



**AmInvest**

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

# **Amlslamic Institutional 1**

## **(the “Fund”)**

### **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors of Amlslamic Funds Management Sdn. Bhd. and they collectively and individually accept 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 this Product Highlights Sheet false or misleading.

### **STATEMENT OF DISCLAIMER**

The relevant information and document in relation to the Amlslamic Institutional 1, 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 the Amlslamic Funds Management Sdn Bhd 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 for one or more of the following purposes, whether in Malaysia or otherwise:

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

Sophisticated investors are advised to read our latest or updated Privacy Notice (notice provided as required under 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?

Amlslamic Institutional\* 1 is a wholesale Islamic fixed income fund issued by Amlslamic Funds Management Sdn. Bhd. that aims to outperform the benchmark of Quantshop ALL GII Index by investing mainly in Shariah compliant fixed income instruments.

*\*Institutional refers to the potential sophisticated investors of the Fund and not to the nature of the investables.*

### Who is the Fund suitable for?

The Fund is suitable for sophisticated investors seeking:

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

Note:

\* The Fund is not a capital protected/a capital guaranteed fund. Therefore, capital/returns are not guaranteed.

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

### What am I investing in?

Fund Category	Wholesale Islamic Fixed Income	
Fund Type	Growth and to a lesser extent income	
Investment Objective	The Fund aims to outperform the benchmark of Quantshop ALL GII Index by investing mainly in Shariah compliant fixed income instruments.  <i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>	
Investment Strategy	The Fund may invest 40%-100% of its net asset value ("NAV") in sukuk and up to 60% of its NAV in Shariah compliant money market instruments with no limit imposed for investment in any single issuer, i.e. 100% of the NAV may be invested in a single issuer. In buying and selling sukuk for the Fund, Amlslamic Funds Management Sdn Bhd (the "Investment Manager") uses active tactical duration management, yield curve positioning and credit spread arbitrage. This approach also involves the use of models that analyse and compare expected returns and assumed risk. Under this approach, the Investment Manager will focus on sukuk that would deliver favourable return in light of the risk. The Investment Manager may also consider obligations with a more favourable or improving credit or industry outlook that provide the potential for capital appreciation.	
Asset Allocation	Sukuk	40% - 100% of the Fund's NAV
	Shariah compliant money market instruments	Up to 60% of the Fund's NAV
Base Currency of the Fund	Ringgit Malaysia (RM)	
Performance Benchmark	The performance benchmark is Quantshop ALL GII Index. (Obtainable via <a href="http://www.quantshop.com">www.quantshop.com</a> )	
Risk Category	Low to medium	
Initial Offer Period	One (1) day commencing on 27 December 2011.	
Initial Offer Price	RM1.0000 per unit	
Income Distribution	Income (if any) will be declared quarterly  <i>Note: Should there be realized income or gains, there may be income distribution declared.</i>	
Launch Date	27 December 2011	

## **Shariah Investment Guidelines**

The Fund will invest in sukuk approved by the Shariah Advisory Council (“SAC”) of SC and/or the Shariah Adviser. The 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. 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.

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.

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

Manager/Investment Manager	: Amlslamic Funds Management Sdn. Bhd. (“AIFM”)
Administrator	: AmFunds Management Berhad (“AFM”)
Shariah Advisor	: Amanie Advisors Sdn. Bhd.
Trustee	: Deutsche Trustees Malaysia Berhad (“DTMB”)
Trustee’s Delegate (Custodian)	: Deutsche Bank (Malaysia) Berhad (“DBMB”)
Taxation Advisor	: Deloitte Tax Services Sdn. Bhd.
Auditor	: Ernst & Young PLT

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 directors of AIFM may have direct or indirect interest through their directorship in AFM.

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

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

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

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

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

## **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 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.

Mismatch Risk	This is the risk that the Fund chosen by the investor may not be suitable for the needs and circumstances of the investor.
Financing Risk	This is the risk of investing with borrowed money, which 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.

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

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.
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.
Concentration Risk	This is the risk that the Fund may be overly concentrated in a few issuers.
Liquidity Risk	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.
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 into a wholesale 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 be advised that if you invest in units through an institutional unit trust advisers which adopts the nominee system of ownership, the unit holder would not be considered to be a unit holder under the deed and the unit holder may consequently not have all the rights ordinarily exercisable by a unit holder (for example, the right to call for a unit holders' meeting and to vote thereat and the right to have the unit holder's particulars appearing in the register on unit holders 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 Fee	There will be no entry charge charged by the Fund
Exit Penalty	There will be no exit penalty charged by the Fund
Switching Fee	Switching facility is not available for this Fund
Transfer Fee	Transfer facility is not available for this Fund

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

Annual Management Fee	Up to 0.75% p.a. of the NAV of the Fund
Annual Trustee Fee	Up to 0.08% p.a. of the NAV of the Fund, subject to a minimum fee of RM10,000 p.a.
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 reports;</li> <li>• bank charges;</li> <li>• investment committee fee for independent members;</li> <li>• shariah adviser fee &amp; expenses;</li> <li>• lodgment fee for Fund's report;</li> <li>• commission paid to brokers/dealers (if any);</li> <li>• sub-custodian fee; and</li> <li>• other expenses as permitted by the deed.</li> </ul>

**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;
- A supplementary or replacement information memorandum will be registered and issued; and
- A notice period of 90 days will be given to the unit holders prior to the effective date of the new fees and charges.

### 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?**

A sophisticated investors may submit an application 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	RM1,000,000.00
Submission of application notice	Monday to Friday (except public holiday)
Cut-off time	By 4.00 p.m. on a business day

**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?**

A sophisticated investors may withdraw all or part of their units (during and after Initial Offer Period) on any business day subject to the minimum withdrawal of and minimum holding (or such units as the Manager may from time to time decide) unless it is a complete withdrawal.

Minimum withdrawal	1,000,000 units
Minimum holding/balance	1,000,000 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	By the 10th day of acceptance of the withdrawal request

**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:  
  
AmFunds Management 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](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 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](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 : Investor Affairs & Complaints Department  
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  
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