

ANNOUNCEMENT

NOTICE

To all Unit Holders of AmIslamic Global SRI

RE: Issuance of the First Supplementary Prospectus in respect of AmIslamic Global SRI dated 28 February 2024

Dear Valued Unit Holders,

We wish to inform you that we have lodged the First Supplementary Prospectus in respect of AmIslamic Global SRI dated and effective 28 February 2024 (the “First Supplementary Prospectus”) with Securities Commission Malaysia. The First Supplementary Prospectus is to be read in conjunction with the Replacement Prospectus dated 31 August 2023 for AmIslamic Global SRI.

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

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

For further details, kindly refer to the summary list of key amendments below. Should you require further information and clarification, please do not hesitate to contact us at:

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AmFunds Management Berhad

28 February 2024

Summary List of Key Amendments for the First Supplementary Prospectus in respect of Amlslamic Global SRI dated and effective 28 February 2024 (the “First Supplementary Prospectus”). The First Supplementary Prospectus is to be read in conjunction with the Replacement Prospectus dated 31 August 2023 for Amlslamic Global SRI.

Details	Prior disclosure in the Principal Prospectus	Revised Disclosure in the First Supplementary Prospectus
Definitions	Nil	<p>The definition of “ESG Assessment Methodology” has been inserted:</p> <p>Refers to the ESG assessment methodology set out in “ESG Assessment Methodology” under Section 3.1 Fund Information.</p>
Fund’s Detailed Information – Fund Information, 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. ESG factors used include among others, climate change, energy sustainability, human rights, consumer protection, animal welfare, proper management/governance structure, employee relations and executive compensation. MSCI ESG applies weighted averages on ESG factors based on MSCI’s mapping framework and companies’ scores are normalised by their industries. The assessment of company performance are not absolute but are explicitly intended to be relative to the standards and performance of a company’s industry peers. Through MSCI ESG Ratings, companies with poor performance on ESG topics are</p>	<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</p>

	<p>excluded. The investable universe of the Fund comprises Shariah-compliant equities in the index that meets the ESG factors ascribed (“Investable Universe”).</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. <p>These two (2) sub-portfolios are then combined to form the total portfolio, with small positions which render transaction costs uneconomical being filtered out.</p> <p>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. If the Fund’s investments become inconsistent with its investment policy and principal strategies of ESG factors, the Manager may dispose the investment(s) immediately, or during the portfolio rebalancing in case of poor ESG</p>	<p>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. <p>These two (2) sub-portfolios are then combined to form the total portfolio, with small positions which render transaction costs uneconomical being filtered out.</p> <p>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.</p>	
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		<p>performance. The ESG factors is not inconsistent with any other sustainability considerations.</p> <p>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.</p>	<p>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:-</p> <ul style="list-style-type: none"> (i) appreciation or depreciation in value of the Fund's investments; or (ii) repurchase of Units or payment made out of the Fund, <p>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.</p> <p>The Manager will notify the SC of any changes to the Fund immediately and use its best efforts to provide, without</p>	
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		<p>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.</p> <p>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.</p> <p>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.</p>		
<p>The Fund’s Detailed Information – Fund Information</p>	<p>Nil.</p>	<table border="1"> <tr> <td data-bbox="1232 922 1440 1333"> <p>ESG Assessment Methodology</p> </td> <td data-bbox="1440 922 1940 1333"> <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> </td> </tr> </table>	<p>ESG Assessment Methodology</p>	<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>ESG Assessment Methodology</p>	<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</p>
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				<p>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	
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				<p>been involved in misrepresentation or mis-selling of products? Are the customers' data well protected?</p> <ol style="list-style-type: none">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?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	
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				<p>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> <ul style="list-style-type: none">• Governance<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?	
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			<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>
<p>The Fund's Detailed Information – Risk Factors - Specific Risks Uniquely Associated with the Investment Portfolio of the Fund</p>	<p>Nil.</p>	<p>Sustainability and Responsible Investment and Impact Risk</p>	<p>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</p>

				<p>meet the sustainability 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</p>	
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				<p>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>	
			<p>Greenwashing Risk</p>	<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</p>	

				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.	
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