



INFORMATION MEMORANDUM FOR

# PMB WHOLESALE SUKUK FUND

**Manager** : PMB Investment Berhad (256439 - D)  
*(formerly ASM Investment Services Berhad)*

**Trustee** : Deutsche Trustees Malaysia Berhad (763590 - H)

**This Information Memorandum is dated 3 March 2015.**

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM, IF IN DOUBT PLEASE CONSULT A PROFESSIONAL ADVISER.**

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 14.**

## **RESPONSIBILITY STATEMENT**

This Information Memorandum has been seen and approved by the directors of PMB Investment Berhad and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all inquiries 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 Malaysia has authorized PMB Wholesale Sukuk Fund ("the Fund"), the subject of this Information Memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of PMB Investment Berhad and takes no responsibility for the contents of the 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 Information Memorandum.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT PROFESSIONAL ADVISERS IMMEDIATELY.**

This Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no issue or sale of units of the Fund to which this Information Memorandum relates to, is made in any Foreign Jurisdiction under any circumstances, where such action is unauthorized.

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

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

## MESSAGE FROM THE CEO

Dear Valued Investors,

On behalf of PMB Investment Berhad (PMB Investment), I am pleased to introduce our latest wholesale fund- PMB Wholesale Sukuk Fund (the "Fund").

The Fund is a wholesale sukuk fund with the objective to provide investors with consistent income stream and a steady capital appreciation in the medium to long term by investing primarily in sukuk. It is open for sale to those who satisfy the requirements of being "qualified investors" as prescribed under the *Capital Markets and Services (Non-Application of Division 5 of Part VI)(Wholesale Fund) Order 2012*.

The Fund will invest a minimum 70% of its NAV in sukuk, and the remaining portion in Islamic money market instruments, Islamic deposits and/or other permitted investments.

For more information on the investment objective, policy, strategy and other relevant investment matters of the Fund, kindly refer to Chapter 4 of this Information Memorandum.

Your investment in the Fund is exposed to various risks such as credit/default risk, profit/interest rate risk or liquidity risk. You may refer the details of the risks in Chapter 5 of this Information Memorandum.

There are fees and charges associated with investing in this Fund and you are advised to consider the following fees and charges:-

- A management fee of up to 0.75% per annum of the NAV of the Fund;
- A Trustee fee of up to 0.04% per annum of the NAV of the Fund; and
- Any other expenses in relation to the administration and operations of the Fund.

You may refer to Chapter 10 of this Information Memorandum for the details on the fees and charges.

The complete version of this Information Memorandum is also available at our website [www.pmbinvest.com.my](http://www.pmbinvest.com.my).

We sincerely hope that this Information Memorandum would be able to help you make your investment decision. Should you have any queries or require further information about this Fund, please feel free to contact our Investor Careline at 03-41453900 or email to [investorrelation@pelaburanmara.com.my](mailto:investorrelation@pelaburanmara.com.my).

We take this opportunity to invite you to read the entire Information Memorandum for better understanding of this Fund. We look forward to serving you in the coming years.

Thank you and kind regards

Yours sincerely

for and on behalf of **PMB INVESTMENT BERHAD**  
(formerly known as ASM Investment Services Berhad)

**AMEER ALI BIN VALI MOHAMED**  
Chief Executive Officer

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## 1. GLOSSARY OF TERMS

In this information memorandum, the following abbreviations or words shall have the following meanings unless otherwise stated:

|                                     |   |
|-------------------------------------|---|
| <b>BNM</b>                          | means Bank Negara Malaysia;   |
| <b>Bursa Malaysia</b>               | means the stock exchange managed or operated by Bursa Malaysia Securities Berhad;   |
| <b>Business Day</b>                 | means a day on which the Manager is open for business and Bursa Malaysia is open for trading unless otherwise provided for in the Information Memorandum;   |
| <b>collective investment scheme</b> | <p>Means any arrangement where–</p> <p>(a) it is made for the purpose, or having the effect, of providing facilities for persons to participate in or receive profits or income arising from the acquisition, holding, management or disposal of securities, derivatives or any other property (referred to as “scheme’s assets”) or sums paid out of such profits or income;</p> <p>(b) the persons who participate in the arrangements do not have day-to-day control over the management of the scheme’s assets; and</p> <p>(c) the scheme’s assets are managed by an entity who is responsible for the management of the scheme’s assets and is approved/authorised/licensed by a relevant regulator to conduct fund management activities;</p> <p>and includes, among others, unit trust funds, real estate investment trusts, exchange-traded funds and closed-end funds, but excluding business trust;</p> |
| <b>CMSA</b>                         | means the Capital Markets and Services Act 2007;  |
| <b>Commencement Date</b>            | means the date on which the trust created is to commence and is the date of the first Information Memorandum for the Fund;  |
| <b>Deed(s)</b>                      | means the deed dated 10 December 2014 entered into between the Manager and the Trustee for the Unit Holders of the Fund, including any supplemental deeds thereto;  |
| <b>eligible market</b>              | <p>means a market that:</p> <p>(a) is regulated by a regulatory authority,</p> <p>(b) operates regularly,</p> <p>(c) is open to the public, and</p> <p>(d) has adequate liquidity for the purposes of the Fund;</p>   |
| <b>FIMM</b>                         | means the Federation of Investment Managers Malaysia;   |
| <b>financial institution</b>        | <p>means –</p> <p>(a) if the institution is in Malaysia–</p> <p>(i) licensed bank,</p> <p>(ii) licensed investment bank, or</p> <p>(iii) licensed Islamic bank;</p> <p>(b) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorized by the relevant banking regulator to provide financial services;</p>   |
| <b>forward pricing</b>              | means the price of a unit that is the NAV per unit calculated at the next valuation point after an instruction or a request is received;  |
| <b>Fund</b>                         | means PMB Wholesale Sukuk Fund;   |
| <b>Government</b>                   | means the Government of Malaysia  |

|                               |   |
|-------------------------------|---|
| <b>Guidelines</b>             | means the Guidelines on Wholesale Funds issued by the SC, as amended from time to time;   |
| <b>information memorandum</b> | means the document issued by a fund manager describing the details of the wholesale fund and which is deemed to be a prospectus in so far as it relates to the liability of the fund manager for any statement or information that is false or misleading or from which there is material omission, <b>'Information Memorandum'</b> means this information memorandum and any supplementary information memorandum, of the Fund issued by the Manager;  |
| <b>long term</b>              | means a period of more than 5 years;  |
| <b>Manager, we or us</b>      | means PMB Investment Berhad (formerly known as ASM Investment Services Berhad);   |
| <b>MARA</b>                   | means Majlis Amanah Rakyat;   |
| <b>MARC</b>                   | means Malaysian Rating Corporation Berhad;  |
| <b>medium term</b>            | means a period of 3 to 5 years;   |
| <b>NAV per unit</b>           | means the Net Asset Value of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point;  |
| <b>net asset value (NAV)</b>  | means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point;<br><i>For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and trustee fee for the relevant day</i>  |
| <b>Pelaburan MARA</b>         | means Pelaburan MARA Berhad;  |
| <b>Qualified Investors</b>    | means any person that meets one of the following –<br>(a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence,<br>(b) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding twelve months,<br>(c) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding twelve months,<br>(d) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts,<br>(e) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies,<br>(f) a unit trust scheme or prescribed investment scheme,<br>(g) a private retirement scheme,<br>(h) a closed-end fund,<br>(i) a company that is registered as a trust company under the Trust Companies Act 1949 [Act 100] which has net assets under management exceeding RM10 million or its equivalent in foreign currencies,<br>(j) a corporation that is a public company under the Companies Act 1965 or under the laws of any other country, which has been approved by the SC to be a trustee for the purposes of the CMSA and has net assets under management exceeding RM10 million or its equivalent in foreign currencies,<br>(k) a statutory body established by an Act of Parliament or an enactment |



|                             |   |
|-----------------------------|---|
|                             | <p>of any State,</p> <p>(l) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967,</p> <p>(m) a holder of a Capital Markets Services License issued pursuant to the Capital Markets And Services Act 2007,</p> <p>(n) a licensed institution,</p> <p>(o) an Islamic bank,</p> <p>(p) an insurance company licensed under the Financial Services Act 2013,</p> <p>(q) a takaful operator licensed under the Islamic Financial Services Act 2013,</p> <p>(r) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010, and</p> <p>(s) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;</p> |
| <b>quasi-government</b>     | means established and funded by the Government but privately and independently managed or operated;   |
| <b>RAM</b>                  | means RAM Rating Services Berhad;   |
| <b>repurchase charge</b>    | means a charge imposed pursuant to the Unit Holder’s repurchase request;  |
| <b>repurchase price</b>     | means the price payable (excluding a repurchase charge) to a Unit Holder for a unit in the Fund pursuant to a repurchase request;   |
| <b>RM</b>                   | means Ringgit Malaysia;   |
| <b>SAC</b>                  | means the Shariah Advisory Council of the SC and/or BNM, where applicable;  |
| <b>sales charge</b>         | means a charge imposed pursuant to a request to purchase or subscribe units of the Fund by an investor or Unit Holder;  |
| <b>SC</b>                   | means the Securities Commission Malaysia, established under the Securities Commission Act 1993;   |
| <b>selling price</b>        | means the price payable by an investor or Unit Holder for a unit in the Fund pursuant to a purchase request;  |
| <b>Shariah</b>              | means Islamic law, originating from the Qur`an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijthihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);  |
| <b>short term</b>           | means a period of 1 to 3 years;   |
| <b>sukuk</b>                | means certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SAC;   |
| <b>Trustee</b>              | refers to Deutsche Trustee Malaysia Berhad;   |
| <b>unit</b>                 | means any right or interest in the Fund and includes any sub unit thereof;  |
| <b>Unit Holder</b>          | means the unit holder of the Fund, including a joint unit holder;   |
| <b>units in circulation</b> | means unit created and fully paid for;  |
| <b>wholesale fund</b>       | means a unit trust 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;   |

## 2. CORPORATE DIRECTORY

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### MANAGER

**PMB INVESTMENT BERHAD (256439 – D)**  
**(formerly ASM Investment Services Berhad)**

**Registered Office :**

3<sup>rd</sup> Floor, Wisma PMB, No. 1A, Jalan Lumut, 50400 Kuala Lumpur

**Business Office :**

Ground Floor, Wisma PMB, No. 1A, Jalan Lumut, 50400 Kuala Lumpur

Tel: (03) 4145 3800 Fax: (03) 4145 3901

Email: investorrelation@pelaburanmara.com.my

Website: www.pmbinvest.com.my

### MANAGER'S DELEGATE

**PELABURAN MARA BERHAD (7240-P)**

**Business Address:**

3<sup>rd</sup> & 5<sup>th</sup> Floor, Wisma PMB, No. 1A, Jalan Lumut, 50400 Kuala Lumpur

Tel: (03) 4145 3800 Fax: (03) 4145 3801

Website :www.pelaburanmara.com.my

### BOARD OF DIRECTORS

Datuk (Dr.) Zamani bin Md Noor – Chairman (Independent)

Dato' Sri Haji Abd Rahim bin Haji Abdul (Independent)

Professor Dr. Faridah binti Haji Hassan (Independent)

Haji Mansoor bin Ahmad (Independent)

Dato' Mohamad Safie bin Haji Asnawi – (Independent)

Nik Mohamed Zaki bin Nik Yusoff (Independent)

Ahmad Nazim bin Abd Rahman (Non-Independent)

Ameer Ali bin Vali Mohamed (Non-Independent)

### INVESTMENT COMMITTEE MEMBERS

Wan Abdul Rahman bin Wan Abu Samah (Independent)

Haji Mansoor bin Ahmad (Independent)

Nik Mohamed Zaki bin Nik Yusoff (Independent)

Mohd Nazri Abu Samah (Non-Independent)

### CHIEF EXECUTIVE OFFICER

Ameer Ali bin Vali Mohamed

### COMPANY SECRETARY

Sharizat binti Othman ( MAICSA 0764744)

Sapiah binti Jamaludin (MAICSA No. 0807355)

**Business Address:**

**AAJ Management Services Sdn Bhd**

Suite C-5-4, Wisma Goshen, Plaza Pantai, Jalan Pantai Baharu, 59200 Kuala Lumpur.

Tel: (03) 2283 4007 Fax: (03) 2287 7006

**TRUSTEE**

**Deutsche Trustees Malaysia Berhad (763590-H)**

**Registered Office/Business Office :**

Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel: (03) 2053 7522 Fax : (03) 2053 7526

**SHARIAH ADVISER**

**BIMB Securities Sdn Bhd (290163-X)**

32<sup>nd</sup> Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah,  
50100 Kuala Lumpur

Tel: (03) 2691 8887 Fax: (03) 2691 8854

**AUDITORS**

**Messrs. Ahmad Abdullah & Goh (AF 0381)**

Suite 701, Tkt 7 Wisma Hangsam, Jalan Hang Lekir  
50000 Kuala Lumpur

**Tel: (03) 2070 4408 Fax : (03) 2070 4393**

**TAX ADVISER**

**Messrs. Ahmad Abdullah & Goh (AF 0381)**

Suite 701, Tkt 7 Wisma Hangsam, Jalan Hang Lekir  
50000 Kuala Lumpur

Tel: (03) 2070 4408 Fax : (03) 2070 4393

**PRINCIPAL BANKERS**

**CIMB Islamic Bank Berhad (13491-D)**

Ground Floor, Wisma Genting, No. 28, Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel: (03) 2163 6358

**Public Islamic Bank Berhad (6463-H)**

Tiong Nam Branch, Level 1 & 2, Wisma Public Bank, 300, Jalan Raja Laut, 50350 Kuala Lumpur

Tel: (03) 2693 9555

**FIMM**

**Federation of Investment Managers Malaysia**

19-06-1, 6<sup>th</sup> Floor, Wisma Tune,  
No. 19, Lorong Dungun, Damansara Heights,  
50490 Kuala Lumpur.

Tel: (03) 2093 2600 Fax: (03) 2093 2700

Website: [www.fimm.com.my](http://www.fimm.com.my)

### 3. KEY DATA

**THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE FUND. YOU SHOULD READ AND UNDERSTAND THE WHOLE INFORMATION MEMORANDUM BEFORE MAKING ANY INVESTMENT DECISION.**

#### 3.1 FUND INFORMATION

|                              |   | PAGE |
|------------------------------|---|------|
| <b>Fund Name</b>             | PMB Wholesale Sukuk Fund  |      |
| <b>Fund Category</b>         | Sukuk   |      |
| <b>Fund Type</b>             | Income  |      |
| <b>Initial Offer Period</b>  | One (1) Business Day  |      |
| <b>Commencement Date</b>     | First Business Day after the date of this Information Memorandum  |      |
| <b>Investment Objectives</b> | To provide investors with consistent income stream* and a steady capital appreciation in the medium to long term by investing primarily in sukuk.<br>* Income distribution will be paid in the form of units.   | 9    |
| <b>Investment Strategy</b>   | To invest a minimum 70% of the Fund's Net Asset Value in a diversified portfolio of RM-denominated sukuk issued by the Government, BNM, quasi-government institutions, or Malaysian private corporations.<br>To generate a consistent income stream, the Fund invests in sukuk bearing a profit rate. For the capital appreciation, the Fund invests in discounted or zero-coupon sukuk.<br>For investments in sukuk issued by the Malaysian private corporations, the minimum credit ratings of sukuk are as follows:<br>(a) Long Term Ratings<br>A <sub>2</sub> (by RAM ) or A (by MARC) or an equivalent rating by any other recognized foreign credit rating agencies; and/or<br>(b) Short Term Ratings<br>P2 (by RAM) or MARC-2 (by MARC) or an equivalent rating by any other recognized foreign credit rating agencies.<br>The balance not invested in sukuk will be invested in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes and/or other Shariah-compliant permitted investments. | 9    |
| <b>Asset Allocation</b>      | <ul style="list-style-type: none"> <li>Minimum 70% of the Fund's NAV in sukuk; and</li> <li>Maximum of 30% of the Fund's NAV in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes and/or other Shariah-compliant permitted investments.</li> </ul>  | 10   |
| <b>Performance Benchmark</b> | Maybank's 12-Month General Investment Account (GIA) rate  | 10   |

|                            |   |    |
|----------------------------|---|----|
| <b>Distribution Policy</b> | Income distribution on an annual basis, subject to the availability of income.<br><i>*Income distribution will be paid in the form of units.</i>  | 13 |
| <b>Investor Profile</b>    | Qualified Investors who: <ul style="list-style-type: none"> <li>• have moderate risk tolerance,</li> <li>• have medium to long term investment horizon,</li> <li>• seek a combination of income and capital appreciation from investments, and</li> <li>• seek Shariah-compliant investments</li> </ul> |    |
| <b>Principal Risks</b>     | <ul style="list-style-type: none"> <li>• Credit/Default Risk</li> <li>• Profit/Interest Rate Risk</li> <li>• Liquidity Risk</li> </ul>  | 14 |
| <b>Financial Year End</b>  | 31 December   |    |
| <b>Trustee</b>             | Deutsche Trustees Malaysia Berhad   | 22 |
| <b>Shariah Adviser</b>     | BIMB Securities Sdn Bhd   | 24 |

### 3.2 TRANSACTION DETAILS / FEES AND CHARGES

|   |   | <b>PAGE</b> |
|---|---|-------------|
| <b>Minimum Initial Investment</b>                               | RM500,000   | 27          |
| <b>Minimum Additional Investment</b>                            | RM250,000   | 27          |
| <b>Minimum Repurchase</b>                                       | RM250,000   | 27          |
| <b>Frequency of Repurchase</b>                                  | No Limit  | 27          |
| <b>Payment of Repurchase Proceeds</b>                           | Within ten (10) Business Days from the date of receipt of the repurchase request by the Manager | 27          |
| <b>Initial Offer Price Per Unit during Initial Offer Period</b> | RM1.0000 per unit   |             |
| <b>Sales Charge per Unit</b>                                    | Nil   |             |
| <b>Repurchase Charge per Unit</b>                               | Nil   |             |
| <b>Annual Management Fee</b>                                    | Up to 0.75% per annum at the NAV of the Fund  | 30          |
| <b>Annual Trustee Fee</b>                                       | Up to 0.04% per annum at the NAV of the Fund  | 30          |

*\* In respect of all investors or any particular investor, the Manager may from time to time at its sole discretion waive, increase or reduce the minimum limits for initial investments, additional investments, and holdings, as well as the amount of any fee payable by the investor or investors in respect of the Fund. For the repurchases, the Manager may from time to time at its sole discretion waive, or reduce the minimum limits. For any increase in the prescribed limits and fees payable, the Manager will notify the changes in writing and via announcement on the Manager's website.*

**Prospective Unit Holders should read and understand the contents of the Information Memorandum and, if necessary, should consult their adviser(s).**

**There are fees involved and investors are advised to consider the fees before investing in the Fund.**

## **4. DETAILS OF THE FUND**

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### **4.1 INVESTMENT POLICY**

The Fund is a wholesale sukuk fund that is actively managed to provide Unit Holders with consistent income stream and steady capital appreciation over a medium to long term by investing primarily in RM denominated sukuk issued by the Government, BNM, quasi-government institutions, or Malaysian private companies.

### **4.2 INVESTMENT OBJECTIVE**

The Fund aims to provide investors with consistent income stream\* and steady capital appreciation in the medium to long term, by investing primarily in sukuk.

\* Income distribution will be paid in the form of units.

### **4.3 INVESTMENT STRATEGY**

The Fund aims to achieve its objective by investing a minimum 70% of its NAV in a diversified portfolio of RM denominated sukuk issued by the Government, BNM, quasi-government institutions (such as Danamodal Nasional Berhad and DanaInfra Nasional Berhad) or Malaysian private corporations.

In generating consistent income return, the Fund will invest in sukuk bearing profit rate, preferably in sukuk having a medium to long term tenure. To provide for steady capital appreciation, the Fund will invest in discounted or zero-coupon sukuk, preferably in sukuk having a short to medium term tenure.

For sukuk issued by Malaysian private corporations, the minimum credit ratings are as follows:

- (a) Long Term Ratings  
A<sub>2</sub> (by RAM) or A (by MARC) or an equivalent rating by any other recognized foreign credit rating agencies; and/or
- (b) Short Term Ratings  
P2 (by RAM) or MARC-2 (by MARC) or an equivalent rating by any other recognized foreign credit rating agencies.

For sukuk issued by the Government, BNM or quasi-government institutions, or guaranteed by the Government, the requirement for the minimum credit rating may not apply.

The strategy for investment in sukuk will be driven by macro-economic analysis such as the profit/interest rate outlook for the market over the medium to long term horizon. This will enable the manager to decide on the tenure and yields of sukuk investments for the Fund. Preferred investments will be in sukuk that provide yields for the medium to long term period with growth potential.

The Manager will conduct a thorough assessment of potential investments and constantly monitor current investments. The following are important investment consideration when selecting individual sukuk:-

- medium to long-term outlook of the industry and business;
- financial strength and gearing levels of the issuer;
- cash flow quality and volatility of the issuer;
- expected future cash flow and ability to pay profit and principal of the issuer;
- credit ratings by RAM or MARC or equivalent;
- duration and profit/interest rate sensitivity; and
- price and yield-to-maturity.

While the investment process will be driven by the above considerations, the guiding principle for the selection of investments will be within the parameters of Shariah requirements.

The Fund is actively managed and the frequency of the Fund's trading strategy is dependent on market opportunities.

Any balance not invested in sukuk will be invested in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes and/or other permitted investments that are consistent with the investment objective of the Fund. Any investments of the Fund other than sukuk and Shariah-compliant collective investment schemes are purely for liquidity purposes while awaiting favourable sukuk investments.

The Manager may take temporary defensive positions which may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economics, political or any other conditions. In this regard, the Fund may hold up to all of its investments in Islamic money market instruments, Islamic deposit placements and/or products, or any other permitted investments.

#### **4.4 ASSET ALLOCATION**

The asset allocation for the Fund is as follows:

- Minimum 70% of the Fund's NAV in sukuk; and
- Maximum 30% of the Fund's NAV in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes, and/or other permitted investments.

The asset allocation strategy will be reviewed periodically to suit market condition and expectation. The Manager will adjust its exposure in sukuk to a minimum level of 50% to mitigate any potential loss when a general downturn in the sukuk market is expected.

Concurrently, the balance will be placed in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes and/or other Shariah-compliant permitted investment to a maximum level of 50% for income, flexibility for investment or reinvestment, or sufficient liquidity for redemption request. The level will be adjusted in accordance with the Manager's market outlook.

#### **4.5 SHARIAH INVESTMENT GUIDELINES**

The Shariah investment guidelines are prepared based on the investment objective and strategy of the Fund. At all times, the Fund will invest in securities, instruments or investment products that have been approved by the SAC. In the event that the Shariah status of the securities, instruments and/or investment products has not been determined by the SAC, the opinion of the Fund's Shariah Adviser will be sought. In determining the Shariah compliance, the Shariah Adviser shall apply the methodology or guides issued by the SAC.

##### **Zakat For The Fund**

The Fund does not pay zakat on behalf of Muslim individuals and Islamic legal entities which are investors/Unit Holders of this Fund. Thus, investors/unit holders are advised to pay zakat on their own.

#### **4.6 PERFORMANCE BENCHMARK**

The Fund's performance benchmark is Maybank's 12-Month General Investment Account (GIA) rate.

The benchmark is selected to enable the Unit Holders to evaluate the performance of the Fund against the return that the Unit Holders would have earned if they had placed their money in the 12-month Maybank GIA. The Unit Holders should be aware that investing in this Fund is not the same as placing money in the Maybank's GIA. As the Fund invests across various Shariah-compliant securities, Islamic money market instruments, and Islamic deposit products, and of



having different ratings, the Fund may carry a risk profile higher than that of the benchmark. The capital and returns are not guaranteed. The Fund has the potential to generate returns that may be higher or lower than that of the 12-month Maybank's GIA.

The information on the benchmark can be obtained from [www.maybank2u.com.my](http://www.maybank2u.com.my).

#### 4.7 PERMITTED INVESTMENTS

Subject always to the relevant laws issued by the relevant authorities, applicable Shariah principles, and the investment objective of the Fund, the permitted investments of the Fund are as below –

- (a) Listed sukuk traded in or under the rules of an eligible market;
- (b) Unlisted sukuk traded in or under the rules of an eligible market;
- (c) Government Investment Issues (GII), Islamic Accepted Bills, Bank Negara Monetary Notes and any other Government approved/guaranteed Islamic issues;
- (d) Islamic money market instruments;
- (e) Islamic deposit placements and/or products;
- (f) Shariah-compliant collective investment schemes; and
- (g) Any other Shariah-compliant securities as may be agreed upon by the Manager and the Trustee from time to time.

#### 4.8 INVESTMENT RESTRICTIONS AND LIMITS

The aim of these restrictions of investment is to set the minimum standards for investment that may be held by the Fund:

- (a) The value of the Fund's investments in sukuk issued by any single issuer must not exceed 20% of the Fund's NAV. This single issuer limit may be increased to 30% of the Fund's NAV if the sukuk are rated to be of the best quality and offer highest safety for timely payment of profit and principal by any domestic or global rating agency;
- (b) The value of the Fund's investments in sukuk issued by any one group of companies must not exceed 30% of the Fund's NAV;
- (c) The value of the Fund's placement in Islamic deposits with any single institution must not exceed 20% of the Fund's NAV;
- (d) The aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments, and Islamic deposit placements and/products, issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV. Where the single issuer limit for the Fund's investments is increased to 30% of the Fund's NAV as explained in point (a) above, the aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments and Islamic deposit placements and/or accounts, issued by or placed with (as the case may be) any single issuer/institution must not exceed 30% of the Fund's NAV;
- (e) The value of the Fund's investment in units/ shares of any Shariah-compliant collective investment scheme must not exceed 20% of the Fund's NAV.
- (f) The value of the Fund's investment in sukuk must not exceed 20% of the sukuk issued by any single issuer.
- (g) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction is permitted where the limit or restriction is breached through an appreciation or depreciation in the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the repurchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular Shariah-compliant securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no limits and restrictions imposed on Shariah-compliant securities or Islamic instruments issued by the Government, BNM or quasi-government institutions, or guaranteed by the Government.

#### **4.9 VALUATION OF ASSETS**

In undertaking any of the Fund's investments, the Manager will ensure that all the assets of the Fund under its management will be valued appropriately, that is, at fair market value. The Manager will carry out the valuation of assets of the Fund on a daily basis at the close of a relevant Business Day.

##### **(a) Listed sukuk**

The market price.

However if:

- a valuation based on the market price does not represent the fair value of the sukuk, e.g. during abnormal market conditions; or
- no market price is available, including in the event of a suspension in the quotation of the sukuk for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees,

then the sukuk should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee.

##### **(b) Unlisted sukuk**

Prices quoted by a bond pricing agency (BPA) registered with the SC.

For sukuk where prices are not available from the BPA, fair valuation will be based on the average prices provided by 3 financial institutions at least fortnightly. Where fair market valuation is not available from the above sources, publicly or where the use of a quoted market price is inappropriate, including in the event of suspension in the quotation of securities, the investments will be valued at fair value determined in good faith by the Manager, on methods or bases which have been verified by the Fund's auditors.

##### **(c) Islamic deposit placements and/or products**

Principal value of such investments and the profits accrued thereon for the relevant period

##### **(d) Islamic Money Market Instruments**

Amortization or accrual methods, where applicable.

##### **(e) Collective investment schemes**

The NAV per unit as at the valuation point of the Fund.

**(f) Any other Shariah-compliant investments**

- (1) If listed, the market price, however, if- (a) a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions; or (b) no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the trustee, fair value as determined in good faith by the Manager on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.
- (2) If unlisted, fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

**4.10 DISTRIBUTION POLICY**

Subject to the availability of income, the Fund will distribute its income on an annual basis. The source of income for the purpose of distribution shall be derived from the realized income and/or realized gain (net of expenses).

Monies from the income distribution shall be reinvested in the form of additional units. All distribution reinvestments (if any), are based on the NAV per unit on the first Business Day following the distribution date. No sales charge will be imposed on distribution reinvestment.

However there will be an option for unit holders to receive income distribution by way of cash payment as prescribed in the investment form. Income distribution by way of cash payment shall be paid via e-payment or telegraphic transfer.

## **5. RISK FACTORS**

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### **5.1 GENERAL RISKS OF INVESTING IN A WHOLESALE FUND**

Just like any other form of investments, investment in a wholesale fund also carries some risks. You should consider, among others the following while investing in a wholesale fund:-

(a) **Financing Risk**

Where Unit Holders finance the purchase of units in a wholesale fund through borrowing or margin financing, they may be exposed to financing risk. They may suffer higher financing cost when the financing rates trend upwards. Where units are used as collateral for the borrowing/financing, the Unit Holders may find themselves faced with the circumstances of being forced to provide additional top up on their loan margins/ margin of financing when the value of units goes down.

(b) **Fund Manager's Risk**

The performance of a wholesale fund depends on the experience, knowledge and expertise of the investment manager and the investment strategies adopted. Poor management and/or strategies of the wholesale fund, such as delay in responding appropriately to the economic or market changes, or inadequate portfolio diversification, will jeopardize the investment of Unit Holders through the loss of their capital invested in the fund. Therefore, it is important for the investment manager to set the investment policies and appropriate strategies to be in line with the investment objective before any investment activities can be considered. However, there can be no guarantee that these measures will produce the desired results.

(c) **Inflation Risk**

Inflation risk is the risk of loss in the purchasing power of your investment due to a general increase of consumer prices. Inflation erodes the nominal rate of your return giving you a lower real rate of return. Inflation is thus one of the major risks to you and results in uncertainty over the future value of investments. Generally, any investment is subject to the risk that the investments may not grow in tandem with the inflation rate. Should the return on investment is lower than the inflation rate, the purchasing power of a unit holder may diminish.

(d) **Non-compliance Risk**

The establishment of this Fund follows rules set out in the Deed and the Guidelines. There is a risk that the Manager may not comply with the rules either intentionally or inadvertently. Whilst not every non-compliance of the rules governing the Fund will necessarily result in some losses to the Fund, you cannot discount the risk that losses may be suffered by the Fund if the non-compliance with the rules is serious. This may occur, for instance, if the Manager decides to buy an instrument which is not permitted, and thereafter having to sell that instrument which may be at a loss to the Fund.

### **5.2 SPECIFIC RISKS OF INVESTING IN THE FUND**

(a) **Credit/Default Risk**

Investments in sukuk are subject to the risk of non-payment and/or untimely payment of the principal amount as well as the profits when they fall due. Credit/default risk is assessed based on the issuer's overall ability to meet its obligations when they fall due. For example, an issuer suffering an adverse change in its financial condition could have the credit rating of the sukuk lowered, leading to greater price volatility of the sukuk thus unable to service any profit payments or pay the principal upon maturity. In such cases, the

Unit Holder may suffer significant capital losses with respect to their capital invested and profit purpose. A downgrade of the credit rating of a sukuk may also impact the sukuk's liquidity, making it more difficult to sell and greater volatility on the Fund's valuation.

However, such risk can be mitigated through vigorous credit analysis and having regular updates on the business profile and the financial position of the sukuk issuer.

(b) **Profit/Interest Rate Risk**

The risk refers to how the change in the profit/interest rate environment affects the performance of the sukuk portfolio of the Fund. In the event of a rising profit/interest rate environment, the prices of sukuk may decrease, and vice versa. Generally, there is an inverse relationship between profit/interest rate and sukuk prices, where an increase of profit/interest rate may lower the prices of the sukuk. In addition, sukuk with longer maturity and lower profit rates are more sensitive to profit/interest rate changes. This risk may be mitigated through the management of the duration of the sukuk portfolio based on profit/interest rate outlook.

Profit/interest rate such as Overnight Policy Rate (OPR) will have an impact on the management of the Fund regardless whether it is a conventional or Shariah-compliant fund. It does not in any way suggest that the Fund will invest in conventional financial instruments.

(c) **Liquidity Risk**

This risk refers to the possibility that the sukuk and Islamic money market instruments held by the Fund cannot be readily sold at or near its fair value due to insufficient trading volume. This in turn may adversely affect the value of the Fund. Thus, the manager may reduce its portion of higher risk assets, such as lower rated or longer tenure Sukuk and increase its liquid instruments to safeguard the investment portfolio of the Fund provided such investments are within the investment objective of the Fund. The manager will further manage the Fund as such that there is sufficient portfolio diversification i.e spreading risk across a basket of different sukuk as part of its risk management strategy.

In addition, the manager will ensure that the Fund will hold adequate level of Islamic liquid assets (Islamic deposits and/or Islamic money market instruments) to serve as a buffer for meeting short term liquidity requirements.

To further strengthen our risk management strategy, the investment team applies risk management controls over portfolio, legal and operational activities including adherence to investment objectives, asset allocation, valuation and monitoring performance and reports directly to the Investment Committee, a committee appointed by the Board of Directors.

**Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to the Fund.**

**It is important to note that the events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investments against all risks.**

**The investments of the Fund carry risks and we recommend that you read the whole Information Memorandum to assess the risks of the Fund.**

## 6. THE MANAGER OF THE FUND

### 6.1 CORPORATE PROFILE

PMB Investment Berhad ((PMB Investment), formerly known as ASM Investment Services Berhad (ASM Investment)), is a wholly owned subsidiary of Pelaburan MARA Berhad (Pelaburan MARA). Its principal activities are unit trust management and fund management.

Incorporated on 15 January 1993 under the Companies Act 1965 as ASM MARA Unit Trust Management Berhad (ASM MARA Unit Trust), the company assumed the unit trust operations from Pelaburan MARA, then known as Amanah Saham MARA Berhad (ASMB), and its related staff. This was done following the requirement that unit trust funds are to be managed by a unit trust management company. The unit trust operations of Pelaburan MARA started in the late 1960s and the first unit trust fund was established on 6 April 1968 which is now known as PMB Dana Al-Aiman.

ASM MARA Unit Trust had its name changed to ASM Investment on 9 October 2006, and it took over the fund management operations of ASM Asset Management Sdn Bhd, another wholly-owned subsidiary of Pelaburan MARA, to streamline the unit trust and funds management activities of the Pelaburan MARA group. ASM Investment had its name changed to PMB Investment on 28 February 2014.

PMB Investment is licensed under the CMSA 2007. The company has an authorised capital of RM10 million, of which RM5 million has been fully paid.

As at 30 November 2014, PMB Investment managed 14 unit trust funds and a wholesale money market fund with approximately 799 million units in circulation valued at RM341 million. Combining with portfolio mandates of institutional clients, the total fund size under management for both unit trust and fund management was approximately RM1.1 billion.

### 6.2 FINANCIAL PERFORMANCE

The following is a summary of the past performance of PMB Investment based on audited accounts for the past three financial years ended 31 December:

| Year Ended                | RM('000) |         |        |
|---------------------------|----------|---------|--------|
|                           | 2013     | 2012    | 2011   |
| Authorized Capital        | 10,000   | 10,000  | 10,000 |
| Paid-up Capital           | 5,000    | 5,000   | 5,000  |
| Share Premium             | 1,000    | 1,000   | 1,000  |
| Shareholders' Fund        | 11,161   | 12,262  | 11,594 |
| Turnover                  | 82,638   | 219,133 | 70,097 |
| Pre-tax Profit / (Loss)   | (1,049)  | 970     | 494    |
| After-tax Profit / (Loss) | (1,049)  | 956     | 494    |

### 6.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

PMB Investment is responsible for the day-to-day management of the Fund, in accordance with the provision of this Information Memorandum, the Deeds, Act and the Guidelines on Wholesale Funds. Our main functions, duties and responsibilities include but not limited to the following:-

- (1) To ensure that the Fund is managed within the ambit of the Deed, the CMSA 2007, the securities laws and the relevant guidelines at all times;
- (2) To succeed in the launch and sales of the Fund, and to provide customer support and distribution agency networks to best serve the Unit Holders of the Fund;
- (3) To keep the Unit Holders informed of the management and performance of the Fund through the interim and annual reports; and
- (4) To ensure that the interest of the Unit Holders is best served and protected at all times.

### 6.4 BOARD OF DIRECTORS

The Board of Directors meets at least four (4) times in a year, and is involved in determining the corporate policies and direction of the Manager. The detailed day-to-day running of the Manager is left largely with the management of PMB Investment. There are eight (8) members on the Board, with six (6) of them being independent directors. The names of the Directors are set out below-

- Datuk (Dr.) Zamani bin Md. Noor – Chairman/Independent
- Dato’ Sri Haji Abd Rahim bin Haji Abdul - Independent
- Professor Dr. Faridah binti Haji Hassan - Independent
- Haji Mansoor bin Ahmad – Independent
- Dato’ Mohamad Safie bin Haji Asnawi - Independent
- Nik Mohamed Zaki bin Nik Yusoff –Independent
- Ahmad Nazim bin Abd Rahman – Non-independent
- Ameer Ali bin Vali Mohamed - Non-independent

### 6.5 KEY MANAGEMENT TEAM

#### Chief Executive Officer

**Ameer Ali bin Vali Mohamed** is the Chief Executive Officer of PMB Investment. He joined PMB Investment on 2 April 2012 and brought with him more than 20 years of experience in the capital markets, having entered into the securities industry in December 1990 as an investment analyst. He held positions in research analysis and portfolio management including as fund manager of the then Arab-Malaysian Unit Trusts Berhad; senior manager of Affin Fund Management Sdn Bhd; head of investment – external clients for Mayban Investment Management Sdn Bhd before entrusted to establish and head its Business Development Department; and CEO/CIO of OSK Asset Management Sdn Bhd. Prior to joining PMB Investment, he was the CEO/Managing Director of Amanah Saham Kedah Berhad.

Among others, Ameer was the second-man in a team that was involved in the development of Malaysia’s first privately managed Islamic equity unit trust fund that was launched in early 1993. He was the first batch graduate of Bachelor of Business Administration (Hons) degree from the

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|  | <p>International Islamic University Malaysia, where he graduated in 1988 with second class upper honours. He started as a financial journalist with the then Business Times before entering into the securities industry. He is the holder of a Capital Market Services Representative Licence (Fund Management).</p>  |
| <p><b>Acting Chief Investment Officer</b></p>                                  | <p><b>Isnami bin Ahmad Mohtar</b> was appointed as the Acting Chief Investment Officer on 10 April 2014. He has more than 15 years of experience in the funds management industry, started in 1996 when he was appointed Senior Investment Officer at ASM Mara Unit Trust to manage some Bumiputera funds. He was subsequently promoted to Portfolio Manager in 2000 and was given larger responsibilities to manage Shariah and conventional unit trust and corporate funds. He was made Senior Manager, Fund Management in 2003. He joined Inter-Pacific Asset Management Sdn Bhd in August 2007 as a fund manager, managing unit trust and corporate funds. He rejoined PMB Investment in April 2010 and was re-designated Head, Equity in January 2013. Isnami holds a Bachelor of Science degree in Business Administration (Finance) from University of North Carolina at Charlotte, USA. He is the holder of a Capital Markets Services Representative Licence (Fund Management).</p> |
| <p><b>Assistant General Manager/Head of Compliance and Risk Management</b></p> | <p><b>Mohd Adzhar bin Abd Hamed</b> is the Head of Compliance and Risk Management, overseeing PMB Investment's compliance with the related statutory and regulatory requirements. He possesses a Diploma in Banking Studies and a Bachelor in Corporate Administration (Hons) from Universiti Teknologi MARA (UiTM). He joined the company on 1 March 2000. Prior to that, he was attached with one of the leading financial institutions in Malaysia for almost 6 years. He is the designated Compliance Officer of PMB Investment, and registered with the SC.</p>   |
| <p><b>Head of Marketing</b></p>  | <p><b>Marina binti Ghazali</b> is the Head of Marketing. She holds a Diploma in Mass Communication, Universiti Teknologi MARA (UiTM). She has more than 25 years of experience in marketing communication including public relations, advertising and promotion. Currently, she manages the functions of investor relation, agency management and development, advertising and promotion. Prior to joining PMB Investment, she was attached to Pelaburan MARA Berhad as the Head of Human Resource Development and Corporate Communication. Puan Marina was also with Park May Berhad (1995 – 1997) and a government agency (1988 – 1994).</p>   |
| <p><b>Head of Fund Administration</b></p>                                      | <p><b>Aida binti Abu Bakar</b> is the Head of Fund Administration. Currently, she manages the functions of trust administration, trust governance and product development. She joined Pelaburan MARA Berhad in July 1997 and was initially attached to Project Department of Pelaburan MARA overseeing its venture capital and credit activities. Subsequently in January 2000, she was transferred to PMB Investment and since then she has accumulated more than 14 years of experience in unit trust with attachment to several departments within PMB Investment covering product development, business development, investment, unit trust operations, marketing, customer administration and services, and</p>   |



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|  | <p>agency services. She has been instrumental in developing and launching PMB Investment’s Shariah retail products and in the merger and conversion of unit trust schemes. She started her career in 1995 with Kumpulan Guthrie Berhad, where she gained exposure in accounting and finance. She holds an MBA from University of Wales, United Kingdom and a Bachelor in Accounting and Financial Management from University of Essex, United Kingdom.</p>   |
| <b>Head of Portfolio Solutions</b>                   | <p><b>Isnaliyah binti Sarwadi</b> is the Head of Portfolio Solutions. She assumed the current post in January 2013. Previously, she had been a fund manager, since November 2010. She has more than 10 years experience in the financial industry ranging from market and financial research, business development, corporate client sales and marketing. She graduated from University of Essex, Colchester, United Kingdom with B.Sc. (Hons) Information Management with Accounting. She is the holder of a Capital Markets Services Representative Licence (Fund Management).</p> |
| <b>Head of Regional Sales and Agency Development</b> | <p><b>Kamal Bashar bin Abdul Aziz</b> is the Head of Regional Sales and Agency Development of PMB Investment Berhad. He is responsible for the overall sales and operations of unit trust funds through the management of regional offices and development of unit trust consultant. He has more than 17 years of experience in the unit trust industry covering unit trust operations, marketing, agency services, branch operations and sales. He obtained his Bachelor of Arts in Political Science from Universiti Kebangsaan Malaysia in 1994.</p>                              |
| <b>Manager, Accounts</b>                             | <p><b>Marlina binti Hj. Bustanuddin</b> is the Manager, Accounts of PMB Investment Berhad. She is responsible for the overall function of the company accounts, unit trust accounts and portfolio accounts. She obtained her Bachelor of Accountancy from Universiti Teknologi MARA in June 2001 and Diploma in Accountancy from the same university in November 1998. She is also a member of the Malaysian Institute of Accountants (MIA). Marlina has been with PMB Investment since 2007.</p>  |

## 6.6 KEY INVESTMENT MANAGEMENT TEAM

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|--|--|
| <b>Chief Executive Officer</b>         | <p><b>Ameer Ali bin Vali Mohamed</b><br/><i>(Please refer Section 6.5 for his profile)</i></p>   |
| <b>Acting Chief Investment Officer</b> | <p><b>Isnami bin Ahmad Mohtar</b><br/><i>(Please refer Section 6.5 for his profile)</i></p>  |
| <b>Head of Research</b>                | <p><b>Norzahari bin Zakaria</b> is the Head of Research. He holds a Diploma in Business Studies and BBA (Hons) Finance from University Teknologi MARA (UiTM). He joined Pelaburan MARA Berhad in July 2000 and was initially attached to Project Department of Pelaburan MARA Berhad where his job scope was overseeing the venture capital and credit activities of the company. Subsequently in February 2006, he was transferred to ASM Asset Management Sdn Bhd and later to PMB</p> |

|                                    |  |
|------------------------------------|--|
|                                    | Investment to assume the current post. He has been in the financial industry since September 1990 with extensive experience in credit review, credit marketing, credit control, business development, venture capital as well as equity research and fund management. He is the holder of Capital Markets Services Representative Licence (Fund Management).   |
| <b>Portfolio Manager</b>           | <b>Adil Azhar bin Ibrahim</b> is the Portfolio Manager. He monitors and conducts analysis on fixed income securities and money market instruments. He holds a Degree in Engineering from Hokkaido University, Hokkaido Japan. He joined Pelaburan MARA Berhad in 2013 as Portfolio Manager and was responsible for the overall due diligence on all potential investments before being assigned to the current position in PMB Investment. He was previously attached to the Investment Operations and Financial Market Department of Bank Negara and is the holder of a Capital Markets Services Representative Licence (Fund Management).                        |
| <b>Assistant Portfolio Manager</b> | <b>Mohd Irwan bin Wahed</b> is the Assistant Portfolio Manager. He holds a Post Graduate qualification in Applied Finance and Investment from Financial Services Institute of Australasia (FINSIA), a professional qualification in Islamic Finance from United Kingdom’s Chartered Institute for Securities & Investment (CISI) and a Bachelor’s Degree in Aerospace Engineering from University Putra Malaysia. He joined PMB Investment in November 2011. Prior to that, he was with OSK Investment Bank as a Dealer’s Representative with a Corporate Derivatives Desk. He is the holder of Capital Markets Services Representative Licence (Fund Management). |
| <b>Assistant Portfolio Manager</b> | <b>Norhazira binti Mazelan</b> is the Assistant Portfolio Manager. She holds a Bachelor in Business Administration Hons (Finance) from University Teknologi MARA (UiTM) and is the holder of a Capital Markets Services Representative Licence (Fund Management). Prior to joining PMB Investment, she was attached to Small Medium Enterprise Development Bank of Malaysia Kuala Lumpur as an Associate for their Treasury and Investment Department.   |

## 6.7 ROLES OF KEY INVESTMENT MANAGEMENT TEAM

The Manager has established an ‘Investment Operating Committee’ comprising of the Key Investment Management Team.

The roles of the Investment Operating Committee are –

- (1) To discuss the performance and prospects of the economy and securities market with a view of formulating investment strategies in line with the Investment Committee’s decision.
- (2) To review and evaluate the investment strategies from time to time.
- (3) To review the performance of the funds under management and to make necessary recommendations thereof.
- (4) To discuss and evaluate on securities to be included to or deleted from the List of Approved Securities.

(5) To ensure the designated fund managers implement the strategies/decisions made by the Investment Committee;

(6) Any other matters related to the investment management of funds under management.

The Investment Operating Committee meets at least once every month.

#### **6.8 MANAGER'S DELEGATE**

PMB Investment has delegated the following functions to Pelaburan MARA:

(1) Information technology

(2) Human resource development

(3) Corporate communications

(4) Administration

(5) Compliance

(6) Risk management

(7) Internal audit

Pelaburan MARA is a strategic investment and asset management company wholly-owned by MARA, a statutory agency of the Government of Malaysia. Established on 24 June 1967, Pelaburan MARA is principally involved in private equity investments, portfolio fund management, unit trust management, financial services and corporate advisory. Pelaburan MARA is the parent company of PMB Investment.

#### **6.9 MATERIAL LITIGATION AND ARBITRATION**

As at 30 November 2014, PMB Investment was not engaged, pending or threatened, in any material litigation and arbitration. It was also disclosed under the Director's Report that there is no contingent liability that will or may substantially affect our ability to meet the obligations as and when they fall due.

## 7. THE TRUSTEE OF THE FUND

### 7.1 COMPANY PROFILE

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.

### 7.2 SUMMARY OF FINANCIAL POSITION

|                          | 31 Dec 2013<br>(RM) | 31 Dec 2012<br>(RM) | 31 Dec 2011<br>(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           |

### 7.3 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 November 2014, DTMB is the trustee for 179 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, financially and for various functions, including but not limited to financial control and internal audit.

### 7.4 BOARD OF DIRECTORS

- Jacqueline William
- Chang Wai Kah
- Janet Choi
- Jalalullail Othman – Independent Director
- Lew Lup Seong – Independent Director

### 7.5 CHIEF EXECUTIVE OFFICER

- Chua Mee Ling

### 7.6 TRUSTEE’S DELEGATE

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, where the custodial function is delegate, 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.

#### **7.7 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 Capital Markets & Services Act 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.

#### **7.8 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 Capital Markets & Services Act 2007 and all relevant laws.

#### **7.9 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 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 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, 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.

#### **7.10 TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION**

As at 30 November 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 and/or financial position of the Trustee and any of its delegate.

## 8. SHARIAH ADVISER

### 8.1 PROFILE OF THE SHARIAH ADVISER

BIMB Securities Sdn Bhd is a stockbroking subsidiary of BIMB Holdings Bhd. It was incorporated on 21 February 1994.

The company's corporate mission is to actively participate in a modern, innovative and dynamic Islamic capital market in Malaysia, catering for the needs of both Muslims and Non-Muslims. BIMB Securities Sdn Bhd is Corporate Shariah Adviser to 21 Islamic Unit trust funds. Currently, the staff strength of BIMB Securities Sdn Bhd consists of 61 employees of whom 58 are Executive staff and 7 are Non-Executive staff.

The company's authorised share capital is RM250 million, and its current issued and paid-up share capital is RM100 million. The shareholdings of BIMB Securities Sdn Bhd are as follows:-

| Shareholders  | % of Holding |
|---|--------------|
| BIMB Securities Holdings Sdn Bhd<br>(wholly owned subsidiary of BIMB Holdings Berhad) | 51           |
| BIMB Holdings Berhad  | 49           |

### 8.2 BOARD OF DIRECTORS

| Name                           | Position                 |
|--------------------------------|--------------------------|
| Zahari @ Mohd Zin bin Idris    | Non-Executive Director   |
| Rashid bin Ismail              | Executive Director / CEO |
| Abdul Kadir bin Sahlan         | Non-Executive Director   |
| Johan bin Abdullah             | Non-Executive Director   |
| Mustapha bin Hamat             | Non-Executive Director   |
| Mohamad Rani Dali bin Samsudin | Executive Director       |

### 8.3 DESIGNATED PERSON RESPONSIBLE FOR SHARIAH MATTERS

#### Ir. Dr. Muhamad Fuad bin Abdullah

Ir. Dr. Muhamad Fuad bin Abdullah (Dr. Muhamad Fuad), the designated person in-charge of all Shariah matters in BIMB Securities Sdn Bhd (BIMBSEC) is also appointed to the Shariah Advisory Committee of BIMBSEC effective 1 June 2011.

Dr. Muhamad Fuad graduated with a Bachelor of Science in Electrical Engineering in 1977 and a Master of Philosophy in Electrical Engineering in 1982 from the University of Southampton. He also obtained a Bachelor of Arts (Jayyid) in Shariah from University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from University of Aberdeen, Scotland in 1996.

Currently he serves as the Chairman of the Shariah Committee of MIDF Group of Companies and the Chairman of the Shariah Advisory Committee of MNRB Retakaful Bhd. He is a registered Shariah Adviser with the Securities Commission Malaysia (SC) which qualifies him to advise on Shariah-compliant products and services regulated by the SC. He is also a registered Shariah lawyer of Majlis Agama Islam Perak since 2007, and was a member of the Board of Studies of the B.A. (Fiqh and Usul Fiqh) Programme of the International Islamic University of Malaysia (IIUM) from 2007-2010.

Dr. Muhamad Fuad is a member of Majlis Agama Islam Wilayah Persekutuan (MAIWP), sits on the boards of Sime Darby Property Bhd, Malaysian Industrial Development Finance Berhad (MIDF), MIDF Property Berhad, Mesiniaga Berhad and Institut Kefahaman Islam Malaysia (IKIM) a public company limited by guarantee.

Dr. Muhamad Fuad is the designated person in-charge of PMB Investment's Shariah-compliant funds.

#### **8.4 ROLES AND FUNCTIONS OF SHARIAH ADVISER**

- (1) The responsibilities of the Shariah Adviser are to ensure that the Fund is managed and administered in accordance with Shariah principles.
- (2) The Shariah Adviser shall provide expertise and guidance for the Fund in all matters relating to Shariah principles, including on the Deeds and prevailing Information Memorandum, its structure and investment process and other operational and administrative matters.
- (3) Where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process, the Shariah Adviser shall consult the SC.
- (4) The Shariah Adviser shall act with due care, skill and diligence in carrying out its duties and responsibilities.
- (5) The Shariah Adviser is responsible for scrutinizing the Fund's compliance report as provided by the compliance officer and investment transaction report provided by or duly approved by the trustee, to ensure that the Fund's investments are in line with Shariah principles.
- (6) The Shariah Adviser shall prepare a report to be included in the Fund's interim and annual report certifying whether or not the Fund has been managed and administered in accordance with Shariah principles for the period concerned.
- (7) The Shariah Adviser shall attend the quarterly held meeting for the Shariah review of the Fund management or any other ad-hoc meeting as required.

## 9. TRANSACTION INFORMATION

### 9.1 PRICING OF UNITS

The price of units of the Fund i.e. the selling price per unit and repurchase price per unit is determined by using forward pricing where the price is the NAV per unit of the Fund at the end of a Business Day after a request for purchase or repurchase is received by us. Any applicable sales charge and repurchase charge shall be payable separately from the selling price and repurchase price of the Fund.

The NAV per unit is determined by dividing the NAV of the Fund with the units in circulation as at a valuation point. The NAV of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets. For the purpose of computing the annual management fee and the trustee fee, the NAV of the Fund includes the management fee and the trustee fee for the relevant day.

### 9.2 COMPUTATION OF THE NAV AND THE NAV PER UNIT

The NAV of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets, at a valuation point.

**Illustration :**

For illustration purposes, assuming the figures of a relevant day are as below:

|                                 |   |                  |
|---------------------------------|---|------------------|
| Value of the Fund's Assets      | = | RM100,000,000.00 |
| Value of the Fund's Liabilities | = | RM500,000.00     |
| Units in Circulation            | = | 90,000,000       |
| Annual Management Fee           | = | 0.75% per annum  |
| Annual Trustee Fee              | = | 0.04% per annum  |

The NAV of the Fund will be:

|  | <u>RM</u>                   |
|--|-----------------------------|
| Fund's asset   | 100,000,000.00              |
| Less: Fund's liabilities                                     | (500,000.00)                |
| Net asset value (before annual management fee & trustee fee) | <u>99,500,000.00</u>        |
| Less: Management fee (0.75% per annum)                       | (2,044.52)                  |
| Trustee fee (0.04% per annum)                                | (109.04)                    |
| NAV of the Fund of the day                                   | <u><u>99,497,846.44</u></u> |

The NAV per Unit of the Fund will be:

$$\begin{aligned}
 \text{NAV per Unit} &= \text{NAV of the Fund} / \text{Unit in Circulation} \\
 &= \text{RM } 99,497,846.44 / 90,000,000 \\
 &= \text{RM } 1.10553162711 \text{ (before rounding adjustment)} \\
 &= \text{RM } \mathbf{1.1055} \text{ (rounded to 4 decimal points)}
 \end{aligned}$$



### 9.3 PURCHASE OF UNITS

Units of the Fund are available for subscription by Qualified Investors as from the Commencement Date. During the Initial Offer Period, which is the period of 1 Business Day, units will be sold at RM1.00 each (excluding a sales charge and GST) and will be issued only upon the designated account being credited with the subscription amount. After the Initial Offer Period, units will be sold based on the selling price per unit as at the close of the Business Day on which the subscription amount is credited into the designated account.

The minimum initial investment by an investor is RM500,000 or such amount as we may decide from time to time while subsequent investments by the same investor is RM250,000 or such lower amount as we may decide from time to time.

We may at its sole discretion decline any application for subscription.

Units can be bought on any Business Day at our office (Monday – Thursday, 8.45 a.m. - 5.15 p.m. and Friday, 8.45 am - 12.45 pm / 2.15 pm – 5.15 pm). The price of units for applications received before 3.00 p.m. (cut off time) will be calculated based on the valuation of the units on the same Business Day subject to the clearance of payment. Where an application is received after the cut off time, the request will be processed based on the NAV per Unit on the following Business Day.

### 9.4 REPURCHASE OF UNITS

Unit Holders may repurchase their investments partially or wholly by requesting us to repurchase their units. Units will be repurchased at the repurchase price per unit as at the close of the Business Day when the request is received. There is no repurchase charge. Repurchase proceeds will be paid to a Unit Holder via cheque or telegraphic transfer within ten (10) Business Days from the date of receipt of the repurchase request by us. Redemptions have to be for a minimum of RM250,000 or such lower amount as we may decide from time to time; if following a repurchase request, a Unit Holder will be holding less than RM500,000 or such amount as we may decide from time to time, we are entitled, but not compelled, to consider that a repurchase request has also been made in respect of the remaining units and can compulsorily repurchase the same. Units can be sold on any Business Day at the Manager's office (Monday – Thursday, 8.45 a.m. - 5.15 p.m. and Friday, 8.45 am - 12.45 pm / 2.15 pm – 5.15 pm). The price of units for applications received before 3.00 p.m. (cut off time) will be calculated based on the valuation of the units on the same Business Day subject to the clearance of payment. Where an application is received after the cut off time, the request will be processed based on the NAV per unit on the following Business Day.

### 9.5 SWITCHING

Switching is only applicable into another in-house Wholesale Fund (if any) at no cost.

### 9.6 TRANSFERS

Transfers are not applicable for the Fund.

### 9.7 INCORRECT PRICING

In the case of pricing discrepancies in the calculation of NAV occurs, we will take immediate remedial actions to rectify any incorrect pricing of the units in the Fund. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.5% of the relevant Fund's NAV per unit:

(a) by us to any one or more of the following –

- (i) the Fund
- (ii) investors of the Fund;

- (iii) former investors of the Fund ; or
- (b) by the Fund to us

We retain the discretion whether or not to reimburse if the error is below 0.5% of the NAV per unit or where the total impact on an individual account is less than RM10.00 in absolute amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

**9.8 UNCLAIMED MONIES**

Any redemption and termination proceeds payable to Unit Holders which remain unclaimed after one year as is prescribed by the Unclaimed Moneys Act, 1965 will be surrendered to the Registrar of Unclaimed Moneys in accordance with the said Act.

**9.9 TRANSACTION DETAILS AND OPERATIONAL REQUIREMENTS**

| TRANSACTIONS                               | OPERATIONAL REQUIREMENTS   |
|--|--|
| <p><b>Making an initial investment</b></p> | <p><b>Individual Investor:</b></p> <ul style="list-style-type: none"> <li>• Completed Pre-Investment Form by FIMM (for every new fund)</li> <li>• Completed Suitability Assessment Form</li> <li>• Completed Pre-Qualification Form</li> <li>• Master Application Form, Transaction Form;</li> <li>• Photocopy of Identity card or passport (if applicant is Malaysian resident or foreigner); and</li> <li>• Proof of payment</li> </ul> <p><b>Corporate investor:</b></p> <ul style="list-style-type: none"> <li>• Completed Pre-Investment Form by FIMM (for every new fund);</li> <li>• Completed Suitability Assessment Form</li> <li>• Completed Pre-Qualification Form</li> <li>• Master Application Form, Transaction Form;</li> <li>• A copy of each of the company’s resolution and certificate of incorporation (certified by a director or company secretary); and a list of authorised signatories and specimen signatures;</li> <li>• Form 24, 49 and other documents, if required; and</li> <li>• Proof of payment .</li> </ul> <p><i>An investor is recognized as a registered Unit Holder by the Manager upon acceptance and receipt of payment together with completed Investment Form and other relevant supporting documents by the Manager. The Manager will then issue a notification confirming the investment within five (5) Business Days upon receipt of the aforesaid documents. In respect of a foreign investor, the Manager will issue a notification confirming the investment within eight (8) Business Days upon receipt of the aforesaid documents.</i></p> |

|   |  |
|---|--|
| <p><b>Making an additional investment</b></p> | <p><b>Individual Investor</b></p> <ul style="list-style-type: none"> <li>• Transaction Form</li> <li>• A copy of Identity Card / passport; or</li> </ul> <p><b>Corporate Investor:</b></p> <ul style="list-style-type: none"> <li>• Transaction Form signed by authorized signatories and company stamp</li> <li>• Board Resolution or any other necessary authorization</li> </ul> <p>Completed forms and documents required should be submitted together with payment or proof of payment.</p> <p><i>The additional investments are recognised by the Manager upon its receipt of payment together with the relevant supporting documents. The Manager will then issue a notification confirming the investment within five (5) Business Days upon receipt of the aforesaid documents. In respect of a foreign investor, the Manager will issue a notification confirming the investment within eight (8) Business Days upon receipt of the aforesaid documents.</i></p> |
| <p><b>Repurchase of Units</b></p>             | <p><b>Individual Investor (single/joint applicant)</b></p> <ul style="list-style-type: none"> <li>• Transaction Form</li> <li>• A copy of Identity Card / passport</li> </ul> <p><b>Corporate Investor</b></p> <ul style="list-style-type: none"> <li>• Transaction form signed by authorized signatories and company stamp</li> <li>• Board Resolution or any other necessary authorization</li> </ul> <p><i>Repurchase can be made in part or entirely on any Business Day.</i></p> <p><i>Unit Holders may receive the repurchase proceeds within ten (10) Business Days from the date the Manager is in receipt of the duly completed Transaction Form by the Manager.</i></p>  |

## **10. FEES AND CHARGES**

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### **10.1 ANNUAL MANAGEMENT FEE**

An annual management fee of up to 0.75% per annum of the NAV of the Fund is calculated and accrued daily and is charged to the Fund; this fee is collected by the Manager on a monthly basis.

### **10.2 ANNUAL TRUSTEE FEE**

An annual trustee fee of up to 0.04% per annum of the NAV of the Fund is calculated and accrued daily and is charged to the Fund; this fee is collected by the Trustee on a monthly basis.

### **10.3 OTHER EXPENSES**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- (a) commissions/fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor;
- (d) costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investments of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) 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 fund manager;
- (l) 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);
- (m) costs, fees and expenses deemed by the Manager and the Trustee 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;
- (n) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise; and
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund, if any.

## **11. SALIENT TERMS OF THE DEED**

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### **11.1 RIGHTS AND LIABILITIES OF A UNIT HOLDER**

#### **Rights of Unit Holders**

A Unit Holder has the right, among others, to the followings:

- (a) To receive the distributions of income (if any), participate in any increase in the value of the Units and such other rights and privileges as provided for in the Deed;
- (b) To call for a Unit Holders' meeting for any resolutions, and also to vote for the removal of the Trustee or us through an extraordinary resolution;
- (c) To exercise your cooling-off period if you invest for the first time with PMB Investment except for if you are either corporate/institutional clients, staff of the Manager or a registered Unit trust consultant; and
- (d) To receive annual and quarterly reports of the Fund,

However, a Unit Holder would not have the right to require the transfer to the Unit Holder of any of the investments of the Fund. Neither would a Unit Holder have the right to interfere with or question the exercise by the Trustee or the Manager on his behalf, of the rights of the Trustee as trustee of the investments of the Fund.

#### **Liabilities of Unit Holders**

- (a) No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed(s) at the time the Units were purchased; and
- (b) Unit Holders shall not be under any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed(s) exceed the NAV of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

### **11.2 PROVISIONS REGARDING UNIT HOLDERS MEETINGS**

#### **Quorum Required for Convening 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 that 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; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.

#### **Meetings requested by the Unit Holders**

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a meeting of the Unit Holders by:

- (a) sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may 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;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed.

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the lesser number.

#### **Meetings summoned by the Manager or Trustee**

Unless otherwise required or allowed by the relevant laws, the Manager or Trustee may convene a Unit Holders' Meeting by giving the Unit Holders' a 14 day written notice specifying the place, time and terms of the resolutions to be proposed.

The Trustee shall summon a meeting in the event:

- (a) the Manager is in liquidation,
- (b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act,

The Trustee may also summon a Unit Holders' meeting for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to the Deed; and
- (e) deciding on the reasonableness of the annual Management Fee charged to the Fund.

The meeting of the Unit Holders summoned by the Trustee shall be summoned by sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of Jointholders, to the Jointholder whose name stands first in the records of the Manager at the Jointholder's last known address.

### **11.3 TERMINATION OF THE FUND**

#### **Circumstances that may lead to the termination of the Fund**

The Funds may be terminated or wound up as provided for under the Deed as follows:-

- (a) A special resolution is passed at a Unit Holders' meeting to terminate or wind-up the Fund, following the occurrence of any of the following events and the Trustee shall apply to the Court for an order confirming such Special Resolution;
  - (i) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
  - (ii) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
  - (iii) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant laws.
- (b) A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Funds.

### **11.4 THE MAXIMUM FEES AND CHARGES THAT MAY BE IMPOSED BY THE MANAGER AND THE STEPS TO BE TAKEN BY THE MANAGER TO INCREASE SUCH FEES AND CHARGES**

**Maximum Rate of Direct Charges allowable by the Deed**

- There will not be any Sales Charge for this Fund.
- There will not be any Repurchase Charge for this Fund.

**Maximum Rate of Indirect Fees and Charges allowable by the Deed**

- The maximum Annual Management Fee allowable by the Deed is **0.75%** per annum of the NAV of the Fund calculated and accrued daily.
- The maximum Annual Trustee Fee allowable by the Deed is **0.04%** per annum of the NAV of the Fund, calculated and accrued daily.

**Procedures to be taken to increase the Direct and Indirect Fees and Charges from the current amount as stipulated in the Information Memorandum**

**Sales Charge**

A higher sales charge than that disclosed in the Information Memorandum may only be imposed if:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge; and
- (b) a supplemental/replacement information memorandum in respect of the Fund setting out the higher charge is issued.

**Redemption Charge**

A higher redemption charge than that disclosed in the Information Memorandum may only be imposed if:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge; and
- (b) a supplemental/replacement information memorandum in respect of the Fund setting out the higher charge is issued.

**Annual Management Fee**

The Manager may not charge an annual Management Fee at a rate higher than that disclosed in the Information Memorandum unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and
- (c) a supplemental/replacement Information Memorandum stating the higher fee is issued.

**Annual Trustee Fee**

Similarly, the Trustee may not charge an annual Trustee Fee at a rate higher than that disclosed in this Information Memorandum unless similar conditions applicable to the annual Management Fee stated above are also satisfied in relation to the Trustee Fee.

**11.5 OTHER EXPENSES PERMITTED UNDER THE DEED**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund, including, but not limited to, -

- (a) commissions/fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor;
- (d) costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;

- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investments of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) 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 fund manager;
- (l) 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);
- (m) costs, fees and expenses deemed by the Manager and the Trustee 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;
- (n) remuneration and out-of-pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise; and
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund, if any.

#### **11.6 CIRCUMSTANCES THAT MAY LEAD TOWARDS THE RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER**

The Manager may retire upon giving six (6) months' notice (or such shorter period as the Manager and the Trustee may agree) to the Trustee of its desire to do so, and may, by Deed, appoint in its stead a new manager approved by the Trustee and the SC.

The Manager shall retire, if so required 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 it of that opinion and the reason for that opinion, and after consultation with the relevant authorities and with the approval of 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 manager 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.

#### **Powers of Trustee to Replace the Manager**

Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:



- (a) if 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 it 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 relevant authorities 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 manager 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 the Manager shall not accept any extra payment or benefit in relation to such removal.

#### **11.7 CIRCUMSTANCES THAT MAY LEAD TOWARDS THE RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE**

The Trustee may retire upon giving six (6) months' notice to the Manager of its desire to do so, or such lesser time as the Manager and the Trustee shall agree, and may by deed appoint in its stead a new Trustee approved under any relevant laws.

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed.

##### **Powers of the Manager to Remove the Trustee**

The Trustee may be removed and another Trustee may be appointed by a Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed.

The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- (a) the Trustee has ceased to exist;
- (b) the Trustee has not been validly appointed;
- (c) the Trustee was not eligible to be appointed or to act as trustee under any relevant law;
- (d) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment;
- (f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or
- (g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

## **12. CONFLICT OF INTEREST**

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The Manager and any delegate thereof will endeavor to avoid conflicts of interest arising or, if conflicts arise they will ensure that, neither the Unit Holder nor the Fund, is disadvantaged by the transaction concerned. Any transaction or investment carried out by or on behalf of the Fund should be executed at an arm's length transaction. The Manager and our related corporations will not act as principal in the sale and purchase of investments and the Fund will not invest in companies related to the Manager.

Where a conflict of interest arises due to the Investment Committee member or director holding substantial shareholding or directorships of public companies, and the Fund invests in that particular share or stock, the said committee member or director shall abstain from any decision making relating to investment in that share or stock of the Fund.

Our employees who are directly involved in the investment management of the Fund or who have direct and timely access to the daily trades done by the fund managers, are required to declare their dealing in the securities.

To date, there has been no event of conflict of interest amongst us, employees, directors and Investment Committee members. In the event a conflict or potential conflict of interest involving the Manager and employees is identified, this will be evaluated by the Compliance Department and disclosed to the Chief Executive Officer (CEO) for the next course of action. Conflict of interest situations involving the CEO, directors and/or Investment Committee members will be disclosed to the Board of Directors for a decision on the next course of action.

### **13. CLIENT COMMUNICATION**

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Unit Holders will / can receive regular updates on the Fund and on their investment through:

**(a) The Manager's Company Website**

Unit Holders will be able to obtain information pertaining to the Fund from the Manager's company website at [www.pmbinvest.com.my](http://www.pmbinvest.com.my). The Fund's daily NAV per Unit will be quoted in the website to enable Unit Holders to monitor their investments. The daily prices may be based on information available one (1) Business Day prior to publication.

**(b) Financial Reports**

The Manager will provide Unit Holders with an annual report within two (2) months of the Fund's financial year-end and a quarterly report within (2) months of the end of the period covered. A financial statement audited by the Fund's appointed auditor will be included in the annual report. In addition, you will also receive an interim report of the Fund every semi-annual financial year.

**(c) Statement of Account**

The Manager will also issue a monthly statement of accounts to Unit Holders confirming the current shareholdings and transactions relating to their Units in the Fund.

**(d) Investor Relation**

Unit Holders can seek assistance from the Manager's Investor Relation personnel at PMB Investment's office. You may communicate with us by:

- i) e-mail at [investorrelation@pelaburanmara.com.my](mailto:investorrelation@pelaburanmara.com.my); or
- ii) walk-in, write or call during normal business hours (Monday – Thursday, 8.45 am - 5.15 pm and Friday, 8.45 am - 12.45 pm / 2.15 pm – 5.15 pm), excluding public holidays at 03-41453800, or Investor Relation Careline at 03-41453900.

## **14. ADDITIONAL INFORMATION**

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### **14.1 PRE-INVESTMENT FORM (PIF) BY FIMM**

The purpose of the PIF is to ensure that the investor is sufficiently informed on investments in Unit trust funds and in particular, understand the unit trust fund you are investing in. You are required to complete the PIF prior to account opening if you are a first time investor. If you invest in several new funds simultaneously, a PIF must be completed for each fund.

### **14.2 SUITABILITY ASSESSMENT**

The suitability assessment should be conducted on an investor who wishes to invest in a new unlisted capital market product. The Suitability Assessment Form should be completed prior to account opening. A suitability assessment refers to an exercise carried out by the Manager to gather necessary information from the investor before matching a particular product with the needs of an investor.

### **14.3 COMPLAINTS**

Should you wish to complain, you may lodge your complaint by writing to:

**Chief Internal Audit,  
Internal Audit Unit,  
Pelaburan MARA Berhad  
3rd Floor, Wisma PMB,  
No. 1A, Jalan Lumut,  
50400 Kuala Lumpur**

Please state the date, time, place of occurrence, person involved and nature of your complaint. You may also lodge your complaint through telephone calls by contacting the Unit.

### **14.4 SECURITIES INDUSTRY DISPUTE RESOLUTION CENTRE (SIDREC)**

SIDREC is an independent body corporate, approved under Capital Markets and Services (Dispute Resolution) Regulations 2010, established to resolve monetary disputes between investors and capital market intermediaries registered as its members, such as stockbrokers, futures brokers, unit trust management companies, and fund managers. If an investor has an unresolved claim with a capital market intermediary, he or she may file a claim with SIDREC, either in person or via fax, post or e-mail. For further enquiry, you may reach SIDREC via, telephone at 03-2282 2280; e-mail at [info@sidrec.com.my](mailto:info@sidrec.com.my), or website at [www.sidrec.com.my](http://www.sidrec.com.my).

### **14.5 ANTI-MONEY LAUNDERING AND ANTI-TERRORISM FINANCING POLICIES**

#### **(a) General Policy**

We have established an Anti-Money Laundering and Anti-Terrorism Financing (AMLCFT) Policies and Procedures as required by the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLATFA) 2001. As such we will actively prevent and take measures to guard against being used as a medium for money laundering and/or terrorism financing activities and any other activity that facilitates money laundering and/or terrorism financing.

#### **(b) Investor's Identification and Verification**

Pursuant to the AMLATFA, we have put in place procedures for identification and verification of investors. 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.

Additional information from you may be required on a case by case basis in certain situations throughout your investment with us in any of the Fund. Application without such information may not be accepted and the application amount shall be returned to you.

#### **14.6 PERSONAL DATA PROTECTION ACT (PDPA) 2010**

Pursuant to the PDPA gazetted on 15<sup>th</sup> November 2013, we have put in place procedures in dealing with your personal data being collected and retained by us. Please read our 'Privacy Notice' on our website [www.pmbinvestment.com.my](http://www.pmbinvestment.com.my) or request a copy of the Privacy Notice from our office.

#### **14.7 PERIOD OF THE FUND**

The Fund may be terminated by the Trustee who will summon a meeting of Unit Holders due to circumstances affecting the Manager. Otherwise the Fund may continue in operation or in existence if it appears to be in the interest of the Unit Holders for such periods as agreed by the Trustee and the Manager.

#### **14.8 POLICY ON REBATES AND SOFT COMMISSION**

Any rebate on brokerage fees or shared commissions is to be credited into the accounts of the Fund (where such brokerage fees or shared commissions are paid out or to be paid out of that Fund). Goods and services ("Soft Commission") received from brokers are retained by the Manager or its delegate only if the goods and services are of demonstrable benefit to the Unit Holders such as research materials and computer software incidental to the investment management of that Fund.

#### **14.9 GOODS AND SERVICES TAX (GST)**

The GST Act 2014 has been gazetted on 19<sup>th</sup> June 2014. It was proposed in Budget 2014 that GST will be implemented with effect from 1<sup>st</sup> April 2015 and will replace the current Sales Tax and Service Tax regime with a proposed rate of 6%.

Based on the draft Guide on Fund Management issued by Royal Malaysian Customs Department on 27<sup>th</sup> October 2013 ("draft Guide on Fund Management"), a unit trust fund is making exempt supplies. Any contribution made to the Fund by its Unit Holders for the issuance of units in the Fund should be regarded as an exempt supply of services and thus, should not be subject to GST. The investment made by the Fund to maximize its returns is generally proposed to be treated as exempt supply and not subject to GST. Any investment activity such as buying or selling of securities should generally be exempted from GST. However any fee-based charges by the Fund should be a taxable supply subject to GST at the standard rate of 6%, provided the Fund exceeds the GST registration threshold of RM500,000 per annum of taxable supplies.

Any GST incurred by the Fund on the manager's fees, trustee fees and other supplies received by the Fund are not claimable as input tax credit for GST purposes if the Fund is not GST registered or even if GST registered, to the extent the supplies by the Fund are exempted from GST.

#### **14.10 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)**

FATCA is a United States of America (US) statute that, among others, requires foreign financial institutions, including us, to report to the Inland Revenue Service (IRS) of the US on clients who are US persons. US persons refers to a citizen of US; an individual lawfully admitted for permanent residence of the US; an unincorporated association with a substantial number of members who are citizens of the US or are individuals lawfully admitted for permanent residence of the US; or a corporation incorporated in the US.

## **15. DOCUMENTS AVAILABLE FOR INSPECTION**

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Unit Holders may inspect without charge, at the business address of the Manager for a period of not less than 12 months from the date of this Information Memorandum, the following documents or copies thereof, where applicable:

- (a) The Deed of the Fund.
- (b) Each material contract or document referred to in the Information Memorandum.
- (c) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Information Memorandum.
- (d) Latest audited accounts of the Manager and the Fund for the current financial year (where applicable).
- (e) The audited accounts of the Manager for the last 5 financial years or from the date of incorporation/commencement, if less than 5 years, preceding the date of Information Memorandum.
- (f) Any consent given by experts or persons whose statement appears in the Information Memorandum.

## 1. GLOSSARY OF TERMS

In this information memorandum, the following abbreviations or words shall have the following meanings unless otherwise stated:

|                                     |   |
|-------------------------------------|---|
| <b>BNM</b>                          | means Bank Negara Malaysia;   |
| <b>Bursa Malaysia</b>               | means the stock exchange managed or operated by Bursa Malaysia Securities Berhad;   |
| <b>Business Day</b>                 | means a day on which the Manager is open for business and Bursa Malaysia is open for trading unless otherwise provided for in the Information Memorandum;   |
| <b>collective investment scheme</b> | <p>Means any arrangement where–</p> <p>(a) it is made for the purpose, or having the effect, of providing facilities for persons to participate in or receive profits or income arising from the acquisition, holding, management or disposal of securities, derivatives or any other property (referred to as “scheme’s assets”) or sums paid out of such profits or income;</p> <p>(b) the persons who participate in the arrangements do not have day-to-day control over the management of the scheme’s assets; and</p> <p>(c) the scheme’s assets are managed by an entity who is responsible for the management of the scheme’s assets and is approved/authorised/licensed by a relevant regulator to conduct fund management activities;</p> <p>and includes, among others, unit trust funds, real estate investment trusts, exchange-traded funds and closed-end funds, but excluding business trust;</p> |
| <b>CMSA</b>                         | means the Capital Markets and Services Act 2007;  |
| <b>Commencement Date</b>            | means the date on which the trust created is to commence and is the date of the first Information Memorandum for the Fund;  |
| <b>Deed(s)</b>                      | means the deed dated 10 December 2014 entered into between the Manager and the Trustee for the Unit Holders of the Fund, including any supplemental deeds thereto;  |
| <b>eligible market</b>              | <p>means a market that:</p> <p>(a) is regulated by a regulatory authority,</p> <p>(b) operates regularly,</p> <p>(c) is open to the public, and</p> <p>(d) has adequate liquidity for the purposes of the Fund;</p>   |
| <b>FIMM</b>                         | means the Federation of Investment Managers Malaysia;   |
| <b>financial institution</b>        | <p>means –</p> <p>(a) if the institution is in Malaysia–</p> <p>(i) licensed bank,</p> <p>(ii) licensed investment bank, or</p> <p>(iii) licensed Islamic bank;</p> <p>(b) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorized by the relevant banking regulator to provide financial services;</p>   |
| <b>forward pricing</b>              | means the price of a unit that is the NAV per unit calculated at the next valuation point after an instruction or a request is received;  |
| <b>Fund</b>                         | means PMB Wholesale Sukuk Fund;   |
| <b>Government</b>                   | means the Government of Malaysia  |

|                               |   |
|-------------------------------|---|
| <b>Guidelines</b>             | means the Guidelines on Wholesale Funds issued by the SC, as amended from time to time;   |
| <b>information memorandum</b> | means the document issued by a fund manager describing the details of the wholesale fund and which is deemed to be a prospectus in so far as it relates to the liability of the fund manager for any statement or information that is false or misleading or from which there is material omission, <b>'Information Memorandum'</b> means this information memorandum and any supplementary information memorandum, of the Fund issued by the Manager;  |
| <b>long term</b>              | means a period of more than 5 years;  |
| <b>Manager, we or us</b>      | means PMB Investment Berhad (formerly known as ASM Investment Services Berhad);   |
| <b>MARA</b>                   | means Majlis Amanah Rakyat;   |
| <b>MARC</b>                   | means Malaysian Rating Corporation Berhad;  |
| <b>medium term</b>            | means a period of 3 to 5 years;   |
| <b>NAV per unit</b>           | means the Net Asset Value of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point;  |
| <b>net asset value (NAV)</b>  | means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point;<br><i>For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and trustee fee for the relevant day</i>  |
| <b>Pelaburan MARA</b>         | means Pelaburan MARA Berhad;  |
| <b>Qualified Investors</b>    | means any person that meets one of the following –<br>(a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence,<br>(b) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding twelve months,<br>(c) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding twelve months,<br>(d) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts,<br>(e) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies,<br>(f) a unit trust scheme or prescribed investment scheme,<br>(g) a private retirement scheme,<br>(h) a closed-end fund,<br>(i) a company that is registered as a trust company under the Trust Companies Act 1949 [Act 100] which has net assets under management exceeding RM10 million or its equivalent in foreign currencies,<br>(j) a corporation that is a public company under the Companies Act 1965 or under the laws of any other country, which has been approved by the SC to be a trustee for the purposes of the CMSA and has net assets under management exceeding RM10 million or its equivalent in foreign currencies,<br>(k) a statutory body established by an Act of Parliament or an enactment |



|                             |   |
|-----------------------------|---|
|                             | <p>of any State,</p> <p>(l) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967,</p> <p>(m) a holder of a Capital Markets Services License issued pursuant to the Capital Markets And Services Act 2007,</p> <p>(n) a licensed institution,</p> <p>(o) an Islamic bank,</p> <p>(p) an insurance company licensed under the Financial Services Act 2013,</p> <p>(q) a takaful operator licensed under the Islamic Financial Services Act 2013,</p> <p>(r) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010, and</p> <p>(s) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;</p> |
| <b>quasi-government</b>     | means established and funded by the Government but privately and independently managed or operated;   |
| <b>RAM</b>                  | means RAM Rating Services Berhad;   |
| <b>repurchase charge</b>    | means a charge imposed pursuant to the Unit Holder’s repurchase request;  |
| <b>repurchase price</b>     | means the price payable (excluding a repurchase charge) to a Unit Holder for a unit in the Fund pursuant to a repurchase request;   |
| <b>RM</b>                   | means Ringgit Malaysia;   |
| <b>SAC</b>                  | means the Shariah Advisory Council of the SC and/or BNM, where applicable;  |
| <b>sales charge</b>         | means a charge imposed pursuant to a request to purchase or subscribe units of the Fund by an investor or Unit Holder;  |
| <b>SC</b>                   | means the Securities Commission Malaysia, established under the Securities Commission Act 1993;   |
| <b>selling price</b>        | means the price payable by an investor or Unit Holder for a unit in the Fund pursuant to a purchase request;  |
| <b>Shariah</b>              | means Islamic law, originating from the Qur`an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijtehad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);   |
| <b>short term</b>           | means a period of 1 to 3 years;   |
| <b>sukuk</b>                | means certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SAC;   |
| <b>Trustee</b>              | refers to Deutsche Trustee Malaysia Berhad;   |
| <b>unit</b>                 | means any right or interest in the Fund and includes any sub unit thereof;  |
| <b>Unit Holder</b>          | means the unit holder of the Fund, including a joint unit holder;   |
| <b>units in circulation</b> | means unit created and fully paid for;  |
| <b>wholesale fund</b>       | means a unit trust 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;   |

## 2. CORPORATE DIRECTORY

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### MANAGER

**PMB INVESTMENT BERHAD (256439 – D)**  
**(formerly ASM Investment Services Berhad)**

**Registered Office :**

3<sup>rd</sup> Floor, Wisma PMB, No. 1A, Jalan Lumut, 50400 Kuala Lumpur

**Business Office :**

Ground Floor, Wisma PMB, No. 1A, Jalan Lumut, 50400 Kuala Lumpur

Tel: (03) 4145 3800 Fax: (03) 4145 3901

Email: investorrelation@pelaburanmara.com.my

Website: www.pmbinvest.com.my

### MANAGER'S DELEGATE

**PELABURAN MARA BERHAD (7240-P)**

**Business Address:**

3<sup>rd</sup> & 5<sup>th</sup> Floor, Wisma PMB, No. 1A, Jalan Lumut, 50400 Kuala Lumpur

Tel: (03) 4145 3800 Fax: (03) 4145 3801

Website :www.pelaburanmara.com.my

### BOARD OF DIRECTORS

Datuk (Dr.) Zamani bin Md Noor – Chairman (Independent)

Dato' Sri Haji Abd Rahim bin Haji Abdul (Independent)

Professor Dr. Faridah binti Haji Hassan (Independent)

Haji Mansoor bin Ahmad (Independent)

Dato' Mohamad Safie bin Haji Asnawi – (Independent)

Nik Mohamed Zaki bin Nik Yusoff (Independent)

Ahmad Nazim bin Abd Rahman (Non-Independent)

Ameer Ali bin Vali Mohamed (Non-Independent)

### INVESTMENT COMMITTEE MEMBERS

Wan Abdul Rahman bin Wan Abu Samah (Independent)

Haji Mansoor bin Ahmad (Independent)

Nik Mohamed Zaki bin Nik Yusoff (Independent)

Mohd Nazri Abu Samah (Non-Independent)

### CHIEF EXECUTIVE OFFICER

Ameer Ali bin Vali Mohamed

### COMPANY SECRETARY

Sharizat binti Othman ( MAICSA 0764744)

Sapiah binti Jamaludin (MAICSA No. 0807355)

**Business Address:**

**AAJ Management Services Sdn Bhd**

Suite C-5-4, Wisma Goshen, Plaza Pantai, Jalan Pantai Baharu, 59200 Kuala Lumpur.

Tel: (03) 2283 4007 Fax: (03) 2287 7006

**TRUSTEE**

**Deutsche Trustees Malaysia Berhad (763590-H)**

**Registered Office/Business Office :**

Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel: (03) 2053 7522 Fax : (03) 2053 7526

**SHARIAH ADVISER**

**BIMB Securities Sdn Bhd (290163-X)**

32<sup>nd</sup> Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah,  
50100 Kuala Lumpur

Tel: (03) 2691 8887 Fax: (03) 2691 8854

**AUDITORS**

**Messrs. Ahmad Abdullah & Goh (AF 0381)**

Suite 701, Tkt 7 Wisma Hangsam, Jalan Hang Lekir  
50000 Kuala Lumpur

**Tel: (03) 2070 4408 Fax : (03) 2070 4393**

**TAX ADVISER**

**Messrs. Ahmad Abdullah & Goh (AF 0381)**

Suite 701, Tkt 7 Wisma Hangsam, Jalan Hang Lekir  
50000 Kuala Lumpur

Tel: (03) 2070 4408 Fax : (03) 2070 4393

**PRINCIPAL BANKERS**

**CIMB Islamic Bank Berhad (13491-D)**

Ground Floor, Wisma Genting, No. 28, Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel: (03) 2163 6358

**Public Islamic Bank Berhad (6463-H)**

Tiong Nam Branch, Level 1 & 2, Wisma Public Bank, 300, Jalan Raja Laut, 50350 Kuala Lumpur

Tel: (03) 2693 9555

**FIMM**

**Federation of Investment Managers Malaysia**

19-06-1, 6<sup>th</sup> Floor, Wisma Tune,  
No. 19, Lorong Dungun, Damansara Heights,  
50490 Kuala Lumpur.

Tel: (03) 2093 2600 Fax: (03) 2093 2700

Website: [www.fimm.com.my](http://www.fimm.com.my)

### 3. KEY DATA

**THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE FUND. YOU SHOULD READ AND UNDERSTAND THE WHOLE INFORMATION MEMORANDUM BEFORE MAKING ANY INVESTMENT DECISION.**

#### 3.1 FUND INFORMATION

|                              |   | PAGE |
|------------------------------|---|------|
| <b>Fund Name</b>             | PMB Wholesale Sukuk Fund  |      |
| <b>Fund Category</b>         | Sukuk   |      |
| <b>Fund Type</b>             | Income  |      |
| <b>Initial Offer Period</b>  | One (1) Business Day  |      |
| <b>Commencement Date</b>     | First Business Day after the date of this Information Memorandum  |      |
| <b>Investment Objectives</b> | To provide investors with consistent income stream* and a steady capital appreciation in the medium to long term by investing primarily in sukuk.<br>* Income distribution will be paid in the form of units.   | 9    |
| <b>Investment Strategy</b>   | To invest a minimum 70% of the Fund's Net Asset Value in a diversified portfolio of RM-denominated sukuk issued by the Government, BNM, quasi-government institutions, or Malaysian private corporations.<br>To generate a consistent income stream, the Fund invests in sukuk bearing a profit rate. For the capital appreciation, the Fund invests in discounted or zero-coupon sukuk.<br>For investments in sukuk issued by the Malaysian private corporations, the minimum credit ratings of sukuk are as follows:<br>(a) Long Term Ratings<br>A <sub>2</sub> (by RAM ) or A (by MARC) or an equivalent rating by any other recognized foreign credit rating agencies; and/or<br>(b) Short Term Ratings<br>P2 (by RAM) or MARC-2 (by MARC) or an equivalent rating by any other recognized foreign credit rating agencies.<br>The balance not invested in sukuk will be invested in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes and/or other Shariah-compliant permitted investments. | 9    |
| <b>Asset Allocation</b>      | <ul style="list-style-type: none"> <li>Minimum 70% of the Fund's NAV in sukuk; and</li> <li>Maximum of 30% of the Fund's NAV in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes and/or other Shariah-compliant permitted investments.</li> </ul>  | 10   |
| <b>Performance</b>           | Maybank's 12-Month General Investment Account (GIA) rate  | 10   |

|                            |   |    |
|----------------------------|---|----|
| <b>Benchmark</b>           |   |    |
| <b>Distribution Policy</b> | Income distribution on an annual basis, subject to the availability of income.<br><i>*Income distribution will be paid in the form of units.</i>  | 13 |
| <b>Investor Profile</b>    | Qualified Investors who: <ul style="list-style-type: none"> <li>• have moderate risk tolerance,</li> <li>• have medium to long term investment horizon,</li> <li>• seek a combination of income and capital appreciation from investments, and</li> <li>• seek Shariah-compliant investments</li> </ul> |    |
| <b>Principal Risks</b>     | <ul style="list-style-type: none"> <li>• Credit/Default Risk</li> <li>• Profit/Interest Rate Risk</li> <li>• Liquidity Risk</li> </ul>  | 14 |
| <b>Financial Year End</b>  | 31 December   |    |
| <b>Trustee</b>             | Deutsche Trustees Malaysia Berhad   | 22 |
| <b>Shariah Adviser</b>     | BIMB Securities Sdn Bhd   | 24 |

### 3.2 TRANSACTION DETAILS / FEES AND CHARGES

|   |   | <b>PAGE</b> |
|---|---|-------------|
| <b>Minimum Initial Investment</b>                               | RM500,000   | 27          |
| <b>Minimum Additional Investment</b>                            | RM250,000   | 27          |
| <b>Minimum Repurchase</b>                                       | RM250,000   | 27          |
| <b>Frequency of Repurchase</b>                                  | No Limit  | 27          |
| <b>Payment of Repurchase Proceeds</b>                           | Within ten (10) Business Days from the date of receipt of the repurchase request by the Manager | 27          |
| <b>Initial Offer Price Per Unit during Initial Offer Period</b> | RM1.0000 per unit   |             |
| <b>Sales Charge per Unit</b>                                    | Nil   |             |
| <b>Repurchase Charge per Unit</b>                               | Nil   |             |
| <b>Annual Management Fee</b>                                    | Up to 0.75% per annum at the NAV of the Fund  | 30          |

|                           |  |    |
|---------------------------|--|----|
| <b>Annual Trustee Fee</b> | Up to 0.04% per annum at the NAV of the Fund | 30 |
|---------------------------|--|----|

*\* In respect of all investors or any particular investor, the Manager may from time to time at its sole discretion waive, increase or reduce the minimum limits for initial investments, additional investments, and holdings, as well as the amount of any fee payable by the investor or investors in respect of the Fund. For the repurchases, the Manager may from time to time at its sole discretion waive, or reduce the minimum limits. For any increase in the prescribed limits and fees payable, the Manager will notify the changes in writing and via announcement on the Manager’s website.*

**Prospective Unit Holders should read and understand the contents of the Information Memorandum and, if necessary, should consult their adviser(s).**

**There are fees involved and investors are advised to consider the fees before investing in the Fund.**

## **4. DETAILS OF THE FUND**

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### **4.1 INVESTMENT POLICY**

The Fund is a wholesale sukuk fund that is actively managed to provide Unit Holders with consistent income stream and steady capital appreciation over a medium to long term by investing primarily in RM denominated sukuk issued by the Government, BNM, quasi-government institutions, or Malaysian private companies.

### **4.2 INVESTMENT OBJECTIVE**

The Fund aims to provide investors with consistent income stream\* and steady capital appreciation in the medium to long term, by investing primarily in sukuk.

\* Income distribution will be paid in the form of units.

### **4.3 INVESTMENT STRATEGY**

The Fund aims to achieve its objective by investing a minimum 70% of its NAV in a diversified portfolio of RM denominated sukuk issued by the Government, BNM, quasi-government institutions (such as Danamodal Nasional Berhad and DanaInfra Nasional Berhad) or Malaysian private corporations.

In generating consistent income return, the Fund will invest in sukuk bearing profit rate, preferably in sukuk having a medium to long term tenure. To provide for steady capital appreciation, the Fund will invest in discounted or zero-coupon sukuk, preferably in sukuk having a short to medium term tenure.

For sukuk issued by Malaysian private corporations, the minimum credit ratings are as follows:

- (a) Long Term Ratings  
A<sub>2</sub> (by RAM) or A (by MARC) or an equivalent rating by any other recognized foreign credit rating agencies; and/or
- (b) Short Term Ratings  
P2 (by RAM) or MARC-2 (by MARC) or an equivalent rating by any other recognized foreign credit rating agencies.

For sukuk issued by the Government, BNM or quasi-government institutions, or guaranteed by the Government, the requirement for the minimum credit rating may not apply.

The strategy for investment in sukuk will be driven by macro-economic analysis such as the profit/interest rate outlook for the market over the medium to long term horizon. This will enable the manager to decide on the tenure and yields of sukuk investments for the Fund. Preferred investments will be in sukuk that provide yields for the medium to long term period with growth potential.

The Manager will conduct a thorough assessment of potential investments and constantly monitor current investments. The following are important investment consideration when selecting individual sukuk:-

- medium to long-term outlook of the industry and business;
- financial strength and gearing levels of the issuer;
- cash flow quality and volatility of the issuer;
- expected future cash flow and ability to pay profit and principal of the issuer;
- credit ratings by RAM or MARC or equivalent;
- duration and profit/interest rate sensitivity; and
- price and yield-to-maturity.

While the investment process will be driven by the above considerations, the guiding principle for the selection of investments will be within the parameters of Shariah requirements.

The Fund is actively managed and the frequency of the Fund's trading strategy is dependent on market opportunities.

Any balance not invested in sukuk will be invested in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes and/or other permitted investments that are consistent with the investment objective of the Fund. Any investments of the Fund other than sukuk and Shariah-compliant collective investment schemes are purely for liquidity purposes while awaiting favourable sukuk investments.

The Manager may take temporary defensive positions which may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economics, political or any other conditions. In this regard, the Fund may hold up to all of its investments in Islamic money market instruments, Islamic deposit placements and/or products, or any other permitted investments.

#### **4.4 ASSET ALLOCATION**

The asset allocation for the Fund is as follows:

- Minimum 70% of the Fund's NAV in sukuk; and
- Maximum 30% of the Fund's NAV in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes, and/or other permitted investments.

The asset allocation strategy will be reviewed periodically to suit market condition and expectation. The Manager will adjust its exposure in sukuk to a minimum level of 50% to mitigate any potential loss when a general downturn in the sukuk market is expected.

Concurrently, the balance will be placed in Islamic money market instruments, Islamic deposit placements and/or products, Shariah-compliant collective investment schemes and/or other Shariah-compliant permitted investment to a maximum level of 50% for income, flexibility for investment or reinvestment, or sufficient liquidity for redemption request. The level will be adjusted in accordance with the Manager's market outlook.

#### **4.5 SHARIAH INVESTMENT GUIDELINES**

The Shariah investment guidelines are prepared based on the investment objective and strategy of the Fund. At all times, the Fund will invest in securities, instruments or investment products that have been approved by the SAC. In the event that the Shariah status of the securities, instruments and/or investment products has not been determined by the SAC, the opinion of the Fund's Shariah Adviser will be sought. In determining the Shariah compliance, the Shariah Adviser shall apply the methodology or guides issued by the SAC.

##### **Zakat For The Fund**

The Fund does not pay zakat on behalf of Muslim individuals and Islamic legal entities which are investors/Unit Holders of this Fund. Thus, investors/unit holders are advised to pay zakat on their own.

#### **4.6 PERFORMANCE BENCHMARK**

The Fund's performance benchmark is Maybank's 12-Month General Investment Account (GIA) rate.

The benchmark is selected to enable the Unit Holders to evaluate the performance of the Fund against the return that the Unit Holders would have earned if they had placed their money in the 12-month Maybank GIA. The Unit Holders should be aware that investing in this Fund is not the same as placing money in the Maybank's GIA. As the Fund invests across various Shariah-compliant securities, Islamic money market instruments, and Islamic deposit products, and of



having different ratings, the Fund may carry a risk profile higher than that of the benchmark. The capital and returns are not guaranteed. The Fund has the potential to generate returns that may be higher or lower than that of the 12-month Maybank's GIA.

The information on the benchmark can be obtained from [www.maybank2u.com.my](http://www.maybank2u.com.my).

#### 4.7 PERMITTED INVESTMENTS

Subject always to the relevant laws issued by the relevant authorities, applicable Shariah principles, and the investment objective of the Fund, the permitted investments of the Fund are as below –

- (a) Listed sukuk traded in or under the rules of an eligible market;
- (b) Unlisted sukuk traded in or under the rules of an eligible market;
- (c) Government Investment Issues (GII), Islamic Accepted Bills, Bank Negara Monetary Notes and any other Government approved/guaranteed Islamic issues;
- (d) Islamic money market instruments;
- (e) Islamic deposit placements and/or products;
- (f) Shariah-compliant collective investment schemes; and
- (g) Any other Shariah-compliant securities as may be agreed upon by the Manager and the Trustee from time to time.

#### 4.8 INVESTMENT RESTRICTIONS AND LIMITS

The aim of these restrictions of investment is to set the minimum standards for investment that may be held by the Fund:

- (a) The value of the Fund's investments in sukuk issued by any single issuer must not exceed 20% of the Fund's NAV. This single issuer limit may be increased to 30% of the Fund's NAV if the sukuk are rated to be of the best quality and offer highest safety for timely payment of profit and principal by any domestic or global rating agency;
- (b) The value of the Fund's investments in sukuk issued by any one group of companies must not exceed 30% of the Fund's NAV;
- (c) The value of the Fund's placement in Islamic deposits with any single institution must not exceed 20% of the Fund's NAV;
- (d) The aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments, and Islamic deposit placements and/products, issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV. Where the single issuer limit for the Fund's investments is increased to 30% of the Fund's NAV as explained in point (a) above, the aggregate value of the Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments and Islamic deposit placements and/or accounts, issued by or placed with (as the case may be) any single issuer/institution must not exceed 30% of the Fund's NAV;
- (e) The value of the Fund's investment in units/ shares of any Shariah-compliant collective investment scheme must not exceed 20% of the Fund's NAV.
- (f) The value of the Fund's investment in sukuk must not exceed 20% of the sukuk issued by any single issuer.
- (g) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction is permitted where the limit or restriction is breached through an appreciation or depreciation in the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the repurchase of units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular Shariah-compliant securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no limits and restrictions imposed on Shariah-compliant securities or Islamic instruments issued by the Government, BNM or quasi-government institutions, or guaranteed by the Government.

#### **4.9 VALUATION OF ASSETS**

In undertaking any of the Fund's investments, the Manager will ensure that all the assets of the Fund under its management will be valued appropriately, that is, at fair market value. The Manager will carry out the valuation of assets of the Fund on a daily basis at the close of a relevant Business Day.

##### **(a) Listed sukuk**

The market price.

However if:

- a valuation based on the market price does not represent the fair value of the sukuk, e.g. during abnormal market conditions; or
- no market price is available, including in the event of a suspension in the quotation of the sukuk for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustees,

then the sukuk should be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee.

##### **(b) Unlisted sukuk**

Prices quoted by a bond pricing agency (BPA) registered with the SC.

For sukuk where prices are not available from the BPA, fair valuation will be based on the average prices provided by 3 financial institutions at least fortnightly. Where fair market valuation is not available from the above sources, publicly or where the use of a quoted market price is inappropriate, including in the event of suspension in the quotation of securities, the investments will be valued at fair value determined in good faith by the Manager, on methods or bases which have been verified by the Fund's auditors.

##### **(c) Islamic deposit placements and/or products**

Principal value of such investments and the profits accrued thereon for the relevant period

##### **(d) Islamic Money Market Instruments**

Amortization or accrual methods, where applicable.

##### **(e) Collective investment schemes**

The NAV per unit as at the valuation point of the Fund.

**(f) Any other Shariah-compliant investments**

- (1) If listed, the market price, however, if- (a) a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions; or (b) no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the trustee, fair value as determined in good faith by the Manager on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.
- (2) If unlisted, fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

**4.10 DISTRIBUTION POLICY**

Subject to the availability of income, the Fund will distribute its income on an annual basis. The source of income for the purpose of distribution shall be derived from the realized income and/or realized gain (net of expenses).

Monies from the income distribution shall be reinvested in the form of additional units. All distribution reinvestments (if any), are based on the NAV per unit on the first Business Day following the distribution date. No sales charge will be imposed on distribution reinvestment.

However there will be an option for unit holders to receive income distribution by way of cash payment as prescribed in the investment form. Income distribution by way of cash payment shall be paid via e-payment or telegraphic transfer.

## **5. RISK FACTORS**

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### **5.1 GENERAL RISKS OF INVESTING IN A WHOLESALE FUND**

Just like any other form of investments, investment in a wholesale fund also carries some risks. You should consider, among others the following while investing in a wholesale fund:-

(a) **Financing Risk**

Where Unit Holders finance the purchase of units in a wholesale fund through borrowing or margin financing, they may be exposed to financing risk. They may suffer higher financing cost when the financing rates trend upwards. Where units are used as collateral for the borrowing/financing, the Unit Holders may find themselves faced with the circumstances of being forced to provide additional top up on their loan margins/ margin of financing when the value of units goes down.

(b) **Fund Manager's Risk**

The performance of a wholesale fund depends on the experience, knowledge and expertise of the investment manager and the investment strategies adopted. Poor management and/or strategies of the wholesale fund, such as delay in responding appropriately to the economic or market changes, or inadequate portfolio diversification, will jeopardize the investment of Unit Holders through the loss of their capital invested in the fund. Therefore, it is important for the investment manager to set the investment policies and appropriate strategies to be in line with the investment objective before any investment activities can be considered. However, there can be no guarantee that these measures will produce the desired results.

(c) **Inflation Risk**

Inflation risk is the risk of loss in the purchasing power of your investment due to a general increase of consumer prices. Inflation erodes the nominal rate of your return giving you a lower real rate of return. Inflation is thus one of the major risks to you and results in uncertainty over the future value of investments. Generally, any investment is subject to the risk that the investments may not grow in tandem with the inflation rate. Should the return on investment is lower than the inflation rate, the purchasing power of a unit holder may diminish.

(d) **Non-compliance Risk**

The establishment of this Fund follows rules set out in the Deed and the Guidelines. There is a risk that the Manager may not comply with the rules either intentionally or inadvertently. Whilst not every non-compliance of the rules governing the Fund will necessarily result in some losses to the Fund, you cannot discount the risk that losses may be suffered by the Fund if the non-compliance with the rules is serious. This may occur, for instance, if the Manager decides to buy an instrument which is not permitted, and thereafter having to sell that instrument which may be at a loss to the Fund.

### **5.2 SPECIFIC RISKS OF INVESTING IN THE FUND**

(a) **Credit/Default Risk**

Investments in sukuk are subject to the risk of non-payment and/or untimely payment of the principal amount as well as the profits when they fall due. Credit/default risk is assessed based on the issuer's overall ability to meet its obligations when they fall due. For example, an issuer suffering an adverse change in its financial condition could have the credit rating of the sukuk lowered, leading to greater price volatility of the sukuk thus unable to service any profit payments or pay the principal upon maturity. In such cases, the

Unit Holder may suffer significant capital losses with respect to their capital invested and profit purpose. A downgrade of the credit rating of a sukuk may also impact the sukuk's liquidity, making it more difficult to sell and greater volatility on the Fund's valuation.

However, such risk can be mitigated through vigorous credit analysis and having regular updates on the business profile and the financial position of the sukuk issuer.

**(b) Profit/Interest Rate Risk**

The risk refers to how the change in the profit/interest rate environment affects the performance of the sukuk portfolio of the Fund. In the event of a rising profit/interest rate environment, the prices of sukuk may decrease, and vice versa. Generally, there is an inverse relationship between profit/interest rate and sukuk prices, where an increase of profit/interest rate may lower the prices of the sukuk. In addition, sukuk with longer maturity and lower profit rates are more sensitive to profit/interest rate changes. This risk may be mitigated through the management of the duration of the sukuk portfolio based on profit/interest rate outlook.

Profit/interest rate such as Overnight Policy Rate (OPR) will have an impact on the management of the Fund regardless whether it is a conventional or Shariah-compliant fund. It does not in any way suggest that the Fund will invest in conventional financial instruments.

**(c) Liquidity Risk**

This risk refers to the possibility that the sukuk and Islamic money market instruments held by the Fund cannot be readily sold at or near its fair value due to insufficient trading volume. This in turn may adversely affect the value of the Fund. Thus, the manager may reduce its portion of higher risk assets, such as lower rated or longer tenure Sukuk and increase its liquid instruments to safeguard the investment portfolio of the Fund provided such investments are within the investment objective of the Fund. The manager will further manage the Fund as such that there is sufficient portfolio diversification i.e spreading risk across a basket of different sukuk as part of its risk management strategy.

In addition, the manager will ensure that the Fund will hold adequate level of Islamic liquid assets (Islamic deposits and/or Islamic money market instruments) to serve as a buffer for meeting short term liquidity requirements.

To further strengthen our risk management strategy, the investment team applies risk management controls over portfolio, legal and operational activities including adherence to investment objectives, asset allocation, valuation and monitoring performance and reports directly to the Investment Committee, a committee appointed by the Board of Directors.

**Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to the Fund.**

**It is important to note that the events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investments against all risks.**

**The investments of the Fund carry risks and we recommend that you read the whole Information Memorandum to assess the risks of the Fund.**

## 6. THE MANAGER OF THE FUND

### 6.1 CORPORATE PROFILE

PMB Investment Berhad ((PMB Investment), formerly known as ASM Investment Services Berhad (ASM Investment)), is a wholly owned subsidiary of Pelaburan MARA Berhad (Pelaburan MARA). Its principal activities are unit trust management and fund management.

Incorporated on 15 January 1993 under the Companies Act 1965 as ASM MARA Unit Trust Management Berhad (ASM MARA Unit Trust), the company assumed the unit trust operations from Pelaburan MARA, then known as Amanah Saham MARA Berhad (ASMB), and its related staff. This was done following the requirement that unit trust funds are to be managed by a unit trust management company. The unit trust operations of Pelaburan MARA started in the late 1960s and the first unit trust fund was established on 6 April 1968 which is now known as PMB Dana Al-Aiman.

ASM MARA Unit Trust had its name changed to ASM Investment on 9 October 2006, and it took over the fund management operations of ASM Asset Management Sdn Bhd, another wholly-owned subsidiary of Pelaburan MARA, to streamline the unit trust and funds management activities of the Pelaburan MARA group. ASM Investment had its name changed to PMB Investment on 28 February 2014.

PMB Investment is licensed under the CMSA 2007. The company has an authorised capital of RM10 million, of which RM5 million has been fully paid.

As at 30 November 2014, PMB Investment managed 14 unit trust funds and a wholesale money market fund with approximately 799 million units in circulation valued at RM341 million. Combining with portfolio mandates of institutional clients, the total fund size under management for both unit trust and fund management was approximately RM1.1 billion.

### 6.2 FINANCIAL PERFORMANCE

The following is a summary of the past performance of PMB Investment based on audited accounts for the past three financial years ended 31 December:

| Year Ended                | RM('000) |         |        |
|---------------------------|----------|---------|--------|
|                           | 2013     | 2012    | 2011   |
| Authorized Capital        | 10,000   | 10,000  | 10,000 |
| Paid-up Capital           | 5,000    | 5,000   | 5,000  |
| Share Premium             | 1,000    | 1,000   | 1,000  |
| Shareholders' Fund        | 11,161   | 12,262  | 11,594 |
| Turnover                  | 82,638   | 219,133 | 70,097 |
| Pre-tax Profit / (Loss)   | (1,049)  | 970     | 494    |
| After-tax Profit / (Loss) | (1,049)  | 956     | 494    |

### 6.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

PMB Investment is responsible for the day-to-day management of the Fund, in accordance with the provision of this Information Memorandum, the Deeds, Act and the Guidelines on Wholesale Funds. Our main functions, duties and responsibilities include but not limited to the following:-

- (1) To ensure that the Fund is managed within the ambit of the Deed, the CMSA 2007, the securities laws and the relevant guidelines at all times;
- (2) To succeed in the launch and sales of the Fund, and to provide customer support and distribution agency networks to best serve the Unit Holders of the Fund;
- (3) To keep the Unit Holders informed of the management and performance of the Fund through the interim and annual reports; and
- (4) To ensure that the interest of the Unit Holders is best served and protected at all times.

### 6.4 BOARD OF DIRECTORS

The Board of Directors meets at least four (4) times in a year, and is involved in determining the corporate policies and direction of the Manager. The detailed day-to-day running of the Manager is left largely with the management of PMB Investment. There are eight (8) members on the Board, with six (6) of them being independent directors. The names of the Directors are set out below-

- Datuk (Dr.) Zamani bin Md. Noor – Chairman/Independent
- Dato’ Sri Haji Abd Rahim bin Haji Abdul - Independent
- Professor Dr. Faridah binti Haji Hassan - Independent
- Haji Mansoor bin Ahmad – Independent
- Dato’ Mohamad Safie bin Haji Asnawi - Independent
- Nik Mohamed Zaki bin Nik Yusoff –Independent
- Ahmad Nazim bin Abd Rahman – Non-independent
- Ameer Ali bin Vali Mohamed - Non-independent

### 6.5 KEY MANAGEMENT TEAM

#### Chief Executive Officer

**Ameer Ali bin Vali Mohamed** is the Chief Executive Officer of PMB Investment. He joined PMB Investment on 2 April 2012 and brought with him more than 20 years of experience in the capital markets, having entered into the securities industry in December 1990 as an investment analyst. He held positions in research analysis and portfolio management including as fund manager of the then Arab-Malaysian Unit Trusts Berhad; senior manager of Affin Fund Management Sdn Bhd; head of investment – external clients for Mayban Investment Management Sdn Bhd before entrusted to establish and head its Business Development Department; and CEO/CIO of OSK Asset Management Sdn Bhd. Prior to joining PMB Investment, he was the CEO/Managing Director of Amanah Saham Kedah Berhad.

Among others, Ameer was the second-man in a team that was involved in the development of Malaysia’s first privately managed Islamic equity unit trust fund that was launched in early 1993. He was the first batch graduate of Bachelor of Business Administration (Hons) degree from the

|  |  |
|--|--|
|  | <p>International Islamic University Malaysia, where he graduated in 1988 with second class upper honours. He started as a financial journalist with the then Business Times before entering into the securities industry. He is the holder of a Capital Market Services Representative Licence (Fund Management).</p>  |
| <p><b>Acting Chief Investment Officer</b></p>                                  | <p><b>Isnami bin Ahmad Mohtar</b> was appointed as the Acting Chief Investment Officer on 10 April 2014. He has more than 15 years of experience in the funds management industry, started in 1996 when he was appointed Senior Investment Officer at ASM Mara Unit Trust to manage some Bumiputera funds. He was subsequently promoted to Portfolio Manager in 2000 and was given larger responsibilities to manage Shariah and conventional unit trust and corporate funds. He was made Senior Manager, Fund Management in 2003. He joined Inter-Pacific Asset Management Sdn Bhd in August 2007 as a fund manager, managing unit trust and corporate funds. He rejoined PMB Investment in April 2010 and was re-designated Head, Equity in January 2013. Isnami holds a Bachelor of Science degree in Business Administration (Finance) from University of North Carolina at Charlotte, USA. He is the holder of a Capital Markets Services Representative Licence (Fund Management).</p> |
| <p><b>Assistant General Manager/Head of Compliance and Risk Management</b></p> | <p><b>Mohd Adzhar bin Abd Hamed</b> is the Head of Compliance and Risk Management, overseeing PMB Investment’s compliance with the related statutory and regulatory requirements. He possesses a Diploma in Banking Studies and a Bachelor in Corporate Administration (Hons) from Universiti Teknologi MARA (UiTM). He joined the company on 1 March 2000. Prior to that, he was attached with one of the leading financial institutions in Malaysia for almost 6 years. He is the designated Compliance Officer of PMB Investment, and registered with the SC.</p>   |
| <p><b>Head of Marketing</b></p>  | <p><b>Marina binti Ghazali</b> is the Head of Marketing. She holds a Diploma in Mass Communication, Universiti Teknologi MARA (UiTM). She has more than 25 years of experience in marketing communication including public relations, advertising and promotion. Currently, she manages the functions of investor relation, agency management and development, advertising and promotion. Prior to joining PMB Investment, she was attached to Pelaburan MARA Berhad as the Head of Human Resource Development and Corporate Communication. Puan Marina was also with Park May Berhad (1995 – 1997) and a government agency (1988 – 1994).</p>   |
| <p><b>Head of Fund Administration</b></p>                                      | <p><b>Aida binti Abu Bakar</b> is the Head of Fund Administration. Currently, she manages the functions of trust administration, trust governance and product development. She joined Pelaburan MARA Berhad in July 1997 and was initially attached to Project Department of Pelaburan MARA overseeing its venture capital and credit activities. Subsequently in January 2000, she was transferred to PMB Investment and since then she has accumulated more than 14 years of experience in unit trust with attachment to several departments within PMB Investment covering product development, business development, investment, unit trust operations, marketing, customer administration and services, and</p>   |



|  |  |
|--|--|
|  | <p>agency services. She has been instrumental in developing and launching PMB Investment’s Shariah retail products and in the merger and conversion of unit trust schemes. She started her career in 1995 with Kumpulan Guthrie Berhad, where she gained exposure in accounting and finance. She holds an MBA from University of Wales, United Kingdom and a Bachelor in Accounting and Financial Management from University of Essex, United Kingdom.</p>   |
| <b>Head of Portfolio Solutions</b>                   | <p><b>Isnaliyah binti Sarwadi</b> is the Head of Portfolio Solutions. She assumed the current post in January 2013. Previously, she had been a fund manager, since November 2010. She has more than 10 years experience in the financial industry ranging from market and financial research, business development, corporate client sales and marketing. She graduated from University of Essex, Colchester, United Kingdom with B.Sc. (Hons) Information Management with Accounting. She is the holder of a Capital Markets Services Representative Licence (Fund Management).</p> |
| <b>Head of Regional Sales and Agency Development</b> | <p><b>Kamal Bashar bin Abdul Aziz</b> is the Head of Regional Sales and Agency Development of PMB Investment Berhad. He is responsible for the overall sales and operations of unit trust funds through the management of regional offices and development of unit trust consultant. He has more than 17 years of experience in the unit trust industry covering unit trust operations, marketing, agency services, branch operations and sales. He obtained his Bachelor of Arts in Political Science from Universiti Kebangsaan Malaysia in 1994.</p>                              |
| <b>Manager, Accounts</b>                             | <p><b>Marlina binti Hj. Bustanuddin</b> is the Manager, Accounts of PMB Investment Berhad. She is responsible for the overall function of the company accounts, unit trust accounts and portfolio accounts. She obtained her Bachelor of Accountancy from Universiti Teknologi MARA in June 2001 and Diploma in Accountancy from the same university in November 1998. She is also a member of the Malaysian Institute of Accountants (MIA). Marlina has been with PMB Investment since 2007.</p>  |

## 6.6 KEY INVESTMENT MANAGEMENT TEAM

|  |  |
|--|--|
| <b>Chief Executive Officer</b>         | <p><b>Ameer Ali bin Vali Mohamed</b><br/><i>(Please refer Section 6.5 for his profile)</i></p>   |
| <b>Acting Chief Investment Officer</b> | <p><b>Isnami bin Ahmad Mohtar</b><br/><i>(Please refer Section 6.5 for his profile)</i></p>  |
| <b>Head of Research</b>                | <p><b>Norzahari bin Zakaria</b> is the Head of Research. He holds a Diploma in Business Studies and BBA (Hons) Finance from University Teknologi MARA (UiTM). He joined Pelaburan MARA Berhad in July 2000 and was initially attached to Project Department of Pelaburan MARA Berhad where his job scope was overseeing the venture capital and credit activities of the company. Subsequently in February 2006, he was transferred to ASM Asset Management Sdn Bhd and later to PMB</p> |

|                                    |  |
|------------------------------------|--|
|                                    | Investment to assume the current post. He has been in the financial industry since September 1990 with extensive experience in credit review, credit marketing, credit control, business development, venture capital as well as equity research and fund management. He is the holder of Capital Markets Services Representative Licence (Fund Management).   |
| <b>Portfolio Manager</b>           | <b>Adil Azhar bin Ibrahim</b> is the Portfolio Manager. He monitors and conducts analysis on fixed income securities and money market instruments. He holds a Degree in Engineering from Hokkaido University, Hokkaido Japan. He joined Pelaburan MARA Berhad in 2013 as Portfolio Manager and was responsible for the overall due diligence on all potential investments before being assigned to the current position in PMB Investment. He was previously attached to the Investment Operations and Financial Market Department of Bank Negara and is the holder of a Capital Markets Services Representative Licence (Fund Management).                        |
| <b>Assistant Portfolio Manager</b> | <b>Mohd Irwan bin Wahed</b> is the Assistant Portfolio Manager. He holds a Post Graduate qualification in Applied Finance and Investment from Financial Services Institute of Australasia (FINSIA), a professional qualification in Islamic Finance from United Kingdom’s Chartered Institute for Securities & Investment (CISI) and a Bachelor’s Degree in Aerospace Engineering from University Putra Malaysia. He joined PMB Investment in November 2011. Prior to that, he was with OSK Investment Bank as a Dealer’s Representative with a Corporate Derivatives Desk. He is the holder of Capital Markets Services Representative Licence (Fund Management). |
| <b>Assistant Portfolio Manager</b> | <b>Norhazira binti Mazelan</b> is the Assistant Portfolio Manager. She holds a Bachelor in Business Administration Hons (Finance) from University Teknologi MARA (UiTM) and is the holder of a Capital Markets Services Representative Licence (Fund Management). Prior to joining PMB Investment, she was attached to Small Medium Enterprise Development Bank of Malaysia Kuala Lumpur as an Associate for their Treasury and Investment Department.   |

## 6.7 ROLES OF KEY INVESTMENT MANAGEMENT TEAM

The Manager has established an ‘Investment Operating Committee’ comprising of the Key Investment Management Team.

The roles of the Investment Operating Committee are –

- (1) To discuss the performance and prospects of the economy and securities market with a view of formulating investment strategies in line with the Investment Committee’s decision.
- (2) To review and evaluate the investment strategies from time to time.
- (3) To review the performance of the funds under management and to make necessary recommendations thereof.
- (4) To discuss and evaluate on securities to be included to or deleted from the List of Approved Securities.

- (5) To ensure the designated fund managers implement the strategies/decisions made by the Investment Committee;
- (6) Any other matters related to the investment management of funds under management.

The Investment Operating Committee meets at least once every month.

#### **6.8 MANAGER'S DELEGATE**

PMB Investment has delegated the following functions to Pelaburan MARA:

- (1) Information technology
- (2) Human resource development
- (3) Corporate communications
- (4) Administration
- (5) Compliance
- (6) Risk management
- (7) Internal audit

Pelaburan MARA is a strategic investment and asset management company wholly-owned by MARA, a statutory agency of the Government of Malaysia. Established on 24 June 1967, Pelaburan MARA is principally involved in private equity investments, portfolio fund management, unit trust management, financial services and corporate advisory. Pelaburan MARA is the parent company of PMB Investment.

#### **6.9 MATERIAL LITIGATION AND ARBITRATION**

As at 30 November 2014, PMB Investment was not engaged, pending or threatened, in any material litigation and arbitration. It was also disclosed under the Director's Report that there is no contingent liability that will or may substantially affect our ability to meet the obligations as and when they fall due.

## 7. THE TRUSTEE OF THE FUND

### 7.1 COMPANY PROFILE

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.

### 7.2 SUMMARY OF FINANCIAL POSITION

|                          | 31 Dec 2013<br>(RM) | 31 Dec 2012<br>(RM) | 31 Dec 2011<br>(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           |

### 7.3 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 November 2014, DTMB is the trustee for 179 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, financially and for various functions, including but not limited to financial control and internal audit.

### 7.4 BOARD OF DIRECTORS

- Jacqueline William
- Chang Wai Kah
- Janet Choi
- Jalalullail Othman – Independent Director
- Lew Lup Seong – Independent Director

### 7.5 CHIEF EXECUTIVE OFFICER

- Chua Mee Ling

### 7.6 TRUSTEE’S DELEGATE

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, where the custodial function is delegate, 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.

#### **7.7 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 Capital Markets & Services Act 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.

#### **7.8 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 Capital Markets & Services Act 2007 and all relevant laws.

#### **7.9 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 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 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, 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.

#### **7.10 TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION**

As at 30 November 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 and/or financial position of the Trustee and any of its delegate.

## 8. SHARIAH ADVISER

### 8.1 PROFILE OF THE SHARIAH ADVISER

BIMB Securities Sdn Bhd is a stockbroking subsidiary of BIMB Holdings Bhd. It was incorporated on 21 February 1994.

The company's corporate mission is to actively participate in a modern, innovative and dynamic Islamic capital market in Malaysia, catering for the needs of both Muslims and Non-Muslims. BIMB Securities Sdn Bhd is Corporate Shariah Adviser to 21 Islamic Unit trust funds. Currently, the staff strength of BIMB Securities Sdn Bhd consists of 61 employees of whom 58 are Executive staff and 7 are Non-Executive staff.

The company's authorised share capital is RM250 million, and its current issued and paid-up share capital is RM100 million. The shareholdings of BIMB Securities Sdn Bhd are as follows:-

| Shareholders  | % of Holding |
|---|--------------|
| BIMB Securities Holdings Sdn Bhd<br>(wholly owned subsidiary of BIMB Holdings Berhad) | 51           |
| BIMB Holdings Berhad  | 49           |

### 8.2 BOARD OF DIRECTORS

| Name                           | Position                 |
|--------------------------------|--------------------------|
| Zahari @ Mohd Zin bin Idris    | Non-Executive Director   |
| Rashid bin Ismail              | Executive Director / CEO |
| Abdul Kadir bin Sahlan         | Non-Executive Director   |
| Johan bin Abdullah             | Non-Executive Director   |
| Mustapha bin Hamat             | Non-Executive Director   |
| Mohamad Rani Dali bin Samsudin | Executive Director       |

### 8.3 DESIGNATED PERSON RESPONSIBLE FOR SHARIAH MATTERS

#### Ir. Dr. Muhamad Fuad bin Abdullah

Ir. Dr. Muhamad Fuad bin Abdullah (Dr. Muhamad Fuad), the designated person in-charge of all Shariah matters in BIMB Securities Sdn Bhd (BIMBSEC) is also appointed to the Shariah Advisory Committee of BIMBSEC effective 1 June 2011.

Dr. Muhamad Fuad graduated with a Bachelor of Science in Electrical Engineering in 1977 and a Master of Philosophy in Electrical Engineering in 1982 from the University of Southampton. He also obtained a Bachelor of Arts (Jayyid) in Shariah from University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from University of Aberdeen, Scotland in 1996.

Currently he serves as the Chairman of the Shariah Committee of MIDF Group of Companies and the Chairman of the Shariah Advisory Committee of MNRB Retakaful Bhd. He is a registered Shariah Adviser with the Securities Commission Malaysia (SC) which qualifies him to advise on Shariah-compliant products and services regulated by the SC. He is also a registered Shariah lawyer of Majlis Agama Islam Perak since 2007, and was a member of the Board of Studies of the B.A. (Fiqh and Usul Fiqh) Programme of the International Islamic University of Malaysia (IIUM) from 2007-2010.

Dr. Muhamad Fuad is a member of Majlis Agama Islam Wilayah Persekutuan (MAIWP), sits on the boards of Sime Darby Property Bhd, Malaysian Industrial Development Finance Berhad (MIDF), MIDF Property Berhad, Mesiniaga Berhad and Institut Kefahaman Islam Malaysia (IKIM) a public company limited by guarantee.

Dr. Muhamad Fuad is the designated person in-charge of PMB Investment's Shariah-compliant funds.

#### **8.4 ROLES AND FUNCTIONS OF SHARIAH ADVISER**

- (1) The responsibilities of the Shariah Adviser are to ensure that the Fund is managed and administered in accordance with Shariah principles.
- (2) The Shariah Adviser shall provide expertise and guidance for the Fund in all matters relating to Shariah principles, including on the Deeds and prevailing Information Memorandum, its structure and investment process and other operational and administrative matters.
- (3) Where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process, the Shariah Adviser shall consult the SC.
- (4) The Shariah Adviser shall act with due care, skill and diligence in carrying out its duties and responsibilities.
- (5) The Shariah Adviser is responsible for scrutinizing the Fund's compliance report as provided by the compliance officer and investment transaction report provided by or duly approved by the trustee, to ensure that the Fund's investments are in line with Shariah principles.
- (6) The Shariah Adviser shall prepare a report to be included in the Fund's interim and annual report certifying whether or not the Fund has been managed and administered in accordance with Shariah principles for the period concerned.
- (7) The Shariah Adviser shall attend the quarterly held meeting for the Shariah review of the Fund management or any other ad-hoc meeting as required.

## 9. TRANSACTION INFORMATION

### 9.1 PRICING OF UNITS

The price of units of the Fund i.e. the selling price per unit and repurchase price per unit is determined by using forward pricing where the price is the NAV per unit of the Fund at the end of a Business Day after a request for purchase or repurchase is received by us. Any applicable sales charge and repurchase charge shall be payable separately from the selling price and repurchase price of the Fund.

The NAV per unit is determined by dividing the NAV of the Fund with the units in circulation as at a valuation point. The NAV of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets. For the purpose of computing the annual management fee and the trustee fee, the NAV of the Fund includes the management fee and the trustee fee for the relevant day.

### 9.2 COMPUTATION OF THE NAV AND THE NAV PER UNIT

The NAV of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets, at a valuation point.

#### Illustration :

For illustration purposes, assuming the figures of a relevant day are as below:

|                                 |   |                  |
|---------------------------------|---|------------------|
| Value of the Fund's Assets      | = | RM100,000,000.00 |
| Value of the Fund's Liabilities | = | RM500,000.00     |
| Units in Circulation            | = | 90,000,000       |
| Annual Management Fee           | = | 0.75% per annum  |
| Annual Trustee Fee              | = | 0.04% per annum  |

The NAV of the Fund will be:

|  | <u>RM</u>                   |
|--|-----------------------------|
| Fund's asset   | 100,000,000.00              |
| Less: Fund's liabilities                                     | (500,000.00)                |
| Net asset value (before annual management fee & trustee fee) | <u>99,500,000.00</u>        |
| Less: Management fee (0.75% per annum)                       | (2,044.52)                  |
| Trustee fee (0.04% per annum)                                | (109.04)                    |
| NAV of the Fund of the day                                   | <u><u>99,497,846.44</u></u> |

The NAV per Unit of the Fund will be:

|              |   |  |
|--------------|---|--|
| NAV per Unit | = | NAV of the Fund / Unit in Circulation          |
|              | = | RM 99,497,846.44 / 90,000,000                  |
|              | = | RM 1.10553162711 (before rounding adjustment)  |
|              | = | <b>RM 1.1055 (rounded to 4 decimal points)</b> |



### 9.3 PURCHASE OF UNITS

Units of the Fund are available for subscription by Qualified Investors as from the Commencement Date. During the Initial Offer Period, which is the period of 1 Business Day, units will be sold at RM1.00 each (excluding a sales charge and GST) and will be issued only upon the designated account being credited with the subscription amount. After the Initial Offer Period, units will be sold based on the selling price per unit as at the close of the Business Day on which the subscription amount is credited into the designated account.

The minimum initial investment by an investor is RM500,000 or such amount as we may decide from time to time while subsequent investments by the same investor is RM250,000 or such lower amount as we may decide from time to time.

We may at its sole discretion decline any application for subscription.

Units can be bought on any Business Day at our office (Monday – Thursday, 8.45 a.m. - 5.15 p.m. and Friday, 8.45 am - 12.45 pm / 2.15 pm – 5.15 pm). The price of units for applications received before 3.00 p.m. (cut off time) will be calculated based on the valuation of the units on the same Business Day subject to the clearance of payment. Where an application is received after the cut off time, the request will be processed based on the NAV per Unit on the following Business Day.

### 9.4 REPURCHASE OF UNITS

Unit Holders may repurchase their investments partially or wholly by requesting us to repurchase their units. Units will be repurchased at the repurchase price per unit as at the close of the Business Day when the request is received. There is no repurchase charge. Repurchase proceeds will be paid to a Unit Holder via cheque or telegraphic transfer within ten (10) Business Days from the date of receipt of the repurchase request by us. Redemptions have to be for a minimum of RM250,000 or such lower amount as we may decide from time to time; if following a repurchase request, a Unit Holder will be holding less than RM500,000 or such amount as we may decide from time to time, we are entitled, but not compelled, to consider that a repurchase request has also been made in respect of the remaining units and can compulsorily repurchase the same. Units can be sold on any Business Day at the Manager's office (Monday – Thursday, 8.45 a.m. - 5.15 p.m. and Friday, 8.45 am - 12.45 pm / 2.15 pm – 5.15 pm). The price of units for applications received before 3.00 p.m. (cut off time) will be calculated based on the valuation of the units on the same Business Day subject to the clearance of payment. Where an application is received after the cut off time, the request will be processed based on the NAV per unit on the following Business Day.

### 9.5 SWITCHING

Switching is only applicable into another in-house Wholesale Fund (if any) at no cost.

### 9.6 TRANSFERS

Transfers are not applicable for the Fund.

### 9.7 INCORRECT PRICING

In the case of pricing discrepancies in the calculation of NAV occurs, we will take immediate remedial actions to rectify any incorrect pricing of the units in the Fund. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.5% of the relevant Fund's NAV per unit:

(a) by us to any one or more of the following –

- (i) the Fund
- (ii) investors of the Fund;

- (iii) former investors of the Fund ; or
- (b) by the Fund to us

We retain the discretion whether or not to reimburse if the error is below 0.5% of the NAV per unit or where the total impact on an individual account is less than RM10.00 in absolute amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

**9.8 UNCLAIMED MONIES**

Any redemption and termination proceeds payable to Unit Holders which remain unclaimed after one year as is prescribed by the Unclaimed Moneys Act, 1965 will be surrendered to the Registrar of Unclaimed Moneys in accordance with the said Act.

**9.9 TRANSACTION DETAILS AND OPERATIONAL REQUIREMENTS**

| TRANSACTIONS                               | OPERATIONAL REQUIREMENTS   |
|--|--|
| <p><b>Making an initial investment</b></p> | <p><b>Individual Investor:</b></p> <ul style="list-style-type: none"> <li>• Completed Pre-Investment Form by FIMM (for every new fund)</li> <li>• Completed Suitability Assessment Form</li> <li>• Completed Pre-Qualification Form</li> <li>• Master Application Form, Transaction Form;</li> <li>• Photocopy of Identity card or passport (if applicant is Malaysian resident or foreigner); and</li> <li>• Proof of payment</li> </ul> <p><b>Corporate investor:</b></p> <ul style="list-style-type: none"> <li>• Completed Pre-Investment Form by FIMM (for every new fund);</li> <li>• Completed Suitability Assessment Form</li> <li>• Completed Pre-Qualification Form</li> <li>• Master Application Form, Transaction Form;</li> <li>• A copy of each of the company’s resolution and certificate of incorporation (certified by a director or company secretary); and a list of authorised signatories and specimen signatures;</li> <li>• Form 24, 49 and other documents, if required; and</li> <li>• Proof of payment .</li> </ul> <p><i>An investor is recognized as a registered Unit Holder by the Manager upon acceptance and receipt of payment together with completed Investment Form and other relevant supporting documents by the Manager. The Manager will then issue a notification confirming the investment within five (5) Business Days upon receipt of the aforesaid documents. In respect of a foreign investor, the Manager will issue a notification confirming the investment within eight (8) Business Days upon receipt of the aforesaid documents.</i></p> |

|   |  |
|---|--|
| <p><b>Making an additional investment</b></p> | <p><b>Individual Investor</b></p> <ul style="list-style-type: none"> <li>• Transaction Form</li> <li>• A copy of Identity Card / passport; or</li> </ul> <p><b>Corporate Investor:</b></p> <ul style="list-style-type: none"> <li>• Transaction Form signed by authorized signatories and company stamp</li> <li>• Board Resolution or any other necessary authorization</li> </ul> <p>Completed forms and documents required should be submitted together with payment or proof of payment.</p> <p><i>The additional investments are recognised by the Manager upon its receipt of payment together with the relevant supporting documents. The Manager will then issue a notification confirming the investment within five (5) Business Days upon receipt of the aforesaid documents. In respect of a foreign investor, the Manager will issue a notification confirming the investment within eight (8) Business Days upon receipt of the aforesaid documents.</i></p> |
| <p><b>Repurchase of Units</b></p>             | <p><b>Individual Investor (single/joint applicant)</b></p> <ul style="list-style-type: none"> <li>• Transaction Form</li> <li>• A copy of Identity Card / passport</li> </ul> <p><b>Corporate Investor</b></p> <ul style="list-style-type: none"> <li>• Transaction form signed by authorized signatories and company stamp</li> <li>• Board Resolution or any other necessary authorization</li> </ul> <p><i>Repurchase can be made in part or entirely on any Business Day.</i></p> <p><i>Unit Holders may receive the repurchase proceeds within ten (10) Business Days from the date the Manager is in receipt of the duly completed Transaction Form by the Manager.</i></p>  |

## **10. FEES AND CHARGES**

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### **10.1 ANNUAL MANAGEMENT FEE**

An annual management fee of up to 0.75% per annum of the NAV of the Fund is calculated and accrued daily and is charged to the Fund; this fee is collected by the Manager on a monthly basis.

### **10.2 ANNUAL TRUSTEE FEE**

An annual trustee fee of up to 0.04% per annum of the NAV of the Fund is calculated and accrued daily and is charged to the Fund; this fee is collected by the Trustee on a monthly basis.

### **10.3 OTHER EXPENSES**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- (a) commissions/fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor;
- (d) costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investments of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) 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 fund manager;
- (l) 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);
- (m) costs, fees and expenses deemed by the Manager and the Trustee 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;
- (n) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise; and
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund, if any.

## **11. SALIENT TERMS OF THE DEED**

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### **11.1 RIGHTS AND LIABILITIES OF A UNIT HOLDER**

#### **Rights of Unit Holders**

A Unit Holder has the right, among others, to the followings:

- (a) To receive the distributions of income (if any), participate in any increase in the value of the Units and such other rights and privileges as provided for in the Deed;
- (b) To call for a Unit Holders' meeting for any resolutions, and also to vote for the removal of the Trustee or us through an extraordinary resolution;
- (c) To exercise your cooling-off period if you invest for the first time with PMB Investment except for if you are either corporate/institutional clients, staff of the Manager or a registered Unit trust consultant; and
- (d) To receive annual and quarterly reports of the Fund,

However, a Unit Holder would not have the right to require the transfer to the Unit Holder of any of the investments of the Fund. Neither would a Unit Holder have the right to interfere with or question the exercise by the Trustee or the Manager on his behalf, of the rights of the Trustee as trustee of the investments of the Fund.

#### **Liabilities of Unit Holders**

- (a) No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed(s) at the time the Units were purchased; and
- (b) Unit Holders shall not be under any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed(s) exceed the NAV of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

### **11.2 PROVISIONS REGARDING UNIT HOLDERS MEETINGS**

#### **Quorum Required for Convening 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 that 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; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.

#### **Meetings requested by the Unit Holders**

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a meeting of the Unit Holders by:

- (a) sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may 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;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed.

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the lesser number.

#### **Meetings summoned by the Manager or Trustee**

Unless otherwise required or allowed by the relevant laws, the Manager or Trustee may convene a Unit Holders' Meeting by giving the Unit Holders' a 14 day written notice specifying the place, time and terms of the resolutions to be proposed.

The Trustee shall summon a meeting in the event:

- (a) the Manager is in liquidation,
- (b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act,

The Trustee may also summon a Unit Holders' meeting for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to the Deed; and
- (e) deciding on the reasonableness of the annual Management Fee charged to the Fund.

The meeting of the Unit Holders summoned by the Trustee shall be summoned by sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of Jointholders, to the Jointholder whose name stands first in the records of the Manager at the Jointholder's last known address.

### **11.3 TERMINATION OF THE FUND**

#### **Circumstances that may lead to the termination of the Fund**

The Funds may be terminated or wound up as provided for under the Deed as follows:-

- (a) A special resolution is passed at a Unit Holders' meeting to terminate or wind-up the Fund, following the occurrence of any of the following events and the Trustee shall apply to the Court for an order confirming such Special Resolution;
  - (i) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
  - (ii) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
  - (iii) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant laws.
- (b) A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Funds.

### **11.4 THE MAXIMUM FEES AND CHARGES THAT MAY BE IMPOSED BY THE MANAGER AND THE STEPS TO BE TAKEN BY THE MANAGER TO INCREASE SUCH FEES AND CHARGES**

**Maximum Rate of Direct Charges allowable by the Deed**

- There will not be any Sales Charge for this Fund.
- There will not be any Repurchase Charge for this Fund.

**Maximum Rate of Indirect Fees and Charges allowable by the Deed**

- The maximum Annual Management Fee allowable by the Deed is **0.75%** per annum of the NAV of the Fund calculated and accrued daily.
- The maximum Annual Trustee Fee allowable by the Deed is **0.04%** per annum of the NAV of the Fund, calculated and accrued daily.

**Procedures to be taken to increase the Direct and Indirect Fees and Charges from the current amount as stipulated in the Information Memorandum**

**Sales Charge**

A higher sales charge than that disclosed in the Information Memorandum may only be imposed if:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge; and
- (b) a supplemental/replacement information memorandum in respect of the Fund setting out the higher charge is issued.

**Redemption Charge**

A higher redemption charge than that disclosed in the Information Memorandum may only be imposed if:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge; and
- (b) a supplemental/replacement information memorandum in respect of the Fund setting out the higher charge is issued.

**Annual Management Fee**

The Manager may not charge an annual Management Fee at a rate higher than that disclosed in the Information Memorandum unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and
- (c) a supplemental/replacement Information Memorandum stating the higher fee is issued.

**Annual Trustee Fee**

Similarly, the Trustee may not charge an annual Trustee Fee at a rate higher than that disclosed in this Information Memorandum unless similar conditions applicable to the annual Management Fee stated above are also satisfied in relation to the Trustee Fee.

**11.5 OTHER EXPENSES PERMITTED UNDER THE DEED**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund, including, but not limited to, -

- (a) commissions/fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor;
- (d) costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;

- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investments of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) 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 fund manager;
- (l) 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);
- (m) costs, fees and expenses deemed by the Manager and the Trustee 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;
- (n) remuneration and out-of-pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise; and
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund, if any.

#### **11.6 CIRCUMSTANCES THAT MAY LEAD TOWARDS THE RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER**

The Manager may retire upon giving six (6) months' notice (or such shorter period as the Manager and the Trustee may agree) to the Trustee of its desire to do so, and may, by Deed, appoint in its stead a new manager approved by the Trustee and the SC.

The Manager shall retire, if so required 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 it of that opinion and the reason for that opinion, and after consultation with the relevant authorities and with the approval of 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 manager 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.

#### **Powers of Trustee to Replace the Manager**

Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:



- (a) if 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 it 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 relevant authorities 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 manager 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 the Manager shall not accept any extra payment or benefit in relation to such removal.

#### **11.7 CIRCUMSTANCES THAT MAY LEAD TOWARDS THE RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE**

The Trustee may retire upon giving six (6) months' notice to the Manager of its desire to do so, or such lesser time as the Manager and the Trustee shall agree, and may by deed appoint in its stead a new Trustee approved under any relevant laws.

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed.

##### **Powers of the Manager to Remove the Trustee**

The Trustee may be removed and another Trustee may be appointed by a Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed.

The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- (a) the Trustee has ceased to exist;
- (b) the Trustee has not been validly appointed;
- (c) the Trustee was not eligible to be appointed or to act as trustee under any relevant law;
- (d) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment;
- (f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or
- (g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

## **12. CONFLICT OF INTEREST**

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The Manager and any delegate thereof will endeavor to avoid conflicts of interest arising or, if conflicts arise they will ensure that, neither the Unit Holder nor the Fund, is disadvantaged by the transaction concerned. Any transaction or investment carried out by or on behalf of the Fund should be executed at an arm's length transaction. The Manager and our related corporations will not act as principal in the sale and purchase of investments and the Fund will not invest in companies related to the Manager.

Where a conflict of interest arises due to the Investment Committee member or director holding substantial shareholding or directorships of public companies, and the Fund invests in that particular share or stock, the said committee member or director shall abstain from any decision making relating to investment in that share or stock of the Fund.

Our employees who are directly involved in the investment management of the Fund or who have direct and timely access to the daily trades done by the fund managers, are required to declare their dealing in the securities.

To date, there has been no event of conflict of interest amongst us, employees, directors and Investment Committee members. In the event a conflict or potential conflict of interest involving the Manager and employees is identified, this will be evaluated by the Compliance Department and disclosed to the Chief Executive Officer (CEO) for the next course of action. Conflict of interest situations involving the CEO, directors and/or Investment Committee members will be disclosed to the Board of Directors for a decision on the next course of action.

### **13. CLIENT COMMUNICATION**

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Unit Holders will / can receive regular updates on the Fund and on their investment through:

**(a) The Manager's Company Website**

Unit Holders will be able to obtain information pertaining to the Fund from the Manager's company website at [www.pmbinvest.com.my](http://www.pmbinvest.com.my). The Fund's daily NAV per Unit will be quoted in the website to enable Unit Holders to monitor their investments. The daily prices may be based on information available one (1) Business Day prior to publication.

**(b) Financial Reports**

The Manager will provide Unit Holders with an annual report within two (2) months of the Fund's financial year-end and a quarterly report within (2) months of the end of the period covered. A financial statement audited by the Fund's appointed auditor will be included in the annual report. In addition, you will also receive an interim report of the Fund every semi-annual financial year.

**(c) Statement of Account**

The Manager will also issue a monthly statement of accounts to Unit Holders confirming the current shareholdings and transactions relating to their Units in the Fund.

**(d) Investor Relation**

Unit Holders can seek assistance from the Manager's Investor Relation personnel at PMB Investment's office. You may communicate with us by:

- i) e-mail at [investorrelation@pelaburanmara.com.my](mailto:investorrelation@pelaburanmara.com.my); or
- ii) walk-in, write or call during normal business hours (Monday – Thursday, 8.45 am - 5.15 pm and Friday, 8.45 am - 12.45 pm / 2.15 pm – 5.15 pm), excluding public holidays at 03-41453800, or Investor Relation Careline at 03-41453900.

## **14. ADDITIONAL INFORMATION**

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### **14.1 PRE-INVESTMENT FORM (PIF) BY FIMM**

The purpose of the PIF is to ensure that the investor is sufficiently informed on investments in Unit trust funds and in particular, understand the unit trust fund you are investing in. You are required to complete the PIF prior to account opening if you are a first time investor. If you invest in several new funds simultaneously, a PIF must be completed for each fund.

### **14.2 SUITABILITY ASSESSMENT**

The suitability assessment should be conducted on an investor who wishes to invest in a new unlisted capital market product. The Suitability Assessment Form should be completed prior to account opening. A suitability assessment refers to an exercise carried out by the Manager to gather necessary information from the investor before matching a particular product with the needs of an investor.

### **14.3 COMPLAINTS**

Should you wish to complain, you may lodge your complaint by writing to:

**Chief Internal Audit,  
Internal Audit Unit,  
Pelaburan MARA Berhad  
3rd Floor, Wisma PMB,  
No. 1A, Jalan Lumut,  
50400 Kuala Lumpur**

Please state the date, time, place of occurrence, person involved and nature of your complaint. You may also lodge your complaint through telephone calls by contacting the Unit.

### **14.4 SECURITIES INDUSTRY DISPUTE RESOLUTION CENTRE (SIDREC)**

SIDREC is an independent body corporate, approved under Capital Markets and Services (Dispute Resolution) Regulations 2010, established to resolve monetary disputes between investors and capital market intermediaries registered as its members, such as stockbrokers, futures brokers, unit trust management companies, and fund managers. If an investor has an unresolved claim with a capital market intermediary, he or she may file a claim with SIDREC, either in person or via fax, post or e-mail. For further enquiry, you may reach SIDREC via, telephone at 03-2282 2280; e-mail at [info@sidrec.com.my](mailto:info@sidrec.com.my), or website at [www.sidrec.com.my](http://www.sidrec.com.my).

### **14.5 ANTI-MONEY LAUNDERING AND ANTI-TERRORISM FINANCING POLICIES**

#### **(a) General Policy**

We have established an Anti-Money Laundering and Anti-Terrorism Financing (AMLCFT) Policies and Procedures as required by the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLATFA) 2001. As such we will actively prevent and take measures to guard against being used as a medium for money laundering and/or terrorism financing activities and any other activity that facilitates money laundering and/or terrorism financing.

#### **(b) Investor's Identification and Verification**

Pursuant to the AMLATFA, we have put in place procedures for identification and verification of investors. 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.

Additional information from you may be required on a case by case basis in certain situations throughout your investment with us in any of the Fund. Application without such information may not be accepted and the application amount shall be returned to you.

#### **14.6 PERSONAL DATA PROTECTION ACT (PDPA) 2010**

Pursuant to the PDPA gazetted on 15<sup>th</sup> November 2013, we have put in place procedures in dealing with your personal data being collected and retained by us. Please read our 'Privacy Notice' on our website [www.pmbinvestment.com.my](http://www.pmbinvestment.com.my) or request a copy of the Privacy Notice from our office.

#### **14.7 PERIOD OF THE FUND**

The Fund may be terminated by the Trustee who will summon a meeting of Unit Holders due to circumstances affecting the Manager. Otherwise the Fund may continue in operation or in existence if it appears to be in the interest of the Unit Holders for such periods as agreed by the Trustee and the Manager.

#### **14.8 POLICY ON REBATES AND SOFT COMMISSION**

Any rebate on brokerage fees or shared commissions is to be credited into the accounts of the Fund (where such brokerage fees or shared commissions are paid out or to be paid out of that Fund). Goods and services ("Soft Commission") received from brokers are retained by the Manager or its delegate only if the goods and services are of demonstrable benefit to the Unit Holders such as research materials and computer software incidental to the investment management of that Fund.

#### **14.9 GOODS AND SERVICES TAX (GST)**

The GST Act 2014 has been gazetted on 19<sup>th</sup> June 2014. It was proposed in Budget 2014 that GST will be implemented with effect from 1<sup>st</sup> April 2015 and will replace the current Sales Tax and Service Tax regime with a proposed rate of 6%.

Based on the draft Guide on Fund Management issued by Royal Malaysian Customs Department on 27<sup>th</sup> October 2013 ("draft Guide on Fund Management"), a unit trust fund is making exempt supplies. Any contribution made to the Fund by its Unit Holders for the issuance of units in the Fund should be regarded as an exempt supply of services and thus, should not be subject to GST. The investment made by the Fund to maximize its returns is generally proposed to be treated as exempt supply and not subject to GST. Any investment activity such as buying or selling of securities should generally be exempted from GST. However any fee-based charges by the Fund should be a taxable supply subject to GST at the standard rate of 6%, provided the Fund exceeds the GST registration threshold of RM500,000 per annum of taxable supplies.

Any GST incurred by the Fund on the manager's fees, trustee fees and other supplies received by the Fund are not claimable as input tax credit for GST purposes if the Fund is not GST registered or even if GST registered, to the extent the supplies by the Fund are exempted from GST.

#### **14.10 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)**

FATCA is a United States of America (US) statute that, among others, requires foreign financial institutions, including us, to report to the Inland Revenue Service (IRS) of the US on clients who are US persons. US persons refers to a citizen of US; an individual lawfully admitted for permanent residence of the US; an unincorporated association with a substantial number of members who are citizens of the US or are individuals lawfully admitted for permanent residence of the US; or a corporation incorporated in the US.

## **15. DOCUMENTS AVAILABLE FOR INSPECTION**

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Unit Holders may inspect without charge, at the business address of the Manager for a period of not less than 12 months from the date of this Information Memorandum, the following documents or copies thereof, where applicable:

- (a) The Deed of the Fund.
- (b) Each material contract or document referred to in the Information Memorandum.
- (c) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Information Memorandum.
- (d) Latest audited accounts of the Manager and the Fund for the current financial year (where applicable).
- (e) The audited accounts of the Manager for the last 5 financial years or from the date of incorporation/commencement, if less than 5 years, preceding the date of Information Memorandum.
- (f) Any consent given by experts or persons whose statement appears in the Information Memorandum.