

PROSPECTUS

Makmur myWakaf Fund (MWF)

MANAGER	:	BIMB INVESTMENT MANAGEMENT BERHAD [199301021508 (276246-X)]
TRUSTEE	:	CIMB Islamic Trustee Berhad [198801000556 (167913-M)]

This Prospectus is dated 28 September 2023

The date of constitution of Makmur myWakaf Fund is 27 November 2020

THIS IS A REPLACEMENT PROSPECTUS THAT REPLACES AND SUPERCEDES THE PROSPECTUS DATED 3 MARCH 2021.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. 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 21

MAKMUR MYWAKAF FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

MAKMUR MYWAKAF FUND INTEGRATES ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS IN ITS CAPITAL ALLOCATION PROCESS, AND EMPLOYS NEGATIVE SCREENING FOR SHARIAH-COMPLIANCE AND ALIGNMENT WITH UNITED NATIONS GLOBAL COMPACT (UNGC) PRINCIPLES, IN ITS UNIVERSE CONSTRUCTION PROCESS.

RESPONSIBILITY STATEMENT

This Prospectus has been reviewed and approved by the Directors of BIMB Investment Management Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

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

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

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

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

MAKMUR MYWAKAF FUND (MWF) HAS BEEN CERTIFIED AS SHARIAH-COMPLIANT BY THE SHARIAH ADVISER APPOINTED FOR THE FUND.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The Fund will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or U.S. Person(s), except in transaction which does not violate the securities laws of the United States of America. Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

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1. GLOSSARY

The following words or abbreviations shall have the following meanings in this Prospectus unless otherwise stated:

“Act”	Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
“AIBIM”	Association of Islamic Banking and Financial Institutions Malaysia was established in 1995 as the Association of Interest-Free Banking Institutions Malaysia. Currently, AIBIM has 27 member banks. The objectives of AIBIM are to promote sound Islamic banking system and practices in Malaysia and to represent the interests of members locally and abroad. Please refer to AIBIM website https://aibim.com/ for more information.
“AAOIFI”	The Accounting and Auditing Organization for Islamic Financial Institutions.
“AAOIFI Standards”	Shariah standards set by AAOIFI. Please refer to AAOIFI website https://aaoifi.com for more information.
“Assets of the Fund”	The Fund’s holdings, which may include Islamic fixed deposits, Islamic money market instruments and other permitted instruments.
“AUD” or “Australia Dollar”	The lawful currency of Australia.
“AUD Class”	A class of Units of the Fund which is denominated in Australia Dollar (This class is for Malaysian and foreign investors, excluding US person).
“<i>baitulmal</i>”	Refers to the treasury of a State Islamic Religious Council.
“Base Currency”	Ringgit Malaysia or RM.
“BEST Invest App”	BIMB Investment Electronic Shariah-Investing Tool, a non-automated, discretionary robo-intelligence unit trust online investing platform approved by the SC and fully managed by BIMB Investment.
“BIMB Investment” or “the Manager” or “we”	BIMB Investment Management Berhad [199301021508 (276246-X)].
“BNM”	Bank Negara Malaysia.
“Bursa Malaysia”	The stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be changed from time to time.
“Business Day”	A day on which Bursa Malaysia is open for trading in securities. The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as in the event of market disruption.
“CIS”	Collective investment scheme(s).

“Class(es) of Units”	<p>Any class of Units representing similar interests in the Assets of the Fund although a class of Units of the Fund may have different features from another class of Units of the same Fund and “Class” means any one class of Unit(s).</p> <p>Classes of Units that will be offered for subscription by the Fund are as follows:</p> <ul style="list-style-type: none"> • RM Class* • USD Class • AUD Class. <p>*The offering of RM Class will strictly be for investors in Malaysia only.</p>
“CMSRL”	Capital Markets Services Representative’s Licence.
“Deed”	The deed dated 27 November 2020 and the first supplemental deed dated 21 November 2022 in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee.
“ESG”	Environmental Social and Governance.
“ETF”	Exchange Traded Fund.
“FIMM”	Federation of Investment Managers Malaysia.
“Forward Pricing”	The price of a Unit that is the NAV per Unit calculated at the next valuation point after an instruction or request is received by the Manager.
“Fund” or “MWF”	Makmur myWakaf Fund.
“Guidelines”	Guidelines on Unit Trust Funds issued by the SC, as amended from time to time.
“IUTA”	A corporation registered with FIMM and authorised to market and distribute unit trust schemes of another party.
“Latest Practicable Date” or “LPD”	28 April 2023
“medium to long term”	A period of three (3) years or more.
“myWakaf”	<p>An initiative based on philanthropic value initiated by AIBIM via collaboration of the participating members with States Islamic Religious Council (SIRC). Among its’ objective is to best serve all members of society particularly the underserved and to provide an access to quality essential services and assistance in fulfilling their needs towards shared prosperity.</p> <p>Currently six (6) member banks of AIBIM are the participating members for myWakaf initiative:</p> <ul style="list-style-type: none"> i) Affin Islamic Bank Berhad; ii) Bank Islam Malaysia Berhad; iii) Bank Kerjasama Rakyat Malaysia Berhad; iv) Bank Muamalat Malaysia Berhad; v) Maybank Islamic Berhad; and vi) RHB Islamic Bank Berhad.
“Net Asset Value” or “NAV”	The NAV of the Fund is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at the valuation point. Where the Fund has more than one Class of Units, there shall be a NAV of the Fund attributable to each Class of Units.

“Net Asset Value (NAV) per Unit”	The NAV attributable to a Class of Units of the Fund divided by the total number of Units in circulation for that Class, at the valuation point.
“Prospectus”	Means the prospectus of the Fund and includes any supplementary or replacement prospectus, as the case may be.
“RM” or “Ringgit Malaysia” or “MYR”	The lawful currency of Malaysia.
“RM Class”	A class of Units of the Fund which is denominated in Ringgit Malaysia (This class is for Malaysian and foreign investors, excluding US person).
“REIT”	Real Estate Investment Trust.
“SAC”	Shariah Advisory Council.
“SC” or “Securities Commission”	Securities Commission Malaysia.
“Shariah Adviser”	The Shariah Adviser appointed by the Manager to advise on all aspects of the Fund in accordance with Shariah principles.
“Shariah”	Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of the Shariah namely the <i>Qur’an</i> (the holy book of Islam) and <i>Sunnah</i> (practices and explanations rendered by the prophet Muhammad (<i>pbuh</i>)) and other sources of Shariah such as <i>Ijtihad</i> (exertion of individual effort to determine the true ruling of the divine law on matters whose relevations are not explicit) of Shariah scholars.
“Shariah Supervisory Board”	Refers to independent bodies of specialized jurists in <i>Fiqh al-mua’malat</i> (Islamic commercial jurisprudence).
“Special Resolution”	A resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting at the meeting in person or by proxy” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund or a Class, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
“Sukuk”	Means certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SAC of the SC or any relevant Shariah supervisory board and/or the Shariah Adviser.
“Trustee”	CIMB Islamic Trustee Berhad [198801000556 (167913-M)].
“UNGC”	United Nation Global Compact.
“Unit” or “Units”	An undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a unit issued for each Class of Units.
“Unit Holder(s)” or “you”	The person(s) registered as holder(s) of a unit or units of the Fund including person(s) jointly registered and whose name appears in the register of Unit Holders.
“USD”	The official currency of the United States of America.
“USD Class”	A class of Units of the Fund which is denominated in USD. (This class is for Malaysian and foreign investors, excluding US person).

“US (United States) Person”	A citizen or resident of the United States of America, a partnership organized or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it.
“Wakaf”	<p>In Shariah, wakaf is a dedication of a specified asset (<i>mawquf</i>) by a settlor (<i>waqif</i>) into the administration of a trustee (<i>nazir</i>) through a legal instrument (<i>waqfiyyah</i>) such that the income or benefit of that asset is meant for a stated beneficiary(ies) (<i>mawquf alaih</i>) or is used for a stated purpose.</p> <p>In Malaysia, the sole trustees are States Islamic Religious Councils that may appoint any institution or organisation to act as wakaf administrator (<i>mutawalli</i>) or collection agent for wakaf purposes.</p>
“Wakaf Administrator”	Refers to AIBIM as the appointed Wakaf Administrator for this Fund.
“Wakaf Asset”	Wakaf Asset means 50% of the MWF’s monthly income distribution in the form of cash, subject to availability, which is meant for Wakaf purposes.

2. CORPORATE DIRECTORY

MANAGER

BIMB Investment Management Berhad [199301021508 (276246-X)]

Registered Office

Level 32, Menara Bank Islam, No. 22, Jalan Perak,
50450 Kuala Lumpur.
Tel: +603-2088 8000

Business Office

Level 19, Menara Bank Islam, No. 22, Jalan Perak,
50450 Kuala Lumpur.

Tel: +603-2161 2524 / +603-2161 2924
Fax: +603-2161 2464
Toll-free number: 1800-88-1196

Email: marketing.bimbinvest@bankislam.com.my
Website: <https://bimbinvestment.com.my>

TRUSTEE

CIMB Islamic Trustee Berhad [198801000556 (167913-M)]

Registered Office

Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral,
50470 Kuala Lumpur.

Tel: +603-2261 8888
Fax: +603-2261 0099
Website: www.cimb.com

Business Office

Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral
50470 Kuala Lumpur.

Tel: +603-2261 8888
Fax: +603-2261 9894
Email: ss.corptrust@cimb.com
Website: www.cimb.com

SHARIAH ADVISER

BIMB Securities Sdn Bhd [199401004484 (290163-X)]

Registered Office

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50450 Kuala Lumpur.
Tel: +603-2726 7814
Fax: +603-2088 8033

Business Office

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No. 8, Jalan Munshi Abdullah,

50100 Kuala Lumpur.
Tel: +603-2613 1600
Fax: +603-2613 1799

Email: shariah@bimbsec.com.my
Website: www.bimbsec.com.my

3. ABOUT MAKMUR MYWAKAF FUND

3.1 Fund Profile

Fund Category	Mixed Assets (Shariah-Compliant)
Fund Type	Income
Risk Profile	Moderate to high
Base Currency	RM
Financial Year End	31 December
Classes of Units	<ul style="list-style-type: none">• RM Class• USD Class• AUD Class

3.2 Investor's Profile

The Fund is primarily suitable for investors:

- seeking income over medium to long term period;
- with moderate to high risk tolerance;
- with medium to long term investment horizon; and
- who are contributing part of their investment return towards Wakaf.

3.3 Investment Objective

The Fund aims to facilitate investor who wish to channel a part of their investment returns for Wakaf purpose.

The Fund aims to generate income through a diversified portfolio of Shariah-compliant investments across different asset classes both locally and globally.

Any material changes to the Fund's investment objective would require Unit Holders' approval.

3.4 Investment Policy and Strategy

The Fund seeks to provide income through a diversified portfolio of Shariah-compliant investments across different asset classes both locally and globally. The Fund enables investors to participate in the income prospect of the Malaysian, Asia Pacific and global markets by tactical allocation of its assets. Investment exposure will be tactically allocated into the equity market and lower risk assets to maintain potential for income opportunities within the mentioned markets at the prevailing market environment. Through this exposure, the Fund aims to generate income from capital gains through holdings in Shariah-compliant equities and Islamic fixed income instruments, dividend income through holdings in Shariah-compliant equities, and profit income from holdings in Islamic fixed income instruments and Islamic money market placements.

The Fund shall invest in a broadly diversified portfolio of Shariah-compliant equities, Shariah-compliant equity-related securities, Islamic fixed income instruments, Islamic money market instruments and Islamic deposits. The Fund's investments into the various asset classes may range between 10% to 90% of the Fund's NAV. The Fund will maintain at least two-thirds (2/3) of its NAV in UNGC or ESG-compliant investments at all times.

The Fund may invest in Islamic CIS and Shariah-compliant equity linked instruments such as rights, warrants and Shariah-compliant securities going for listing.

The Fund may invest in Islamic derivatives, such as Islamic foreign exchange forward contracts and Islamic cross currency swaps mainly for hedging purposes. In the event of a downgrade in the rating of a counter-party of an over-the-counter (OTC) Islamic derivative, the Manager reserve the right to deal with the over-counter Islamic derivative in the best interest of the Unit Holders.

The Fund's foreign exposure, if any, will be in Asia Pacific and globally. The Fund follows a rule-based, bottom up approach to identify a Shariah-compliant investment universe screened for sustainability performance incorporating the principles of United Nation Global Compact (UNGC) and Environmental, Social and Governance (ESG) and applies a portfolio construction methodology based on fundamental analysis.

Temporary Defensive Measures

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by increasing the Fund's asset allocation weightings in Islamic fixed income instruments and Islamic deposits, in attempting to respond to adverse conditions that may impact the financial markets. However, the Manager will ensure that at least two-thirds (2/3) of the Fund's NAV remains invested in UNGC or ESG-compliant investments at all times.

Policy on Active and Frequent Trading of Securities

The Fund will be actively managed and the frequency of its trading will very much depend on market opportunities.

3.5 Construction of the Investment Universe

Shariah-ESG Compliant Equities

To determine the universe of eligible stocks, we employ a rigorous screening procedure which combines the following:-

- Liquidity analysis (set parameters on Free Float; Market cap and Average daily turnover over the past 6 months)
- Environmental, social and governance (ESG) issues
- Alignment with UN Principles
- Business involvement screenings (Shariah Screening)

The screening process is applied to an initial universe of about 77,000 global stocks.

In doing the screening, the Manager leverages on its strategic partner Arabesque Asset Management's (Arabesque) proprietary S-Ray® tool to assess non-financial risk factors such as ESG issues as well as alignment with the principles of the UNGC to determine the equity investment universe. The S-Ray® monitors the sustainability of over 7,000 of the world's largest corporations by combining over 250 environmental, social and governance (ESG) metrics with news signals from over 30,000 sources published in over 170 countries across 15 languages.

The Fund's investment universe contains equities from companies worldwide that have passed a systematic selection:

- Liquidity screening – liquidity screening is carried out based on set parameters on free float, market cap and average daily turnover over the past 6 months;
- ESG Score – ESG Score constitutes a sector-specific assessment of each company based on ESG issues that have a financially material impact on a given sector. Companies with ESG Score lower than 25% of the available score range are excluded.
- GC Score – UN Global Compact Score or GC Score assesses a company's performance against the ten principles of responsible businesses set out by the United Nations Global Compact (UNGC), categorized in four brackets: human rights, labor rights, environmental and anti-corruption. The result is a reflection of both the long-term performance of a company and the short-term reputational risk. The GC Score is derived from report based data, news articles and non-governmental organization campaigning information. A high GC Score is a direct indication that the company's values and actions adhere to the ten principles of UNGC. Companies with GC Score lower than 25% of the available score range are excluded; and
- Business involvement screening (Shariah screening) – companies that generate significant (more than 5%) revenue from gambling, alcohol, tobacco, weapons and coal extraction are excluded. Companies that generate profit from non-permissible business activities or breach any of the financial ratio requirements as outlined in the AAOIFI guidelines are excluded.

The inclusion of extra non-financial criteria (ESG Score and GC Score) into the screening process is intended to reduce portfolio risks and generate performance, for example;

- Excluding companies that align poorly with the universally-appealing values of the United Nation Global Compact (UNGC) is intended to reduce reputational risks.
- The integration of ESG criteria (which is the first principle of the United Nation Principles for Responsible Investment) may help identify firms with lower overall risk which may have potential to outperform over the medium to long term. Outperformance may be generated through growth related to sustainable products, cost savings with regard to sustainability-related innovation, and reduced operational, regulatory and reputational risks.

Through the screening process, the Manager aims to create a resilient investment universe with a low probability of tail-risk events and robust sustainability performance.

Only stocks passing these screens are eligible for inclusion in the portfolio.

Portfolio Suitability: consists of filtering out equities with low liquidity and small size in order to ensure the liquidity and tradability of the final portfolio. Eligible global companies must have a minimum market capitalization of USD 1billion, a minimum 6-month average trading volume of USD 3million, and a minimum free-float of 10%.

For Malaysian listed stocks, the minimum market capitalization is RM100 million, and the minimum 6-month average trading volume is RM300,000. This is because market capitalization for Malaysian listed stocks are comparatively smaller compared to those of developed markets.

Global Norms: The Manager excludes companies with poor relative performance on the ten principles of responsible business set out by the United Nations Global Compact (UNGC), categorized in four buckets: human rights, labor rights, environment and anti-corruption.

ESG Analysis: The Manager uses the S-Ray® ESG Score which incorporates sector-specific assessments of company performance across financially material ESG issues.

The Manager may utilise information from sources including but not limited to our strategic partner Arabesque's proprietary S-Ray® tool to determine the investment universe.

Islamic Money Market Instruments and Islamic Deposits

The Fund will also invest in Islamic money market instruments and placement of Islamic deposits with Islamic financial institutions. We will identify and select Islamic money market instruments and Islamic deposits based on the issuer's or the financial institution's ESG Score and GC Score. Please refer to "Shariah-ESG Compliant Equities" section for more information on ESG Score and GC Score.

Islamic Fixed Income Instruments

The selection of the Shariah-compliant investment will depend largely on the credit quality of the issuer to assure the relative certainty of principle payment and overall total returns stability. The Manager will also consider the following issues when considering the portfolio's investment:-

- Issuer's and/or guarantor's industry and business medium to long term outlook;
- Issuer's and/or guarantor's financials strength and gearing levels;
- Issuer's and/or guarantor's cash-flow quality and volatility;
- Issuer's and/or guarantor's expected future cash flow and ability to pay profit and principal;
- Issuer's and/or guarantor's ratings by RAM Rating Services Berhad ("RAM") or equivalent rating by other credit rating agencies;
- Profit rate sensitivity;
- Collateral type and value, and claims priority;
- Price and yield-to-maturity; and
- Issuer's and/or guarantor's ratings by RAM, Malaysian Rating Corporation Berhad (MARC), Standard & Poor's, Moody's Investors Service, Fitch Ratings Corporation or equivalent.

Investments in Islamic fixed Income Instruments will adhere to the following:-

- Shariah investment guidelines on Islamic fixed income instruments as explained in Section 5.1: Shariah Investment Guidelines.

- ESG and UNGC analysis that uses information from sources including but not limited to S-Ray® and issuer information.
- UNGC: Through S-Ray®, companies with poor performance on the UNGC principles regarding human rights, labour rights, environment and anti- corruption are excluded.
- ESG: Through S-Ray®, companies with poor performance on ESG topics are excluded. The S-Ray® methodology identifies and weighs ESG metrics based on their material (positive or negative) impact on financial performance.
- Economic analysis based on analysis on Malaysia and global economic data, central bank's decisions, yield curve movements and currency.
- Credit analysis based on analysis on industry; issuer quality including balance sheet, cash flows, profitability, debt repayment ability, financial ratios, management and business; terms and conditions of issue; rating rationale; profit rate; yield and duration. The credit analysis emphasise on the issuers' ability to repay principal and profit on a timely basis and to mitigate credit risk.
- Portfolio construction involves the Sukuk selection and weighting based on its expected return and risk.

Islamic CIS

The Fund may invest in Islamic CIS including but not limited to Islamic REITs and Islamic ETFs. The Fund's investment into Islamic CIS will be confined to only Islamic CIS with investment strategy that integrates ESG screening and sustainability analysis in its investment decision-making process.

Islamic Derivative Investments

The Fund may employ Islamic derivatives such as Islamic foreign exchange forward contracts, Islamic cross currency swaps primarily for hedging purpose.

The Fund's exposure to Islamic derivatives, if any, will be calculated based on commitment approach and is calculated as the sum of:

- (a) the absolute value of the exposure of each individual Islamic derivative not involved in the netting or hedging arrangements;
- (b) the absolute value of the net exposure of each individual Islamic derivative after netting or hedging arrangements; and
- (c) the values of cash collateral received pursuant to the reduction of exposure to counterparties of OTC Islamic derivatives.

Netting and hedging arrangements may be taken into account to reduce the Fund's exposure to Islamic derivatives.

Netting arrangements

The Fund may net positions between:

- (a) Islamic derivatives on the same underlying constituents, even if the maturity dates are different; or
- (b) Islamic derivatives and the same corresponding underlying constituents, if those underlying constituents are Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic collective investment schemes.

Hedging arrangements

The marked-to-market value of Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to Islamic derivatives.

The hedging arrangement must:

- (a) not be aimed at generating a return;
- (b) result in an overall verifiable reduction of the risk of the Fund;

- (c) offset the general and specific risks linked to the underlying constituent being hedged;
- (d) relate to the same asset class being hedged; and
- (e) be able to meet its hedging objective in all market conditions.

Calculation of Exposure to Counterparty of OTC Islamic Derivatives

The exposure to a counterparty of an OTC Islamic derivative must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC Islamic derivative.

The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC Islamic derivative transactions entered into with the same counterparty.

The usage of Islamic derivatives is permitted only for the purpose of hedging.

Portfolio Construction Methodology

The portfolio construction methodology is applied to Shariah-compliant stocks from the eligible investment universe and consists of two steps:

- I. **Portfolio Composition:** The Manager will constantly review and monitor the portfolio composition based on a top down approach and select the best prospect sector and companies to be invested. The Fund is expected to be invested in the market which may consist of a mixture of both local and global Shariah-compliant investments.
- II. **Portfolio Weights:** The portfolio is rebalanced on a need basis to preserve capital while striving to generate income for investors. Hence, its stock mix may constitute a mixture of income-oriented companies as well as dividend-yielding instruments which also may include investment into Sukuk, Islamic CIS as well as Islamic money market instruments.

The stock selection and weighting are based on a long only strategy alongside assessment of a stock's non-financial information through sustainability analysis to offer investors a safe and prudent investment style without sacrificing the fund's income potential.

Sustainable and Responsible Investment

The Fund's investment policy and strategies adopt UNGC principles and ESG factors. The Manager will not solely depend on S-Ray® standards to determine the sustainability criteria of the Fund's investments but may also based on any other sustainability standards that are available and not inconsistent with any other sustainability considerations.

The Fund will maintain at least two-thirds (2/3) of its NAV in UNGC or ESG-compliant investments at all times and the Manager will evaluate the Fund's investments on a bi-monthly basis to determine whether the Fund's investments are consistent with UNGC principles and ESG factors. If the Fund breaches the aforesaid two-thirds (2/3) asset allocation threshold, the Manager shall dispose the investment(s) as soon as practicable within three (3) months after the breach. If the Fund's investments become inconsistent with UNGC principles and ESG factors, the Manager shall dispose of the investments if the value of the investments held exceeds or is equal to the original investment cost (which may include transaction cost). Please refer to Section 3.9 of this Prospectus for further details of the investment limit of the Fund and its treatment on breach of investment limit.

On the other hand, the Fund is allowed to hold the investments if the value of the investments is below the original investment cost. It is also permissible for the Fund to retain the profit received during the holding period until such time the market value of the investments is equal to the original investment cost.

3.6 Asset allocation

Shariah-compliant equities and Shariah-compliant equity-related securities	10%-90% of NAV of the Fund
Islamic fixed income instruments, Islamic money market instruments and Islamic deposits	10%-90% of NAV of the Fund

The Manager will also maintain a sufficient level of cash or cash equivalent for liquidity purpose.

3.7 Performance Benchmark

50% 12-month Term Deposit-i Tawarruq of Bank Islam Malaysia Berhad + 50% FTSE Bursa Malaysia Emas Shariah Index.

This benchmark is selected as it reflects the Fund's investments into the various asset classes that may range between 10% to 90% of the Fund's NAV through tactical approach.

Note: The benchmark is only as a reference for investment comparison purpose. The risk profile of the Fund is not the risk profile of this benchmark.

Source: <https://www.bankislam.com/personal-banking/deposit-and-investments/deposit-account/term-deposit-i-tawarruq/> and <https://www.ftserussell.com/products/indices/bursa-malaysia>

3.8 Permitted investment

The Fund may invest in the following:

- Shariah-compliant equity, Shariah-compliant equity-related securities and Shariah-compliant equity linked instruments such as rights, warrants and Shariah-compliant securities going for listing;
- Islamic collective investment schemes;
- Sukuk;
- Islamic liquid assets which include Islamic money market instruments and Islamic deposits;
- Islamic derivatives for currency hedging purpose;
- Any other form of Shariah-compliant investment as may be determined by the Manager from time to time that is in line with the Fund's objective.

3.9 Investment Restrictions and Limits

• Exposure Limit

The aggregate value of the Fund's investment in unlisted Shariah-compliant securities must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.

• Spread of Investments on Single Issuer

- a) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- b) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer ("single issuer limit") must not exceed 15% of the Fund's NAV. In determining the single issuer limit, the value of the Fund's investment in instruments in the first bullet point stated under "Exposure Limit" issued by the same issuer must be included in the calculation.
- c) The value of the Fund's placement in Islamic deposits with any single financial institution must not exceed 20% of the Fund's NAV. This single financial institution limit does not apply to placements of Islamic deposits arising from:
 - (i) subscription monies received prior to the commencement of investment by the Fund;
 - (ii) liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various financial institutions would not be in the best interests of Unit Holders; or
 - (iii) monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various financial institutions would not be in the best interest of Unit Holder.
- d) Investments in Islamic derivatives:

- (i) The Fund's exposure from its Islamic derivatives position should not exceed the Fund's NAV at all times; and
 - (ii) For investments in OTC Islamic derivatives, the counterparty of an OTC Islamic derivative must be a financial institution that has a minimum credit rating of investment grade (including gradation and subcategories). The maximum exposure of the Fund to the counterparty, calculated based on the method prescribed in the Guidelines must not exceed 10% of the Fund's NAV.
- e) The aggregate value of the Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, underlying assets of Islamic derivatives and counterparty exposures arising from the use of OTC Islamic derivatives must not exceed 25% of the Fund's NAV. In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in the first bullet point stated under "Exposure Limit" issued by the same issuer must be included in the calculation.

• Spread of Investments on Groups of Companies

The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in the first bullet point stated under "Exposure Limit" issued by the issuers within the same group of companies must be included in the calculation.

• Concentration of Investments

- a) The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by any single issuer.
- b) The Fund's investments in Sukuk must not exceed 20% of the Sukuk issued by any single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition, the gross amount of Sukuk in issue cannot be determined.
- c) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limitation will not apply to Islamic money market instruments that do not have a pre-determined issue size.

• Islamic Collective Investment Schemes

- a) The value of the Fund's investments in units or shares of an Islamic CIS must not exceed 20% of the Fund's NAV, provided that the Islamic CIS complies with the requirements of the Guidelines.
- b) The value of the Fund's investments in units or shares of an Islamic CIS that invests in real estate pursuant to paragraph 6.11(c) of the Guidelines must not exceed 15% of the Fund's NAV.
- c) The Fund's investments in Islamic CIS must not exceed 25% of the units or shares in the Islamic CIS.
- d) Where the Fund invests in Islamic CIS operated by the Manager, the Manager will ensure that:
 - i. there is no cross-holding between the Fund and the target Islamic CIS;
 - ii. all initial charges on the target Islamic CIS is waived; and
 - iii. the management fee must only be charged once, either at the Fund or the target Islamic CIS.

The investment restrictions and limits mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. The Manager will notify the SC within seven (7) Business Days of: (i) any breach of investment limits and restrictions stated above; (ii) where the Fund breaches the two-thirds (2/3) asset allocation threshold in UNGC or ESG-compliant investments; or (iii) if the Fund's investments become inconsistent with its investment policy and strategies, with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of any appreciation or depreciation in the value of the Fund's investments or repurchase of Units or payment made out of the Fund, change in capital of a corporation in which the Fund has invested in or downgrade in or cessation of a credit rating, need not be reported to the SC and must be rectified as soon as practicable within three (3) months from the date of the breach. The three (3) months period may be extended if it is in the best interests of Unit Holders and the Trustee's consent is obtained. Such extension will be subject to a monthly review by the Trustee.

3.10 Income Distribution Policy

Subject to availability of income, income distribution will be made monthly.

The income of the Fund is computed based on the net realized income of the Fund at each month end. 50% of the Fund's monthly income distribution, if any, will be disbursed as Wakaf Asset. In the case where there is no net realized income for a particular month, no Wakaf Asset will be disbursed accordingly.

For the above purpose, by investing in the Fund, Unit Holder agrees to appoint AIBIM (or any other institution or organisations as nominated by the Manager in accordance with the SC Guidelines) to distribute the Wakaf Asset to identified Wakaf projects under myWakaf initiative.

Please refer to **Section 9 – Wakaf Asset Distribution Mechanism** for detailed of Wakaf Asset disbursement.

The balance of 50% income distribution, if any, that is due to the investors will be reinvested into Unit Holder investment account in the form of additional Units. Please refer to **Section 3.11 Mode of Income Distribution** for details.

3.11 Mode of Income Distribution

Distribution of income to Unit Holders, if any, will be based on total Units held by the Unit Holder on entitlement date via reinvestment of Units. The income distributed will be reinvested automatically into Unit Holder's investment account in the form of additional Units at no cost, based on the NAV per Unit at the end of the Business Day of the income declaration date (ex distribution date).

3.12 Valuation of Assets

Valuation of the Fund will be carried out by the Manager in a fair manner in accordance with the Deed and the Guidelines. The valuation bases for the permitted Shariah-compliant investments of the Fund are as below:

- a. For listed Shariah-compliant equities, valuation shall be based on the last done market price quoted by the respective stock exchanges on the relevant date. However, if –
 - i. A valuation based on the market price does not represent the fair value of the Shariah-compliant equities, for example during abnormal market conditions; or
 - ii. No market price is available, including in the event of a suspension in the quotation of the Shariah-compliant equities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, then the Shariah-compliant equities should be valued at fair value, as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.
- b. For unlisted Shariah-compliant equities, valuations shall be based on fair value as determined in good faith by the Manager on methods which have been agreed by the Trustee and verified by the auditor of the Funds.
- c. The value of any Islamic deposits placed with financial institutions shall be determined each day by reference to the nominal value of such authorized investments and the accrued income thereon for the relevant period.
- d. For Islamic money market instruments, valuation shall be done on daily basis by reference to the principal value of such investments as provided by the financial institution that issues the instrument and verified by the Manager.
- e. Investment in Sukuk will be valued on a daily basis by reference to the fair value prices quoted by a BPA registered with the SC. Where no such quotation is available, it will be valued on a weekly basis or as and when appropriate, by reference to average indicative yield quoted by three reputable financial institutions in over-the-counter markets at the close of trading. These institutions include investment banks and commercial banks dealing in Sukuk.
- f. Islamic collective investment schemes which are quoted on any stock exchange shall be valued in the same manner as listed Shariah-compliant securities described above. For unlisted Islamic collective investment schemes, the value shall be determined by reference to the last published repurchase price.

3.13 Valuation Point for the Fund

Valuation of the Fund is carried out at the end of each Business Day ("T" Day). As Forward Pricing method is used for this Fund, any request received on or before 4.00 p.m. (Malaysia time) on any Business Day, will be processed based on the NAV per Unit at the end of that Business Day which will be computed on T+1.

For any request received after 4.00 p.m. (Malaysia time) on any Business Day, the request will be processed based on the NAV per Unit at the end of the next business day which will be computed on T+2.

All foreign assets will be translated into the Base Currency and any currency translation involved for NAV computation will be based on bid foreign exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11.00 p.m. or 12.00 a.m. midnight (Malaysia time) on the same day, or such time stipulated in the investment management standards issued by FIMM.

3.14 Policy on Gearing and Minimum Liquid Assets Requirements

The Fund is not permitted to obtain/borrow cash or other assets (including the borrowing of Shariah-compliant securities within the meaning of the Securities Borrowing and Lending Guidelines) in connection with its activities. However, the Fund may obtain Islamic financing for the purpose of meeting redemption requests for Units and for short term bridging requirement are subject to the following:-

- i. The Fund's financing is only on a temporary basis and that financings are not persistent;
- ii. The financing period shall not exceed one (1) month;
- iii. The aggregate financings of the Fund shall not exceed 10% of the Fund's NAV at the time the financing is incurred; and
- iv. The Fund may only obtain Islamic financing from financial institutions.

Except to the extent permitted by the Securities Borrowing and Lending Guidelines, none of the assets of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

3.15 Denomination of the Fund

The transaction for the Fund in this Prospectus is denominated in RM as it is the base currency for the Fund. The Manager may create new Class(es) of Units in respect of the Fund in the future. Unit Holders will be notified of any issuance of new Class(es) of Units through communication in writing and issuance of a supplemental or replacement prospectus.

4. RISKS FACTORS

4.1. General Risks of Investing in the Fund

The Fund is exposed to the following general risks:

- **Market Risk**

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.

- **Performance Risk**

The performance of the Fund depends on the financial instruments that the Fund invest. If the instruments do not perform within expectation or if there is a default, then the performance of the Fund will be impacted negatively. The performance of the Fund may also be impacted if the allocation of assets is not properly done. On that basis, there is never a guarantee that investing in the Fund will produce the desired investment returns.

- **Financing Risk**

This risk occurs when investors take a financing to finance their investment. The inherent risk of investing with financed money includes the inability for investors to service the financing payments. In the event Units are used as collateral, an investor may be required to top-up the collateral if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower value towards settling the financing.

Investors should assess the inherent risk with financing which should include the following:-

- a. the ability to service the financing payments and effect of increase in profit rates on financing payments; and
- b. the ability to provide additional collateral should unit trust prices fall below a certain level.

The Manager discourages the practice of financing in the purchase of unit trust funds.

- **Manager's Risk**

This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

To mitigate the risk, the Manager practices the following:

- a. Strict adherence to the Fund's investment objective, policies and strategies as stated in this Prospectus and Deed.
- b. Internal controls and compliance monitoring is in place to mitigate the risk. Periodical compliance reporting to the management committee, investment committee, Shariah Adviser, board audit and risk committee and the board of directors;
- c. Regular review on its internal policies, system capabilities and maintain strict segregation of duties in mitigating this risk.

- **Shariah Non-Compliance Risk**

This risk refers to the risk that the Fund not conforming to Shariah guidelines. The Manager (as advised by the Shariah Adviser) would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah guidelines.

Any Shariah non-compliant investment made by the Fund due to error of the administration shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. Any gain resulting from the said disposal shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser whilst any loss is to be borne by the Manager.

- **Liquidity Risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavorable prices.

4.2 Specific Risks Associated with Investing in the Fund

In addition, there are also specific risks associated with the Fund that need to be considered.

- **Stock Specific Risk**

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV. This risk may be mitigated through stringent stock selection process.

- **Country Risk**

Investments of the Fund in any countries may be affected by changes in the country's economic, social and political stability, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of Units to fall.

Proper asset allocation, portfolio diversification and liquidity management are among the methods that will be adopted by the Manager to manage this risk. The Fund will also adhere to the permitted investments and the investment restrictions and limits of the Fund to mitigate this risk.

- **Currency Risk**

As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa.

Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

- a. Currency risk at the Fund's portfolio level. The impact of the exchange rate movement between the Base Currency and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the Base Currency; and
- b. Currency risk at the Class level. The impact of the exchange rate movement between the Base Currency and the currency of the respective Classes may result in a depreciation of the investor's holdings as expressed in the Base Currency.

The Manager may employ hedging strategies which would minimise the impact of the exchange rate movement, however the Fund would not benefit from any potential upside if currencies move in the opposite direction of the hedging strategy.

- **Hedging Risk**

The Manager may use Islamic derivatives to hedge the Fund's portfolio from certain anticipated losses such as those resulting from unfavourable exchange rate. Once hedged, the Fund cannot take full advantage of favourable exchange rate. If the exposure which the Fund is hedging against results in a gain, the act of hedging would have typically reduced the potential of favourable exchange rate. On the other hand, if the exposure which the Fund is hedging against results in a loss, the act of hedging would have reduced the loss, if successfully hedged.

- **OTC Counterparty Risk**

OTC counterparty risk is the risk associated with the other party to an OTC Islamic derivative transaction not meeting its obligations. If the counterparty to the OTC Islamic derivative transaction is unable to meet or otherwise defaults on its obligations (for example, due to bankruptcy or other financial difficulties), the Fund may be exposed to significant losses greater than the cost of the Islamic derivatives. The risk of default of a counterparty is directly linked to the creditworthiness of that counterparty. Should there be a downgrade in the credit rating of the OTC Islamic derivatives' counterparty, the Manager will evaluate the situation and reassess the creditworthiness of the counterparty. The Manager will take the necessary steps in the best interest of the Fund.

- **Political Risk**

Political instability that arises from disruption of economic activity and social unrest may directly or indirectly impact the Fund's investment in a particular country. A change in government or government policies with regards to its capital market regulations may affect the Fund's financial position, possibly causing the Fund to liquidate its position at a less ideal price or below investment cost. Government policies may not have the same approach in perpetuity.

The Manager conducts market analysis to mitigate this risk. Proper asset allocation, portfolio diversification and liquidity management are among the methods that will be adopted by the Manager to manage this risk.

- **Regulatory Risk**

The Fund's investments are exposed to laws and regulations in the respective countries they invested in. Regulatory changes in these countries may pose a risk to the Fund as it may materially impact the Fund's investments. The Manager will continuously keep abreast with the regulatory developments in each respective country in mitigating such risk.

- **Tactical Asset Allocation Risk**

The Fund may execute a tactical asset allocation strategy by shifting asset classes depending on the prevailing market conditions. The Manager's investment decision may adversely affect the Fund's performance given the assessment of the Manager are not in-line with the respective market performance. The Manager will assess the volatility of the market on daily basis to decide on the tactical asset allocation to minimise this risk.

- **Shariah-Compliant Warrant Risk**

The Fund may hold warrants derived from corporate action and the value of warrants is influenced by the current market price of the underlying security, the exercise price of the warrant, the time to expiration of the warrant and the estimate of the future volatility of the underlying securities price over the life of the warrant. Particularly, risk factor related to warrants encompass value decay over time as the warrant approaches its due date especially in the event that the warrants are held and not exercised.

The Manager will employ a thorough security analysis to decide trading action on any warrants held. Proper asset allocation, portfolio diversification and liquidity management are among the methods that will be adopted by the Manager to manage this risk.

- **Islamic REITs Risk**

Investing in Islamic REITs involves many of the same risks associated with direct ownership of real estate, including but not limited to possible declines in real estate's value, increase in profit rates and real estate borrowing costs, changes in property taxes, higher operating expenses, and damages from natural or man-made disasters and fall in market rental rates. Any adverse price movements of such Islamic REITs will adversely affect the Fund's NAV. The Manager conducts security analysis to mitigate this risk. Proper asset allocation, portfolio diversification and liquidity management among the methods that will be adopted by the Manager to manage this risk.

- **Credit and default risk**

The risk arises when the issuer of a Sukuk or Islamic money market instrument is unable to service any periodic obligations, e.g. profit payments and/or pay the principal amount when due. In such cases, investors will suffer significant losses. This risk can be mitigated by credit analysis conducted by the Manager to determine the issuer's ability to service promised payments.

- **Rate of Return**

Rate of return risk refers to the impact of the rate of return changes on the valuation of Sukuk. When rate of return rises, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. The reverse may apply when rate of return falls. In order to mitigate rate of return risk, the Manager will need to manage the Sukuk portfolio taking into account the profit rate and time to maturity of the Sukuk.

- **Profit Rate Risk**

Changes in the level of general profit rates may cause prices of Islamic money market instrument to change inversely. The Manager manages profit rate risk of Islamic money market instruments by considering their sensitivity to profit rate changes as measured by its duration.

- **Related Party Transaction Risk**

The Fund may invest in Islamic CIS managed by the Manager and may also have dealings with parties related to the Manager. It is the Manager's policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favorable to the Fund than an arms-length transaction between independent parties.

- **Counterparty Risk**

This risk refers to the risks that any licensed financial institutions that the Fund may deal with, under certain circumstances, fail to perform their obligations when due. This will result in the Fund to experience significant losses. This risk may be mitigated by the Manager through conducting credit evaluation on the counterparty to ascertain the creditworthiness of the counterparty.

- **Islamic CIS Risk**

Any adverse movement on the Islamic CIS which the Fund is investing in will impact the NAV of the Fund. For example, the Islamic CIS may underperform its benchmarks due to poor market conditions and as a result, the NAV of the Fund will be adversely affected. The Manager conducts security analysis to mitigate this risk. Proper asset allocation, portfolio diversification and liquidity management are among the methods that will be adopted by the Manager to manage this risk.

- **Shariah-Compliant Equity-related Securities Risk**

The Fund may hold Shariah-compliant warrants derived from corporate action and the value of Shariah-compliant warrants is influenced by the current market price of the underlying security, the exercise price of the Shariah-compliant warrant, the time to expiration of the Shariah-compliant warrant and the estimate of the future volatility of the underlying securities price over the life of the Shariah-compliant warrant. Particularly, risk factor related to Shariah-compliant warrants encompass value decay over time as the Shariah-compliant warrant approaches its due date especially in the event that the Shariah-compliant warrants are held and not exercised.

The Manager will employ a thorough security analysis to decide trading action on any Shariah-compliant warrants held. Proper asset allocation, portfolio diversification and liquidity management are among the methods that will be adopted by the Manager to manage this risk.

- **SRI Investments Risk**

This is the risk that the Manager may not correctly apply the relevant criteria resulting out of the ESG analysis or that the Fund may have indirect exposure to investments which do not meet the relevant criteria (based on UNGC principles and ESG factors). This may result in potential losses to the Fund in the event that such investments are disposed at unfavourable prices due to the violation of the investment policy and strategies of the UNGC principles and ESG factors. If the Fund's investments become inconsistent with its investment policy and strategies of UNGC principles and ESG factors, the Manager shall deal with the investment(s) in accordance with Section 3.5 of this Prospectus.

- **Sustainability Risk**

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and potentially a total loss of its value and therefore an impact on the net asset value of the Fund. The fund manager's objective is making sustainable investments and/or have environmental and/or social characteristics, which can be achieved by applying sustainability criteria to the selection of investments.

The Manager will evaluate the Fund's investments on a bi-monthly basis to determine whether the Fund's investments are consistent with UNGC principles and ESG factors. If the Fund's investments become inconsistent with UNGC principles and ESG factors, the Manager shall dispose of the investments if the value of the investments held exceeds or is equal to the original investment cost (which may include transaction cost).

On the other hand, the Fund is allowed to hold the investments for up to three (3) months* if the value of the investments is below the original investment cost. It is also permissible for the Fund to retain the profit received during the holding period until such time the market value of the investments is equal to the original investment cost.

**The three (3) months period may be extended if it is in the best interests of Unit Holders and the Trustee's consent is obtained. Such extension will be subject to a monthly review by the Trustee.*

- **Shariah Status Reclassification Risk**

This risk refers to the risk of a possibility that the currently held Shariah compliant equities or Islamic collective investment schemes or Islamic deposits or Islamic money market instruments invested by the Fund may be reclassified or declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such investments. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the said investments.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk. The investment of the Fund carries risks and investors are recommended to read the whole Prospectus to assess the risks of the Fund.

Investors are reminded that the above list of risks may not be exhaustive and if necessary, investors should consult their adviser(s), e.g. bankers, lawyers, stockbrokers for a better understanding of the risks.

4.3. Risk Management

The Manager has in place proper risk management structures including:

- i. strict adherence to the Fund's investment objective, policies and strategies as stated in the Prospectus, Deed and the Guidelines. The Trustee will provide oversight function to the Manager in relation to the Fund's investment objective, policies and strategies as stated in the Prospectus, Deed and the Guidelines;
- ii. reviewing and reporting compliance matters to the investment committee members of the Manager and to the management. The Manager's designated compliance officer will review and report compliance matters to the investment committee members, the senior management of the Manager, the Shariah Adviser and the board of directors;
- iii. practicing prudent liquidity management in a timely and cost effective manner; and
- iv. reduce/mitigate the risk associated with the Fund by imposing internal controls, compliance monitoring, and by virtue of its experience, skills and diligence.

4.4. Liquidity Risk Management

To mitigate the liquidity risk, the Manager will employ prudent liquidity management such as maintaining reasonable levels of liquidity to meet any redemption requests complemented by a temporary defensive strategy should adverse conditions prevail. The Manager will apply liquidity risk management tools which include liquidity stress test to assess the Fund's viability to meet expected and unexpected redemption requests under adverse scenarios.

As a last resort after exhausting all other liquidity risk management tools, the Manager may, in consultation with the Trustee and having considered the best interests of Unit Holders, subject repurchase requests by Unit Holder to suspension, due to exceptional circumstances, in an effort to further curtail the liquidity risk experienced by the Fund.

Please refer to Section 7.13 Suspension of Sale and Redemption of Units for further details.

5. SHARIAH INVESTMENT GUIDELINES, CLEANSING PROCESS AND ZAKAT FOR THE FUND

5.1 Shariah Investment Guidelines

The following guidelines are adopted by the Shariah Adviser in determining the Shariah status of investments of the Fund.

- The Fund must at all times and all stages of its operation comply with Shariah requirements as resolved by the SAC of the SC or in cases where no specific rulings are made by the SAC of the SC, the decisions of the Shariah Adviser or the approved Shariah Supervisory Boards of relevant Islamic indices.
- The Fund must be established and operated by the Manager, and finally redeemed by the investors on the basis of contracts which are acceptable in Shariah. The banking facilities and short-term money market instruments used for the Fund have to be Shariah-compliant. Similarly, all the other investment instruments must be Shariah-compliant.
- For Shariah-compliant securities listed on Bursa Malaysia, the Fund's investments must be strictly confined to those Shariah-compliant securities on the List of Shariah-Compliant Securities by the SAC of the SC.
- For Islamic money market instruments, sukuk and Islamic deposits, they shall be based on the data readily available on BNM, the SC and the financial institutions' websites respectively.
- The SAC of the SC has adopted a standard methodology to determine the Shariah compliance for the securities of companies listed on Bursa Malaysia. This methodology takes into consideration both the quantitative and qualitative aspects of the listed companies.

(a) Quantitative Analysis

The quantitative part is a two-tier benchmark applied to the business activities of the companies and to the financial ratios of the companies. The business activity benchmarks consist of a 5% benchmark and a 20% benchmark.

(i) Business activity benchmarks

For the business activity benchmarks, the revenue or income contribution of Shariah non-compliant business activities to the group revenue or group profit before taxation of the listed companies will be computed and compared against the relevant business activity benchmarks, and must be less than the 5% or the 20% benchmarks.

The 5% benchmark would be applicable to the following business activities:

- Conventional banking and lending;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;
- Shariah non-compliant entertainment;
- Interest income¹ from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitration);
- Dividends¹ from Shariah non-compliant investments;
- Tobacco and tobacco-related activities; and
- Other activities deemed non-compliant according to Shariah principles as determined by the SAC of the SC.

¹Interest income and dividends from Shariah non-compliant investments will be compared against the group revenue. However, if the main activity of the company is holding of investment, the dividends from Shariah non-compliant investments will be compared against the group revenue and group profit before taxation.

The 20% benchmark would be applicable to the following activities:

- Share trading in Shariah non-compliant securities;

- Stockbroking business other than Islamic stockbroking company;
- Rental received from Shariah non-compliant activities; and
- Other activities deemed non-compliant according to Shariah principles as determined by the SAC of the SC.

(ii) Financial Ratio Benchmarks

In addition, the financial ratios for cash in conventional accounts and instruments as well as interest bearing debts over the total assets of the listed companies are also considered in the analysis carried out by the SAC of the SC to determine their Shariah compliance status.

The financial ratios applied are as follows:

- Ratio of cash over total assets
Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.
- Ratio of debt over total assets
Debt will only include interest-bearing debt whereas Islamic financing or sukuk will be excluded from the calculation.

Both benchmark ratios, which are intended to measure *riba* and *riba*-based elements within a company's balance sheet, must be less than 33%.

(b) Qualitative analysis:

As for qualitative aspect of the Shariah compliance analysis, an additional criterion will be considered namely the public perception or image of the listed company which must be acceptable from the Shariah perspective.

- The SAC of the SC had considered the following criteria for a Special Purpose Acquisition Company to be classified as Shariah-compliant:
 - ❖ The proposed business activity should be Shariah-compliant;
 - ❖ The entire proceeds raised from the initial public offering should be placed in Islamic accounts; and
 - ❖ In the event that the proceeds are invested, the entire investment should be Shariah-compliant.
- Shariah-compliant securities include Shariah-compliant ordinary shares and Shariah-compliant warrants (issued by the companies themselves). This means that warrants are classified as Shariah-compliant securities provided the underlying shares are also Shariah-compliant. On the other hand, loan stocks and bonds are Shariah non-compliant securities unless they are structured based on SAC of the SC's approved Shariah rulings, concepts and principles.
- For investment in foreign equities, the Fund is only allowed to invest in Shariah-compliant equities which are on the approved lists by the Shariah Adviser. In the event of reclassification of foreign Shariah-compliant equities to be Shariah non-compliant, the Fund is to abide by the rules as laid down by the SAC of the SC and by this Shariah Investment Guidelines. In the event that the Fund wishes to invest in foreign equities not covered by the approved lists by the Shariah Adviser, the Manager must submit to the Shariah Adviser the latest information pertaining to the issuer's business activities, its complete financial statements and other related information to enable the Shariah Adviser to carry out Shariah screening. The Shariah Adviser applies the screening methodology of the SAC of the SC in this Shariah screening.
- For investments in unlisted Shariah-compliant equities, the Shariah Adviser also applies the screening methodology of the SAC of the SC in its Shariah screening. As such, the Manager must submit to the Shariah Adviser the latest information pertaining to the issuer's business activities, its complete financial statements and other related information to enable the Shariah Adviser to carry out the Shariah screening.
- For investments in Islamic collective investment schemes, the Manager must submit to the Shariah Adviser all pertinent information including the prospectuses, its structures, investment avenues, Shariah investment guidelines, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the Islamic collective investment schemes, for the Shariah Adviser to confirm the Shariah status of the said Islamic collective investment schemes.

- The Fund may only use derivatives for hedging purposes. Such derivatives must be Islamic derivatives. However, if Islamic derivatives are not available or are not commercially viable, the Fund may use conventional derivatives subject to prior approval from the Shariah Adviser being obtained.
- The decision of the Shariah Adviser shall be final.
- To facilitate the purchase and sale of foreign Shariah-compliant securities and Shariah-compliant investment instruments, there may be a need to have cash placement in a conventional bank account outside Malaysia. In such circumstances, the conventional account should be non-interest bearing and the sole purpose is only to facilitate purchase and sale of foreign securities and investment instruments. In the event that such a non-interest bearing account is unavailable, all interests earned shall be cleansed and that shall be undertaken annually if not earlier.

5.2 Cleansing Process for the Fund

(a) Wrong Investment

(i) Investment in Shariah non-compliant equity securities

The said investment shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. In the event that the investment resulted in any gain in the form of capital gain or dividend before or after the disposal of the investment, it has to be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process (namely, channelling of income from wrongful investment to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser) shall be carried out within two (2) calendar months from the said disposal or withdrawal date. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

(ii) Investment in other Shariah non-compliant instruments (namely, bonds or money market instruments or deposits or collective investment schemes)

The said investment shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. In the event that the investment resulted in Shariah non-compliant income received before or after the disposal of the investment, it has to be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Fund has a right to retain only the investment cost. The Shariah Adviser advises that this cleansing process (namely, channelling of income from wrongful investment to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser) shall be carried out within two (2) calendar months from the said disposal or withdrawal date. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

(b) Reclassification of Shariah Status of the Fund's Investments

(i) Shariah-compliant equity securities

Reclassification of Shariah status refers to securities which were earlier classified as Shariah-compliant securities but due to failure to meet the set benchmark criteria, are subsequently reclassified as Shariah non-compliant by the SAC of the SC, the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. If on the reclassification effective date, the value of the securities held exceeds or is equal to the investment cost, the Fund which holds such Shariah non-compliant securities must liquidate them. To determine the time frame to liquidate such securities, the Shariah Adviser advises that such securities should be disposed of within one (1) calendar month of reclassification.

Any dividends received up to the reclassification effective date and capital gains arising from the disposal of the said reclassified Shariah non-compliant securities made with respect to the closing price on the reclassification effective date can be kept by the Fund. However, any dividends received and excess capital gain derived from the disposal after the reclassification effective date at a market price that is higher than the closing price on the reclassification effective date shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within two (2) calendar months from the above disposal date.

The Fund is allowed to hold the Shariah non-compliant securities if the market price of the said securities is below the investment cost. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of the dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the Fund is advised to dispose of their holdings. In addition, during the holding period, the Fund is allowed to subscribe to:

- any issue of new securities by a company whose Shariah non-compliant securities are held by the Fund such as rights issues, bonus issues, special issues and warrants [excluding securities whose nature is Shariah non-compliant such as irredeemable convertible unsecured loan stock (ICULS)]; and
- securities of other companies offered by the company whose Shariah non-compliant securities are held by the Fund,

on conditions that the Fund expedites the disposal of the Shariah non-compliant securities. For securities of other companies [as stated in the second bullet above], they must be Shariah-compliant securities.

(ii) Sukuk or Islamic money market instruments or Islamic deposits or Islamic collective investment schemes

This refers to the instruments which were earlier classified as sukuk or Islamic money market instruments or Islamic deposits or Islamic collective investment schemes but due to certain factors such as changes in the issuers' business direction and policy or failure to carry out proper Shariah contracts' transactions, which render the instruments Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such bonds or money market instruments or deposits or collective investment schemes.

If on the reclassification effective date, the value of the Shariah non-compliant instruments held exceeds or is equal to the investment cost, the Fund which holds such Shariah non-compliant instruments must liquidate them. To determine the time frame to liquidate such instruments, the Shariah Adviser advises that such reclassified Shariah non-compliant instruments should be disposed of within one (1) calendar month of reclassification.

Any income received up to the reclassification effective date and capital gains arising from the disposal of the said reclassified Shariah non-compliant instruments made on the reclassification effective date can be kept by the Fund.

However, any income received and excess capital gain derived from the disposal after the reclassification effective date at a price that is higher than the price on the reclassification effective date shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within two (2) calendar months from the above disposal date.

5.3 Zakat for the Fund

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

THE SHARIAH ADVISER CONFIRMS THAT THE INVESTMENT PORTFOLIO OF THE FUND COMPRISES INSTRUMENTS WHICH HAVE BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC AND, WHERE APPLICABLE BY THE SAC OF BNM OR BY THE SHARIAH SUPERVISORY BOARDS OF RELEVANT ISLAMIC INDICES. AS FOR THE INSTRUMENTS WHICH HAVE NOT BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC AND, WHERE APPLICABLE BY THE SAC OF BNM NOR BY THE SHARIAH SUPERVISORY BOARDS OF RELEVANT ISLAMIC INDICES, THE SHARIAH STATUS OF THE INSTRUMENTS HAS BEEN REVIEWED AND DETERMINED IN ACCORDANCE WITH THE RULING ISSUED BY THE SHARIAH ADVISER.

6. FEES, CHARGES AND EXPENSES

There are charges and fees directly incurred when investor purchases or redeems Units of the Fund. Investors are advised to consider the charges and fees before investing in the Fund.

6.1 Charges Directly Incurred

This table describes the charges that you may directly incur when you purchase or redeem Units.

Sales Charge	Up to 5% of the NAV per Unit. The sales charge is applicable to all Classes of Units. The Manager may at its discretion charge a lower sale charge based on the size of investment and/or other criterion as may be determined from time to time. Please refer to Section 7.2 for illustration on computation of sales charge.				
Redemption Charge	The Manager will NOT impose any redemption charge on any redemption.				
Transfer Fee	Nil.				
Switching Fee	<p>A switching fee may be imposed by the Manager as follows:-</p> <table><tr><td>a. 1st Time</td><td>Nil</td></tr><tr><td>b. 2nd Time onwards</td><td>RM 25 per transaction</td></tr></table> <p>The switching fee is applicable within the same type of asset class and same currency within funds managed by the Manager. Cross currency switching is not allowed. Please refer to Section 7.4 for details.</p>	a. 1st Time	Nil	b. 2nd Time onwards	RM 25 per transaction
a. 1st Time	Nil				
b. 2nd Time onwards	RM 25 per transaction				

***Note: The above fees and charges are exclusive of taxes and/or duties imposed by law or required to be paid in connection with the products or services provided by the Manager and/or the Trustee.**

6.2 Fees Indirectly Incurred

The following are fees that investors may indirectly incur when you invest in the Fund.

6.2.1 Annual Management Fee

Management Fee	Up to 1.80% per annum of the NAV of the Fund.
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The management fee is calculated and accrued on a daily basis, payable monthly to the Manager.

Note:

The amount of management fee is applicable to all Classes of Units based on the multi-class ratio. For illustration, please refer to a table disclosed in **Section 7.1**.

6.2.2 Annual Trustee Fee

Trustee Fee	Up to 0.025% per annum of the NAV of the Fund subject to a minimum fee of RM12,000.00 per annum or its equivalent in the Base Currency (excluding foreign custodian fees and charges).
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In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties.

The trustee fee is accrued daily and payable monthly.

*Note: The amount of trustee fee is applicable to all Classes of Units based on the multi-class ratio. For illustration, please refer to a table disclosed in **Section 7.1**.*

6.2.3 Administrative Fees

These include (but are not limited to) the following:

- i. cost of printing of semi-annual and annual reports for the Fund;
- ii. commissions or fees paid to brokers or dealers in effecting dealings in the Assets of the Fund, shown on the contract notes or confirmation notes;
- iii. where the custodian function is delegated by the Trustee, charges and fees paid to foreign sub-custodians taking into custody of any foreign assets of the Fund;
- iv. taxes and other duties charged on the Fund by the government and other authorities;
- v. costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- vi. fees for the valuation of any investment of the Fund;
- vii. 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;
- viii. 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;
- ix. costs, commissions, fees and expenses of the sale, purchase and any other dealing of any asset of the Fund;
- x. costs, fees and expenses incurred in the preparation of tax returns of the Fund;
- xi. any tax and/or other indirect tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and
- xii. other related Fund's administrative expenses as permitted by the Deed.

*Note: Any administrative expenses are applicable to all Classes of Units based on the multi-class ratio. For illustration, please refer to a table disclosed in **Section 7.1**.*

6.2.4 Other Fee

Any applicable bank charges for transmitting (via telegraphic transfer) the cash income distribution from the Fund's distribution's account to Unit Holder's bank account (if any) incurred as a result of purchasing or withdrawal of Units will be borne by the Unit Holder.

6.3 Policy on Rebates and Soft Commission

Any rebate or soft commission shall be directed to the Fund concerned. Soft commissions may be retained by the Manager or the fund manager if:

- (a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and

- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

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

The fees, charges and expenses quoted in this Prospectus are exclusive of taxes and/or duties imposed by law or required to be paid in connection with the products or services provided by the Manager and/or the Trustee. The fees and charges are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

Unit prices and distributions payable, if any, may go down as well as up. Investors should read and understand the contents of this Prospectus and, if necessary, should consult their adviser(s).

7. TRANSACTION INFORMATION

7.1 Determination of Prices

7.1.1 Computation of NAV and NAV per Unit

The base currency of the Fund is RM.

Units are offered in USD Class, RM Class and AUD Class, but the underlying assets of each Unit of the different Classes of Units will have the same value as they have the same investment portfolio of securities and share the same investment objective.

Under this section, please note the following definition:

- Multi class ratio or “MCR” is apportioned based on the size of the Class relative to the Fund. This means the MCR is calculated by taking the value of a Class before income and expenses for a particular day and dividing it with the value of the Fund before income and expenses for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

Example:

NAV of the Class	X 100
Total NAV before income & expenses for the Day	

RM Class	USD Class	AUD Class
RM5,000.00 x 100	RM20,573.00 x 100	RM14,409.00 x 100
RM39,982.00	RM39,982.00	RM39,982.00
= 12.50%	= 51.46%	= 36.04%

For illustration purposes, following are examples of the computation of NAV and NAV per unit for a particular day:-

	Fund (RM)	RM Class (RM)	USD Class (RM)	AUD Class (RM)
Initial Offer Price		RM0.25	USD0.25	AUD0.25
Assumption of exchange rate			4.1146	2.8818
Initial investment		RM5,000	USD5,000	AUD5,000
Opening NAV	39,982.00	5,000.00	20,573.00	14,409.00
Add: Creation	-	-	-	-
	<u>39,982.00</u>	<u>5,000.00</u>	<u>20,573.00</u>	<u>14,409.00</u>
Opening UIC (Units)		20,000.00	20,000.00	20,000.00
Multi-class ratio	100.00%	12.50%	51.46%	36.04%
Add: Income	2,000.00	250.00	1,029.20	720.80
Less: Fund expenses	<u>(1,000.00)</u>	<u>(125.00)</u>	<u>(514.60)</u>	<u>(360.40)</u>
NAV of the Fund (before deduction of management fee and trustee fee)	40,982.00	5,125.00	21,087.60	14,769.40
Less:				
Management fee (1.80%)	(2.02)	(0.25)	(1.04)	(0.73)
Trustee fee (0.025%)	<u>(0.03)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>
NAV of the Fund	<u>40,979.95</u>	<u>5,124.74</u>	<u>21,086.55</u>	<u>14,768.66</u>
Closing UIC (Units)		20,000.00	20,000.00	20,000.00
NAV per unit * (in RM)		0.2562	1.0543	0.7384
NAV per unit * (in respective classes currency)		0.2562	0.2562	0.2562

7.1.2 Policy on Rounding Adjustment

The NAV per Unit of the Fund is rounded to four (4) decimal places. When you invest in the Fund, the investment amount payable by you will be rounded to two (2) decimal places. The Manager will allocate Units in your account in two (2) decimal places. Your redemption value will also be in two (2) decimal places.

7.1.3 Pricing of Units

The purchase and redemption transactions will be executed on a Forward Pricing basis which is based on NAV per Unit offered by each Class of Units. Under the Forward Pricing basis:

- the sale of Units by the Manager to an investor will be executed based on the NAV per Unit at the end of the Business Day which will be computed on the following day (T+1) by 5.00 p.m.; and
- the redemption of Units by the Manager from an investor will be executed based on the NAV per Unit at the end of the Business Day which will be computed on the following day (T+1) by 5.00 p.m.

A transaction of Units of the Fund by an investor is considered as carried out on a particular Business Day only if the payment together with completed application form and relevant supporting documents are received by the Manager not later than 4.00 p.m. (or such other time as the Manager may deem fit in its discretion) on that same Business Day. In the event the same is only received by Manager after 4.00 p.m. (or such other time as the Manager may deem fit in its discretion), the transaction is considered as carried out on the following Business Day. Any payment made on a non-Business Day shall be treated as payment made in the following Business Day.

7.1.4 Manager's Single Pricing Regime

All applications will be based on NAV per Unit offered by the respective Class of Units.

7.2 Purchase of Units

- Units are offered in currencies as per the following Class of Units. As the base currency of the Fund is in RM, all purchases of Units received other than RM will be converted to RM for investment purposes. The minimum initial and subsequent entry are as follows:

Class of Units	RM Class	USD Class	AUD Class
Minimum Initial Investment	RM200	USD200	AUD200
Minimum Additional Investment	RM100	USD100	AUD100

Note: The Manager may waive or vary the minimum amount stipulated above at its sole and absolute discretion.

- Investors may submit the purchase application by completing application forms, which are available at the office of BIMB Investment, at our authorised unit trust consultant (UTC), any sales offices as listed in **Section 19 "Directory of Sales Offices"**, or offices of our authorised distributors. Investors may also obtain the application form and other related forms from our website at <http://bimbinvestment.com.my>. Alternatively, investors may invest via our BEST Invest App. You may download the application from the Apple App Store or Google Play Store and start your investment journey with us.
- Application for Units must be received by us before the cut-off time of 4.00 p.m. on any Business Day. Any purchase application received after 4.00 p.m. on any Business Day will be treated as an application made on the next Business Day.
- Investors are required to provide us with the following completed forms and documents. We reserve the right to request for additional documentations when deem necessary before we process the purchase application.

<u>Individual Investors</u>	<u>Corporate Investor</u>
<ul style="list-style-type: none"> Master Application Form. Certified true copy of identity card, birth certificate (if joint applicant is a minor) or passport. Details of a foreign currency account for investments in currencies other than RM. Proof of payment such as letter of bank / fund transfer or bank-in slip For investment through distribution channels, kindly refer to the respective distribution channel for registration and payment procedures. 	<ul style="list-style-type: none"> Master Application Form. A certified true copy of <ul style="list-style-type: none"> ✓ the business registration certificate, memorandum & articles of association or constitution, ✓ form 49 or notice under section 58 of the Companies Act 2016, ✓ form 24 or return of the allotment under section 78 of the Companies Act 2016, ✓ form 44 or notice under section 46 of the Companies Act 2016, ✓ board resolution approving the investment in the Fund, ✓ list of authorised signatories and their specimen signatures; and ✓ in the case of foreign companies, trusts, cooperatives and foundations, please contact the Manager or the relevant distribution channel for information on additional documents needed (if any). Details of a foreign currency account for investments in currencies other than RM.

	<ul style="list-style-type: none"> • Proof of payment such as letter of bank / fund transfer or bank-in slip • For investment through distribution channels, kindly refer to the respective distribution channel for registration and payment procedures.
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You are advised not to make payment in cash to any individual agent when purchasing Units of the Fund

- Payment for purchase of Units can be made via:
 - a. Online through interbank GIRO (IBG) or Telegraphic Transfer to the respective Class of Units accounts. Details of the accounts can be obtained from <http://bimbinvestment.com.my>.
 - b. Regular investment via banks through direct debit facilities (Terms and conditions apply).

Investors are required to complete the necessary application form and other related documents required by the Manager. A bank validated fund transfer form must be presented to the Manager as evidence of payment.

Any certified document required must be at least certified by authorised unit trust consultant, authorised IUTAs and/or marketing staff of the Manager.

- Below is the illustration for Units allotted to the Unit Holders for a purchase of Units

		Investor A	Investor B	Investor C
		RM Class	USD Class	AUD Class
Amount Invested	=	RM5,000	USD5,000	AUD5,000
NAV per Unit	=	RM0.2562	USD0.2562	AUD0.2562
Sales Charge rate	=	5%	5%	5%
Investment Amount		<u>RM5,000</u>	<u>USD5,000</u>	<u>AUD5,000</u>
	=	[(1.0000 + sales charge rate)]	[(1.0000 + sales charge rate)]	[(1.0000 + sales charge rate)]
Net Investment	=	<u>RM5,000</u>	<u>USD5,000</u>	<u>AUD5,000</u>
		(1.0000 + 5%)	(1.0000 + 5%)	(1.0000 + 5%)
		<u>RM5,000</u>	<u>USD5,000</u>	<u>AUD5,000</u>
		1.05	1.05	1.05
		= RM4,761.90	= USD4,761.90	= AUD4,761.90
Sales Charge amount	=	RM238.10	USD238.10	AUD238.10
Units allotted to Investor	=	RM4,761.90/NAV per Unit	USD4,761.90/NAV per Unit	AUD4,761.90/NAV per Unit
		RM4,761.90/RM0.2562	USD4,761.90/USD0.2562	AUD4,761.90/AUD0.2562
		= 18,586.65 Units	= 18,586.65 Units	= 18,586.65 Units

- ! **INVESTORS ARE ADVISED NOT TO MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS. PURCHASE OF UNITS WILL BE PROCESSED UPON CLEARANCE OF AMOUNT INVESTED AND COMPLETE DOCUMENTATION RECEIVED BY THE MANAGER.**
- ! **THE MANAGER MAY AT ITS ABSOLUTE DISCRETION DEFER ANY APPLICATION IF SUCH APPLICATION IS INCOMPLETE.**
- ! **PLEASE BE ADVISED THAT IF THE INVESTOR INVESTS IN UNITS THROUGH AN IUTA WHICH ADOPTS THE NOMINEE SYSTEM OF OWNERSHIP, THE INVESTOR WOULD NOT BE CONSIDERED TO BE A UNIT HOLDER UNDER THE DEED AS THE INVESTOR'S NAME WILL NOT APPEAR IN THE REGISTER OF UNIT HOLDERS. THE INVESTOR MAY CONSEQUENTLY NOT HAVE ALL THE RIGHTS ORDINARILY EXERCISABLE BY A UNIT HOLDER (FOR EXAMPLE, THE RIGHT TO CALL FOR A UNIT HOLDERS' MEETING AND TO VOTE THEREAT).**

7.3 Redemption of Units

- Unit Holders may redeem their investments in the Fund on any Business Day by completing the redemption form or such other manners as we may accept and returning it to us on any Business Day. The redemption form is available at our head office and also offices of the authorized distributors. Investors who invest via our BEST Invest App may redeem their investments in the Fund via our BEST Invest App.

- **Minimum Units Redeem**

Class of Units	RM Class	USD Class	AUD Class
Minimum Units Redeem	100 units	100 units	100 units

Note: The Manager may waive or vary the minimum amount stipulated above at its sole and absolute discretion.

- **Cut-off time**

Redemption request must reach the Manager before the cut-off time of 4.00 p.m. on any Business Day (or "T" Day). The Manager will process the redemption request based on the NAV per Unit of the Fund for that Business Day. Any redemption request received by the Manager at or after 4.00 p.m., the Manager will process the redemption request based on the NAV per Unit computed on the immediate following Business Day.

- **Period of Payment of Redemption Proceeds**

Unit Holders will be paid within seven (7) Business Days after the redemption application is received and processed by the Manager.

- **Redemption Options**

Unit Holders may opt for redemption amount to be paid either in the Base Currency (RM) or dealing currency (USD/AUD). For request to be paid in other than RM, Unit Holders must have the respective Foreign Current Account ("FCA") by default, the redemption amount will be paid in the currency according to the Class of Units of the Fund where the Unit Holders have invested in.

- **Foreign Currency Account (FCA)**

For investment relating to foreign currencies, investors are required to have a foreign currency account with any registered financial institutions. Any payment due to you will be made via telegraphic transfer to your FCA.

- **Mode of Payment**

The redemption payment can only be made via online bank transfer.

- You may give us instructions in writing to transfer your redemption amount to your nominated bank account held in your own name or the first named Unit Holder (principal Unit Holder) if it is a joint account.
- All bank charges for the transfer will be borne by the Unit Holder. The charges will be deducted/debited from the redemption amount.
- Under normal circumstances, a bank transfer will take less than two (2) days to reach your nominated bank account. The Manager will not be responsible for any delay in the bank transfer.
- For redemption amount other than RM, the redemption payment will be paid via telegraphic transfer to the Unit Holder's FCA current/savings account.
- You are also required to comply with requirements of the Islamic Financial Services Act 2013.
- No redemptions will be paid in cash under any circumstances.

Note: The Manager in consultation with the Trustee reserves the right to defer any redemption requests if such request would adversely affect the interest of existing Unit Holders.

Other information

The following illustrations demonstrate the two (2) computation methods of redemption of Units:
Computation no.1 = Redemption request by giving absolute value instruction:

		RM Class	USD Class	AUD Class
Redemption amount request	=	RM500.00	USD500.00	AUD500.00
Redemption charge	=	Nil	Nil	Nil
NAV per Unit	=	RM0.2562	USD0.2562	AUD0.2562
Total redemption of Units by Unit Holder	=	1,951.60 units	1,951.60 units	1,951.60 units

Computation no.2 = Redemption request by giving total number of Units instruction:

		RM Class	USD Class	AUD Class
Redemption Units request	=	1,951.60 units	1,951.60 units	1,951.60 units
Redemption charge	=	Nil	Nil	Nil
NAV per Unit	=	RM0.2562	USD0.2562	AUD0.2562
Total redemption amount payable to Unit Holder	=	Units repurchase X NAV per Unit	Units repurchase X NAV per Unit	Units repurchase X NAV per Unit
		1,951.60 Units X RM0.2562	1,951.60 Units X USD0.2562	1,951.60 Units X AUD0.2562
	=	RM500.00	USD500.00	AUD500.00

7.4 Switching of Units

Switching is available for switching from a Class of Units to other fund (or its classes) managed by the Manager, provided that the currency denomination is the same and subject to the Manager's discretion.

Cross currency switching is not allowed. Investor may redeem from each Class of Units and apply for a purchase of Units to another Class of Units.

The minimum switching amount is 500 Units and amount switched must meet the minimum initial investment amount of the intended Class or a particular fund (or its classes) that the Unit holder intends to switch into. However, if the switching request leaves a Unit Holder with less than 100 units (minimum holdings), the Manager will automatically switch the balance of the Units held in the Unit Holder's account.

Unit Holders please take note that the Manager reserves the right to reject any switching requests if the Manager is in the view that the switching transaction is contrary with the best interest of the Fund or the existing Unit Holders of a particular Class.

Investor must complete a switching transaction form and submit it to the Manager at or before the cut-off time of 4.00 p.m. on a Business Day (or "T Day") together with the relevant supporting documents, if any.

The switching transaction is subject to the conditions set out below:-

Please refer to the table below for an illustration on how the switching facility works. The original fund refers to the fund the Unit holder original purchased while the intended fund refers to the fund that the units to switch into,

Original Fund	Intended Fund	Condition of Switching
No sales Charge	No sales charge	The switch will be based on the NAV per unit of the intended fund
No sales charge	With sales charge	Investor is required to pay the sales charge imposed by the intended fund
With sales Charge	With Higher sales charge	Investor is required to pay the differential sales charge between the original fund and intended fund on the amount switched
With sales Charge	With Lower sales charge	The switch will be based on the NAV per unit of the intended fund

- **Switching Fee**

The switching fee may be imposed as follows:-

- a. First time: Nil
- b. 2nd time and onwards: RM25 per transaction (Switching fee is exempted for investor who have a total investment of RM100,000 and above with the Manager).

7.5 Cooling-off Transaction

Cooling-off right refers to the right of a Unit Holder to obtain a refund of his/her investment if he/she so requests within the cooling-off period- within six (6) Business Days from the date of receipt of application to purchase Units by the Manager.

Investors have the right to reverse his investment decisions that could have unduly influenced by any external elements or factors.

The cooling-off right is applicable to individual investor, other than those listed below, who is investing for the first time in any unit trust funds managed by the Manager.

- i) staff of the Manager;
- ii) person registered with a body approved by the SC to deal in unit trusts

The refund to the Unit Holder apply for every unit held by the Unit Holder shall be as follows:-

- a) if the original price of a Unit is higher than the price of a Unit at the point of exercise of the cooling-off right ("market price"), the market price at the point of cooling-off; or
- b) if the market price is higher than the original price, the original price at the point of cooling-off; and

- c) the sales charge originally imposed on the day the Units were purchased.

The Manager shall refund to Unit Holder within seven (7) Business Days from the date of receipt of the cooling-off application from the Unit Holder is received by the Manager.

7.6 Minimum Holdings

Class of Units	RM Class	USD Class	AUD Class
Minimum Units Held	100 units	100 units	100 units

Note:

The Manager may waive or vary the minimum amount stipulated above at its sole and absolute discretion.

7.7 Transfer of Units

Units in the Fund are transferable fully or partially. There is no minimum amount of units required to apply for transfer except that the units transferred must meet the minimum holdings requirement. Transfer of Units for Class of Units other than RM can only be performed subject to the availability of Foreign Currency Account (FCA) of the transferee.

A copy of the "Transfer Form" can be obtained from our head office and also offices of the authorized distributors. The Manager may, at its absolute discretion, allow or reject Unit Holder's request for transfer of Units subject to such terms and conditions as may be stipulated by the Manager from time to time.

7.8 Incorrect Pricing

If there is an error in the pricing of the NAV per Unit of the Fund, the Manager will take immediate remedial action to correct the error. 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 NAV per Unit attributable to a Class of Units:

- i. if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Unit Holder;
- ii. if there is an over valuation and/or pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;
- iii. if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- iv. if there is an under valuation and/or pricing in relation to the redemption of Units, the Manager shall reimburse the Unit Holder or former Unit Holder.

By investing in the Fund, investors agree that the Manager retains the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit attributable to a Class of Units or where the total impact on an individual account is less than RM10.00 or an equivalent denomination in the currency that a particular Class of Units is denominated, if applicable. This is because the reprocessing cost may be greater than the amount of the adjustment.

7.9 Distribution Channel

Units can be purchased and redeemed during normal business hours at the business office of BIMB Investment, at the nearest Bank Islam Malaysia Berhad branches or any of our authorized IUTAs and/or unit trust consultants. Please refer to **Section 19: "Directory of Sales Offices"**. Alternatively, investors may invest via our BEST Invest App.

For further information, please call our help-desk at a Toll-Free- number: 1-800-88-1196 at any time during our office hours: Mondays to Fridays from 9.00 a.m. to 5.00 p.m. or email your enquiries to marketing.bimbinvest@bankislam.com.my or visit our website at www.bimbinvestment.com.my

7.10 Unclaimed Monies Policy

Redemption proceeds payable to Unit Holders who have requested for full or partial redemption of their investments in the Fund that remain unclaimed after twelve (12) months shall be lodged with the Registrar of Unclaimed Moneys in accordance with the provisions of the Unclaimed Moneys Act, 1965 (as may be amended from time to time).

7.11 Customer Identification Program

Pursuant to the relevant laws of Malaysia on money laundering, the Manager have an obligation to prevent the use of the Fund for money laundering purposes. As such, the Manager and/or its authorised distributors have put in place a "Know Your Customer" ("KYC") policy where procedures are in place to identify and verify the investor's identification through documents such as identity card, passport, constituent documents or any other official documents.

The Manager and/or its authorised distributors reserve the right to request such information, either at the time an application is made or thereafter, as is necessary to verify the identity of an investor (or each of the investors in the case of joint investors) and/or to periodically update our records. You are required to provide us with your information and information of beneficial owner such as 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 information and official identification.

For corporate clients, you are required to provide us the name of the company, principal place of business, source of income/asset, identification documents of the directors/shareholders/partners, board resolution pertaining to the investment and the person authorised to operate the account, all of which as per requirements under regulation when you open or re-open an account.

The Manager and/or its appointed distributors also reserve the right to request additional information including the source of the funds, source of wealth, net worth, annual income and identity of any beneficial owners as may be required to support the verification information and to allow us to complete adequate due diligence. In the event of delay or failure by the investor to produce any information required for verification purpose, we and/or our authorised distributors may refuse to accept an application request. In relation to a subscription application, any monies received will be returned without profit to the account from which the monies were originally debited, and in relation to redemption application, no units will be redeemed to the investor. The Manager and/or its authorised distributors also reserve the right to place restrictions on transactions or redemptions on your account until your identity is verified.

In the event of any breaches to the applicable laws on money laundering, the Manager and its appointed distributors have a duty to notify the relevant authority of the said breaches.

7.12 Anti-Money Laundering ("AML")/KYC Obligation on Our Authorised Distributor

If you have invested in the Fund via an authorised distributor, there may be additional information that the authorised distributor may need to provide to us, which may include the release of your particulars and details of ultimate beneficiaries / ultimate beneficial owners investing in the Fund to us. Without such information being provided, we reserve the discretion to reject your subscription or redemption request until such information is provided by the authorised distributor us.

7.13 Suspension of Sale and Redemption of Units

The Manager may, in consultation with the Trustee and having considered the interests of Unit Holders, suspend the dealing in Units of the Fund due to exceptional circumstances, where there is good and sufficient reason to do so, considering the interest of Unit Holders. If we have exhausted all possible avenues to avoid a suspension of the Fund, we may as a last resort, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale (if applicable) and redemption of Units where it is impractical for us to calculate the NAV of the Fund due to but not limited to the following:

- (i) an emergency or other state of affairs; or
- (ii) the realization of the material portion of the assets of the Fund not being able to be effected at prices which would be realised if such material portion of the assets of the Fund were realised in an orderly fashion over a

reasonable period in a stable market.

In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.

Please note that during the suspension period, there will be no NAV per Unit available and hence, we will not accept any transactions for the applications, redemptions, switching and/or transfers of Units. If we have earlier accepted your request for redemptions and switching of Units, please note that the requests will only be processed on the next Business Day after the cessation of suspension of the Fund. You will be notified of the suspension and when the suspension is lifted.

8. CLIENT COMMUNICATION

8.1. Customer Service

Unit Holders can seek assistance from our customer service personnel on queries relating to the Fund at our toll-free number 1-800-88-1196 during business hours, Monday to Friday from 9.00 a.m. to 5.00 p.m.

Enquiries can also be made at the nearest Bank Islam Malaysia Berhad branches or from our authorised IUTAs/unit trust consultants.

8.2. Daily Unit Price

Unit Holders may obtain the daily Unit price from our website at <http://www.bimbinvestment.com.my>.

8.3. Statement of Investment and Financial Reports

The Manager will issue the following documents to Unit Holders relating to their Units in the Fund:-

Statements to Confirm and Record Transaction	The Manager will send computer-generated statements to Unit Holders on every transaction made confirming their transactions relating to the Fund.
Statement of Account	Unit Holders will receive semi-annual and annual statements of the Fund's investment, which provide Unit Holders with the latest update of their investment account.
Semi-Annual and Annual Reports	<p>The Manager will provide the Unit Holders with the semi-annual and annual reports of the Fund within two (2) months after the end of financial period of the Fund.</p> <p>The Manager practices digital fund reporting hence the Fund's semi-annual/annual report is made available on our website. Investors may view, store and download from our website https://bimbinvestment.com.my.</p> <p>The Fund's printed semi-annual/annual report is available upon request.</p>
Wakaf Asset Report	Half-Yearly Wakaf Asset Report will be featured in the Fund's semi-annual and annual reports, from which, Unit Holders will be informed on the distribution of the Wakaf Asset.

9. WAKAF ASSET DISTRIBUTION MECHANISM

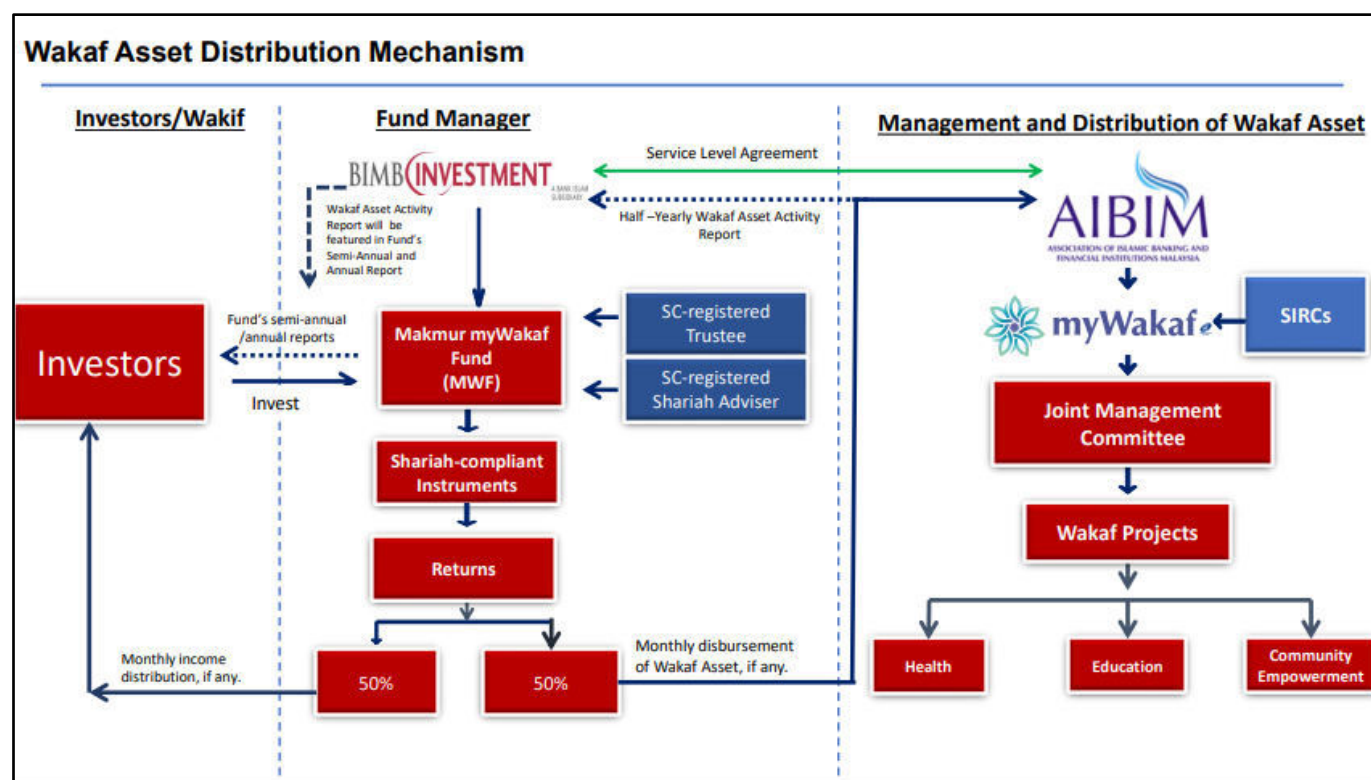
The Manager is collaborating with AIBIM's myWakaf initiative for the distribution of Wakaf Asset. By investing in the Fund, investor agrees to appoint AIBIM to distribute the Wakaf Asset to identified wakaf projects under myWakaf initiative as per the Shariah rules of Wakaf transaction. The Wakaf Asset will be deposited directly to the collection account of myWakaf on monthly basis.

Half-yearly Wakaf Asset Report detailing the distribution of the Wakaf Asset will be featured in the Fund's semi-annual and annual reports, from which, Unit Holders will be informed with regards to the distribution of the Wakaf Asset. The Manager will provide the Unit Holders with the semi-annual and annual reports of the Fund within two (2) months after the end of financial period of the Fund. The Manager practices digital fund reporting hence the Fund's semi-annual/annual report is made available on our website. Investors may view, store and download the reports from our website <https://bimbinvestment.com.my>.

AIBIM will be given full discretion to distribute the fund to the identified projects in the following focus sectors:

- Health
- Community Empowerment
- Education

The flow chart below explained the Wakaf Asset distribution mechanism:-



In the event the appointed Wakaf Administrator:

- is no longer recognized and/or authorised by the Federal or State Islamic religious bodies;
- does not provide timely reporting / disclosure of the Wakaf distribution;
- commits any wrongdoings; or
- breaches the collaboration agreement or the relevant provision of the Guidelines,

the Manager shall take immediate action to remove and replace the Wakaf Administrator with another wakaf administrator that complies with the following criteria:-

- (a) Is an institution or organisation authorized/ recognized by the SIRC to act as a wakaf administrator for wakaf purposes;
- (b) To provide the Manager with timely reporting on the disclosure of the wakaf distributions; and
- (c) Adherence with the relevant provision of the Guidelines and/or collaboration agreement at all times.

About myWakaf

Wakaf, that is under the purview of State Islamic Religious Council (SIRC) according to the Federal Constitution is an important tool of financial inclusion and economic growth. To maximize its potential, Wakaf needs to be managed efficiently and professionally. The Association of Islamic Banking and Financial Institutions Malaysia (AIBIM) has called for Islamic Banks to initiate strategic collaboration with SIRC to enhance the potential of Wakaf in empowering the economy of ummah under the banner of myWakaf.

Currently, six (6) Islamic banks involve in myWakaf namely Affin Islamic Bank Berhad, Bank Islam Malaysia Berhad, Bank Kerjasama Rakyat Malaysia Berhad, Bank Muamalat Malaysia Berhad, Maybank Islamic Berhad and RHB Islamic Malaysia Berhad.

The objectives of myWakaf are:-

- to synergise SIRC and Islamic banks capabilities to create a dynamic and progressive Wakaf Project.
- to enhance transparency, accountability and effective regulatory of Wakaf Fund financial management.
- to maximise the development of Wakaf through innovative and effective banking channels.

Please log on to <https://www.mywakaf.com.my> for details and latest updates.

Governance of myWakaf

As banking institutions, all the six (6) Islamic banks are regulated by BNM. Together under myWakaf, the banks bring along the best corporate governance practices in managing the initiative. A Code of Governance and Transparency (Code) has been formulated to provide guidance to all stakeholders to adopt good practices in managing the Wakaf fund. The objectives of this Code are as follows:

- to facilitate the orderly development and operationalization of waqf fund that are consistent with the Shariah requirements;
- to establish a strong oversight process in order to safeguard the interest of the participating Islamic banks, SIRC and other stakeholders;
- to outline the prudential requirements in order to support sound risk management of Wakaf fund, which is consistent with participating Islamic banks risk management policy and strategic intent; and
- to set out minimum disclosure requirements that will instill public confidence and facilitate informed decision making by the Joint Management Committee.

In managing the affairs between participating banks with the SIRC in managing the Wakaf projects, a Joint Management Committee (JMC) is established between the Lead Bank and the SIRC partner. The membership of the committee is of senior and reputable individuals from both organizations. This would serve as check and balance in managing the project.

Any latest development of the projects will be regularly updated via myWakaf portal and Facebook and annual report will be published for stakeholders' reference.

10. THE MANAGEMENT COMPANY

10.1 Corporate Profile of the Manager

BIMB Investment is a wholly-owned subsidiary of Bank Islam Malaysia Berhad. BIMB Investment, a licensed Islamic fund management company, was incorporated on 14 September 1993 and commenced its operations on 20 June 1994.

10.2 Organisational Structure of the Manager

The main roles and responsibilities of the Manager are managing the investment portfolio of the Fund, arranging sales and redemption of Units, keeping proper records of the Fund and Unit Holders, issuing reports on the Fund's performance to Unit Holders, arranging distribution of income and/or Units to Unit Holders and marketing the Units of the Fund to investors.

The overall responsibility for the operation of BIMB Investment is vested with the chief executive officer who is accountable to the board of directors. While the board of directors primarily decides on policy matters, the investment committee assumes responsibility for assuming and monitoring the Fund's investment strategies. In ensuring the decisions of the board of directors and investment committee adhere strictly to the requirements of Shariah, all investment and activities of the Fund will be supervised by the Shariah Adviser. The board of directors meets at least six (6) times a year to provide advice on matters relating to the Manager's operation and Fund's policies.

10.3 Board of Directors

The list of our board of directors are available on our website at <https://bimbinvestment.com.my/ourleadership/>.

10.4 Investment Team

The investment team meets twice a month to discuss investment related matters.

Name	ABD RAZAK SALIMIN
Position	Head of Investment
Experience	He joined BIMB Investment Management Berhad in May 2019 and was formerly an equity fund manager with Permodalan Nasional Berhad. He has more than ten (10) years of experience in investment management and research. He is responsible for leading and managing the Investment Department, overseeing domestic and global equities, sukuk and Islamic money market investments.
Qualifications	<ul style="list-style-type: none">• Chartered Financial Analyst (CFA)• Financial Risk Manager (FRM)• Bachelor of Mathematics, Operational Research, Statistics and Economics (MORSE), University of Warwick, United Kingdom• Holder of SC's CMSRL.

Name	THONG YONG LING, STANLEY (Designated Fund Manager)
Position	Senior Fund Manager
Experience	He joined BIMB Investment as a fund manager in 2012. He has more than ten (10) years of working experience in equity research and investment. He was previously attached with UOB-OSK Asset Management Berhad and Hong Leong Assurance Berhad. As a fund manager at UOB-OSK Asset Management, he was in charge of managing various unit trust and investment link insurance funds for clients.
Qualifications	<ul style="list-style-type: none">• Master of Commerce, Macquarie University, Australia• Bachelor of Business Administration, National Cheng Chi University, Taiwan• Holder of SC's CMSRL

Name	AHMAD RIZAL UJANG
Position	Fund Manager
Experience	He joined BIMB Investment in January 2017 and previously worked in BIMB Investment from 2011 to 2014. He has more than ten (10) years of working experience in money market and fixed income investment. He was previously attached to i-VCAP Management Sdn Bhd, MNRB Holdings Berhad and Syarikat Takaful Malaysia Berhad.
Qualifications	<ul style="list-style-type: none"> • Master of Finance, Curtin University of Technology, Australia • Holder of SC's CMSRL

Please refer to BIMB Investment's website at <https://bimbinvestment.com.my> for the information on BIMB Investment.

10.5 Material Litigation and Arbitration

As at the LPD, save for the suit mentioned herein below, the Manager is not engaged in any material litigation and arbitration either as plaintiff nor as defendant, and the Manager is not aware of any proceedings, pending or threatened or of any other facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Perbadanan Harta Intelek Malaysia ("MyIPO"), has initiated a suit against BIMB Investment in October 2021. MyIPO, vide its solicitors, had issued a Writ and Statement of Claim dated 18 October 2021, alleging BIMB Investment for fraudulent misrepresentation, negligent misrepresentation, breach of duty of care and negligence against MyIPO. BIMB Investment had categorically denied all the allegations and set out the actual factual matrix by filing a Statement of Defence dated 8 December 2021. The present status of the legal proceedings is as follows:

- (a) On 24 May 2022, BIMB Investment has filed and served its Statement of Claim against Dato Ahmad Azwan as the Third Party;
- (b) On 8 June 2022, Dato Ahmad Azwan as the Third Party has filed and served his Statement of Defence against BIMB Investment's Statement of Claim;
- (c) On 21 June 2022, BIMB Investment has filed and served its Reply to the Third Party's Statement of Defence;
- (d) On 14 October 2022, BIMB Investment filed its Notice of Application seeking discovery of the original copies of the forged or falsified documents as pleaded in the Statement of Claim (documents in question) for the purpose of Forensic Examination and to obtain an expert opinion so as to prove the assertions made by BIMB Investment in its Statement of Defence;
- (e) The said application was filed in the Kuala Lumpur Sessions Court seeking discovery of the documents in question, as some of the impugned documents had already been adduced in the ongoing criminal trial against the Third Party whilst the other documents are in the possession of MACC. The order in terms of the application was obtained before Session Courts on 23 November 2022;
- (f) The full trial of this suit has been scheduled on 27th, 28th and 29th of May 2024;
- (g) The next case management is fixed on 26 April 2024 and the parties are required to comply with all pretrial getting ups, under Order 34. The High Court has made an Unless Order wherein the Parties, well before 26 April 2024 must have complied with the pre-trial requirements including filing of statement of agreed facts, statement of issues to be tried and common bundle of documents.
- (h) The Parties are also been directed to exhaust all interlocutory applications well before the next case management date.

10.6 Exemptions or Variations

There have been no exemptions or variations from any relevant securities laws or Guidelines granted to the Manager by the SC.

11. THE SHARIAH ADVISER – BIMB SECURITIES SDN BHD

BIMB Securities Sdn Bhd (“BIMB Securities”) has been appointed as the Shariah Adviser for the Fund. BIMB Securities will provide Shariah advisory services on the management and operations of the Fund to ensure the operations of the Fund comply with Shariah requirements.

About BIMB Securities Sdn Bhd

BIMB Securities is a stockbroking subsidiary of Bank Islam Malaysia Berhad incorporated on 21 February 1994 and is licensed by the SC. The corporate mission of BIMB Securities is to be an active participant in a modern, innovative and dynamic Islamic capital market in Malaysia, catering for the needs of all investors, Muslims and non-Muslims, looking for Shariah-compliant investment products and services.

Experience in Shariah Advisory Services

BIMB Securities is registered with the SC to act as a Shariah adviser for Islamic products and services regulated by the SC, which include Islamic collective investment schemes. BIMB Securities is independent from the Manager and does not hold office as a member of the committee undertaking the oversight function of the Fund or any other funds managed and administered by the Manager. As at 28 April 2023, BIMB Securities is a corporate Shariah Adviser to 83 Islamic funds including two (2) Islamic REITs.

Roles and Responsibilities of BIMB Securities Sdn Bhd as a Shariah Adviser

As the Shariah Adviser for the Fund, the role of BIMB Securities is to ensure that the investment operations and processes of the Fund are in compliance with Shariah requirements. BIMB Securities will review the Fund's investments on a monthly basis to ensure Shariah compliance and it also review the semi-annual and annual reports of the Fund.

Notwithstanding the role played by the Shariah Adviser, the ultimate responsibility for ensuring Shariah compliance of the Fund in all aspects of operations and processes rests solely with the Manager.

In line with the SC Guidelines on Islamic Capital Market Products and Services, the roles of BIMB Securities as the Shariah Adviser are:

- (a) to advise on the Shariah aspects of the Fund and Fund's operations and processes to ensure they are in accordance with Shariah requirements;
- (b) to provide Shariah expertise and guidance in all matters relating to the Fund, particularly on the documentation such i.e., the Fund's deed and prospectus, structure, investments and related operational matters;
- (c) to ensure that the Fund is managed and operated in accordance with Shariah requirements and the applicable Shariah rulings, principles and concepts endorsed by the SAC of the SC as well as the advice given by the Shariah Adviser are complied with;
- (d) to review the Fund's compliance reports as provided by the Manager's compliance officer and investment transaction reports provided or duly approved by the Trustee to ensure that the Fund's investments are in line with Shariah;
- (e) to prepare a report to be included in the semi-annual and annual reports of the Fund stating the Shariah Adviser's opinion whether the Fund has been operated and managed in compliance with Shariah requirements in its investment, operations and processes for the financial period concerned;
- (f) to apply *Ijtihad* (intellectual reasoning) to ensure all aspects relating to the Fund are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SAC of the SC;
- (g) to consult the SC where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process; and
- (h) to meet with the Manager on a quarterly basis (or as and when required by the Manager and/or the Shariah Adviser) for the review of the Fund's operations and processes.

Profiles of the Shariah Personnel

Ir. Dr. Muhamad Fuad bin Abdullah (“Dr. Muhamad Fuad”)

Dr. Muhamad Fuad is the designated person in-charge of all Shariah matters in BIMB Securities.

He graduated with a Bachelor of Science Degree in Electrical Engineering in 1977 and a Master of Philosophy Degree in Electrical Engineering in 1982, both from the University of Southampton, England. He also obtained a Bachelor of

Arts (Jayyid) Degree in Shariah from the University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from the University of Aberdeen, Scotland in 1996.

He is a registered individual Shariah adviser with the SC. He is the chairman of the Shariah Advisory Committee of BIMB Securities and the Shariah Supervisory Council of Bank Islam Malaysia Berhad. He sits on the Shariah committee of AIA-Public Takaful Berhad.

He is also the non-executive chairman of Gagasan Nadi Cergas Berhad and a board member of Universiti Tun Abd Razak Sdn Bhd (UniRAZAK).

Nurussaádah binti Nasarudin (“Nurussaádah”)

Nurussaádah joined BIMB Securities in June 2015 as the Shariah executive and has been promoted as the head of Shariah section effective 1 May 2021. She is also the Designated Shariah Officer registered under the BIMB Securities’ Shariah adviser registration, responsible for the Shariah advisory services offered by BIMB Securities.

Nurussaádah graduated with a Bachelor of Shariah majoring in Islamic Banking and Economics from the University of Yarmouk, Jordan.

Currently, she is responsible in providing Shariah inputs on the advisory, consultancy and research functions with regards to Islamic capital market and Islamic collective investment schemes, including but not limited to, conducting surveillance on the non-financial institution activities.

She is experienced in product development and review for Islamic capital market products specifically on Islamic stockbroking services.

12. THE TRUSTEE – CIMB ISLAMIC TRUSTEE BERHAD

Corporate Information

CIMB Islamic Trustee Berhad was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

Experience as Trustee to Unit Trust Funds

CIMB Islamic Trustee Berhad has been involved in unit trust industry as trustee since 1990. It acts as trustee to various unit trust funds, real estate investment trust fund, wholesale funds, private retirement schemes and exchange-traded funds.

Duties and Responsibilities of the Trustee

The Trustee's functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Trustee include, but are not limited to, the following:

- (a) Take into custody the investments of the Fund and hold the investments in trust for the Unit Holders;
- (b) Ensure that the Manager, operates and administers the Fund in accordance with the provisions of the Deed, SC Guidelines and acceptable business practice within the unit trust industry;
- (c) As soon as practicable, notify the Securities Commission of any irregularity or breach of the provisions of the Deed, SC Guidelines and any other matters which in the Trustee's opinion, may indicate that the interests of Unitholders are not served;
- (d) Exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operations and management of the Fund by the Manager to safeguard the interests of Unit Holders;
- (e) Maintain, or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Fund to be formed and to ensure that the Fund is operated and managed in accordance with the Deed of the Fund, Prospectus, the SC Guidelines and securities law; and
- (f) Require that the accounts be audited at least annually.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

Material Litigation and Arbitration

As at the LPD, CIMB Islamic Trustee Berhad is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee or any of its delegates.

Trustee's Delegate

CIMB Islamic Trustee Berhad has delegated its custodian function to CIMB Islamic Bank Berhad (CIMB Islamic Bank). CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Islamic Bank provides full-fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit Malaysia assets, they are held through its wholly owned nominee subsidiary CIMB Islamic Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit Malaysia assets, CIMB Islamic Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Islamic Bank acts only in accordance with instructions from the Trustee.

13. SALIENT TERMS OF THE DEED

13.1 Unit Holder's Rights

- i. Unit Holder shall have the right to receive distributions of income (if any), participate in any increase in the value of the Units and such other rights and privileges as provided in the Deed.
- ii. No Unit Holder shall be entitled to require the transfer to him of any of the Assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on his behalf of the rights of the Trustee as the registered owner of such assets.
- iii. Unit Holder shall have the right to call for Unit Holder's meeting and to vote for the removal of the Trustee or the Manager through a Special Resolution.
- iv. Unit Holder shall have the right to receive annual and semi-annual reports.

Note: If your investments are made through the distributor (i.e. the institutional unit trust adviser ("IUTA") via a nominee system of ownership), you would not be deemed to be a Unit Holder under the Deed and as a result, you may not exercise all the rights ordinarily conferred to a Unit Holder (e.g. the right to call for Unit Holders' meetings and the right to vote at a Unit Holders' meeting).

13.2 Unit Holder's Liabilities

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

13.3 Maximum Fees and Charges Permitted by the Deed

The maximum rate of direct fees and charges permitted by the Deed are as follows:

Charges	% of the NAV per Unit
Sales charge	6.00%
Redemption charge	Nil

The maximum rate of indirect fees and charges permitted by the Deed are as follows:

Charges	% of the NAV per Unit
Annual Management Fee	2.00% per annum of the NAV of the Fund
Annual Trustee Fee	0.1% per annum subject to a minimum fee of RM12,000 per annum or its equivalent in the Base Currency (excluding foreign custodian fees and charges)

13.4 Procedures to Increase the Direct and Indirect Fees and Charges Disclosed in this Prospectus

- **Sales Charge**

The Manager may not charge a sales charge at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- (b) a supplemental prospectus or replacement prospectus stating the higher charge is registered, lodged and

- issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

- **Redemption Charge**

The Manager may not charge a redemption charge at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- (b) a supplemental prospectus or replacement prospectus stating the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

- **Annual Management Fee**

The Manager may not charge an annual management fee at a rate higher than that disclosed in this Prospectus 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, such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued thereafter; and
- (d) such time as may be prescribed by any relevant law has elapsed since the date of the supplemental prospectus or replacement prospectus.

- **Annual Trustee Fee**

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this Prospectus 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, such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental prospectus or replacement prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law has elapsed since the date of the supplemental prospectus or replacement prospectus.

13.5 Procedures to Increase the Maximum Rate of the Direct and Indirect Fees and Charges in the Deed

The maximum sales charge, redemption charge, annual management fee or annual trustee fee set out in the Deed may not allowed to be increased unless a Unit Holders meeting has been held in accordance with the Deed. A supplemental deed proposing a modification to the Deed to increase such fees and charges is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders at the Unit Holders meeting sanctioning the proposed modification to the Deed.

13.6 Permitted Expenses Payable by the Fund

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

- (a) commissions or fees paid to brokers or dealers 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 of the Fund;

- (d) fees for the valuation of any Shariah-compliant investment 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 Shariah-compliant investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any adviser 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 management company;
- (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) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager 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;
- (o) costs and expenses incurred in relation to the distribution of income (if any);
- (p) (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;
- (q) fees, charges, costs and expenses relating to the preparation, printing, posting, registration and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and
- (r) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

13.7 Removal, Replacement and Retirement of the Manager and Trustee

- **Removal or Replacement of the Manager**

The Trustee shall take all reasonable steps to remove the Manager, if the Manager:-

- (a) 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 the Manager 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; or
- (b) is in breach of any of its obligations or duties under the Deed or the relevant laws; or
- (c) has ceased to be eligible to be a management company under the relevant laws; or
- (d) has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose; or

- (e) has had a receiver appointed; or
- (f) has ceased to carry on business.

- **Retirement of the Manager**

The Manager shall have the power to retire in favour of some other corporation by giving to the Trustee three (3) months (or such other period as the Manager and the Trustee may agree upon) notice in writing of its desire so to do, provided such retirement is in accordance with the provisions of the Deed.

- **Removal or Replacement of the Trustee**

The Trustee may be removed and such corporation may be appointed as trustee of the Fund by Special Resolution of the Unit Holders at a duly convened meeting.

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; or
- (b) the Trustee has not been validly appointed; or
- (c) the Trustee was not eligible to be appointed or to act as trustee under any relevant law; or
- (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; or
- (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; or
- (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 2016 or any relevant law.

- **Retirement of the Trustee**

The Trustee may retire upon giving three (3) months (or such other period as the Manager and the Trustee may agree upon) notice in writing to the Manager of its desire so to do, provided such retirement is in accordance with the provisions of the Deed.

13.8 Termination of the Fund

The Fund may be terminated or wound up upon the occurrence of any of the following events:

- i. a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund, following occurrence of events stipulated under Section 301(1) of the Act and the court has confirmed the Special Resolution, as required under Section 301(2) of the Act; and
- ii. a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

The Manager may, in consultation with the Trustee, terminate and wind up the Fund if the termination of the Fund is in the best interest of the Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

The Manager shall also be entitled to terminate the Fund if the Fund is left with no Unit Holders.

Upon the termination of the Fund, the Trustee shall:

- (a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and
- (b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:
 - (1) the net cash proceeds available for the purpose of such distribution and derived from the sale of the assets of the Fund less any payments for liabilities of the Fund; and

- (2) any available cash produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of RM0.50 or its foreign currency equivalent, if applicable in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each of such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event of the Fund being terminated:

- (a) the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed;
- (b) the Manager and the Trustee shall notify the relevant authorities in such manner as may be prescribed by any relevant law; and
- (c) the Manager or the Trustee shall notify the Unit Holders in such manner as may be prescribed by any relevant law.

13.9 Termination of a Class of Units

The Manager may only terminate a particular Class of Units if the termination of that Class of Units does not prejudice the interests of Unit Holders of any other Class of Units. For the avoidance of doubt, the termination of a Class of Units shall not affect the continuity of any other Class of Units of the Fund.

If at a meeting of Unit Holders to terminate a Class of Units, a Special Resolution to terminate a particular Class Units is passed by the Unit Holders:

- i. the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the Special Resolution;
- ii. the Trustee or the Manager shall as soon as practicable inform all Unit Holders of the Fund of the termination of that Class of Units.

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that Class of Units by the auditor of the Fund. Upon the completion of the termination of that Class of Units, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that Class of Units.

The Manager may also, in consultation with the Trustee, terminate any Class of Units if the termination of the Class of Units is in the best interest of Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Class of Units.

The Manager shall be entitled to terminate a Class of Units if that particular Class of Units is left with no Unit Holders.

13.10 Meeting of Unit Holders

- **Quorum required for a Unit Holders' Meeting**

- (a) The quorum required for a meeting of Unit Holders of the Fund or a Class of Units, as the case may be, shall be five (5) Unit Holders, whether present in person or by proxy; however, if the Fund or a Class of Units, as the case may be, has five (5) or less Unit Holders, the quorum required for a meeting of Unit Holders of the Fund or a Class of Units, as the case may be, shall be two (2) Unit Holders, whether present in person or by proxy.

- (b) 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 of the Fund or a Class of Units, as the case may be, at the time of the meeting.
- (c) If the Fund or a Class of Units, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a Class of Units, as the case may be.

- **Meeting convened by the Unit Holders**

The Unit Holders may direct 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), whichever is less, of all the Unit Holders of the Fund or all the Unit Holders of a particular Class of Units.

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), whichever is less, of all the Unit Holders of the Fund or of a particular Class of Units, as the case may be, summon a meeting of Unit Holders of the Fund or of that Class of Units by:

- (a) sending by post to each Unit Holder of the Fund or of that Class of Units at his last known address, or in the case of jointholders, to the jointholder whose name stands first in the records of the Manager to the jointholder's last known address at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the relevant Unit Holders;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

- **Meeting convened by the Manager**

The Manager may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days written notice of the meeting to 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.

- **Meeting convened by the Trustee**

Where:

- (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 shall summon a Unit Holders' meeting by:

- (a) sending by post at least twenty-one (21) 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; and
- (b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

The Trustee may also summon a Unit Holders' meeting for any purpose including, without limitation, 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 redemption of Units; and
- (e) deciding on the reasonableness of the annual management fee charged to the Fund.

- **Voting at a Unit Holders' Meeting**

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll be demanded or if it be a question which under the Deed requires a Special Resolution a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one vote notwithstanding that a Unit Holder may hold Units in different Classes of Units in the Fund.

Upon a voting by poll, the votes by every Unit Holder present in person or by proxy shall be proportionate to the value of Units held by a Unit Holder.

Investors should read and understand the contents of this Prospectus and, if necessary, should consult their adviser(s).

14. APPROVAL AND CONDITION

The SC has authorised the Fund. There are no other authorisations or approvals required, sought or pending from any relevant authorities in respect of the Fund.

15. CONFLICT OF INTEREST/RELATED PARTY TRANSACTIONS

Save as disclosed below, as at the LPD, there are no existing or potential related-party transactions involving the Fund, the Manager, the Trustee, promoters, vendors and/or persons connected to them.

Name of party	Name of related party and nature of relationship	Existing / potential related party transaction
The Manager	Bank Islam Malaysia Berhad. The Manager is a wholly owned subsidiary of Bank Islam Malaysia Berhad.	Distributor: Bank Islam Malaysia Berhad is one of the Manager's authorized distributors.
The Fund	Bank Islam Malaysia Berhad. The Manager is a wholly owned subsidiary of Bank Islam Malaysia Berhad.	Distributor: Bank Islam Malaysia Berhad is one of the Manager's authorized distributors.

It is the Manager's policy that all transactions with any related parties are entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties and that dealing with the related parties are transacted at arm's length basis.

The Manager has in place policies and procedures to regulate its employees' securities dealings. Periodic declaration of securities trading to the compliance officer of the Manager is required of all employees to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the Manager and the customers of the Manager.

Any transaction conducted by the board member or any other representative must be done for the best interest of the Unit Holders. In the event that any of the directors or Investment Committee members are directly or indirectly involved in such transactions, he should abstain from being involved with any decision making process of the said transaction.

As the Trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events:-

- (i) Where the Fund invests in instruments offered by the related party of the Trustee (e.g. placement of monies, structured products, etc);
- (ii) Where the Fund is being distributed by the related party of the Trustee as IUTA;
- (iii) Where the Assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- (iv) Where the Fund obtains financing as permitted under the Guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favorable to the Fund than an arms-length transaction between independent parties.

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

None of the Manager's advisers have any existing or potential interest and conflict of interest in an advisory capacity in the Fund or the Manager.



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Ext. 7284 / 7600

22 May 2023

Dear Sirs/Madams,

Re: Taxation of the Fund and Unit Holders

This letter has been prepared for inclusion in this Prospectus of Makmur myWakaf Fund in connection with the offer of units in the Makmur myWakaf Fund ("the Fund").

Taxation of the Fund

Income Tax

The Fund is a unit trust for Malaysian tax purposes. The taxation of the Fund is therefore governed principally by Sections 61 and 63B of the Income Tax Act, 1967 ("the Act").

Subject to certain exemptions, the income of the Fund in respect of investment income derived from or accruing in Malaysia is liable to income tax at the rate of 24% effective Year of Assessment ("YA") 2016.

The Fund may receive dividends, interest and other income from investments outside Malaysia. Income derived from sources outside Malaysia and received in Malaysia was previously exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

Based on the Finance Act 2021, income derived by a resident unit trust from foreign sources and received in Malaysia from 1 January 2022 onwards will be subject to Malaysian income tax. A transitional tax rate of 3% is accorded on the gross amount of the foreign income received in Malaysia from 1 January 2022 to 30 June 2022. From 1 July 2022, the prevailing tax rate of 24% will apply to the chargeable income computed in respect of the foreign source income remitted into Malaysia by the Fund.

Where the same foreign income has been taxed in both Malaysia and the foreign country, a tax credit in the form of bilateral relief under a Double Tax Agreement ("DTA") or unilateral relief under the domestic law (if there is no available DTA or a limited DTA which does not provide such relief) may be given in respect of such income, subject to conditions.

Gains from the realisation of investments by the Fund will not be subject to income tax in Malaysia. However, such gains may be subject to tax in the country from which it is derived.

KPMG Tax Services Sdn. Bhd., a company incorporated under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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Interest income earned by the Fund from the following are exempt from tax:-

- any savings certificates issued by the Government; or
- securities or bonds issued or guaranteed by the Government; or
- debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia; or
- a bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013^{N1}; or
- any development financial institution regulated under the Development Financial Institutions Act 2002^{N1}; or
- sukuk originating from Malaysia, other than convertible loan stocks, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission, or approved by the Labuan Financial Services Authority^{N2}.

Discounts earned by the Fund from the following are also exempt from tax: -

- securities or bonds issued or guaranteed by the Government; or
- debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

Tax deductions in respect of the Fund's expenses such as manager's remuneration, expenses on maintenance of register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage ("permitted expenses") are allowed based on a prescribed formula subject to a minimum of 10% and a maximum of 25% of the total permitted expenses.

Single tier Malaysian dividends received by the Fund are exempt from tax and expenses in relation to such dividend income are disregarded.

Real Property Gains Tax ("RPGT")

Gains on disposal of investments by the Fund will not be subject to income tax in Malaysia. However, such gains may be subject to RPGT in Malaysia, if the gains are derived from sale of Malaysian real properties and shares in Malaysian real property companies (as defined). Such gains would be subject to RPGT at the applicable rate depending on the holding period of the chargeable assets.

Sales Tax and Service Tax

The Goods and Services Tax ("GST") has been replaced by Sales Tax and Service Tax effective from 1 September 2018.

Under the Sales Tax Act 2018, Service Tax Act 2018 and subsidiary legislation, the sales tax rate for taxable goods is 5% or 10% while the service tax rate for taxable services is generally 6%. There are certain goods which are exempted from sales tax.

^{N1} Effective from 1 January 2019, the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.

^{N2} Effective from YA 2017, income tax exemption shall not apply to interest paid or credited to a company in the same group, licensed banks and prescribed development financial institutions. Based on the Finance Act 2021, income tax exemption shall also not apply to interest paid or credited by a special purpose vehicle to a company pursuant to the issuance of asset-backed securities lodged with the Securities Commission or approved by the Labuan Financial Services Authority from 1 January 2022 where the company and the person who established the special purpose vehicle solely for the issuance of the asset-backed securities are in the same group.



The issue, holding or redemption of any unit under a trust fund does not fall within the list of taxable services under the First Schedule of the Service Tax Regulations 2018 and hence, is not subject to service tax. The investment activities of the Fund such as buying and selling of securities and deposits in financial institutions are also not subject to service tax. As such, if the Fund is only deriving income from such activities, the Fund is not liable to be registered for service tax.

However, certain expenses incurred by the Fund such as legal fees, consultancy fees and management fees may be subject to service tax at 6%. For management fees, this specifically excludes fees charged by any person who is licensed or registered with the Securities Commission for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007. The service tax incurred by the Fund is a cost to the Fund and is not recoverable, unlike the GST input tax which was claimable under the GST regime.

Based on the Finance Act 2018, the imposition and scope of service tax has been widened to include any imported taxable service. This is effective from 1 January 2019.

Taxation of Unit Holders

Income Tax

Unit holders are taxed on an amount equivalent to their share of the total taxable income of the Fund, to the extent that this is distributed to them. The income distribution from the Fund may carry with it applicable tax credits proportionate to each unit holder's share of the total taxable income in respect of the tax paid by the Fund. Unit holders will be entitled to utilise the tax credit as a set off against the tax payable by them. Any excess over their tax liability will be refunded to the unit holders.

Corporate unit holders, resident or non-resident in Malaysia, would be taxed at the corporate tax rate of 24% (effective from YA 2016), on distributions of income from the Fund to the extent of an amount equivalent to their share of the total taxable income of the Fund. Corporate unit holders in Malaysia with paid-up capital in the form of ordinary shares of RM2.5 million and below will be subject to a tax rate of 17% on chargeable income of up to RM600,000, effective from YA 2020. This concessionary income tax rate is given only to corporate unit holders having gross business income for the relevant year of assessment of not more than RM50 million, in addition to the share capital requirement. For chargeable income in excess of RM600,000, the tax rate of 24% is still applicable.

However, the said tax rate of 17% on chargeable income of up to RM600,000 would not apply if more than 50% of the paid up capital in respect of ordinary shares of that corporate unit holder is directly or indirectly owned by a related company which has a paid up capital exceeding RM2.5 million in respect of ordinary shares, or vice versa, or more than 50% of the paid up capital in respect of ordinary shares of both companies are directly or indirectly owned by another company.

Based on the Finance Bill 2023, the tax rate for chargeable income of up to RM150,000 has been reduced from 17% to 15%. While the tax rate for chargeable income from RM150,001 up to RM600,000 is remain unchanged at 17%. For chargeable income in excess of RM600,000, the tax rate is 24%. This is effective from YA 2023.

In addition to the current conditions as mentioned above, the preferential tax rate would not apply if more than 20% of the paid-up capital in respect of ordinary shares of the company at the beginning of the basis period for a YA is directly or indirectly owned by a company or companies incorporated outside Malaysia or an individual or individuals who are not Malaysian citizens. This is effective from YA 2024.



Based on the Finance Act 2021, a corporate tax rate of 33% ("Cukai Makmur") will be levied on corporate unit holders with chargeable income exceeding RM100 million. Corporate unit holders with chargeable income below RM100 million will still be taxed at tax rate of 24%. However, the chargeable income in respect of foreign source income received in Malaysia from 1 July 2022 is exempted from the application of Cukai Makmur, computed based on a prescribed formula. The Cukai Makmur is effective for YA 2022 only.

The tax rate of 33% on chargeable income exceeding RM100 million would not apply to corporate unit holders in Malaysia that qualify for the preferential tax rate of 17% on chargeable income of up to RM600,000.

Individuals and other non-corporate unit holders who are resident in Malaysia will be subject to income tax at scale rates. The scale tax rates range from 0% to 30% with effect from YA 2020.

Individuals and other non-corporate unit holders who are not resident in Malaysia, for tax purposes, are subject to Malaysian income tax at the rate of 30% with effect from YA 2020. Non-resident unit holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdiction.

The distribution of single-tier Malaysian dividends and tax exempt income by the Fund will not be subject to tax in the hands of the unit holders in Malaysia. Units split by the Fund will also be exempt from tax in Malaysia in the hands of the unit holders.

However, based on the Finance Act 2021, the income distributed to a unit holder other than an individual, out of the interest income exempt from tax of a unit trust that is a retail money market fund which is paid or credited by a bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013, or any development financial institution regulated under the Development Financial Institutions Act 2002, will be subjected to tax. This is effective from 1 January 2022. Further, a new withholding tax mechanism is applicable on the above distribution. The income distributed to the unit holder other than an individual will be subject to withholding tax at the rate of 24% and the tax deducted can be utilised to set off against the tax payable by a tax resident unit holder. Withholding tax deducted on the income distributed to a non-individual unit holder who is not a tax resident in Malaysia will be regarded as a final tax. This is effective from 1 January 2022.

Any gains realised by the unit holders (other than financial institutions, insurance companies and those dealing in securities) from the transfer or redemption of the units are generally treated as capital gains which are not subject to income tax in Malaysia. However, certain unit holders may be subject to income tax in Malaysia on such gains, due to specific circumstances of the unit holders.

Service Tax

Only taxable services listed in the First Schedule of the Service Tax Regulations 2018 are subject to service tax, which exclude investment income or gains.

However, certain expenses such as legal fees, consultancy fees and management fees may be subject to service tax at 6%. For management fees, this specifically excludes fees charged by any person who is licensed or registered with the Securities Commission for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007.

Based on the Finance Act 2018, the imposition and scope of service tax has been widened to include any imported taxable service. This is effective from 1 January 2019.



The tax position is based on our understanding and interpretation of the Malaysian tax legislations and proposals as they stand at present. All prospective investors should not treat the contents of this letter as advice relating to taxation matters and are advised to consult their own professional advisers concerning their respective investments.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Neoh Beng Guan'.

Neoh Beng Guan
Executive Director

KPMG Tax Services Sdn Bhd

17. ADDITIONAL INFORMATION

17.1 The Deed

Copies of the Deed may be obtained from us at RM20.00 each. Alternatively, the Deed may be viewed free of charge at our head office during normal business hours.

Details	Date
i. Deed	27 November 2020
ii. First Supplemental Deed	21 November 2022

17.2 Consent

The Trustee, the Trustee's delegate (custodian function), Shariah Adviser and AIBIM have given their consent for the inclusion of their names and statements in the form and context in which they appear in this Prospectus and have not withdrawn such consent.

The tax adviser has given its consent for the inclusion of its name and tax adviser's letter in the form and context in which they appear in this Prospectus and have not withdrawn such consent.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Unit Holders may inspect without charge, at the registered office of the Manager or such other place as the SC may determine, the following documents or copies thereof, where applicable:

- a. the Deed and supplemental deeds, if any;
- b. this Prospectus and supplementary or replacement prospectus, if any;
- c. the latest annual and semi-annual reports of the Fund;
- d. each material contract disclosed in this Prospectus (if any) and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contract;
- e. the audited financial statements of the Manager and the Fund for the current financial year (where applicable) and for the last three financial years or if less than three (3) years, from the date of incorporation or commencement;
- f. all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus. Where a summary expert's report is included in this Prospectus, the corresponding full expert's report shall be made available for inspection;
- g. writ and relevant cause papers for all material litigation and arbitration disclosed in the Prospectus; and
- h. all consents given by experts disclosed in this Prospectus.

19. DIRECTORY OF SALES OFFICES

- **Branches of BIMB Investment Management Berhad**

<u>JOHOR BAHRU</u>	<u>KELANTAN</u>
No 33B, Jalan Indah 15/2 2 nd Floor, Taman Bukit Indah 79100 Nusajaya Johor. Tel : +607-239 5608 Fax : +607-239 5609	PT 433 & 434 Tingkat 2 Jalan Padang Garong 15000 Kota Bharu Kelantan. Tel : +609740 6118 / +6012908 7785

- Please refer to BIMB Investment's website at <https://bimbinvestment.com.my> for the list of licensed consultants.
- Please refer to BANK ISLAM MALAYSIA BERHAD website at www.bankislam.com.my for the list of its branches nationwide.