be realized income or gains, there may be income distribution declared.</i>

## FEES AND CHARGES

### Charges

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

<b>Entry Charge</b>	There will be no entry charge charged by the Fund
<b>Exit Penalty</b>	There will be no exit penalty charged by the Fund

### Fees and Expenses

This table describes the fees and expenses that you may indirectly incur when you invest in the Fund:

<b>Annual Management Fee*</b>	Up to 0.75% p.a. of the NAV of the Fund
<b>Annual Trustee Fee</b>	Up to 0.08% p.a. of the NAV of the Fund

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<b>Fund Expenses</b>	<p>A list of the expenses directly related to the Fund are as follows:</p> <ul style="list-style-type: none"> <li>• audit fees;</li> <li>• tax agent's fees;</li> <li>• printing and postages of annual and quarterly reports;</li> <li>• bank charges;</li> <li>• investment committee fee for independent members;</li> <li>• lodgment/ delivery fee for fund reports;</li> <li>• commission paid to brokers/dealers (if any);</li> <li>• sub – custodian fee (if any); and</li> <li>• other expenses as permitted by the Deed.</li> </ul>
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*\*The Manager reserves the right to waive or reduce the management fee from time to time at its absolute discretion.*

*Please refer to page 16 and 17 for details on Fees, Charges and Expenses.*

## TRANSACTION DETAILS

<b>Minimum Investment</b>	RM10 million or such lower amounts as the Manager may from time to time decide.
<b>Minimum Additional Investment</b>	RM1,000,000 or such lower amounts as the Manager may from time to time decide.
<b>Minimum withdrawal</b>	1,000,000 units or such units as the Manager may from time to time decide
<b>Minimum Holding/ Balance</b>	10 million units or such amounts as the Manager may from time to time decide
<b>Switching Facility</b>	Switching facility is not available for this Fund.
<b>Transfer Facility</b>	Transfer facility is not available for this Fund.

*Please refer to pages 19 to 24 for details on how to make an application or withdrawal.*

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## OTHER INFORMATION

### ***Supplementary Deed***

The Master Deed relating to the Fund dated 17 January 2000, the first supplemental deed relating to the Fund is dated 27 September 2001, the thirteenth supplemental deed is dated 21 July 2006 and the sixteenth supplemental deed is dated 12 July 2007.

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

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

***FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE QUALIFIED INVESTORS, PLEASE REFER TO THE RISK FACTORS COMMENCING ON PAGE 10.***

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# RISK FACTORS

All types of investments carry some degree of risks. The role of the Manager in a wholesale fund is to choose assets which mitigate risks as much as possible while working to achieve the objective of the Fund.

However, it is not always possible to protect against all types of risks that can occur. For example, political changes and natural disasters can have a rapid effect on the outlook for economies and currencies.

Therefore, before making an investment decision, an investor should consider the different types of risks that may affect a wholesale fund or the investor individually.

## GENERAL RISKS OF INVESTING IN THE FUND

### Market Risk

This is the risk of prices of asset falling in response to general market factors as opposed to company-specific factors, which may affect the Fund's underlying investments and hence the NAV of the Fund. Factors influencing the performance of markets include:

- (a) Economic factors such as changes in interest rates, inflation and foreign exchange rates;
- (b) Socio-political environment;
- (c) regulatory factors; and
- (d) Broad investor sentiment.

### 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 Risk

This is the risk of the Manager making poor investment decisions which may adversely affect the performance of the Fund. Poor investment decisions could be due to incorrect view of markets or because of the chosen investment style.

### 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 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.

*Returns of the Fund are not guaranteed*

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This risk may be mitigated by having sufficient internal controls in place to ensure compliance with all applicable requirements at all times.

### **Mismatch Risk**

The choice of investing in the Fund is made at the discretion of the investors. Mismatch risk is the risk that the Fund chosen by the investor may not be suitable for the needs and circumstances of the investor.

### **Financing Risk**

This risk occurs when an investor obtains financing to finance the investor's purchase of units of the Fund. The inherent risk of investing with borrowed money includes the investor's inability to service the loan repayments and the adverse impact of an increase in interest rates on the loan repayments, where the investor may be subject to higher loan repayment installments.

In the event units are used as collateral, an investor may be required to provide cash or units as additional collateral if unit prices fall beyond a certain level due to market conditions, failing which, the investor's units may be sold towards settling the loan.

## **SPECIFIC RISKS ASSOCIATED WITH AmINCOME PREMIUM**

### **Credit (Default) Risk**

This is the risk of issuers of fixed income instruments defaulting on their payment obligations (i.e. principal and/or coupon/profit obligation) which in turn would affect the NAV of the Fund.

To mitigate this risk, the Manager considers both external rating(s) and internal credit evaluation which allows the Fund to invest in fixed income instruments where the issuers of the instruments are assessed to have capacity for timely payment of financial obligations.

Note that the Manager performs continuous fundamental credit evaluation (research and analysis) to assess the creditworthiness of the relevant issuers, and to adjust credit exposures to those fixed income instruments accordingly.

### **Interest Rate Risk**

This is the risk of an increase in interest rates causing the value of fixed income instruments held by this Fund to generally decline. In particular, fixed income instruments with longer maturities and lower coupon/profit rates are more sensitive to interest rate changes, and are subject to greater interest rate risk compared to instruments with shorter maturities and higher coupon/profit rates.

This risk may be mitigated through the management of the duration of the Fund's investment based on interest rate outlook.

### **Liquidity Risk**

Liquidity is defined as the ease with which securities can be bought or sold. This depends on the availability of buyers and sellers as well as the trading volume of securities in the market. The Fund holding investments that are illiquid or difficult to dispose of would be exposed to liquidity risk, which in this context refers to the inability of the Fund to take advantage of potentially better pricing that would be available if there were more buyers and the securities are more actively traded in the market.

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Liquidity risk may be mitigated by investing in a portfolio of securities with reasonable\* trading volumes and avoiding securities with poor liquidity.

\* The Manager determines what is deemed to be reasonable trading volume for the Fund.

**Concentration risk**

This is the risk that the Fund may be overly concentrated in a few issuers and/or sectors. As such, developments affecting any of those few issuers and/or sectors may affect the NAV of the Fund more adversely as compared to the scenario where the Fund is more diversified across many issuers and/or sectors.

This risk may be mitigated by diversifying the investment across several issuers and/or sectors.

***Note: The abovementioned risks which Qualified Investors should consider before investing into the Fund should not be considered to be an exhaustive list. Qualified Investors should be aware that investments in a fund may be exposed to other unforeseeable risks from time to time.***

*Returns of the Fund are not guaranteed*

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# THE FUND'S DETAILED INFORMATION

## a. Category/type

Wholesale Fixed Income

## b. Investment Objective

To obtain consistent and stable growth and to achieve better yield enhancement from the portfolio over the prevailing 12 months fixed deposit rate.

*Note: Any material change to the Fund's investment objective would require Unit Holders' approval*

## c. Investment Strategy

The Fund will invest up to 100% of its NAV in fixed income and money market instruments with no limit imposed for investment in any single issuer/counterparty, (i.e. 100% of the NAV may be invested in a single issuer/counterparty). There is no minimum rating for a security purchased or held.

## d. 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 internal 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.

In times of adversity in the markets, the Manager may from time to time reduce the Fund's fixed income securities exposure and increase asset allocation to lower risk assets such as money market instruments, to safeguard the Fund's investment portfolio.

## e. Asset Allocation

- Up to 100% of the Fund will be invested in fixed income and money market instruments.

## f. Performance Benchmark

The performance benchmark is RAM Quantshop Short Term MGS Index.

(Obtainable via [www.aminvest.com](http://www.aminvest.com))

*Note: The performance benchmark is only a measurement of the Fund's performance and there is no guarantee that the Fund will achieve the performance benchmark in any particular year.*

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## **g. Investor's Profile**

The Fund is suitable for Qualified Investors who seek:

- regular income\*; and
- to preserve\*\* their capital.

*Note: \* The income could be in the form of units or cash.*

*\*\* The Fund is not a capital protected /a capital guaranteed fund. Therefore, capital / returns are not guaranteed. For further details on the mode of income distribution please refer to page 25.*

## **h. Permitted Investments of the Fund**

As permitted under the Deed, the Fund may invest in any of the following investments:

- i. money market instruments and fixed income securities; and
- ii. any other form of investment which is in line with the objective of the Fund.

## **i. Investment Restrictions /Limits**

There is no limit imposed for investment in any single:

- i. Issuer or counterparty (i.e. 100% of the NAV may be invested in a single issuer or counterparty)
- ii. There is no minimum rating on the fixed income securities and money market instruments purchased or held as well as on its issuer and counterparty

## **j. Valuation of Assets**

Valuation of the Fund will be carried out by the Manager in a fair manner in accordance with applicable law and guidelines. The valuation basis for the authorised investments of the Fund are as below:

- i. Listed fixed income instruments  
The last traded prices quoted on an exchange will be used.
- ii. Unlisted RM denominated fixed income instruments

For RM denominated fixed income instruments, 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 indicate yield quoted by three (3) independent and reputable institutions.

Where the Manager is of the opinion that the price quoted by BPA for a specific bond differs from the 'market price' by more than 20 basis points, the Manager may use the 'market price' provided that the Manager:

- (a) records its basis for 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'.

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iii. Unlisted foreign fixed income instruments

For unlisted foreign currency denominated fixed income instruments, valuation is based on fair value by reference to the average indicative yield 1 prices quoted by three (3) independent and reputable institutions.

iv. Money market instruments

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

# FEES, CHARGES AND EXPENSES

## CHARGES

The Fund does not charge an entry charge or exit penalty.

## ONGOING FEES AND EXPENSES

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

### (a) Annual Management Fee

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

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

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

Management fee for the day is calculated as follows:

$$\frac{(\text{Investments} + \text{Liquid assets}) \times 0.75\%}{\text{Number of days in a year}}$$

$$\frac{200,000,000 \times 0.75\%}{365 \text{ days}} = \text{RM}4,109.59 \text{ (rounded to 2 decimal points)}$$

### (b) Annual Trustee Fee

The Trustee is entitled to an annual trustee fee for acting as trustee to safeguard the interest of Unit Holders and as custodian of the Fund's asset. This fee is calculated daily and paid monthly. The Trustee's fee is up to 0.08% p.a. of the NAV of the Fund.

An illustration of the Trustee's fee is as follows:

Assuming the NAV of the Fund is RM200,000,000 and the trustee fee is 0.08% p.a. of the NAV of the Fund, then the daily accrued trustee fee would be: -

$$\begin{aligned} \text{Trustee fee for the day} &= \text{NAV of the Fund} \times \text{Trustee's Fee rate for the Fund (\%)} \times 1/365 \text{ days} \\ &= \text{RM}200,000,000 \times 0.08\% \times 1/365 \text{ days} \\ &= \text{RM}438.36 \text{ (rounded to 2 decimal points)} \end{aligned}$$

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**(c) Fund Expenses**

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

**REBATES AND SOFT COMMISSION**

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

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



# TRANSACTION INFORMATION

## PRICING AND VALUATION POINTS

The Fund adopts a single pricing policy i.e which means subscription and redemption of units will be carried out at the NAV per unit.

The Fund also adopts forward pricing which means price for units will be calculated at the next valuation point after an application for units or redemption of units is received by the Manager.

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

As the Fund does not charge an entry charge or exit penalty, the Qualified Investor will buy and sell units at the NAV per unit as at the next valuation point after an application for units or redemption of units is received by the Manager.

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

### NAV per unit

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

<b>Total NAV (RM)</b>	200,000,000
<b>Unit in circulation (units)</b>	200,000,000
<b>NAV per unit (RM)</b>	
<b>(Total NAV/Unit in circulation)</b>	1.0000

### Making an investment

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

Items	RM/Units	Explanation
i. Amount to be invested (investment amount)	RM1,000,000	
ii. Units issued to Qualified Investor	1,000,000 units	RM1,000,000/RM1.0000 per unit
iii. Entry charge per unit	RM 0	No Entry Charge
iv. Entry charge incurred by Qualified Investor	RM 0	Not applicable
v. Amount payable by Qualified Investor	RM1,000,000	RM1,000,000

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## Redeeming an investment

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

Items	RM/Units	Explanation
i. Units redeemed	1,000,000 units	
ii. Gross amount payable to the Qualified Investor	RM 1,000,300	1,000,000 units x RM 1.0003 per unit
iii. Exit penalty incurred by Qualified Investor	RM 0	No Exit Penalty
v. Net Amount payable to Qualified Investor	RM 1,000,300	RM 1,000,300

**Qualified Investors are advised not to make payment in cash to any individual when purchasing units of the Fund.**

## MAKING AN INITIAL INVESTMENT

Step 1 <b>Eligibility</b>	Qualified Investors
Step 2 <b>Minimum investment</b>	RM10 million or such lower amounts as the Manager may from time to time decide.
Step 3 <b>Forms to be completed</b>	<ul style="list-style-type: none"> <li>a. Account opening form;</li> <li>b. One (1) set of specimen signature card;</li> <li>c. Qualified Investor declaration form;</li> <li>d. FATCA declaration form;</li> <li>e. Personal Data Protection Act consent form; and</li> <li>f. Suitability Assessment form</li> </ul>
Step 4 <b>Documents required</b>	<p><b>Individual investor</b></p> <p><i>For a single applicant</i> Photocopy of National Registration Identity Card (NRIC) or passport</p> <p><i>For joint named applicants</i> Photocopy of NRIC or passport of first named joined applicant and the subsequent named joint applicant (s)</p> <p><b>Non-individual or corporate investors</b></p> <ul style="list-style-type: none"> <li>a. a certified true copy of the Memorandum and Articles of Association or its equivalent;</li> <li>b. a certified true copy of Form 24 and 49 or its equivalent;</li> </ul>

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	<ul style="list-style-type: none"> <li>c. an original copy of a board resolution approving investments in the Fund or its equivalent;</li> <li>d. list of authorised personnel to effect any instructions pertaining to the Fund if not mentioned in the board resolution or its equivalent;</li> <li>e. a copy of the latest audited financial statement of accounts; and</li> <li>f. any other approvals required from relevant authorities.</li> </ul>
<p><b>Step 5</b> <b>Manner of payment and Delivery</b></p>	<p>Payments can be made using cheque or bank draft made payable to:</p> <p><b>“AmInvestment Services Berhad”</b></p> <p>Applicants are to write their names and NRIC numbers or passport numbers at the back of the cheque or bank draft.</p> <p>A Qualified Investor can either submit the application with complete documentation and payment to the Manager. If complete documentation with the payment is not received, the Manager will reserve the right to reject the application. If you deposit payment into our account and do not notify or provide the Manager with the complete documentation, the Manager shall reject your application and hold such amount until claimed.</p> <p><i>Note: Application shall be processed based on the net amount received. Where payment is by cheque, the cheque must be issued by the investor. Third party cheque payment must be accompanied with a properly signed letter from the issuer of the cheque stating that he or she is aware that the cheque is used for investment in unit trust by the investor duly named.</i></p> <p><i>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. If the draft is applied by a third party, then a letter from the third party attesting to the use of the draft for the investment in unit trust by the investor must be submitted.</i></p>

## MAKING AN ADDITIONAL INVESTMENT

<p><b>Step 1</b> <b>Minimum additional investment</b></p>	<p>RM1,000,000 or such lower amounts as the Manager may from time to time decide.</p>
<p><b>Step 2</b> <b>Manner in which additional investments are made</b></p>	<p>You can make additional investment by completing a transaction form and forward it with payment as done under Step 5 of the initial application.</p>

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

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## OTHER RELEVANT INFORMATION WHEN MAKING AN INVESTMENT

### Processing an application

If we receive a complete documentation and payment is accepted, the application will be processed as follows:

<b>Submission of application</b>	Monday to Friday (except public holiday)
<b>Cut-off time</b>	<p>If an application with complete documentation and payment are accepted by the Manager before 4.00 p.m. on any Business Day, it will be processed at the end of day NAV per unit of the same Business Day.</p> <p>If an application with complete documentation and payment are accepted by the Manager after 4.00 p.m. on any Business Day or on a non-Business Day, the application will be processed at the end of day NAV per unit of the next Business Day.</p> <p>For more details on NAV calculation, please refer to page 18.</p>

### Switching facility

Switching facility is not available for this Fund.

### Transfer of units

Transfer facility is not available for this Fund.

### Distribution equalisation

Distribution equalisation represents the average amount of undistributed net income in the creation or redemption price of units. This amount is either refunded to the Unit Holders by way of income distribution and/or adjusted accordingly when units are released back to the Trustee.

### Confirmation of an application

You shall be issued with a transaction advice within two (2) weeks of us 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.

### Miscellaneous application information

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 Information Memorandum. In addition, a RM20 charge will be imposed if a cheque does not clear. We reserve the right to reject any application. We also reserve the right to change or discontinue any of our application procedures.

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## 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, procedures for identification of investors have been put in place. Hence, we require you to provide us with your 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 official identification when you open or re-open an account.

The Manager reserves the right to request such information, either at the time an application is made for Units 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 its records. The Manager also reserve the right to request additional information including the source of the funds and identity of any beneficial owners as may be required to support the verification information and to allow it to complete adequate due diligence. In the event of delay or failure by the investor to produce any information required for verification purpose, the Manager may refuse to accept the dealing request and, if so, in relation to a subscription, any monies received will be returned without interest to the account from which the monies were originally debited, and in relation to redemption, no Units will be redeemed or monies paid to the investor.

As permitted by applicable laws, the Manager also reserves the right to place limits on transactions or withdrawal in your account until your identity is verified. This may also include restriction or withholding of withdrawal request.

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

## MAKING WITHDRAWALS

### Minimum withdrawal amount and minimum holding

A Qualified Investor may withdraw all or part of their units on any Business Day subject to the minimum withdrawal and minimum holding amount unless it is a complete withdrawal.

<b>Minimum withdrawal</b>	1,000,000 units or such units as the Manager may from time to time decide.
<b>Minimum holding/balance</b>	10 million units or such units as the Manager may from time to time decide.

### Notification of withdrawal

A Qualified Investor can make a withdrawal by:

(a) *Transaction form*

A Qualified Investor can make a withdrawal by completing a transaction form. Transaction forms are available at our offices. Please ensure that the transaction form is signed in accordance with your signing instruction given to the Manager.

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## Processing of a withdrawal

<b>Submission of repurchase notice</b>	Monday to Friday (except public holidays)
<b>Cut-off time</b>	<p>If a valid and complete withdrawal request is accepted by the Manager before 4.00 p.m. on any Business Day, it will be processed at the end of day NAV per unit of the same Business Day.</p> <p>If a valid and complete withdrawal request is accepted by the Manager after 4.00 p.m. on any Business Day or on a non-Business Day, it will be processed at the end of day NAV per unit of the next Business Day. For more details on NAV calculation, please refer to page 18.</p>
<b>Withdrawal proceeds will be paid</b>	By the 10th day of acceptance of the withdrawal request

## Manner of payment

Withdrawal proceeds will be paid either by:

- (a) transferring the proceeds to a bank account held in your own name or the first named Unit Holder (for joint account):

(i) *within the country*

You may give the Manager instructions in writing to transfer your withdrawal proceeds to a bank account held in your own name or the first named Unit Holder (for joint account) within Malaysia only. All bank charges for the transfer will be borne by you. The charges will be deducted from the transferred amount before being paid to your relevant bank account.

You are required to provide the Manager with the relevant bank account details in order for the Manager to proceed with your transfer request. Under normal circumstances, a transfer will take less than two (2) days to reach its destination. It is possible for delays in the banking system to occur which are beyond our control. If the proceeds cannot be transferred, the Manager shall draw a cheque payable to you.

(ii) *overseas*

You may give the Manager instruction in writing to transfer your withdrawal proceeds to a bank account overseas held in your own name or the first named Unit Holder (for joint account). All bank charges for the transfer will be borne by you. The charges will be deducted from the transferred amount before being paid to your relevant bank account. You are also required to comply with the requirements of the Exchange Control Act 1953.

- (b) by cheque

Your withdrawal proceeds will be made payable by cheque to your name or the first named unit

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Holder (for joint account) only.

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

### **Miscellaneous withdrawal information**

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

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

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

- (a) during any period when the domestic 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;
- (d) when for any other reason the prices of a investments owned by the Fund cannot promptly or accurately be ascertained;
- (e) in the event of the publication of a notice convening a Unit Holders meeting.

Unit Holders who have requested for subscription and/or redemption of their units will be notified in writing of any such suspension of the right to subscribe or to require redemption of units and will be promptly notified upon termination of such suspension. Any such suspension will be published in the newspapers in which the Fund's unit prices are generally published if in the opinion of the Manager the suspension is likely to exceed one (1) week. Any suspension shall be in accordance with the Deed.

## **INCOME DISTRIBUTION POLICY**

### **Income Distribution**

Income (if any) is incidental and at the discretion of the Manager.

*Note : The income could be in the form of units or cash.*

*Should there be realized income or gains, there may be income distribution declared.*

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## **Mode of Income Distribution**

Automatically reinvest the income distribution earned into your account.

## **UNCLAIMED MONEYS**

Any moneys payable to you which remains unclaimed (hereinafter referred to as unclaimed amount) for the last twelve (12) months or such period as may be advised will be paid to Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Unit Holders may claim the unclaimed amount from the Registrar of Unclaimed Moneys.



# SALIENT TERMS OF THE DEED

## RIGHTS AND LIABILITIES OF UNIT HOLDERS

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

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:

- (i) receive income distribution (if any);
- (ii) participate in any increase in the NAV of Units of the Fund;
- (iii) have your units redeemed;
- (iv) transfer your units, subject to the Manager's discretion;
- (v) participate in termination or winding up of the Fund;
- (vi) call, attend and vote at meetings (the rules governing the holding of meetings are set out in the law and the Deed);
- (vii) receive annual and interim reports of the Fund; and
- (viii) exercise such other rights and privileges as provided for in the Deed.

The law and the Deed limit a Unit Holder 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.

## FEES AND CHARGES PERMITTED BY THE DEED

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

<b>Annual Management Fee</b>	Up to 5.00% p.a. of the NAV of the Fund
<b>Annual Trustee Fee</b>	where the total relevant fund size: <ul style="list-style-type: none"><li>(a) is less than RM100 million – 0.09% p.a. of the Net Asset Value of the total relevant fund size, subject to a minimum fee of RM30,000 p.a.; and</li><li>(b) is equal to or greater than RM100 million – 0.08% p.a. of the Net Asset Value of the total relevant fund size, subject to a minimum of RM30,000 p.a.;</li></ul>
<b>Entry Charge</b>	Up to 10.00%

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<b>Exit Penalty</b>	10.00%
<b>Switching Fee</b>	10.00% of the amount switched

The increase in the fees and charges can only be made in accordance to the Deed and the relevant laws. Any increase in the fees and/or the charges above the level disclosed in the Deed shall require Unit Holders' approval at a duly convened Unit Holders' meeting and subsequently a supplemental deed and supplemental information memorandum will be issued.

## **PERMITTED EXPENSES PAYABLE OUT OF THE FUND**

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

- (a) all costs, charges and expenses in connection with the acquisition, attempted acquisition, maintenance, insurance, custody or disposal of or any other dealing with any Authorised Investment of the Trust including commission, brokerage and stamp duty;
- (b) the remuneration of the Auditor of the Trust and any reasonable expenses of the Auditor sustained in the course of the performance of the duties as an auditor, the fees, if any, charged by a registered tax agent for preparation and lodgement of taxation returns;
- (c) all Taxes payable in connection with the Trust on any account whatsoever;
- (d) all costs, charges and expenses of convening and holding any meetings of Unit Holders of the Trust and of carrying out any directions or resolutions of those meetings other than those meeting convened for the benefit of the Manager;
- (e) all costs, charges and expenses of any valuation of the Trust Fund, or of any investment, of the Trust;
- (f) all costs, charges and expenses of postage and printing of all cheques, accounts, statements, notices, deposit advises, certificates and other documents posted to all or any Unitholders of the Trust;
- (g) all costs, charges and expenses incurred in connection with the bank accounts of the Trustee in relation to the Trust and bank fees (including but not limited to account keeping fees) and other basic or government charges (including but not limited to bank account debits tax and charges in respect of financial institutions duty) incurred in connection with the keeping of or the transaction of business on the bank accounts of the Trustee in relation to the Trust and its management;
- (h) fees and other costs, charges and expenses payable to attorneys, managers, consultants, agents, advisers, experts and other persons engaged by the Trustee or by the Manager in relation to the Trust or its management;
- (i) other fees, charges and amounts which are paid or payable to any person appointed or engaged by the Trustee or by the Manager pursuant to this Deed including any employee of the Trustee or the Manager to the extent that the fees, charges and amounts would be payable or reimbursable to the Trustee or the Manager under any provision of this clause or under any other provision of this Deed if the services performed by the person so appointed or engaged had been carried out directly by the Trustee or the Manager;
- (j) all legal costs and disbursements (payable in the case of the Trustee on the trustee basis as described herein as at the date of this Deed, and, in the case of solicitors' costs, calculated at the solicitors' usual charge out rate) and all other costs charges and expenses in connection with:-
  - (i) the enforcement or contemplated enforcement of, or preservation of rights under; and
  - (ii) without limiting the generality of clause 26.7 of the Deed, the initiation, carriage and settlement of any court proceedings;

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- (k) all costs, charges and expenses in or in connection with the retirement or removal of the Trustee or the Manager of the Trust under this Deed and the appointment of any person in substitution;
- (l) any other costs, charges and expenses which the Trustee incurs in relation to the Trust or which are incurred by the Manager in connection with the exercise of any power or discretion or the performance of any obligation on the part of the Trustee or the Manager under this Deed

## **RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE**

The Trustee may retire upon giving three (3) months' notice to the Manager of the Fund of its desire to do so, or such lesser period as the Manager and the Trustee may agree, and may by the Deed appoint in its stead a new trustee.

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.

## **RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER**

The Manager may be removed by the Trustee where:

- (a) the Manager has gone into liquidation or provisional liquidation (except for the purpose of amalgamation or reconstruction or some similar purpose) or is placed under official management or ceases to carry on business or if a receiver, or a receiver and manager, is appointed in relation to the property of the Manager and is not removed or withdrawn within 30 days of the appointment;
- (b) the Manager has contravened its obligations to Unit Holders in relation to that Trust in a manner that, in the reasonable opinion of the Trustee adversely affects those Unit Holders and, within such period as is specified by the Trustee in a written notice to the Manager, the contravention has not been remedied;
- (c) the holders of at least two-thirds of the Units in issue of that Trust resolve by voting in person or by proxy at a duly convened meeting of Unit Holders of the Trust that the Manager should be removed.

Subject to the approval of the relevant authorities, the Manager may retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee three (3) months' notice in writing of its desire to retire, or such lesser time as the Manager and the Trustee may agree upon.

## **TERMINATION OF THE FUND**

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

- (a) the authorization of the Fund by the relevant authorities has been withdrawn under any of the relevant laws;
- (b) a special resolution is passed following the occurrence of any of the events stipulated under any relevant law, with the sanction of the court if so required;
- (c) a special resolution is passed to terminate or wind up the Fund; or

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- (d) the effective date of an approved transfer scheme has resulted in the Fund, being the subject of the transfer scheme, being left with no asset or property.

Upon the occurrence of any of the abovementioned events:

- (a) the provisions in the Deed and all the relevant laws shall cease to be applicable in respect of the Fund;
- (b) the Trustee shall cease to create and cancel units;
- (c) the Manager shall cease to deal in units; and
- (d) the Trustee shall proceed to wind up the Fund in accordance with the provisions of the Deed.

## **UNIT HOLDERS MEETING**

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

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders holding not less than 10% (ten per centum) of the Units in issue, whether present in person or by proxy at the time of the meeting, provided always that the quorum for a meeting of the Unit Holders which requires a Special Resolution is five (5) Unit Holders holding in aggregate at least 15% (fifteen per centum) of the Units in issue at the time of the meeting.

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

The Manager shall within twenty-one (21) days of receiving a requisition from not less than fifty (50) Unit Holders or 10% of the units in issue in that Trust (whichever is less), summon a meeting of the Unit Holders by:

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

The Unit Holders may, in accordance to the provisions of the Deed, apply to 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; or
- (d) giving to the Trustee such directions as the meeting thinks proper;

provided always that the Manager receives an application of not less than fifty (50) or one-tenth (1/10) of all the Unit Holders.

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

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

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

## RELATED PARTY TRANSACTION OR CONFLICT OF INTEREST

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

Trading in securities by staff is allowed, provided that the policies and procedures in respect of the personal account dealing are observed and adhered to. On a periodical basis, the directors, investment committee members and staff are required to disclose their portfolio holdings and dealing transactions as well as their holding of directorship and interest in any company.

The directors of AIS may have direct or indirect interest through their directorship in Amlslamic Funds Management Sdn Bhd which carries on a similar business as AIS.

Following are the details of the directors:

- Kok Tuck Cheong is the Chairman of AIS and Amlslamic Funds Management Sdn Bhd.
- Datin Maznah Mahbob is the Chief Executive Officer of AIS and also Director of Amlslamic Funds Management Sdn Bhd.
- Mohd Fauzi Mohd Tahir is a Director of AIS and the Executive Director of Amlslamic Funds Management Sdn Bhd.

# ADDITIONAL INFORMATION

## KEEPING YOU INFORMED

### *When you invest*

A transaction advice will be sent to you.

### *Periodic Reporting*

The Manager will send you:

- Every 6 months statement of account which states the balance of units together with all transaction made since the last statement.
- An annual and quarterly reports to all investors within two (2) months of the Fund's reporting period. Annual and quarterly reports shall contain information on the fund performance data, strategies employed, portfolio structure, market review and outlook and accounts of the Fund.

### *Tax voucher*

The Manager will send you tax vouchers which will set out the information that is needed to complete your tax return form.

### *Publication*

The Manager may or will publish newsletters containing topical articles about investment trends and developments.

## KEEPING US INFORMED

### *Changing your account details*

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

- the Unit Holder's address;
- signing instructions; and
- how income (if any) distributions are to be paid.

### *Investor feedback*

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

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## HOW DO YOU MAKE A COMPLAINT?

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



## DOCUMENTS AVAILABLE FOR INSPECTION

For the period of not less than twelve (12) months from the date of this Information Memorandum, the following documents or copies thereof may be inspected without charge at our registered office and head office or at the Trustee's business office:

- a. The Deed of the Fund or the supplemental deed (if any);
- b. Each material contract or document referred to in this Replacement Information Memorandum (if any);
- c. All reports, letters or other documents, valuations and statement by any expert, any part of which is extracted or referred to in this Replacement Information Memorandum (if any);
- d. The audited financial statements of the Fund for the current financial year (where applicable) and for the last three financial years or if the Fund has been established/incorporated for a period less than three years, the entire period preceding the date of this Replacement Information Memorandum;
- e. Writ and relevant cause papers for all material litigation and arbitration disclosed in this Replacement Information Memorandum; and
- f. Any consent given by experts or persons whose statement appears in this Replacement Information Memorandum.

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# MANAGING THE FUND'S INVESTMENT

## THE MANAGER

AIS was incorporated on 9 July 1986 and is a wholly owned subsidiary of AmInvestment Group Berhad. As at the LPD, AIS has more than 27 years of experience in the unit trust industry.

Pursuant to AMMB Holdings Berhad's (the holding company of AIS and AIM) initiative to streamline the business operations of its asset management business under AIM and the unit trust business under AIS, the businesses of both AIM and AIS are consolidated to operate under a single operating structure, i.e., under AIS.

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

As at the Latest Practicable Date, the total number of funds under AIS's management is 61 with a total fund size of approximately RM14.99 billion.

As at the Latest Practicable Date, AIS has 124 employees of whom 97 are executives and 27 non-executives.

### *Financial position*

	30 September 2014 Unaudited	Year ended 31 March		
		2014	2013	2012
Paid up share capital (RM'000)	5,539	5,539	5,539	5,539
Shareholders' funds (RM'000)	88,591	68,111	61,389	63,537
Turnover (RM'000)*	78,600	150,162	158,713	116,389
Pretax profit/loss (RM'000)	27,753	49,425	50,929	42,281
After tax profit/loss (RM'000)	20,523	36,743	38,081	31,826

\* Includes entry charge and Manager's fee earned by the Manager

## DUTIES AND RESPONSIBILITIES OF THE MANAGER

As the Manager of the Fund, we are responsible for setting the investment policies and objective for the Fund. The Manager is also responsible for the promotions and administration of the Fund which includes but is not limited to issuing units, preparing and issuing Replacement Information Memorandum.

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## THE BOARD OF DIRECTORS

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

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

**Kok Tuck Cheong** (Non-Independent) is the Chief Executive Officer of AmInvestment Bank Berhad and AmBank Group's Managing Director of Wholesale Banking Product. He has been with the AmBank Group since 1981. Mr. Kok also sits on the Board of AmFraser International Pte Ltd (Singapore), AmFraser Securities Pte Ltd. (Singapore), AmInvestments Management Sdn Bhd and AmIslamic Funds Management Sdn Bhd. Mr. Kok was appointed to the Board of AIS on 9 November 2001. Mr. Kok has a Bachelor of Science (Hons) in Commerce and Accounting and subsequently obtained his Master of Science in Financial Managerial Control from the University of Southampton.

**Datin Maznah Mahbob** (Non-Independent) is the Chief Executive Officer of AmInvest. She is responsible for business strategy and management of AmInvest. Datin Maznah has been in the fund management industry since 1987. Prior to this, she was in the Corporate Finance Department of AmInvestment Bank for 3 years. She is a graduate of the Institute of Chartered Secretaries and Administrators (UK) and holds the Capital Markets Services Representative's License for the regulated activity of fund management. Datin Maznah Mahbob was appointed to the Board of AIS on 29 December 2005. She also sits on the Board of AMMB Nominees (Tempatan) Sdn Bhd, AMMB Nominees (Asing) Sdn Bhd, PT AMCI Manajemen Indonesia and AMMB (L) Ltd.

**Harinder Pal Singh** (Non-Independent) is the Director of AIS. He is also the Vice President of Operations who responsible for the overall management of all operational functions of AmInvest. He joined in May 2001. He was attached to the Corporate Services Department of AmInvestment Bank Berhad as a Manager from 1998 to April 2001. He holds a Bachelor degree in Accounting from the University of Malaya, Kuala Lumpur.

**Mohd Fauzi Mohd Tahir** (Non-Independent) is non - Executive Director of AIS, he also sits as the Senior Vice President of Islamic Equities in AmIslamic Funds Management Sdn Bhd. He is the designated person responsible for the investments of the Fund and all Islamic equity funds. Prior to his appointment he was the Senior Manager, Investment – Fund Management at one of the world's largest insurance company. His duties include managing insurance funds as well as research of companies listed on Bursa Malaysia and also unlisted companies. He holds a Bachelor of Accounting & Finance from Leeds Metropolitan University Leeds, England. He is also a graduate of Chartered Association of Certified Accountants (ACCA, UK). He also holds a Capital Markets Services Representative's License for the regulated activity of fund management.

**Professor Dr. Annuar Md. Nassir** (Independent) holds a Ph.D. and is a Professor with the Faculty of Economics and Management, Universiti Putra Malaysia. He has been with the University since 1985. Professor Dr. Annuar Md Nassir was appointed to the Board of AIS on 4 September 1992. On 31 March 2003, he retired as a Director and was reappointed to the position on 8 April 2003.

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**Mustafa Bin Mohd Nor** (Independent) was appointed to the Board of AmInvestment Services Berhad as an Independent and Non-Executive Director on 3 March 2014. He is also a Director of KUISAS Berhad and Member of State Investment Committee, Perak Darul Ridzuan. He obtained a Masters of Arts (Economic Policy) from Boston University and Bachelor of Economics (Analytical) from University of Malaya.

## THE INVESTMENT COMMITTEE

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

The Investment Committee members are:

**Harinder Pal Singh** (profile as mentioned above)

**Professor Dr. Annuar Md. Nassir** (Independent) (profile as mentioned above)

**Mustafa Bin Mohd Nor** (Independent) (profile as mentioned above)

**Dato' Mohd Effendi bin Abdullah** is the Director/Head of Islamic Markets at AmInvestment Bank, and is responsible for Islamic investment banking and finance opportunities within AmInvestment Bank Group. Having joined the Bank in 1985, he has held management positions in Corporate Banking, Syndication, Structured Finance and Debt Capital Markets. He is one of the pioneers of the initial set-up of the Bank's Islamic investment banking business in 1993 and is part of the team established to streamline the AmBank Group's Islamic banking and finance activities across the Group in 2001. Dato' Mohd Effendi has been an active committee member of the Islamic Capital Market Committee, the Malaysian Investment Banking Association (MIBA) and also sits on various working groups/committees at Bank Negara Malaysia, Securities Commission, Malaysia Accounting Standards Board and Association of Islamic Banking Institutions Malaysia. His most recent appointment is as Director on the Board of the Islamic Banking and Finance Institute Malaysia (IBFIM). Dato' Mohd Effendi holds a Bachelors (Economics) degree majoring in Accounting and Financial Management from Macquarie University, Sydney, Australia and also holds the Capital Markets Services Representative's License for the regulated activity of dealing in securities and advising on corporate finance.

## MATERIAL LITIGATION

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

## KEY PERSONNEL OF THE MANAGER

**Datin Maznah Mahbob** (profile as mentioned above)

**Harinder Pal Singh** (profile as mentioned above)

**Anderson Chua Oou Chuan** is the Senior Vice President of Finance and Strategic Management of AmInvest. He is responsible for all accounting and valuation matters of our funds, as well as financial matters of AIS and AmIslamic Funds Management Sdn. Bhd. He is also responsible in formulation and implementation of financial and strategic plans of AmInvest. He has over 13 years of experience in the

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financial services industry. He holds a Bachelor degree in Accountancy (Hons) from University Putra of Malaysia.

**Ng Chze How** is the Senior Vice President of Retail and Retirement Funds. He is responsible for developing AIS's unit trust retail market segment since joining in April 2007. Prior to his present role, he was serving as Chief Officer, Sales & Distribution in one of the top five unit trust companies in Malaysia. He is a graduate from University of Strathclyde, United Kingdom, holding a degree majoring in Management and Marketing and is a Certified Financial Planner. His working experience includes consumer, commercial, international banking and investment services. He has 18 years of experience in the financial services industry employed by various local and international conglomerates.

**Nervinderjeet Kaur** is the Senior Vice President of Legal, Compliance and Operational Risk Management. She has more than 18 years experience in the financial services industry attained in Malaysia and Australia. She is responsible for the overall supervision and compliance with the regulatory requirements for AmlInvest. She holds a Bachelor of Laws from University of London, United Kingdom.

**Leslie Cheah Loy Hin** is the Senior Vice President of Treasury Solutions. He is responsible for the direct sales of the institutional/corporate market for unit trust products. He joined AIS on 1 June 2003. Prior to him joining the Company, he served as the Head of Treasury (Northern Region) of AMMB Holdings Berhad and later led the Bond Desk Sales and Distribution Team of AmlInvestment Bank Berhad. He was one of the pioneering staff during the set up of AmFutures Sdn Bhd and AmInternational (Labuan) Ltd. Leslie holds a Diploma in Accounting and is an Associate Member of The Institute of Chartered Secretaries and Administrators (U.K.) and also a National Member of The Financial Market Association of Malaysia.

**Goh Wee Peng** is the Chief Investment Officer, Fixed Income and the designated person responsible for the investment management of all fixed income funds. She started her career in financial industry since 1997. She has vast experience in financial industry in different role, i.e. money broking, analyst, fixed income bond trading and fund management. In the past 6 years in AmlInvestment Management Sdn Bhd, she has been managing various fixed income funds, i.e. unit trust and institutional mandate. She is responsible in overseeing the fixed income mandates and guiding a team of fund managers and credit research team. Her key role includes formulating trading and investment strategies for the team by identifying opportunities in different market trends, she presents to the clients market outlook and strategies for their portfolio on a regular basis. She also holds the Capital Markets Services Representative's License for the regulated activity of fund management.

**Kevin Wong Weng Tuck** is the Senior Vice President of Credit Research with over 16 years of relevant experience in this field, of which 11 years have been with AIM. Kevin heads the Fixed Income Research Team of 14 personnel in conducting thorough and prudent evaluation of the credit worthiness of sovereigns, corporates, financial institutions and asset-backed securities. His research coverage now spans across 38 countries around the globe, with diligent monitoring of the economic, industry and business environments to identify and assess emerging risks as well as opportunities. He is also continually formulating and establishing more effective research processes and infrastructure for the Fixed Income team.

**Andrew Wong Yoke Leong** is the Chief Investment Officer of Equities. He is responsible for all equity funds including asset allocation. His duties included formulating strategies to optimize returns for the funds within the risk framework required. Prior to his present appointment he was the Head of Investment Division (Equities and Fixed Income) at a regional insurance company. He holds a Master

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of Business Administration and an Engineering degree. He also holds the Capital Markets Services Representative's License for the regulated activity of fund management.

**Nancy Chow Yuen Yuen** is the Senior Vice President of Marketing and Strategic Product Development and is responsible for marketing, communications and branding for Funds Management Division. She is also responsible for Funds Management Division strategic business which involves the development of strategic products, domestic and foreign ventures. She has 20 years of experience in dealing, sales and marketing of treasury and financial products and funds. Prior to joining the Company, she was the pioneer Head of Treasury (northern region) of AmlInvestment Bank. She holds a Bachelor of Commerce degree from the University of New South Wales, Sydney. She also holds the Capital Markets Services Representative's License for the regulated activity of fund management.

**Ratnakar Kota** is the Senior Vice President of Quantitative Strategies & Solutions. He has joined AmlInvestment Management Sdn Bhd in 2011 and currently responsible for the performance analytics, quantitative investment strategy and financial data infrastructure. He has over 16 years of global experience working in Technology and Financial Services industries. He had managed several funds (institutional and retail) while working at firms in the United States and Hong Kong. He started off as a Research Analyst at Advanced Investment Partners LLC, a former member of State Street Global Alliance in 2004 to enhance stock selection models and financial factors. In 2006, he was promoted to fund manager and a partner in the firm. He has managed assets over 2 billion USD ranging from institutional to retail funds while working at Advanced Investment Partners. In 2010, he joined ING Investment Management Asia Pacific Ltd, Hong Kong as a senior fund manager in their Global Quantitative asset management boutique to manage funds domiciled in US, Asia and Europe. He was responsible for ING's research initiatives and management of institutional and retail mutual funds totaling over 12 billion USD. His prior roles include working as a lead engineer at Motorola Inc. in the Mobile Devices division in Chicago developing project management capabilities. Ratnakar is a Chartered Financial Analyst (CFA) charter holder. He holds a MBA (Analytical Finance and Accounting) from the University of Chicago, a Master's in Computer Science from the University of Illinois at Chicago and a Baccalaureate degree in Chemical Engineering from Osmania University. He also holds the Capital Markets Services Representative's License for the regulated activity of fund management.

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# THE TRUSTEE

## HSBC (MALAYSIA) TRUSTEES BERHAD

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

## FINANCIAL POSITION

The Trustee has a paid-up capital of RM500,000.00. As at 31 December 2013, its shareholders' funds totaled RM38.79 million and it achieved a profit before tax of RM11.29 million.

The following is a summary of the past performance of the Trustee based on the audited accounts for the last 3 years:

	31 December 2011 (RM)	31 December 2012 (RM)	31 December 2013 (RM)
Paid up share capital	500,000	500,000	500,000
Shareholders' funds	30,214,518	38,785,020	48,058,506
Revenue	20,725,309	23,539,663	24,287,694
Profit/(Loss) before tax	9,139,041	11,289,951	12,381,200
Profit/(Loss) after tax	6,883,965	8,570,502	9,273,605

## EXPERIENCE IN TRUSTEE BUSINESS

Since 1993, the Trustee has acquired experience in the administration of unit trusts and as at Latest Practicable Date, is the Trustee for 172 funds (including unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme).

As at Latest Practicable Date, the Trustee has a workforce of 55 employees consisting of 46 executives and 9 non-executives. A good number of the staff has been with the Trustee for many years.

## BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Mr Baldev Singh A/L Gurdial Singh  
Ms On Bee Heong  
Mr Yee Yit Seeng

## PROFILE OF KEY PERSONNEL

### Mr Kaleon Leong Bin Rahan – Chief Executive Officer

He has been involved in the fund management industry since 1996, having served stints in a regulatory body, fund management company, trustee and audit firm. He is a Chartered Accountant and holds a Masters in Information Technology Management.

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### **Mr Yee Yit Seeng – Chief Operating Officer**

He joined HSBC Trustee in July 1984. He holds a Diploma in Banking and Finance and is a Senior Associate of Institut Bank-Bank Malaysia. He has more than 22 years of experience in trust operations including client service, systems/projects & office administration, compliance, internal control & audit, and business development. He was also seconded to the HSBC Back-end Processing Office in Cyberjaya, Malaysia to support the global securities operations.

### **DUTIES AND RESPONSIBILITIES OF THE TRUSTEE**

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the relevant Securities Commission's Guidelines ("Guidelines"). Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Guidelines. In respect of the application of units, the Trustee's responsibility arises when the Fund's assets are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once the Fund's asset has been delivered to the Manager.

### **TRUSTEE'S STATEMENT OF RESPONSIBILITY**

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under this Deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

### **TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION**

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

### **TRUSTEE'S DELEGATE**

The Trustee has appointed The Hongkong and Shanghai Banking Corporation Ltd as custodian of the quoted and unquoted local investments of the Fund. The assets of the Fund are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. If and when the Fund should invest overseas, HSBC Institutional Trust Services (Asia) Limited will be appointed as the custodian of the foreign assets of the Fund. Both The Hongkong And Shanghai Banking Corporation Ltd and HSBC Institutional Trust Services (Asia) Limited are wholly owned subsidiaries of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee for the Fund or to the order of the Trustee for the Fund. The custodian acts only in accordance with instructions from the Trustee.

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

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

### **TRUSTEE'S DELEGATE**

#### **The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)**

No 2 Leboh Ampang

50100 Kuala Lumpur

Telephone No: (603)2075 3000 Fax No: (603)2179 6488

#### **HSBC Institutional Trust Services (Asia) Limited**

6th Floor, Tower One

HSBC Centre

No 1 Sham Mong Road

Kowloon, Hong Kong

Telephone No: (852)2822 1111 Fax No: (852)2810 5259

### **ANTI-MONEY LAUNDERING PROVISIONS**

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

### **STATEMENT OF DISCLAIMER**

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

### **CONSENT TO DISCLOSURE**

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

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## RELATED-PARTY TRANSACTION/CONFLICT OF INTEREST

As Trustee for the Fund, there may be related party transaction involving or in connection with the fund in the following events:-

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

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the fund and which are not less favourable to the fund than an arms-length transaction between independent parties.

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

# THE TAXATION

10<sup>th</sup> November 2014

The Board of Directors  
AmInvestment Services Berhad  
Level 22, Bangunan AmBank Group  
No.55, Jalan Raja Chulan  
50200 Kuala Lumpur

Dear Sirs

## **AmIncome Premium Taxation of the Fund And Unit Holders**

1. This letter has been prepared for inclusion in the Replacement Information Memorandum dated 1<sup>st</sup> December 2014 in connection with the offer of units in AmIncome Premium (hereinafter referred to as “the Fund”).

### **2. TAXATION**

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

As the Fund’s Trustee is resident in Malaysia, the Fund is regarded as resident in Malaysia and is liable to pay Malaysian income tax (“income tax” or “tax”). 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 transaction 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.

Unit Holders are also liable to pay income tax on income distributions paid by the Fund.

### **3. TAXATION OF THE FUND**

#### **3.1 Income Tax**

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia is liable to income tax. The income tax rate applicable to the Fund is 25%.

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Profit from disposal of share investments, tax exempt dividends and tax exempt interest as listed in the Appendix attached received by the Fund are not subject 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.

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 is exempt from the payment of income tax.

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

Income received by the Fund from Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad and Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc is exempt from the payment of income tax.

Pursuant to the Income Tax (Exemption) Order 2011, the statutory income from a business dealing in non-ringgit sukuk by a resident person licenced under the Capital Markets and Services Act 2007 is exempted from tax provided the non-ringgit sukuk originates from Malaysia and is issued or guaranteed by the government of Malaysia or approved by the Securities Commission Malaysia.

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

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

The tax credit attached to taxable dividends received by the Fund i.e. tax deducted at source at the prevailing tax rate is available for set-off against tax payable by the Fund. No additional tax will be payable by the Fund on the taxable dividends received. However, such tax or part thereof will be refundable to the Fund if the total tax so deducted at source exceeds the tax liability of the Fund by virtue of deduction of allowable expenses.

With effect from the year of assessment 2008, a single-tier company income tax system has replaced the imputation system. The Fund is not liable to tax on any 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.

Generally, income from distribution from Malaysia Real Estate Investment Trusts 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.

### 3.2 Gains on Disposal of Investments

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

### 3.3 Goods and Service Tax (“GST”)

GST will commence from 1st April 2015 and will replace the current sales and service tax regime. GST will apply at 6% on most goods and services with some exceptions.

If it is determined that Fund is required to register for GST, any fees it charges to unitholders will be subject to GST at 6%.

The issuance of units by the Fund to investors will be exempt from GST. 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 be exempted from GST. To the extent that fees are charged to the Fund in relation to these products, these fees would be subject to 6% GST.

The GST paid on acquisitions made by the Fund (e.g. fund manager fees, trustee fees etc.) would either unrecoverable in whole or in part and would be subject to further analysis to determine the extent that GST can be recovered.

## 4. Taxation of Unit Holders

### 4.1 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. Taxable 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 distribution plus attributable underlying tax paid by the Fund.

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

Unit Holders	Malaysian Tax Rates	Proposed in the 2015 Budget Speech
Malaysian tax residents:  ▪ Individual and non-corporate Unit Holders	▪ Progressive tax rates ranging from 0% to 26%	With effect from year of assessment 2016:  ▪ Progressive tax rates ranging from 0% to 25%

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Unit Holders	Malaysian Tax Rates	Proposed in the 2015 Budget Speech
<ul style="list-style-type: none"> <li>▪ Co-operative societies</li>   <li>▪ Trust bodies</li>   <li>▪ Corporate Unit Holders <ul style="list-style-type: none"> <li>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)</li>   <li>ii. Companies other than those in (i) above</li> </ul> </li>   <li>Non-Malaysian tax residents: <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li>   <li>▪ Corporate Unit Holders and trust bodies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 25%</li>   <li>▪ 25%</li>   <li>▪ 20% for every first RM500,000 of chargeable income</li>   <li>▪ 25% for chargeable income in excess of RM500,000</li>     <li>▪ 25%</li>   <li>▪ 26%</li>   <li>▪ 25%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 24%</li>   <li>With effect from year of assessment 2016:</li>   <li>▪ 24%</li>   <li>▪ 19% for every first RM500,000 of chargeable income</li>   <li>▪ 24% for chargeable income in excess of RM500,000</li>     <li>▪ 24%</li>   <li>With effect from year of assessment 2016:</li>   <li>▪ 25%</li>   <li>With effect from year of assessment 2016:</li>   <li>▪ 24%</li> </ul>

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

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

#### **4.2 Tax Exempt Distribution**

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

#### **4.3 Distribution Voucher**

To help complete a Unit holder's tax returns, the Manager will send the 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.

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

Any gains realized 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 realized by these categories of Unit holders constitute business income on which tax is chargeable.

#### **4.5 Reinvestment of Distribution**

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

#### **4.6 Unit Splits**

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

#### **4.7 GST**

The Unit Holders should not be subject to GST on the following:-

- withdrawal / redemption from the Fund
- income distribution from the Fund

However, any fee-based charges related to buying and transfer of units charged to the Unit Holders should be subjected to GST at the standard rate of 6%.

Yours faithfully

**Yee Wing Peng**  
Managing Director

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## CONSENT

The following parties have given their written consent and have not withdrawn their consent to the inclusion in this Replacement Information Memorandum of their names and reports (if any) in the form and context in which their names appear:

1. HSBC (Malaysia) Trustee Berhad
2. Deloitte Tax Services Sdn Bhd (*formerly known as Deloitte KassimChan Tax Services Sdn Bhd*)
3. Ernst & Young



# DIRECTORY

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Postal Address	AmlInvestment Services Berhad P.O Box 13611, 50816 Kuala Lumpur

For enquiries about this or any of the other funds offered by AmlInvestment Services Berhad please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday - Thursday), (8.45 a.m. to 5.00 p.m.) Friday

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**AmInvestment Services Berhad**

*(154432-A)*

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