



AmInvest

**FIRST SUPPLEMENTARY PROSPECTUS
DATED 28 FEBRUARY 2024
IN RESPECT OF
AMISLAMIC GLOBAL SRI**

The Manager

AmFunds Management Berhad

[Registration Number: 198601005272 (154432-A)]

The Trustee

HSBC (Malaysia) Trustee Berhad

[Registration Number: 193701000084 (001281-T)]

The Fund was constituted on 5 September 2018

THIS FIRST SUPPLEMENTARY PROSPECTUS DATED 28 FEBRUARY 2024 HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT PROSPECTUS DATED 31 AUGUST 2023.

AMISLAMIC GLOBAL SRI IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE REPLACEMENT PROSPECTUS AND THIS FIRST SUPPLEMENTARY PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE SECTION 3.2 RISK FACTORS COMMENCING ON PAGE 7 OF THE REPLACEMENT PROSPECTUS DATED 31 AUGUST 2023 AND PAGE 6 OF THIS FIRST SUPPLEMENTARY PROSPECTUS.

RESPONSIBILITY STATEMENTS

This First Supplementary Prospectus dated 28 February 2024 (“First Supplementary Prospectus”) has been reviewed and approved by the directors of AmFunds Management Berhad and they collectively and individually accept full responsibility for the accuracy of all information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this First Supplementary Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised AmIslamic Global SRI (the “Fund”) and a copy of this First Supplementary Prospectus and the Replacement Prospectus dated 31 August 2023 (the “Replacement Prospectus”) (collectively, “the “Prospectuses”) have been registered with the Securities Commission Malaysia.

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

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

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

ADDITIONAL STATEMENTS

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

The Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund. While our Islamic fund has been structured to conform to Shariah principles, investors should seek their own independent Shariah advice prior to investing in any of our Islamic funds.

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

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

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

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

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of

units in the Fund other than those contained in the Prospectuses and, if issued, given or made, such advertisement, information or representations must not be relied upon by an investor. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations in the Prospectuses will be solely at the risk of the investor. Investors may wish to consult their independent professional adviser about the suitability of the Fund for their investment needs.

The Prospectuses do not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

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

PERSONAL DATA

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

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

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

Unless otherwise provided in this First Supplementary Prospectus, all the capitalized terms used herein shall have the same meanings ascribed to them in the Prospectuses.

EXPLANATORY NOTE

This First Supplementary Prospectus has been issued to inform investors of the following:

1. the insertion of the definition of “ESG Assessment Methodology”;
2. the updates to the investment policy and principal strategy;
3. the insertion of ESG Assessment Methodology; and
4. the insertion of sustainability and responsible investment and impact risk and greenwashing risk.

A. DEFINITIONS

Page 2 of the Replacement Prospectus

The definition of “ESG Assessment Methodology” is hereby inserted under “Section 1 Definitions”:

ESG Assessment Methodology	Refers to the ESG assessment methodology set out in “ESG Assessment Methodology” under Section 3.1 Fund Information.
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B. THE FUNDS’ DETAILED INFORMATION

Pages 6 - 7 of the Replacement Prospectus

1. The information in relation to the investment policy and principal strategy under “Section 3.1 Fund Information” is hereby deleted in its entirety and replaced with the following:

Investment Policy and Principal Strategy	<p>The Fund follows a rule-based investment strategy, focusing on Shariah-compliant equities in the MSCI World Islamic Index. The Fund also incorporates the principle of ESG in securities selection through MSCI ESG Ratings*. Through MSCI ESG Ratings, companies with poor performance on ESG topics are excluded.</p> <p>*MSCI ESG ratings methodology is available at https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf.</p> <p>The investable universe of the Fund comprises Shariah-compliant equities in the index that meets the ESG factors ascribed (“Investable Universe”). At least two-thirds (2/3) of the Fund’s NAV are maintained in Shariah-compliant securities or Shariah-compliant instruments that are subjected to sustainability considerations (“Minimum Asset Allocation”) at all times.</p> <p>The portfolio construction rules of the Fund involve segregating the portfolio into two (2) sub-portfolios of:</p> <ol style="list-style-type: none"> 1) Shariah-compliant stocks in defensive sectors (e.g. utilities, telecommunication, healthcare, etc) from the Investable Universe; and 2) All Shariah-compliant stocks from the Investable Universe weighted by volatility in inverse order i.e. the lower the volatility the higher the weight of the equities.
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These two (2) sub-portfolios are then combined to form the total portfolio, with small positions which render transaction costs uneconomical being filtered out.

The Manager has discretion in managing the Fund's asset allocation and stock selection from the refined stock universe above. In times of actual or anticipated heightened market weaknesses, the Manager may increase its allocation to lower risk assets, such as Islamic liquid assets to safeguard the investments of the Fund. However, we will ensure that the Minimum Asset Allocation is maintained at all times.

The Manager will ensure that the Fund's investments are in line with the sustainability principles and the overall impact of such investments of the Fund is not inconsistent with other sustainability considerations by continuously monitoring and evaluating the investments to ensure that the Fund continues to comply with the sustainable investment process throughout the Fund's lifecycle. If the Fund breaches the Minimum Asset Allocation or if the Fund's investments become inconsistent with its investment policy and principal strategies of ESG factors, the Manager will dispose of and/or replace the investment(s) within seven (7) Business Days from the date of the breach. The seven (7) Business Days period may be extended to three (3) months if it is in the best interest of Unit Holders and the Trustee's consent is obtained. However, any breach as a result of any:-

- (i) appreciation or depreciation in value of the Fund's investments;
or
- (ii) repurchase of Units or payment made out of the Fund,

need not be reported to the SC and must be rectified as soon as practicable within three (3) months from the date of the breach. The three (3)-month period may be extended if it is in the best interest of Unit Holders and the Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Trustee.

The Manager will notify the SC of any changes to the Fund immediately and use its best efforts to provide, without prior request, as soon as reasonably practicable, the relevant information which may include but is not limited to any event that could impact the Fund's ability to comply with the Guidelines on Sustainable and Responsible Investment Funds to the SC.

When the Fund is found to be no longer in compliance with the Guidelines on Sustainable and Responsible Investment Funds, the SC may revoke the Fund's SRI qualification.

The Fund will invest in eligible markets including but not limited to the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

2. The information on ESG assessment methodology is hereby inserted immediately after “investment policy and principal strategy” under “Section 3.1 Fund Information”:

ESG Assessment Methodology	<p>The Manager incorporates the principle of ESG in securities selection through MSCI ESG Ratings.</p> <p>The MSCI ESG ratings methodology is available at https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf.</p> <p>For Islamic liquid assets, the Manager will carry out ESG evaluation of the corporate issuer and depository financial institution using information obtained publicly and through engagement with corporate issuers and depository financial institutions, which the Manager may supplement with data and references of external parties including credit rating agencies, research companies, as well as service and index providers. The Manager will assess the ESG factors of the corporate issuers and depository financial institutions before proposing the ESG scores to an internal committee. The committee has the discretion to exclude a recommendation or request for further information before considering exclusion. ESG scores are reviewed by an internal committee. On a case-by-case basis, the committee will restrict investment in a company where the committee has unmitigated concerns on any one of the company’s E, S or G aspects.</p> <p>The general considerations of ESG factors considered under each of the ESG pillars may include, but are not limited to the following:–</p> <ul style="list-style-type: none"> • Environment <ol style="list-style-type: none"> 1. Climate change and biodiversity – Do the activities of the company impact the climate and natural habitats which in turn affects biodiversity? How does the company manage transition risks and progress towards environmental targets? 2. Pollution and natural resources – Do the activities of the company impact pollution such as water, air, soil, noise pollution etc.? Does the company have good track record on energy consumption and use natural resources efficiently? 3. Waste management – What is the company’s waste related policies such as disposal of chemical waste. • Social <ol style="list-style-type: none"> 1. Responsibility towards customers – How does the company treat its customers and fulfill its social obligations? Has the company been involved in misrepresentation or mis-selling of products? Are the customers’ data well protected? 2. Labour standards – Does the company treat its workforce fairly? Do the working conditions meet the standards? Is there diversity in the workforce? Does the company have an inclusion culture? Are there any human rights violation issues? 3. Health and safety – Does the company provide a safe and healthy environment to work in? What is the trend in worksite incidents/ fatalities?
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	<ol style="list-style-type: none"> 4. Community engagements – Does the company engage with the community they serve or operate in, especially in providing employment and corporate social responsibility initiatives to give back to the community? 5. Supply chain management – Is the company aware of the social environment of its suppliers, such as forced labour and human rights violation? 6. Employee relations and diversity – How is the company regarded by its employees? Is the company recognized as one of the top employers in its industry? Does the company have policies to protect employee rights? What is the gender/ ethnic breakdown and trends towards labour diversity? <p>• Governance</p> <ol style="list-style-type: none"> 1. Corporate governance – Does the company have good corporate governance structure in place? What is the proportion of independent directors? How transparent is the company in its reporting to shareholders? 2. Risk management – How compliant is the company with regards to regulatory requirements? Has there been any regulatory breach? 3. Corruption/Mismanagement – Are there policies in place against bribery and corruption? Is the company or its management involved in any scandals relating to issues such as bribery or misappropriation of funds? What are the rectification and mitigation measure to address these scandals? <p>The assessment of each corporate issuer and depository financial institution’s performance is not absolute but is explicitly intended to be relative to the standards and performance of its peers. The ESG assessment methodology rates each corporate issuers and depository financial institution with an ESG score, on a scale of 1 to 5, with 1 as the lowest and 5 as the highest. A higher ESG score is assigned to corporate issuer and depository financial institution with stronger ESG characteristics and vice versa for corporate issuer and depository financial institution with weaker ESG characteristics. The ESG evaluation is reviewed annually to ensure its continued relevance.</p>
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Page 10 of the Replacement Prospectus

3. The information on sustainability and responsible investment and impact risk and greenwashing risk are hereby inserted under “Section 3.2 Risk Factors - Specific Risks Uniquely Associated with the Investment Portfolio of the Fund”:

Sustainability and Responsible Investment and Impact Risk	As the Fund has an intention to generate positive sustainable and responsible impact alongside a financial return (“impact”), the investor must be able to accept temporary capital losses due to the potentially restricted number of companies that the Fund can invest in due to those companies which may not meet the sustainability
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	<p>considerations requirement and, consequently, should view investment in the Fund as a long-term investment.</p> <p>The Fund may seek to exclude holdings deemed inconsistent with the sustainability considerations. As a result, the investments of the Fund will be more limited than other funds that do not apply sustainability considerations. The Fund may be precluded from purchasing, or required to sell, certain investments that are inconsistent with its investment policy and sustainability considerations which might otherwise be advantageous to hold. The incorporation of sustainability considerations could result in performance that is better or worse than the performance of the other funds depending on the performance of the excluded investments and the investments included in place of such excluded investments.</p> <p>This risk is mitigated via the investment policy and principal strategy of the Fund which involves segregation of the portfolios into two (2) sub-portfolios which consist of Shariah-compliant stocks in defensive sectors and all Shariah-compliant stocks from the Investable Universe weighted by volatility in inverse order. In times of actual or anticipated heightened market weaknesses, the Manager may increase the Fund's allocation to lower risk assets.</p>
Greenwashing Risk	<p>Greenwashing is defined as making false, misleading or unsubstantiated claims in relation to ESG credential of an investment product. The Fund may inadvertently invest into such products, without prior knowledge of the fraudulent claims. As greenwashing could result in reputational risk, regulatory fines, and/or withdrawal of the products, there could be a negative impact on the value of the Fund.</p> <p>In mitigating the greenwashing risk, the ESG score assigned to the securities by the service provider are reviewed by the Manager periodically, at least once a year. The Manager may use the ESG scores from other service providers for comparison and assessment, to identify potential inconsistencies. For Islamic liquid assets, the ESG score prescribed to the corporate issuers and depository financial institutions are reviewed and approved by the appropriate approving authorities internally, and updated periodically i.e. at least once a year.</p>

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