

Replacement Information Memorandum for

# AmIncome Value

This is a Replacement Information Memorandum supersedes/replaces the Information Memorandum for AmIncome Value dated 15 September 2010.

The Manager

**AmInvestment Services Berhad**

Company number: 154432-A

The Trustee

**Deutsche Trustees Malaysia Berhad**

Company number: 763590-H



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 Replacement Information Memorandum introduces the investors to AmlIncome Value (the Fund) managed by AmlInvestment Services Berhad.

AmlIncome Value aims to provide steady growth by investing in Short to Medium term fixed income instruments, fixed deposits and other permitted investments.

The Fund aims to optimize return through investing in Short to Medium term domestic fixed income instruments with minimum short-term local credit rating of P2 (by RAM) or MARC2 (by MARC) or long-term credit rating of A3 (by RAM) or A- (by MARC).

The specific risks of investing in AmlIncome Value are credit (default) risk, concentration risk, interest rate risk liquidity risk, and prepayment risk. Kindly refer to page 11 for detailed information on the specific risks of investing in the Fund.

This Fund is open only to Qualified Investors seeking:

- to invest the cash portion of their investment portfolio;
- to preserve their capital; and
- a Short to Medium term investment horizon.

There are fees and charges payable by investors when investing in AmlIncome Value and investors are advised to consider the following fees and charges:-

- i) annual management fee of up to 0.75% p.a. of the NAV of the Fund;
- ii) annual trustee fee of up to 0.08% p.a. of the NAV of the Fund, subject to a minimum of RM10,000 p.a.;
- iii) other fees and charges relating to the administration of the Fund; and
- iv) there are no entry charge and exit charge for the Fund.

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 fax at (03) 2031 5210 or email enquiries@aminvest.com.

Finally, thank you for your interest in AmlIncome Value.

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

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

**THIS IS A REPLACEMENT INFORMATION MEMORANDUM DATED 1 DECEMBER 2014 THAT REPLACES AND SUPERCEDES THE INFORMATION MEMORANDUM DATED 15 SEPTEMBER 2010.**

# DISCLAIMER

## Responsibility Statements

This Replacement Information Memorandum 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 which would make any statement herein misleading.

## Statements of Disclaimer

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

The Securities Commission will not be liable for any non-disclosure on the part of AmlInvestment Services Berhad and takes no responsibility for the contents of this 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 authorized or to any person to whom it is unlawful to make such offer or solicitation.

An investment in any fund carries with it a degree of risk. The value of units and the income from them, if any, may go down as well as up, and investors may not get back the amount invested. Investors should consider the risk factors set out in this Replacement Information Memorandum.

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

**THIS IS A REPLACEMENT INFORMATION MEMORANDUM DATED 1 DECEMBER 2014 THAT REPLACES AND SUPERCEDES THE INFORMATION MEMORANDUM DATED 15 SEPTEMBER 2010**

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 authorized 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 Replacement 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 financial adviser about the suitability of this Fund for their investment needs.

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

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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>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>AmInvestment Bank</b>	AmInvestment Bank Berhad
<b>AmInvestment Group Berhad</b>	AmInvestment Group Berhad and its group of companies
<b>AmInvestment Group's FMD</b>	The Funds Management Division of AmInvestment Group 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 and stock exchange are open for business in Malaysia other than Saturday, Sunday or public holiday
<b>CMSA 2007, the Act</b>	Capital Markets and Services Act 2007 and any amendments made thereto
<b>Deed</b>	The deed dated 7 September 2010 as modified by the supplemental deed dated 28 November 2014 all entered into between the Manager and the Trustee in respect of the Fund
<b>FATCA</b>	Foreign Account Tax Compliance Act
<b>Fund</b>	AmIncome Value
<b>GST</b>	Goods and Services Tax, which includes any tax payable on the supply of goods, services, or other things in accordance with the provisions of GST Law
<b>GST Law</b>	The Goods and Services Tax Act 2014, subsidiary legislations, statutory orders and regulations governing the application of GST, as amended from time to time
<b>Latest Practicable Date</b>	30 September 2014
<b>MARC</b>	Malaysian Rating Corporation Berhad

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<b>Net Asset Value (NAV) of the Fund</b>	Net Asset Value of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and trustee fee for the relevant day.
<b>NAV per unit of the Fund</b>	Net Asset Value NAV of the fund divided by the number of units in circulation, at the valuation point.
<b>Qualified Investor</b>	<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 the 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 Labuan Financial Services and Securities Act 2010;</li> <li>(s) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;</li> </ul>

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	<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>	Rating Agency Malaysia
<b>Replacement Information Memorandum</b>	This Replacement Information Memorandum for AmlIncome Value and includes and supplemental information memorandum
<b>RM</b>	Ringgit Malaysia
<b>SC, the 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>Short to Medium term</b>	Investing in instruments with a maturity of 3 years and below
<b>Trustee</b>	Deutsche Trustees Malaysia Berhad
<b>Unit Holder(s), investor(s), applicant, you</b>	The Qualified Investor for the time being registered under the provisions of the Deed as a holder of units and includes the Manager and jointholders
<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>Withdrawal, exit</b>	Redemptions
<b>Wholesale Fund</b>	A Fund, the units of 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

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# CORPORATE DIRECTORY

## MANAGER

### **AmlInvestment Services Berhad**

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*

9th & 10th Floor, Bangunan AmBank Group

No. 55, Jalan Raja Chulan

50200 Kuala Lumpur

Tel: (03) 2032 2888 Fax: (03) 2031 5210

Website: www.ambankgroup.com

## Board of Directors

Kok Tuck Cheong (*Non-Independent*)

Professor Dr. Annuar Md. Nassir (*Independent*)

Mustafa Bin Mohd Nor (*Independent*)

Datin Maznah Mahbob (*Non-Independent*)

Mohd Fauzi Mohd Tahir (*Non-Independent*)

Harinder Pal Singh (*Non-Independent*)

## Investment Committee

Harinder Pal Singh (*Non-Independent*)

Dato' Mohd Effendi bin Abdullah (*Non-Independent*)

Professor Dr. Annuar Md. Nassir (*Independent*)

Mustafa Bin Mohd Nor (*Independent*)

## Secretary

Koh Suet Peng (MAICSA 7019861)

22nd Floor, Bangunan AmBank Group

No.55, Jalan Raja Chulan

50200 Kuala Lumpur

## MANAGER'S DELEGATE

### **Deutsche Bank (Malaysia) Berhad**

(as fund accounting and valuation service provider)

Company number: 312552-W

#### *Registered office*

Level 18, Menara IMC

No.8, Jalan Sultan Ismail

50250 Kuala Lumpur

Tel: (03) 2053 6788 Fax: (03) 2031 8710

#### *Business Office*

Level 18-20, Menara IMC

No. 8 Jalan Sultan Ismail

50250 Kuala Lumpur

Tel: (03) 2053 6788 Fax: (03) 2031 8710

## TRUSTEE

### **DeutscheTrustees Malaysia Berhad**

Company number: 763590-H

Registered office/Head 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: (03) 2053 6788 Fax: (03) 2031 8710

#### *Business Office*

Level 18-20, Menara IMC

No. 8 Jalan Sultan Ismail

50250 Kuala Lumpur

Tel: (03) 2053 6788 Fax: (03) 2031 8710

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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

## **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

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

19-06-1, 6th 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)

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# KEY DATA OF THE FUND

The description on the following pages introduces you to AmlIncome Value and helps you decide whether AmlIncome Value 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. QUALIFIED INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE REPLACEMENT INFORMATION MEMORANDUM BEFORE MAKING INVESTMENT DECISIONS**

## FUND INFORMATION

<b>Name of Fund</b>	AmlIncome Value  <i>“Income” depicts that the Fund will invest predominantly in fixed income instruments which is aligned with the fund’s objective and strategy.</i>  <i>“Value” means that the Fund will grow in its intrinsic worth as time goes by because its objective is to achieve steady growth from the capital appreciation and income received from the securities coupon (without distribution) by investing in fixed income instruments.</i>
<b>Category of Fund</b>	Wholesale Fixed Income
<b>Type of Fund</b>	Growth
<b>Investment Objective</b>	The fund aims to provide steady growth by investing in Short to Medium term fixed income instruments, fixed deposits and other permitted investments.  <i>Note: Any material change to the investment objective of the Fund would require Unit Holders’ approval.</i>
<b>Investment Strategy</b>	The fund aims to optimize return through investing in Short to Medium term domestic fixed income instruments with minimum short-term local credit rating of P2 (by RAM) or MARC2 (by MARC) or long-term credit rating of A3 (by RAM) or A- (by MARC).
<b>Asset Allocation</b>	A minimum of 95% of the Fund’s NAV will be invested in fixed deposits, money market instruments, fixed income instruments and other permitted investments as provided in the Deed while maintaining a maximum of 5% of the Fund’s NAV in liquid assets.
<b>Base Currency</b>	Ringgit Malaysia
<b>Performance Benchmark</b>	RAM Quantshop 1-5 years MGS Index plus 50 basis points (over 3 year rolling period)

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<b>Specific Risks Associated with the Fund</b>	<ul style="list-style-type: none"> <li>• Interest Rate Risk</li> <li>• Concentration Risk</li> <li>• Credit (Default) Risk</li> <li>• Liquidity Risk</li> <li>• Prepayment Risk</li> </ul>
<b>Investor Profile</b>	<p>This Fund is open to Qualified Investors seeking:</p> <ul style="list-style-type: none"> <li>• to invest the cash portion of their investment portfolio;</li> <li>• to preserve their capital; and</li> <li>• a Short to Medium term investment horizon.</li> </ul>
<b>Financial Year End</b>	31 December
<b>Income Distribution</b>	Income distribution (if any) will be reinvested.

## 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>	Nil
<b>Exit Charge</b>	Nil
<b>Other Charges</b>	<p>Indirect charges that you may incur are as follows:</p> <p>Transfer fee There is no transfer facility for this Fund.</p> <p>Bank charges or fees When withdrawals are made, you may incur bank charges or fees.</p>

### 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 <i>Please refer to page 16 for details.</i>
<b>Annual Trustee Fee</b>	Up to 0.08% p.a. of the NAV of the Fund, subject to a minimum fee of RM 10,000 p.a.

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<b>Fund Expenses</b>	<p>A list of the Fund expenses directly related to the Fund is as follows:</p> <ul style="list-style-type: none"> <li>• Audit fee;</li> <li>• Tax agent's fee;</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 fee for Fund reports;</li> <li>• Commission paid to brokers / dealers (if any);</li> <li>• Sub-custodian fees (if any); and</li> <li>• Other expenses as permitted by the Deed.</li> </ul>
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Please refer to page 16 and 17 for details on Fees, Charges and Expenses.

### Goods and Services Tax

In the event of the imposition of any GST on any fees, charges and/or expenses, the Unit Holder and/or the Fund (as the case may be) shall pay all such GST as may be applicable under the provision of the GST Law.

### TRANSACTION DETAILS

<b>Minimum Initial Investment</b>	RM1,000,000 or such amount as the Manager may from time to time decide.
<b>Minimum Additional Investment</b>	RM 500,000 or such amount as the Manager may from time to time decide.
<b>Minimum Holding or Balance</b>	10,000 units or such units as the Manager may from time to time decide.
<b>Minimum Redemption Unit</b>	500,000 units or such units as the Manager may from time to time decide.
<b>Transfer Facility</b>	Transfer facility is not available for this Fund
<b>Depositing Money</b>	If an application with complete documentation is accepted before 4.00 p.m. on any Business Day, it will be processed at the open of the next Business Day. If an application with complete documentation and accepted after 4.00 p.m. or on a non-Business Day, the application will be processed at the open of the second Business Day.
<b>Access to Money</b>	<p>Withdrawal requests can be made from Monday to Friday (except public holidays) before 4.00 p.m. by completing a transaction form. If the transaction form is accepted, it will be processed at the opening of the next Business Day and withdrawal proceeds will be paid within 10 days upon receipt of the notice.</p> <p><i>Please refer to page 22 to 25 for details on making withdrawals.</i></p> <p><i>Note: Once the Manager accepts your transaction form, it can only be cancelled at the Manager's discretion.</i></p>

Please refer to page 18 to 25 for details on how to make an application or withdrawal.

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## OTHER INFORMATION

<b>Current Deed</b>	The Deed relating to the Fund is dated 7 September 2010.
<b>Supplemental Deed</b>	The supplemental deed relating to the Fund is dated 28 November 2014.

**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 investments carry some degree of risk. In relation to this, returns are not guaranteed to wholesale fund investors. If the return an investor expects from an investment is high, usually, the risk that the investor would have to bear would also be high, and vice versa.

The role of the Manager in a wholesale fund is to invest in a portfolio of assets which is adequately suited to potentially achieve the objective of the Fund, while at the same time working towards minimizing the risk of the portfolio of as much as possible,.

Before making an investment decision, an investor should consider the various risks that may affect the wholesale fund and the investor individually.

## GENERAL RISKS OF INVESTING IN THE FUND:

General risks that an investor may face when investing in a unit trust fund includes:-

- Inflation Risk
- Non-Compliance Risk
- Mismatch Risk
- Market Risk
- Financing Risk
- Manager Risk

### ***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.

### ***Mismatch Risk***

The choice of investing in the Fund is made at the discretion of 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.

### ***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.

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

### ***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.

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### **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.

### **Market Risk**

This is the risk of prices of assets 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.

## **SPECIFIC RISKS ASSOCIATED WITH AMINCOME VALUE**

Specific risks that a Qualified Investor may face when investing in AmIncome Value includes:-

- Credit (Default) Risk
- Interest Rate Risk
- Liquidity Risk
- Prepayment Risk
- Concentration Risk

### **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 adversely 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 the Fund to generally decline. In particular, fixed income instruments with longer maturity and lower coupon/profit rates are more sensitive to interest rate changes, and are subject to greater interest rate risk compared to fixed income instruments with shorter maturities and higher coupon/profit rates.

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

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### ***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.

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.

### ***Prepayment Risk (Call Risk)***

This is the risk of an issuer of a security held by the Fund deciding to exercise its right to pay principal on the security earlier than expected (this may happen during a period of declining interest rates). The result of this is that the Fund may be unable to recoup the value of all of its initial investment and will suffer from having to reinvest in lower yielding securities. The loss of higher yielding securities and the reinvestment at lower interest rate can reduce the Fund's income, total return and unit price.

### ***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 investors should consider before investing into a wholesale fund should not be considered to be an exhaustive list. Investors should be aware that investments in a fund may be exposed to other risks of an exceptional nature from time to time.**

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# THE FUND'S DETAILED INFORMATION

## FUND INFORMATION

### Category/type

Wholesale Fixed Income/Growth

### Investment Objective

The Fund aims to provide steady growth by investing in Short to Medium term fixed income instruments, fixed deposits and other permitted investments.

Note: Any material changes to the investment objective of the Fund would require Unit Holders' approval.

### Investment Strategy

The Fund aims to optimize return through investing in Short to Medium term domestic fixed income instruments with minimum short-term local credit rating of P2 (by RAM) or MARC2 (by MARC) or long-term credit rating of A3 (by RAM) or A- (by MARC).

### Asset Allocation

A minimum of 95% of the Fund's NAV will be invested in fixed deposits, money market instruments, fixed income instruments and other permitted investments as provided in the Deed while maintaining a maximum of 5% of the Fund's NAV in liquid assets.

### Performance Benchmark

RAM Quantshop 1-5 years MGS Index plus 50 basis points (over 3 year rolling period)

Note : The above benchmark may be charged to reflect any material charge to the Fund's asset allocation range as permitted by the prevailing regulation.

The RAM Quantshop 1-5 years MGS Index plus 50 basis points (over 3 year rolling period) is the benchmark used because the RAM Quantshop 1-5 years MGS Index is a generally acceptable benchmark covering securities that have maturities between the short to medium term period. The Fund is further challenged to deliver an extra alpha of 50 basis points above the said benchmark.

The Fund Manager is of the view that the 3 years rolling period gives a better representation of the average 36 months long performance and is a more realistic and fair measure of the Fund's performance, as compared to a shorter time period, of say 1 year (12 months). This will help smoothen and account for extreme market movement conditions of an open-ended fund.

### Investor's Profile

This Fund is only open to Qualified Investors seeking:

- to invest the cash portion of their investment portfolio;
- to preserve their capital; and
- a Short to Medium term investment horizon.

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## ***Income Distribution Policy***

Income distribution (if any) will be reinvested.

## **RISK MANAGEMENT STRATEGIES**

When it comes to security, one of the most important factors to consider is the quality of AmlIncome Value's underlying investments. While an investment in AmlIncome Value is not capital guaranteed, the risk of any capital loss is considered to be low to medium as AmlIncome Value invests in deposits, Short to Medium term money market instruments and investment grade debt securities. This risk is mitigated by investing in financial institutions or issuers with a minimum rating by any global or domestic rating agency which indicates adequate safety or strong capacity for timely payment of financial obligations, such as a rating of at least A3 by RAM or A- by MARC. In addition, the Manager has the Credit Risk Committee (CRC) to oversee risk management on debt securities investments by adopting a preemptive and disciplined approach to risk management. The Manager recommends and implements the appropriate duration strategy for investment. The Manager has the discretion to select debt securities on the authorized investment list approved by the CRC.

In the case of credit downgrades, the risk of default is mitigated by closely monitoring the underlying investments and making investment decision in the best interest of Unit Holders of the Fund before default occurs.

## **PERMITTED INVESTMENTS OF THE FUND**

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

- Cash;
- Fixed deposits/general investment account and money market instruments;
- Government securities and any other securities guaranteed by Malaysia Government, BNM or other related Government agencies;
- Private debt securities; and
- Repurchase agreements.

## **INVESTMENT LIMITS AND RESTRICTIONS**

The Fund is subject to the following investment limits and restrictions:

- I. The Fund's investment in deposits and Short to Medium term money market instruments is restricted to those with minimum short-term local credit rating of P2 (by RAM) or MARC2 (by MARC) or long term credit-rating of A3 (by RAM) or A-(by MARC). There is no limit for investment in any single issuer.
- II. No restrictions or limits for securities issued or guaranteed by the Malaysian Government and BNM.

## **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 authorized investments of the Fund is as below:

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*i. Listed fixed income securities*

The last traded prices quotes on an exchange will be used.

*ii. Unlisted fixed income securities*

For Ringgit Malaysia denominated 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.

Where the Manager is of the view that the price quoted by BPA for a specific fixed income securities 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 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'.

*iii. 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 by 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 the prices as provided by the counterparties that issues the instruments.

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# FEES, CHARGES AND EXPENSES

## Charges

### Entry and Exit Charge

The Fund does not charge any entry or exit fees.

### Transfer Fee

There is no transfer fee for this Fund.

However, an investor may incur other charge as follow:

### Bank charges or fees

When withdrawals are made an investor may incur bank charges or fees.

## Ongoing Fees and Expenses

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

### (a) Annual Management Fee

For the life of this Replacement Information Memorandum, the Manager's fee is up to 0.75% p.a. of the NAV of the Fund. The fee is calculated daily and paid monthly.

An Illustration of the calculation and appointment of the daily management fee is as follows:

	RM
Investment	190,000,000
Others (Liquid assets + Receivables - Payables)	10,000,000
NAV (before fees)	200,000,000

Management fee for the day is calculated as follows:

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

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

### (b) Annual Trustee Fee

The Trustee is entitled to an annual trustee fee for acting as custodian of the Fund's assets and safe guarding the interest of Unit Holders. This fee is calculated daily and paid monthly. For the life of this Replacement Information Memorandum the Trustee's fee is up to 0.08% p.a. of the NAV of the Fund, subject to a minimum fee of RM10,000 p.a.

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

Assuming the NAV of the Fund is RM200,000,000.00 for the day and the Trustee fee is 0.08% p.a. of the NAV of the Fund, then the daily accrued Trustee fee would be : -

$$\frac{\text{Investments + Liquid assets + Receivables - Payables} \times 0.08\%}{\text{Number of Days in a year}}$$

$$\frac{\text{RM200,000,000} \times 0.08\%}{365 \text{ days}} = \text{RM438.36 (rounded to 2 decimal points)}$$

### (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 fee, tax agent's fee, printing and postages of annual and quarterly reports, bank charges, Investment Committee fees for independent members, lodgement/fees for Fund's reports, commission paid to brokers/dealers (if any), sub-custodian fees (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 or dealers to the Fund.

However, soft commissions received for goods and services which are of demonstrable benefit to Unit Holders such as fundamental databases, financial wire services, technical analysis software and 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.**

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# 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. In addition, the Fund also adopts forward pricing which means price for units will be calculated at the next valuation point.

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.

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

### NAV per unit

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

Total NAV (RM)	200,000,000
Unit in circulation (units)	200,000,000
NAV per unit (RM) (Total NAV/Unit in circulation)	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 wishes to redeem 1,000,000 units from the Fund and the NAV per unit is RM1.0003 with no exit penalty. 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 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
iv. Net amount payable to Qualified Investor	RM 1,000,300	RM 1,000,300

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

## MAKING AN INITIAL INVESTMENT

<b>Step 1 Eligibility</b>	Qualified Investors
<b>Step 2 Minimum Investment</b>	RM1,000,000 or such amount as the Manager may from time to time decide.
<b>Step 3 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>
<b>Step 4 Documents Needed</b>	<p><b>Individual investor</b></p> <ul style="list-style-type: none"> <li>i) For a single applicant photocopy of National Registration Identity Card (NRIC) or passport;</li> <li>ii) For joint named applicants               <ul style="list-style-type: none"> <li>a. photocopy of NRIC or Passport of first named joint applicant; and</li> <li>b. photocopy of NRIC or Passport or Birth Certificate of joint applicant.</li> </ul> </li> <li>iii) Declaration form</li> </ul> <p><b>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> <li>c. an original copy of a Board Resolution approving investments in the Fund or its equivalent;</li> </ul>

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	<p>d. list of authorized personnel to effect any instructions pertaining to the Fund if not mentioned in the Board Resolution or its equivalent;</p> <p>e. a copy of the latest audited financial statement of accounts;</p> <p>f. declaration form; and</p> <p>g. any other approvals required from relevant authorities.</p>
<p>Step 5 <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>Qualified Investor can either mail 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>Step 1 <b>Minimum additional investment</b></p>	<p>RM 500,000 or such amount as the Manager may from time to time decide.</p>
<p>Step 2 <b>Manner in which additional investments are made</b></p>	<p><b>Completing additional application</b></p> <p>You are required to complete an additional application form and forward it with payment as done under Step 5 of the initial application.</p>

**Qualified Investors are advised not to make payment to any individual agent in cash 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 holidays)
<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 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 the 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 Replacement 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.

### Customer Identification Program

Pursuant to the relevant laws of Malaysia on money laundering, we have an obligation to prevent

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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 reserves 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

You may withdraw all or part of your units on any Business Day subject to the minimum withdrawal and minimum holding unit unless it is a complete withdrawal.

<b>Minimum withdrawal</b>	500,000 or such units as the Manager may from time to time decide.
<b>Minimum Holding or balance</b>	10,000 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.
- (b) *Facsimile instruction facility*  
Qualified Investor can give the Manager facsimile instructions to make withdrawals.

To obtain this facility a Qualified Investor will first need to read and understand the facsimile instruction facility conditions mentioned below. By ticking "yes" for the facsimile instruction facility in the account opening form, a Qualified Investor is deemed to have accepted the

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facsimile instruction facility conditions.

*Facsimile instruction facility conditions:*

1. Whilst the Manager exercises every care in ensuring the legitimacy of a facsimile instruction, there is still a risk that fraudulent facsimile redemption requests in respect of your account can be made by someone who has access to your Fund account number and a copy of your signature.
2. You accept full responsibility for any loss arising as a result of the Manager acting upon instructions given in a facsimile which bears your Fund account number and a signature which is or appears to be your signature or the signature of an authorized signatory of the account.
3. You release and indemnify the Manager and the Trustee against all claims and demands in respect of any liabilities arising as a result of the Manager acting upon instructions given in a facsimile even if those claims or demands are not genuine.
4. You agree that neither you nor any person claiming through you has any claim against the Manager or the Trust or the Trustee in relation to a payment made or action taken by us under the facsimile instruction facility if the payment is made in accordance with these conditions.
5. These terms and conditions are in addition to, and do not detract from, any requirements for giving instructions to us in respect of the account which are expressed in the Replacement Information Memorandum, brochures or disclosure documents issued by the Manager.
6. The Manager may cancel this facility in the following instances:
  - a. immediately, if you do not comply with any of these conditions mentioned in this Replacement Information Memorandum; or
  - b. at any time, after giving reasonable notice.
7. The Manager may vary any of these conditions but only after notifying you in writing.
8. By signing on the application form and requesting for the facsimile instruction facility, you are deemed to have read and understood the terms and conditions governing the operations of the facsimile instruction facility and agree to abide by them.

**Processing of a redemption notice**

<b>Submission of redemption 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.</p> <p>For more details on the NAV calculation please refer to page 18.</p>
<b>Withdrawal proceeds will be paid</b>	By the 10th day of receipt of a redemption notice.

**Manner of payment**

Withdrawal proceeds will be paid either by:

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

(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 accounts) 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 instructions 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 accounts). 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 Holder (for joint accounts) only.

**No withdrawals 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 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 in any market that the Fund is investing;
- (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; and
- (f) in the event of the publication of a notice convening a Unit Holders' meeting.

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Unit Holders who have requested redemption of their units will be notified in writing of any such suspension of the right to subscribe, to convert 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 Fund the suspension is likely to exceed one (1) week. Any suspension shall be in accordance with the Deed.

## INCOME DISTRIBUTION POLICY

### Income Distribution

Income distribution (if any) will be reinvested.

*Note: Should there be realized income or gain there may be income to be declared.*

### Mode of Income Distribution

You are given the option to either:

- (a) Reinvest your income distribution  
Income distributed will be automatically reinvested into your account with us at no cost, based on the NAV per unit at the end of the Business Day of the income distribution date.

*Note: If you do not state your option in the account opening form or transaction form, and if income distribution is paid, such income will be automatically reinvested in the form of units.*

- (b) Receive your income distribution via
- i. A cheque; or
  - ii. Instruct us to deposit the income distribution earned into a bank account held in your own name or the first named Unit Holder (for joint accounts).

## UNCLAIMED MONEYS

Any cheque payable to you which remains unclaimed (hereinafter referred to as unclaimed amount) for the last twelve (12) months or such period as prescribed under the Unclaimed Moneys Act 1965 will be paid to the 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.

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# SALIENT TERMS OF THE DEED

## Rights and Liabilities of Unit Holders

An investor is deemed to be a Unit Holder when units are issued to him or her 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:

- 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 our 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 quarterly reports of the Fund; and
- viii. exercise such other rights and privileges 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.

## 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 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, subject to a minimum fee of RM10,000 p.a.
<b>Entry Charge</b>	Nil
<b>Exit Charge</b>	Nil

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 to the business of the Fund are payable out of the Fund's property and as provided in the Deed include the following:

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- a) commissions/fees paid to brokers in effecting dealings in the Fund's property, shown on the contract notes or confirmation notes;
- b) (where the custodial function is delegated by the Trustee) charges/fees paid to sub-custodians;
- c) taxes and other duties charged on the Fund by the government and/or other authorities;
- d) costs incurred for any modification of this Deed save where such modification is for the benefit of the Manager and/or the Trustee; and
- e) costs incurred for any meeting of the Unit Holders save where such meeting is convened by, or for the benefit of, the Manager and/or the Trustee.
- f) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- g) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- h) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- i) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- j) 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;
- k) 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);
- l) 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.

### Retirement, Removal or Replacement of the Trustee

Trustee may retire upon giving twelve (12) months' notice to the Manager of the Fund of its desire to do so, or such shorter period as the Manager and the Trustee may agree, and may by the Deed appoint in its stead a new trustee approved by the SC.

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.

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## Retirement, Removal or Replacement of the Manager

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

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

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

## 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
- 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, whether present in person or by proxy, 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 25% (twenty five per centum) of the Units in issue at the time of the meeting. 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.

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The Manager shall within twenty-one (21) days of receiving an application from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, 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 an English newspaper approved by the relevant authorities.

The Unit Holders may, by 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) 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 an English newspaper approved by the relevant authorities.

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## 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, AmInvestment 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 a 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.

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# ADDITIONAL INFORMATION

## KEEPING YOU INFORMED

### *When you invest*

A transaction advice slip will be sent to you.

### *Statement on investment*

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

### *Periodic Reporting to Investors*

The Manager will provide the Fund's investors:

1. A monthly statement of account.
2. Quarterly reports within two months of the Fund's financial period end.
3. Annual Reports within two months of the Fund's financial year end.

The monthly statement will state the balance of units together with all transactions made since the last statement. The quarterly and annual reports will include key risk factors faced by the Fund and the Fund's investment outlook for that reporting period. They are to contain, among other things, the wholesale fund's financial performance, credit risk, market outlook, changes in key investment team (including any delegates), illiquid holdings, details on portfolio exposure and information on fund performance and volatility. The financial statements in the annual report will be audited by an external auditor.

### *Tax voucher*

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

### *Publication*

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

## KEEPING US INFORMED

### *Changing your account details*

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

- the Unit Holder's address;
- signing instructions; and
- how income 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 fax (03) 2031 5210 or visit our website 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 : enquiries@aminvest.com
  - (d) via letter to : AmInvestment 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

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# DOCUMENTS AVAILABLE FOR INSPECTION

For the period of not less than 12 months from the date of the Replacement 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 office:

- a. The Deed of the Fund or 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 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 the 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

	Unaudited 30 September 2014 ('000)	2014	Year ended 31 March	
			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 Manager, we are responsible for setting the investment policies and objective for the Fund. We are also responsible for the promotions and administration of the Fund which includes is but not limited to issuing units, preparing and issuing Replacement Information Memorandums. The Manager meets at least twice a year, or as and when the Manager deems necessary, to discuss on investment policies and objectives for the Fund.

## 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.

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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 Products. 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 Fund Managing 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 Investasi Indonesia and AMMB (L) Ltd.

**Harinder Pal Singh** (Non-Independent) is the Director of AIS. He is also the Senior 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 a non-Executive Director of AIS. Currently he also sits as the Director and 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.

**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.

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## 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.

**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 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

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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 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

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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.

## **DELEGATION OF FUND ACCOUNTING AND VALUATION SERVICES**

The Fund's valuation and fund accounting function is outsourced to Deutsche Bank (Malaysia) Berhad (DBMB). The outsourcing function was approved by the Securities Commission on 20 October 2010. DBMB will be responsible for the Fund valuation i.e. daily calculation of the NAV and NAV per unit of the Fund and the fund accounting function i.e. maintenance of financial statements and records of the Fund for the purpose of audit and preparation of annual and interim report.

DBMB is a wholly-owned subsidiary of the parent organization, Deutsche Bank Aktiengesellschaft. Deutsche Bank established a presence in Kuala Lumpur, Malaysia in 1967 and was incorporated on the 22<sup>nd</sup> August 1994.

DBMB commenced its domestic custody operations in Malaysia 1994 to provide direct custody services to both local and foreign clients. Domestic Custody Services Malaysia (DCS) is a dedicated business unit within Deutsche Bank, responsible for providing custody services to our global and domestic clients.

In 2001, DBMB expanded its product offering to include fund administration, being the first custodian in Malaysia to offer onshore fund accounting services.

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# THE TRUSTEE

## 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”), a global investment bank with a substantial private client franchise. With more than 100,000 employees in more than 70 countries, Deutsche Bank offers financial services throughout the world.

## DTMB’s Financial Position

	Year ended 31 March		
	2013	2012	2011
	RM	RM	RM
Paid up share capital	3,050,000	3,050,000	3,050,000
Shareholders funds	5,275,318	4,654,993	4,038,569
Revenue	8,292,251	5,725,581	4,162,341
Profit/loss before tax	4,156,392	3,066,962	2,282,980
Profit/loss after tax	2,908,737	2,288,412	1,671,988

## Experience in Trustee Business

DTMB is part of Deutsche Bank’s Trust & Securities Services, which provides trust, agency, depository, custody and related services on a range of securities and financial structures. As at 30 September 2014, 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 Group, financially and for various functions, including but not limited to Financial Control and Internal Audit.

## Board of Directors

Jacqueline William  
Chang Wai Kah  
Janet Choi  
Jalalullail Othman\*  
Lew Lup Seong\*

*\*independent director*

## Chief Executive Officer

Chua Mee Ling

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## Duties and Responsibilities of the Trustee

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

### Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as trustee of the Fund and is willing to assume all its obligations in accordance with the Deed, the CMSA 2007 and all relevant laws. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

### Trustee's Disclosure of Material Litigation

As at 30 September 2014, 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.

### Trustee's Delegate (Custodian)

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. DBMB shall act only in accordance with instructions from the Trustee.

### Disclosure on related-party transactions/conflict of interests

As the Trustee for the Fund, there may be related party transactions involving or in connection with the Fund(s) 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's guidelines and other applicable laws;
- (3) Where the Manager appoints DBMB and/or DTMB to perform its back office functions (e.g. fund accounting and valuation and/or registrar and transfer agent); and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

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

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

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# 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

## **AmlIncome Value 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 AmlIncome Value (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

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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 be 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:		With effect from year of assessment 2016:
<ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 26%</li> <li>▪ Progressive tax rates</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 25%</li> <li>▪ Progressive tax</li> </ul>

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Unit Holders	Malaysian Tax Rates	Proposed in the 2015 Budget Speech
<ul style="list-style-type: none"> <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> </ul> <p>Non-Malaysian tax residents:</p> <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Corporate Unit Holders and trust bodies</li> </ul>	<p>ranging from 0% to 25%</p> <ul style="list-style-type: none"> <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>	<p>rates ranging from 0% to 24%</p> <p>With effect from year of assessment 2016:</p> <ul style="list-style-type: none"> <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> </ul> <p>With effect from year of assessment 2016:</p> <ul style="list-style-type: none"> <li>▪ 25%</li> </ul> <p>With effect from year of assessment 2016:</p> <ul style="list-style-type: none"> <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.

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.

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## **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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### Tax Exempt Interest Income of Unit Trusts

1. Interest or discount paid or credited to unit trusts in respect of the following will be exempt from tax: -
  - Securities or bonds issued or guaranteed by the government; or
  - Debentures or Islamic securities, other than convertible loan stock, approved by the Securities Commission Malaysia; or
  - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.
2. Interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Banking and Financial Institutions Act 1989 (BAFIA) or the Islamic Banking Act 1983 (IBA). The BAFIA and the IBA have been repealed with the coming into force of the Financial Services Act 2013 and Islamic Financial Services Act 2013 on 30<sup>th</sup> June 2013. No amendment has been made to the Income Tax Act 1967 to reflect the above.

It was proposed in the 2015 Budget announced on 10<sup>th</sup> October 2014 that with effect from year of assessment 2015, the exemption is extended to the interest derived from Malaysia and paid or credited by any bank or financial institution licensed under any development financial institution regulated under the Development Financial Institutions Act 2002 (DFIA).
3. Interest income derived from bonds, other than convertible loan stocks, paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad ("MESDAQ") (now known as Bursa Malaysia Securities Berhad ACE Market).
4. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia.
5. Interest in respect of any savings certificates issued by the government.
6. Interest in respect of Islamic securities originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved by the Securities Commission Malaysia or Labuan Financial Services Authority.
7. Interest in respect of Sukuk Wakala, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad.

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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. Deutsche Trustees Malaysia Berhad
2. Deutsche Bank (Malaysia) Berhad
3. Deloitte Tax Services Sdn Bhd (*formerly known as Deloitte KassimChan Tax Services Sdn Bhd*)
4. Ernst & Young

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# DIRECTORY

Head Office	AmlInvestment Services 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	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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