

Information Memorandum for **AmIncome USD Fund**

The Manager

AmFunds Management Berhad

Company number: 154432-A

The Trustee

Deutsche Trustees Malaysia Berhad

Company number: 763590-H



AmInvest

This Information Memorandum is dated 11 November 2019

Growing Your Investments in a Changing World

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

ABOUT THIS INFORMATION MEMORANDUM

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

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

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reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which is re-enacted (with or without modification).

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

DISCLAIMER

An investment in the Fund carries with it a degree of risk. The value of units and the income from it, if any, may go down as well as up, investment in wholesale fund involve risks including the risk of total capital loss and no income distribution. Sophisticated Investors should consider the risk factors set out under Section 4: Risk Factors.

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

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

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

by an investor. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations in this Information Memorandum or any supplemental document will be solely at the risk of the Sophisticated Investor. Sophisticated Investors may wish to consult their independent professional adviser about the suitability of the Fund for their investment needs.

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

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

Personal Data

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

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

- h. To administer and develop the Manager's and/or the Manager's associated companies within the AmBank Group business relationship with you;
- i. Outsourcing of business and back-room operations within AmBank Group and/or other service providers; and
- j. Any other purpose(s) that is required or permitted by any law, regulations, standards, guidelines and/or relevant regulatory authorities including with the trustee of the Fund.

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

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1 DEFINITIONS

AFM, the Manager, us, our or we	AmFunds Management Berhad.
AmBank	AmBank (M) Berhad.
AmBank Group	Refers to AMMB Holdings Berhad and all its direct and indirect subsidiaries, including, but not limited to: AmBank (M) Berhad, AmBank Islamic Berhad, AmInvestment Bank Berhad, AmInvestment Group Berhad, AmFunds Management Berhad, AmIslamic Funds Management Sdn Bhd, AmFutures Sdn Bhd, AmCard Services Berhad and AmGeneral Insurance Berhad.
AmInvest	The brand name for the funds management business of AMMB Holdings Berhad comprising AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd.
Auditor	Has the same meaning as defined in the CMSA 2007.
BNM	Bank Negara Malaysia established under the Central Bank of Malaysia Act 2009.
Business Day	<p>A day on which the Bursa Malaysia and/or commercial banks in Kuala Lumpur are open for business.</p> <p>The Manager may declare certain Business Days to be non-Business Days although Bursa Malaysia and/or commercial banks in Kuala Lumpur are open, if the markets in which the Fund is invested in are closed for business. This is to ensure that investors are given a fair valuation of the Fund when making subscriptions or redemptions. This information will be communicated to you via our website at www.aminvest.com. Alternatively, you may contact our Customer Service at 603- 2032 2888.</p>
CMSA 2007, CMSA, the Act	Capital Markets and Services Act 2007 and any amendments made thereto.
CRS	Common Reporting Standards.
Deed	The deed dated 7 October 2019 and supplemental deeds (if any) entered into between the Manager and the Trustee in relation to the Fund.
FATCA	Foreign Account Tax Compliance Act.
Fund	AmIncome USD Fund.

Information Memorandum	Information memorandum of the Fund.
Latest Practicable Date (LPD)	31 July 2019.
Launch date	The date of this Information Memorandum and is the date on which sales of units of the Fund may first be made; the Launch Date is also the date of constitution of the Fund.
Medium to long-term	Refers to a period of at least three (3) years.
MYR, RM	Ringgit Malaysia.
NAV per unit	Net Asset Value attributable to the Fund divided by the number of units in circulation of that Fund, at the valuation point.
Net Asset Value (NAV)	The value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and trustee fee for the relevant day.
p.a.	Per annum.
Redemption	Repurchase of units of the Fund.
SC, the SC	Securities Commission Malaysia.
SC Guidelines	Guidelines on the Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC, and shall include any amendments and revisions contained herein or made pursuant thereto.
Special Resolution	Means a resolution passed by a majority of not less three-fourths of the Unit Holders present and voting at the meeting in person or by proxy. For the purposes of terminating the Fund, “Special Resolution” is passed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
Sophisticated Investor(s)	Means any person who comes within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA.
Trustee	Deutsche Trustees Malaysia Berhad.
Unit Holder(s), you	The person(s) for the time being registered under the provisions of the Deed as a holder of units of the Fund

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

2 CORPORATE DIRECTORY

MANAGER

AmFunds Management Berhad
Company number: 154432-A

Registered office

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

Business office

9th & 10th Floor, Bangunan AmBank
Group,
No.55, Jalan Raja Chulan,
50200 Kuala Lumpur.
Tel: (03) 2032 2888
Fax: (03) 2031 5210
Email: enquiries@aminvest.com
Website: www.aminvest.com

TRUSTEE

Deutsche Trustees Malaysia Berhad
Company number: 763590-H

Registered office / Business office

Level 20, Menara IMC,
8 Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel: (03) 2053 7522
Fax: (03) 2053 7526

TRUSTEE'S DELEGATE

(CUSTODIAN)

Deutsche Bank (Malaysia) Berhad
Company number: 312552-W

Registered office

Level 18, Menara IMC
No. 8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2053 6788
Fax: (603) 2031 8710

Business office

Level 18-20, Menara IMC,
No. 8, Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel : (603) 2053 6788
Fax: (603) 2031 8710

3 THE FUND'S DETAILED INFORMATION

3.1 Fund Information

Fund Name	AmlIncome USD Fund
Fund Type	Income
Fund Category	Wholesale fixed income
Investment Objective	<p>The Fund seeks to provide income* and liquidity** over short to medium-term.</p> <p><i>Notes:</i> <i>*Income distribution (if any) will be in the form of additional units.</i> <i>**Liquidity means that investor may receive their redemption proceeds within two (2) Business Days after redemption application is received by the Manager on or before the cut-off time. However, we may for any reason at any time, where applicable, extend the payment of the net redemption proceeds no later than ten (10) calendar days from the date of the redemption request is received by the Manager.</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
Investment Strategy	<p>The Fund is actively managed and seeks to achieve its investment objective by investing a minimum 70% of its NAV in fixed income instruments which includes sovereign, quasi-sovereign and corporate bonds, accepted bills, negotiable instrument of deposits, repurchase agreement (Repo) and deposits with financial institutions.</p> <p>The Manager may invest in collective investment schemes (CIS) that have a similar investment objective of the Fund's investment objective. The Fund may also seek to invest in countries where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions (IOSCO).</p> <p>While the Fund's primary focus will be placed on USD-denominated investments, the Fund will also have the option to invest not more than 30% of the Fund's NAV in non-USD denominated investments. The Manager will, however, look towards hedging these non-USD denominated investments back to USD to mitigate any currency risk.</p>

	As such, the Fund may invest in derivatives such as foreign exchange forward contracts, cross currency swaps and interest rate swaps solely for hedging purposes.
Performance Benchmark	<p>Maybank USD Overnight Deposit Rate. (obtainable via www.maybank2u.com.my)</p> <p><i>Note: The benchmark does not imply that the risk profile of the Fund is the same as the risk profile of the benchmark. Investors of the Fund will assume a higher risk compared to the benchmark. Hence, the returns of the Fund may be potentially higher due to the higher risk faced by the investors.</i></p>
Asset Allocation	<ul style="list-style-type: none"> • A minimum of 70% of the Fund's NAV in fixed income instruments; and • Up to 30% of the Fund's NAV in liquid asset such as cash, deposits and money market instruments.
Income Distribution Policy	<p>Subject to the availability of income, distribution will be made on a monthly basis. Distribution, if any, will be automatically reinvested into units at no cost.</p> <p><i>Note: Income distribution amount (if any) is subject to the sole discretion of the Manager.</i></p>
Base Currency of the Fund	USD
Investor Profile	<p>The Fund is suitable for Sophisticated Investors seeking:</p> <ul style="list-style-type: none"> • to invest excess cash over short to medium-term; and • investment that provide potential stream of income* and liquidity**. <p><i>Notes: *Income distribution (if any) will be in the form of additional units. **Liquidity means that investor may receive their redemption proceeds within two (2) Business Days after redemption application is received by the Manager on or before the cut-off time. However, we may for any reason at any time, where applicable, extend the payment of the net redemption proceeds no later than ten (10) calendar days from the date of the redemption request is received by the Manager.</i></p>

3.2 Other Information

Launch Date	11 November 2019
Initial Offer Period	<p>A period of up to twenty one (21) days commencing from the date units of the Fund are being offered for sale.</p> <p><i>Note: The Manager reserves the right to determine a shorter offer period and notify the Trustee. The decision for a shorter offer period is based on the sole discretion of the Manager.</i></p>
Initial Offer Price	USD1.0000
Financial Year End	30 November
Permitted Investment	<p>As permitted under the Deed, the Fund will invest in any of the following investments:</p> <ul style="list-style-type: none"> i. Fixed income instruments; ii. Collective investment schemes; iii. Liquid assets which include but not limited to cash, deposits and money market instruments; iv. Financial derivatives for hedging purposes: and v. Any other kind of investments as permitted by the SC or any other relevant authorities from time to time which is in line with the investment objectives of the Fund.
Investment Limits and Restrictions	There is no counterparty or issuer limit (i.e. 100% of the NAV may be invested with a single counterparty or issuer).
Establishment of Other Classes	Under the Deed, the Manager has the sole and absolute right to issue and/or establish other, different or new classes of units in the Fund with different and/or similar features including but not limited to fees, charges, currency and/or distribution policy without the need to seek Unit Holders' prior approval provided the issuance of other classes and the imposition of the terms shall not in the opinion of the Manager and Trustee prejudice the rights of the Unit Holder. Where a new class is established or issued, Units in any existing class and any other Units may be re-designated so long as there is no prejudice to the existing Unit Holders of such class of Units as a whole. As at the date of this Information Memorandum, there is only one (1) class in the Fund.

4 RISK FACTORS

All investments carry some degree of risk. Therefore, before making an investment decision, you may consider the different types of risk that may affect the Fund or you individually. This section provides you with information on the general risks involved when investing in a wholesale fund and the specific risk associated with the Fund.

General risks associated with investing in a wholesale fund	
Market Risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's net asset value.
Inflation Risk	This is the risk that Sophisticated Investors' investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce Sophisticated Investors' purchasing power even though the value of the investment in monetary terms has increased.
Manager's Risk	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
Non-Compliance Risk	<p>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.</p> <p>This risk may be mitigated by having sufficient internal controls in place to ensure compliance with all applicable requirements at all times.</p>
Loan Financing Risk	This risk occurs when investors take a financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the repayments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions.

General risks associated with investing in a wholesale fund	
	<p>Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing.</p> <p><i>Note: The Manager does not provide financing for the purchase of units of the Fund. However, if an investor obtains financing from other providers, this is the risk that the investor should be aware of.</i></p>
Country Risk	<p>Investments of the fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the fund invests in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the fund in those affected countries. This in turn may cause the net asset value or prices of units to fall.</p>

Specific risks associated with the investment portfolio of the Fund	
Interest Rate Risk	<p>Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income instruments. When interest rates rise, fixed income instruments prices generally decline and this may lower the market value of the Fund's investment in fixed income instruments. The reverse may apply when interest rates fall.</p> <p>In order to mitigate interest rate risk, the Manager will need to manage the fixed income portfolio taking into account the coupon rate and time to maturity of the fixed income securities.</p>
Income Distribution Risk	<p>It should be noted that the distribution of income is not guaranteed. Circumstances preventing the distribution of income include, among others, insufficient realized returns to enable income distribution. As per the SC Guidelines, distribution of income should only be made from realised gains or realised income.</p>
Liquidity Risk	<p>Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.</p>

Counterparty Credit Risk	Counterparty credit risk is the risk arising from the possibility that the counterparty may default or not able to fulfil a trade settlement prior or on the settlement date of the trade. This could adversely affect the value of the Fund.
Credit and Default risk	Credit risk relates to the creditworthiness of the issuers of the fixed income instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income instruments. In the case of rated fixed income instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a fixed income instruments either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income instruments. This could adversely affect the value of the Fund.
Currency Risk	<p>As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.</p> <p>The Manager may at its discretion hedge the currency of its foreign investments against the base currency of the Fund to mitigate currency risk for the benefit of the Fund. Note that while hedging assist with mitigating the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well.</p>

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

Risk Management Strategy

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

5 FEES, CHARGES AND EXPENSES

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

5.1 Charges

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

Entry Charge	There will be no entry charge for this Fund.
Exit Penalty	There will be no exit penalty for this Fund.
Other Charges	Other direct charges that you may incur are as follows: Transfer fee Nil Bank charges or fees Bank charges or fees are incurred only upon redemption. Switching fee Unit holders are only allowed to switch to other funds where the currency denomination is the same as the Fund switched out. For switches between any of the funds managed by the Manager, Sophisticated Investors will be charged on the differences of entry charge between funds switched, which is up to a maximum of 6.00% of NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge.

5.2 Ongoing Fees and Expenses

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

(a) Annual Management Fee

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

paid monthly to us. An illustration of the calculation and apportionment of the daily management fee is as below:

Assuming the NAV of the Fund is USD100 million, then the daily accrued management fee for the day would be:

	<u>USD</u>
Investments	70,000,000.00
Others (Liquid assets)	30,000,000.00
NAV (before fees)	<u>100,000,000.00</u>

Management fee for the day:

$$\begin{aligned}
 & [(\text{Investments} + \text{Liquid assets}) \times \text{Management fee}] \div \text{Number of days in a year} \\
 & = (\text{USD}100,000,000.00 \times 0.75\%) \div 365 \qquad \qquad \qquad 2,054.79
 \end{aligned}$$

(b) Annual Trustee Fee

The Trustee is entitled to an annual trustee fee for acting as trustee for the Fund. This fee is calculated daily and paid monthly. The trustee fee is up to 0.04% p.a. of the NAV of the Fund (excluding foreign sub-custodian fee and charges, where applicable), subject to a minimum fee of RM10,000.00 p.a. An illustration of the trustee fee per day is as follows:

Assuming the NAV of the Fund is USD100 million and the trustee fee is 0.04% p.a. of the NAV of the Fund, then the daily accrued trustee fee would be:

	<u>USD</u>
Trustee's fee for the day charged to the Fund:	
(NAV of the Fund x Trustee fee) ÷ Number of days in a year	
= (USD100,000,000.00 x 0.04%) ÷ 365	109.59

(c) Fund Expenses

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

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

6 TRANSACTION INFORMATION

6.1 Valuation of Assets

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

- Listed fixed income securities
The last traded prices quoted on an exchange will be used.
- Unlisted fixed income securities
Valuation is based on prices provided by the Bond Pricing Agency (BPA) registered with the SC or where prices are not available from BPA, the average indicative yield quoted by three (3) independent and reputable institutions. For unlisted foreign currency denominated fixed income securities, valuation is based on fair value by reference to the average indicative yield/prices quoted by three (3) independent and reputable institutions.

Where the Manager is of the view that the price quoted by BPA for a specific fixed income security differs from “market price” by more than 20 basis points, the Manager may use the “market price”, provided that the Manager:

- (a) records its basis of using a non-BPA price;
- (b) obtains necessary internal approvals to use the non-BPA price; and
- (c) keeps an audit trail of all decisions and basis for adopting the “market yield”.

- Units in CIS
The value of any investment in CIS which are quoted on an approved exchange shall be based on the last done market price of the respective exchange. When investing in unlisted CIS, the value shall be determined by reference to the last published net asset value per unit (less redemption fee, if any) for that CIS.
- Liquid assets and money market instruments
The value of any investment in non-tradable liquid assets, money market instruments and deposits placed with financial institutions shall be determined on each business day, with reference to the principal value of such investments and the accrued income for the relevant period. For tradable liquid assets and money market instruments (such as negotiable certificates of deposits and promissory notes), the valuation is based on marked to market prices based on average of three (3) quotations by financial institutions daily.
- Derivatives
The valuation is based on marked to market prices. The methods or bases of valuation will have to be verified by the Auditor of the Fund and approved by the Trustee.

6.2 Pricing and Valuation Points

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

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

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

Since the Fund may also invest up to 100% of its NAV in foreign markets, the valuation of the Fund will be carried out on the next Business Day (T+1) by 5.00 p.m. This is to cater for the currency translation of the foreign securities/instruments to the Fund's base currency based on the bid exchange rate quoted by Bloomberg/Reuters at 4.00 pm (UK time) which is equivalent to 11.00 pm or 12.00 am midnight (Malaysian time) on the same day, or such other time as stipulated in the Investment Management Standards issued by the Federation of the Investment Managers Malaysia (FiMM).

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

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

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

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

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

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

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

NAV per unit

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

Total NAV	USD50,000,000.00
Units in circulation (units)	50,000,000
NAV per unit (Total NAV/Units in circulation)	USD1.0000

Making an investment

Assuming that a Sophisticated Investor wants to invest USD10,000 in the Fund and the NAV per unit is USD1.0000 with no entry charge. The Sophisticated Investor will need to pay the amount as illustrated below to the Manager:

Items	USD/Units	Explanation
(i) Amount to be invested (investment amount)	USD10,000	
(ii) Units issued to Sophisticated Investor	10,000 units	USD10,000/ USD1.0000 per unit
(iii) Entry charge incurred by Sophisticated Investor	0	No entry charge
(iv) Amount payable by Sophisticated Investor	USD10,000	

Redeeming an investment

Assuming a Sophisticated Investor wish to redeem 10,000 units from the Fund and the NAV per unit is USD1.0005 with no exit penalty. Hence, the total amount payable to the Sophisticated Investor is USD10,005 as illustrated below:

Items	USD/Units	Explanation
(i) Units redeemed	10,000 units	
(ii) Gross amount payable to Sophisticated Investor	USD10,005	10,000 units x USD1.0005
(iii) Exit penalty incurred by Sophisticated Investor	0	No exit penalty

(iv) Amount payable to Sophisticated Investor	USD10,005	
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Note: The NAV per unit for the Fund is rounded to four (4) decimal points. However, redemption proceeds, units created, fees and charges are rounded to two (2) decimal points.

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

6.3 Making an Investment

Minimum Initial Investment	<p>USD1,000.00</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</i></p>
Minimum Additional Investment	<p>USD500.00</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</i></p>
Step 1 Eligibility	<p>Sophisticated Investors, with 18 years of age and above for individual who are not US Persons.</p> <p><i>Notes:</i></p> <p>(1) <i>The Manager has the right to reject any application by a US Person. However, if you are investing through our appointed distributor who operates under a nominee system of ownership, kindly consult the respective distributor accordingly.</i></p> <p>(2) <i>If a Unit Holder is a US Person or subsequently becomes a US Person and such fact comes to the attention of the Manager:</i></p> <p>a) <i>The Manager is entitled to act in accordance with FATCA, relevant laws, rules, regulations, notes and circulars issued by the relevant authorities from time to time including but not limited to withholding such amount of the income derived from the units held by such US Person (if any); and</i></p> <p>b) <i>The Manager shall by a notice in writing to that US Person require him/her to either redeem all the units of the Fund or transfer all the units of the</i></p>

	<p><i>Fund to a non-US Person within thirty (30) days from the date of the notice. Upon expiry of thirty (30) days from the date of such notice, the Manager reserves the right to compulsorily redeem all the units held by such US Person.</i></p>
<p>Step 2 Forms To Be Completed and Documents Required</p>	<p><u>For initial investment:</u></p> <ol style="list-style-type: none"> (1) A full set of account opening form; (2) Proof of payment; (3) Suitability assessment form; (4) Wholesale fund declaration form; (5) Specimen signature form; (6) Personal Data Protection Act consent form (if applicable); (7) FATCA and CRS documentation: <ol style="list-style-type: none"> a) Self-certification by individual / entity; b) W-8BEN / W-8BEN-E Form (if applicable); and c) W-9 Form (if applicable); and (8) Additional documents requested by the Manager (if applicable). <p><i>Individual investor/ jointholder</i></p> <p>For a single applicant, photocopy of National Registration Identity Card (NRIC) for Malaysian or passport for foreigner.</p> <p>For joint applicant, photocopy of NRIC for Malaysian or passport for foreigner of first named joint applicant and the subsequent named joint applicant.</p> <p><i>Non-individual/ corporate investors</i></p> <ol style="list-style-type: none"> (1) Copy of NRIC / passport of all authorised signatory(ies); (2) Copy of NRIC / passport of directors / shareholders / partners; (3) A certified true copy of the Memorandum and Articles of Association, business registration documents, certificate of registration or its equivalent; (4) A certified true copy of Form 24 and 49 or its equivalent; (5) An original / extract copy of a board resolution approving investments in the Fund or its equivalent; (6) List of authorised personnel to effect any instructions pertaining to the Fund if the list of authorised personnel is not mentioned in the board resolution or its equivalent;

	<p>(7) A copy of the latest audited financial statement of accounts;</p> <p>(8) Any other approvals required from relevant authorities; and</p> <p>(9) Any other documents requested by the Manager.</p> <p><u>For additional investment:</u></p> <p>(1) Transaction form or letter of instruction (for non-individual or corporate investors only); and</p> <p>(2) Proof of payment.</p>
<p>Step 3 Manner of Payment and Delivery</p>	<p>Upon clearance based on our “Know-Your-Customer” (KYC) policy, you can deposit payment into our account upon being advised by us. Your application will be accepted and shall be processed based on the net amount received. If you deposit payment into our account without notifying us, we reserve the right to reject your application and hold such amount until claimed.</p> <p>Payments can be made by depositing payment into our account using either cheque, bank draft or telegraphic transfer payable to:</p> <p>“AmFunds Management Berhad – Trust A/C”</p> <p>For individual investors: You are advised to write your name, NRIC/ passport number and contact number at the back of the cheque or bank draft.</p> <p>For corporate investors: You are advised to write your company name, company no. and contact number at the back of the cheque or bank draft.</p> <p>You can submit the application with complete documentation (including the proof of payment) and payment to us or submit the same to any of our appointed distributors. If we do not receive complete documentation with the payment we reserve the right to reject the application. If you deposit payment into our account and do not notify or provide us with the complete documentation, we shall reject your application and hold such amount until claimed. Sales of units will be processed upon receipt of complete documentation and proof of payment.</p> <p>We reserve the right to vary the manner of payment from time to time, and shall be communicated to you.</p>

	<p><i>Note: Where payment is by cheque, the cheque must be issued by the Sophisticated Investor. In the case of bank draft, a copy of the application for the bank draft as approved by the relevant bank must be submitted with the bank draft. Any payment from third party other than the Sophisticated Investor will be rejected.</i></p>
<p>Processing an Application/ Cut-off Time</p>	<ul style="list-style-type: none"> • If an application with complete documentation is accepted by the Manager or our appointed distributors before 4.00 p.m. on a Business Day, it will be processed at the closing NAV per unit calculated at the end of the same Business Day. • If an application with complete documentation is accepted by the Manager or our appointed distributors after 4.00 p.m. or on a non-Business Day, it will be processed at the closing NAV per unit calculated at the next Business Day. <p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents or proof of payment. Incomplete applications will not be processed until all the necessary information has been received.</i> • <i>You should note that different distributors may have different cut off times in respect of receiving application request. You are advised to contact the relevant distributors to obtain further information and should check with the relevant distributors on their cut off time in respect of receiving application request.</i>
<p>Cooling-off Right</p>	<p>Not applicable for this Fund.</p>
<p>Confirmation of an Application</p>	<p>You shall be issued a transaction advice within two (2) weeks of processing your application. No certificates are issued. Instead your details are entered into the register of Unit Holders, which is kept at our head office and can be inspected during business hours.</p>
<p>Miscellaneous Application Information</p>	<p>You will be responsible for all losses and expenses of the Fund in the event of any failure to make payments according to the procedures outlined in this Information Memorandum. In addition, a RM20 charge will be imposed if a cheque does not clear. Such losses and expenses shall be deducted by the Manager from your account with us. We reserve the right to reject any application. We also reserve the right to change or discontinue any of our application procedures.</p>

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

6.4 Making Redemptions

<p>Minimum Redemption / Switching</p>	<p>1,000 units</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</i></p>
<p>Minimum Holding or Balance</p>	<p>1,000 units</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager discretion to accept.</i></p>
<p>Forms To Be Completed</p>	<p>(1) Transaction form signed by individual unit holder(s)/ authorised signatory(ies); or</p> <p>(2) Letter of instruction (for non-individual or corporate investors only).</p>
<p>Access To Money</p>	<p>Redemption request can be made on any Business Day by completing the transaction form or letter of instructions.</p> <ul style="list-style-type: none"> • The Manager will make payment within two (2) Business Days after redemption application is received on or before 4.00 p.m. on any Business Day. • Where the redemption application is received after 4.00 p.m. or on a non-Business Day, the redemption application will be processed at the end of the next Business Day, and the redemption proceeds will be paid within three (3) Business Days upon the redemption application is received. <p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>We may for any reason at any time, where applicable, extend the payment of the net redemption proceeds no later than ten (10) calendar days from the date of the redemption request is received by the Manager.</i> • <i>The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents. Incomplete applications will not be processed until all the necessary information has been received.</i>

	<ul style="list-style-type: none"> You should note that different distributors may have different cut off times in respect of receiving redemption request. You are advised to contact the relevant distributors to obtain further information and should check with the relevant distributors on their cut off time in respect of receiving redemption request.
Manner of Payment	<p>All redemption proceeds will be made in the currencies which the units are denominated will be paid to a bank account (active account) held in your own name or the first named Unit Holder (for joint account) either by telegraphic transfer, cheque or bank draft.</p> <p><i>Note: We reserve the right to vary the manner of payment from time to time, and shall be communicated to you.</i></p>
Miscellaneous Redemption Information	<p>We reserve the right to defer the calculation of redemption price with the consent of the Trustee (or as permitted by the SC) after receiving the redemption request if in our judgment, an earlier payment would adversely affect the Fund.</p>

No redemption will be paid in cash under any circumstances.

6.5 Distribution payment

Mode of Income Distribution	<p>Distribution, if any, will be automatically reinvested into your account with us at no cost, based on the NAV per unit at the end of Business Day of the income distribution date.</p>
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6.6 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 prescribed under the Unclaimed Moneys Act 1965 from the date of payment will be paid to Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Thereafter, all claims need to be made to the Registrar of Unclaimed Moneys.

6.7 Other Relevant Information when Making an Investment

Switching Facility

Unit Holders are only allowed to switch to other funds where the currency denomination is the same as the Fund switched out. For switches between any of the funds managed by the Manager, Unit Holders will be charged on the differences of the entry charge between funds switched, which is up to a maximum of 6% of

NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge.

Please note that the price of the Fund to be switched out and the price of another Fund to be switched into may be of different days.

Transfer Facility

Transfer facility is not available for this 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 the Fund, the issue of units and the redemption of units in the following circumstances:

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

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

Customer Identification Program

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

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

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

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

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

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

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

Cross Trade

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

Notwithstanding, cross trades between the personal account of an employee of the Manager and the Fund’s account and between the Manager’s proprietary trading

accounts and the Fund's account are strictly prohibited. The execution of cross trade will be reported to the investment committee and disclosed in the Fund's report accordingly.

Rebates and Commission

It is our policy to channel all rebates, if any, received from brokers or dealers to the Fund. However, soft commissions received for goods and services which are of demonstrable benefit to Unit Holders and in the form of research and advisory services that assist in the decision making process relating to the Fund's investments such as fundamental databases, financial wire services, technical analysis software and securities quotation system incidental to investment management of the Fund and the dealing with the broker or dealer is executed on terms which are the most favourable for the Fund are retained by us.

Borrowing/Financing

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

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

7 THE MANAGEMENT COMPANY

7.1 Corporate Information of the Manager

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

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

7.2 Roles, Duties and Responsibilities of the Manager

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

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

7.3 Designated Fund Manager

Raymond Lew Wei Chien

Raymond Lew Wei Chien is the designated person responsible for the fund management function of the Fund. He is the Senior Vice President, Fixed Income and a Senior Fund Manager with our Fixed Income team with more than twenty (20) years of relevant experience in this field, of which twelve (12) years have been with the Funds Management Division of AMMB Holdings Berhad (“AmInvest”).

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

7.4 Material Litigation

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

Note: Please refer to our website (www.aminvest.com) for further information in relation to the Manager which may be updated from time to time.

8 THE TRUSTEE

8.1 About Deutsche Trustees Malaysia Berhad

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

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

8.2 Experience in Trustee Business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 181 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

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

8.3 Roles, Duties and Responsibilities of the Trustee

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

8.4 Material Litigation and Arbitration

As at LPD, neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the trustee and any of its delegate.

8.5 Trustee's Delegate

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

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

8.6 Disclosure on Related-Party Transactions/ Conflict of Interests

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

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

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

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

9 SALIENT TERMS OF THE DEED

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

9.1 Rights and Liabilities of Unit Holders

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

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

As a Unit Holder, you have the right to:

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

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

9.2 Fees and Charges Permitted by the Deed

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

Annual Management Fee	Up to 5.00% p.a. of the NAV of the Fund
Annual Trustee Fee	Up to 0.04% p.a. of the NAV of the Fund (excluding foreign custodian fees and charges, where applicable), subject to a minimum fee of RM10,000.00 p.a.
Entry Charge	Up to 2.00% of the NAV per unit of the Fund

Exit penaltyUp to 2.00% of the NAV per unit of the Fund

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

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

9.3 Permitted Expenses Payable out of the Fund

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

- (a) commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor and tax agent of the Fund;
- (d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of this Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser (including but not limited to legal advisors/lawyers) or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either

- of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;
 - (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
 - (o) costs, fees and expenses incurred in relation to printing and postage of annual and quarterly reports;
 - (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians in respect of the foreign investments of the Fund (if any); and
 - (q) any tax and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (p) above.

9.4 Retirement, Removal or Replacement of the Trustee

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

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

9.5 Retirement, Removal or Replacement of the Manager

The Manager may be removed by the Trustee where:

- (a) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the best interests of Unit Holders for it to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- (b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under this Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- (c) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business;

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

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

9.6 Termination of Trust by the Manager

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

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

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

9.7 Termination of Trust by the Trustee

In any of the following events:

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

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

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

Upon such application by the Trustee, the court may, if it considers it to be in the interests of the Unit Holders, confirm the Special Resolution and make such orders

as it thinks necessary or expedient for the termination of the trust in respect of the Fund and the effective winding-up of the Fund.

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

9.8 Termination of a Class of Units

If the Fund has more than one class of Units, the Manager may terminate a particular class of Units in accordance with the relevant laws. The Manager may only terminate a particular class of Units if the termination of that class of Units does not prejudice the interests of Unit Holders of any other class of Units. For the avoidance of doubt, the termination of a class of Units shall not affect the continuity of any other class of Units of the Fund.

If at a meeting of Unit Holders to terminate a class of Units, a Special Resolution to terminate the class Units is passed by the Unit Holders of that class:

- (a) the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the Special Resolution;
- (b) the Trustee or the Manager shall as soon as practicable inform all Unit Holders of the Fund of the termination of that class of Units; and
- (c) the Trustee or the Manager shall publish a notice on the termination of that class of Units in at least one (1) national Bahasa Malaysia newspaper and one (1) national English newspaper, if those Units are available in Malaysia.

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that class of Units by the Auditor. Upon the completion of the termination of that class of Units, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that class of Units.

9.9 Unit Holders' Meeting

Quorum required for a unit holders' meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation of the Fund or the applicable class of Units, as the case may be, at the time of the meeting.

9.10 Meeting directed by the Unit Holders

The Manager shall within twenty-one (21) days of receiving a direction from not less than fifty (50) Unit Holders or one-tenth (1/10) of all the Unit Holders of the Fund, as the case may be, summon a meeting of the Unit Holders of the Fund by:

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

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

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

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

9.11 Meeting summoned by the Manager or the Trustee

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

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

10 RELATED PARTY TRANSACTIONS OR CONFLICT OF INTEREST

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

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

The directors of AFM may have direct or indirect interest through their directorship in AIFM. Following are the details of the directors:

- Sum Leng Kuang is the independent director of AIFM.
- Tai Terk Lin is the independent director of AIFM.
- Seohan Soo is the non-independent director of AIFM.
- Goh Wee Peng is the non-independent director of AIFM.

For further details of the director's profile, please refer our website (www.aminvest.com).

To the best of Trustee's knowledge, there has been no event of conflict of interest or related party transaction which exists between the Trustee and the Manager or any potential occurrence of it.

11 ADDITIONAL INFORMATION

11.1 Keeping You Informed

When you invest

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

Statement of investment

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

Reports

We will send you:

- The annual report within two (2) months of the Fund's financial year end; and
- Quarterly reports within two (2) months of the end of the period covered.

Tax voucher

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

Internet

We publish updated information on our website www.ambankgroup.com or www.aminvest.com.

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

11.2 Keeping Us Informed

Changing your account details

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

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

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

distribution will become unclaimed moneys and be treated as unclaimed moneys under Section 6.6.

Investor feedback and complaints

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

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

12 DIRECTORY

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

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

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

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AmFunds Management Berhad

(154432-A)

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