



**AmInvest**

**AmIslamic Funds Management Sdn. Bhd.**  
**200801029135 (830464-T)**

# **AmInstitutional Income Premium**

## **(the “Fund”)**

### **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the Directors of AmIslamic Funds Management Sdn. Bhd. and they have collectively and individually accepted full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

### **STATEMENT OF DISCLAIMER**

The relevant information and document in relation to the AmInstitutional Income Premium, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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

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

### **PERSONAL DATA**

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

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

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

This Product Highlights Sheet only highlights the key features and risks of this Fund. Sophisticated investors are advised to request, read and understand the Fund's Information Memorandum including any supplementary(ies) or replacement information memorandum of the Fund ("Information Memorandum") before deciding to invest.

The Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

## PRODUCT HIGHLIGHTS SHEET

This Product Highlights Sheet is an important document:

- **It is a summary of the salient information about the Fund.**
- **You MUST NOT invest in the Fund based on this Product Highlights Sheet alone.** Please read the Information Memorandum before deciding to make an investment. If you do not have a copy, please contact us to ask for one.
- You should not invest in the Fund if you do not understand it or are not comfortable with the accompanying risks.

### What is the Fund about?

AmlInstitutional Income Premium is a wholesale Islamic fixed income fund issued by AmlIslamic Funds Management Sdn. Bhd. (the "Manager") that seeks to provide regular income\* by investing primarily in Islamic fixed income securities and Islamic money market instruments.

### Who is the Fund suitable for?

The Fund is suitable for sophisticated investors who:

- seek an investment that aims to provide regular income\*;
- want to have medium to long-term investment horizon; and
- have low to medium risk tolerance.

Note:

\*Income distribution (if any) can be in the form of cash (by telegraphic transfer) or additional units (by reinvestment into units of the Fund).

### What am I investing in?

Fund Category	Wholesale Islamic Fixed Income	
Fund Type	Income	
Investment Objective	The Fund seeks to provide regular income* by investing primarily in Islamic fixed income securities and Islamic money market instruments.  <i>Notes:</i> <i>*Income distribution (if any) can be in the form of cash (by telegraphic transfer) or additional units (by reinvestment into units of the Fund).</i> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>	
Investment Strategy	The Fund seeks to achieve its investment objective by investing up to 100% of the NAV in RM-denominated Islamic fixed income securities and Islamic money market instruments. The Fund may also invest in other Shariah-compliant permitted investments as provided in the Deed.	
Asset Allocation	Islamic fixed income securities	Up to 100% of the Fund's NAV
	Liquid assets such as cash, Islamic deposits and Islamic money market instruments	Up to 100% of the Fund's NAV
Base Currency of the Fund	Ringgit Malaysia (RM)	
Performance Benchmark	Malayan Banking Berhad 12-Months General Investment Account-i	
Risk Category	Low to Medium	
Initial Offer Price	RM1.0000 per unit	
Income Distribution	Subject to the availability of income, distribution will be paid out at least annually and can be in the form of cash (by telegraphic transfer) or additional units (by reinvestment into units of the Fund).	
Launch Date	18 March 2019	

## **Shariah Investment Guidelines**

The following are the Shariah Investment Guidelines for the Fund, which the Investment Manager, is to strictly adhere to on a continuous basis. At all times the Fund shall invest in investment instruments that are allowed under Shariah principles and shall not invest in investment instruments that are prohibited by Shariah principles based on the parameters of the applicable Shariah Advisory Council ("SAC") and the Shariah Adviser of the Fund.

1. The Fund will invest in sukuk approved by the SAC of SC and/or the Shariah Adviser.
2. Islamic deposits shall be placed with financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For the avoidance of doubt, only Islamic account is permitted for placement of deposit with institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013. The Fund is also prohibited from investing in interest-bearing deposits and recognising any interest income.
3. Islamic money market instruments issued in Malaysia must be approved by SAC of Bank Negara Malaysia ("BNM"). Money market instruments that are endorsed by other Shariah adviser(s) or Shariah committee(s) must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.
4. For avoidance of doubt, the documents relating to the Shariah liquidity management instrument should be submitted for prior approval by the Shariah Adviser. Where the Shariah Adviser request a change to the Shariah Investment Guidelines, it shall give the Manager a reasonable period of time to effect such change in the Information Memorandum in accordance with the requirements of any applicable law and regulation.

## **Purification Process for the Fund**

### **Shariah non-compliant investment**

The Manager will immediately dispose-off any Shariah non-compliant investment inadvertently made in the Fund. If the disposal of the Shariah non-compliant investment results in losses to the Fund, the losses are to be borne by the Manager. The said investment will be disposed/withdrawn with immediate effect or within a month of knowing the status of the securities. Any capital gains or dividend received during or after disposal of the investment will be channelled to baitulmal and/or any other charitable bodies as advised by the Shariah Adviser. The Fund have the right to retain the investment cost only.

### **Zakat for the Fund**

The Fund does not pay zakat on behalf of Muslim individuals and Islamic legal entities who are investors of the Fund. Thus, investors are advised to pay zakat on their own.

**The investment portfolio of the Fund will comprise instruments that have been classified as Shariah-compliant by the SAC of SC and, where applicable the SAC of BNM. For instruments that are not classified as Shariah-compliant by the SAC of SC and, where applicable the SAC of BNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.**

## **Who am I investing with?**

Manager	:	Amlslamic Funds Management Sdn. Bhd. ("AIFM")
Administrator	:	AmFunds Management Berhad ("AFM")
Trustee	:	AmanahRaya Trustees Berhad
Shariah Adviser	:	Amanie Advisors Sdn. Bhd.
Auditor	:	Ernst & Young PLT
Taxation Advisor	:	Deloitte Tax Services Sdn. Bhd.

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

The Manager may conduct cross trades between funds and private mandates it currently manages provided that all criteria imposed by the regulators are met. Notwithstanding, cross trades between the personal account of an employee of the Manager and the Fund's account and between the Manager's proprietary trading accounts and the Fund's account are strictly prohibited. The execution of cross trade will be reported to the investment committee and disclosed in the Fund's report accordingly.

## **What are the possible outcomes of my investment?**

Best Case	Income distribution with capital appreciation.
Mid Case	No significant change in investment i.e. no income distribution and capital appreciation.
Worst Case	Capital loss with no income declared.

## **What are the key risks associated with the Fund?**

### **General Investment Risks**

Market Risk	This is the risk of prices of assets falling in response to general market factors such as economic factors, socio-political environment, regulatory factors and broad investor sentiment.
Inflation Risk	This is the risk that sophisticated investors' investment in the fund may not grow or generate income at a

	rate that keeps pace with inflation.
Manager Risk	This is the risk of the manager making poor investment decisions which may adversely affect the performance of the fund.
Non-Compliance Risk	This is the risk of the manager or the trustee not complying with their respective internal policies, the deed and its supplemental deed, securities law or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the fund.
Country Risk	Investments of the fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the fund invests in.

#### **Specific Risks associated with the Fund**

Rate of Return Risk	Rate of return risk refers to the impact of rate of return changes on the valuation of fixed income instruments. When rate of return rises, fixed income instruments prices generally decline and this may lower the market value of the Fund's investment in fixed income instruments. The reverse may apply when rate of return falls.
Income Distribution Risk	It should be noted that the distribution of income is not guaranteed. Circumstances preventing the distribution of income include, among others, insufficient realized returns to enable income distribution. As per the SC Guidelines, distribution of income should only be made from realised gains or realised income.
Liquidity Risk	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.
Counterparty Credit Risk	Counterparty credit risk is the risk arising from the possibility that the counterparty may default or not able to fulfill a trade settlement prior or on the settlement date of the trade. This could adversely affect the value of the Fund.
Credit and Default risk	Credit risk relates to the creditworthiness of the issuers of the fixed income securities and their expected ability to make timely payment of profit or interest and/or principal. Default risk relates to the risk that an issuer of a fixed income security either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income securities.
Shariah Non-Compliance Risk	This is the risk of the Fund not conforming to Shariah investment guidelines. Non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

**Note: The above-mentioned risks which sophisticated investors should consider before investing in the Fund should not be considered to be an exhaustive list. Sophisticated investors should be aware that investments in the Fund may be exposed to other unforeseeable risks from time to time. Sophisticated investors are advised to consult their professional adviser. Please refer to the Information Memorandum for further details on risks.**

**Please note that if a sophisticated investor invests in units through a distributor via a nominee system of ownership, the sophisticated investor will not be deemed a unit holder under the deed of the Fund.**

#### **What are the fees and charges involved?**

There are fees and charges involved and you are advised to consider them before investing in the Fund.

#### **What will I be charged by AIFM?**

Entry Charge	There is no entry charge for this Fund.
Exit Penalty	There is no exit penalty for this Fund.
Transfer Fee	Nil. Transfer facility is not available for this Fund.
Bank Charges or Fees	Bank charges/fees are incurred only upon withdrawals.
Switching Fee	Unit Holders are only allowed to switch to other funds where the currency denomination is the same as the Fund switched out. For switches between any of the funds managed by the Manager, sophisticated investors will be charged on the differences of entry charge between funds switched, which is up to a maximum of 6.00% of NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge.

#### **What are the key ongoing fees charged to the Fund?**

Annual Management Fee	Up to 0.50% p.a. of the NAV of the Fund
Annual Trustee Fee	0.01% p.a. of the NAV of the Fund
Fund Expenses	A list of the expenses directly related to the Fund are as follows: <ul style="list-style-type: none"> <li>• audit fees;</li> <li>• tax agent's fees;</li> <li>• printing and postages of annual and quarterly report;</li> <li>• bank charges;</li> <li>• investment committee fee for independent members;</li> <li>• lodgement fees for fund reports;</li> <li>• taxes;</li> </ul>

	<ul style="list-style-type: none"> <li>• Shariah adviser fee;</li> <li>• commission paid to brokers (if any);</li> <li>• other indirect or similar duties imposed by law or the government and/or other regulatory authorities;</li> <li>• modification of the deed;</li> <li>• any meeting of the unit holders; and</li> <li>• other expenses as permitted by the deed.</li> </ul>
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**Note: Unless stated otherwise, all fees, charges and/or expenses disclosed in the Product Highlights Sheet are exclusive by way of example and not limitation; goods and services tax, value added tax, consumption tax, levies, duties and other taxes as may be imposed by the Government of Malaysia from time to time (collectively known as "Taxes"). If these fees, charges and/or expenses are subject to any Taxes, such Taxes shall be borne and payable by the Unit Holders and/or the Fund (as the case may be) at the prevailing rate, including any increase or decrease to the rate, in addition to the fees, charges and/or expenses stated herein.**

**You are advised to consider the fees and charges involved before investing in the Fund. Unit prices and distributions payable, if any, may go down as well as up.**

### How will I be notified of any increase in fees and charges?

- A written communication will be sent to unit holders to notify of the higher rate and its effective date; and
- A supplementary or replacement information memorandum will be registered and issued.

### How often are valuations available?

We publish updated information on our website [www.aminvest.com](http://www.aminvest.com); and the NAV per unit of the Fund is sent to the Federation of Investment Managers Malaysia (FIMM) in order for it to be published in major newspapers on a daily basis.

### How can I invest in and exit from this investment?

#### How can I invest in this investment?

Sophisticated investors may submit applications to the Manager on any business day with complete documentation subject to the minimum initial investment amount and minimum additional investment amount (or such amounts as the Manager may from time to time decide).

Minimum initial investment	RM1,000,000.00
Minimum additional investment	RM100,000.00
Submission of application notice	Monday to Friday (except public holiday)
Cut-off time	By 4.00 p.m. on a business day <i>Note: The Manager or the Administrator reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents or proof of payment. Incomplete applications will not be processed until all the necessary information has been received.</i>

**You should NOT make payment in cash to a unit trust consultant or issue a cheque in the name of a unit trust consultant**

#### How can I exit from this investment?

Sophisticated investors may withdraw all or part of their units on any business day subject to the minimum withdrawal and minimum holding (or such units as the Manager may from time to time decide).

Minimum withdrawal	10,000 units
Minimum holding/balance	100,000 units
Submission of repurchase notice	Monday to Friday (except public holiday)
Cut-off time	By 4.00 p.m. on a business day
Payment of withdrawal proceeds	The redemption proceeds will be paid within five (5) business day from the acceptance of a complete redemption request. <i>Notes:</i> <ul style="list-style-type: none"> <li>• The Manager or the Administrator shall provide you with reasonable notice in the event we vary the period of payment of the redemption proceeds.</li> <li>• The Manager or the Administrator reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents or proof of payment. Incomplete applications will not be processed until all the necessary information has been received.</li> </ul>

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

## Who should I contact for further information or to lodge a complaint?

1. If you have any complaints, you may direct your complaints to your personal adviser from the distributor or contact our customer service representative at 03-2032 2888. Alternatively, you can e-mail us at [enquiries@aminvest.com](mailto:enquiries@aminvest.com). If you wish to write to us, please address your letter to:

**AmIslamic Funds Management Sdn. Bhd.**

Level 10, Bangunan AmBank Group  
No.55, Jalan Raja Chulan  
50200 Kuala Lumpur

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):
  - (a) via phone to : 03-2282 2280
  - (b) via fax to : 03-2282 3855
  - (c) via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur
3. You can also direct your complaint to Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:
  - (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - (d) via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
  - (e) via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur
4. You can also direct your complaint to Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
  - (a) via phone to the Aduan Hotline at : 03-7890 4242
  - (b) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - (c) via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
  - (d) via letter to : Legal & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No. 19, Lorong Dungun Damansara Heights  
50490 Kuala Lumpur

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