This Master Prospectus is dated 15 November 2016 and expires on 14 November 2017.

This Master Prospectus encompasses the following three (3) unit trust schemes:

- **AmanahRaya Unit Trust Fund**  
  *(Date of Inception – 21st September 2006)*

- **AmanahRaya Syariah Trust Fund**  
  *(Date of Inception – 21st September 2006)*

- **AmanahRaya Islamic Equity Fund**  
  *(Date of Inception – 23rd April 2008)*

The Manager

*AmanahRaya Investment Management Sdn Bhd (309646-H)*  
*(A Subsidiary of Amanah Raya Berhad)*

The Trustees

- **AmanahRaya Unit Trust Fund**  
  *CIMB Islamic Trustee Berhad (167913-M)*

- **AmanahRaya Syariah Trust Fund**  
  *CIMB Islamic Trustee Berhad (167913-M)*

- **AmanahRaya Islamic Equity Fund**  
  *PB Trustee Services Berhad (7968-T)*

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

FOR INFORMATION CONCERNING CERTAIN RISKS FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISKS FACTORS” COMMENCING ON PAGE 33.
ABOUT THIS DOCUMENTS

Responsibility Statement

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

Datuk Mohamed Adnan bin Ali (Chairman) (Independent/ Non-Executive)
Meor Khairi bin Meor Mohd Bazid (Managing Director/Chief Executive Officer)
Azhar bin Harun (Independent/ Non-Executive)
Dato’ Haji Che Pee bin Samsudin (Non-Independent/Non-Executive)
Tuan Haji Zulkifly bin Sulaiman (Independent/Non-Executive)
Huzairi Bin Zainal Abidin (Non-Independent/Non-Executive)
Adenan Bin Md Yusof (Non-Independent/Non-Executive)

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

Statements of Disclaimer

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

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of AmanahRaya Investment Management Sdn Bhd who is responsible for the said funds and takes no responsibility for the contents of the Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Master 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.

Additional Statement

AmanahRaya Syariah Trust Fund and AmanahRaya Islamic Equity Fund have been certified as Shariah Compliant by the Shariah Adviser appointed for the funds.

No units will be issued or sold based on this prospectus after the expiry date of this prospectus.
MESSAGE FROM THE CEO

Dear Investors,

Thank you for expressing your interest in the unit trust funds (Funds) of AmanahRaya Investment Management Sendirian Berhad (ARIM).

ARIM offers you participation in shariah-compliant and conventional Funds in equity and fixed income/sukuk asset classes. In this Master Prospectus, the Detailed Information of the Funds section provide you with the main features, investment objectives, investor profiles and the risks related to the Funds.

You may wish to understand the risks involved with investing in our Funds. Some of these specific risks associated with investments in the Funds include but not limited to market, interest rate, currency, credit and non-compliance risk. For further details on the risk profile for each Fund, please refer to the Risk Factor and Specific Risk section.

There are fees and charges involved when investing in our Funds, namely sales charge, annual management fees, trustee fees and other expenses. The details of the fees and charges are disclosed in the Understand Fees and Expenses section of this Master Prospectus.

Units can be bought and sold at our Main Office and the collecting points listed under the Collecting Points section at the end of this Master Prospectus. For more information, kindly visit our Main Office or contact our Sales & Marketing Team at 03-2687 5277. Alternatively, email your inquires to sales@arim.com.my or visit our website at www.arim.com.my

Yours sincerely,
For and on behalf of AmanahRaya Investment Management Sdn Bhd

Meor Khairi Meor Mohd Bazid
Managing Director/Chief Executive Officer
# TABLE OF CONTENTS

## ABOUT THIS DOCUMENTS
- MESSAGE FROM THE CEO  
- GLOSSARY OF TERMS  
- CORPORATE DIRECTORY

## 1. DETAILED INFORMATION OF THE FUNDS
- 1.1 AMANAHRAYA UNIT TRUST FUND (ARUTF)
  - 1.1.1 KEY FEATURES OF THE FUND
  - 1.1.2 DEBT SECURITIES AND MONEY MARKET INSTRUMENTS
  - 1.1.3 INSTITUTIONAL TRUST ACCOUNT OR ITA
  - 1.1.4 OTHER TRUST ACCOUNTS
  - 1.1.5 TEMPORARY DEFENSIVE MEASURE
  - 1.1.6 PERMITTED INVESTMENT
  - 1.1.7 INVESTMENT RESTRICTION
  - 1.1.8 LIMITATION OF INVESTMENT (DIVERSIFICATION IN TERMS OF ASSET ALLOCATION, THE USE OF FUTURES CONTRACTS FOR HEDGING PURPOSE)
  - 1.1.9 VALUATION OF AUTHORIZED INVESTMENTS
- 1.2 AMANAHRAYA SYARIAH TRUST FUND (ARSTF)
  - 1.2.1 KEY FEATURES OF THE FUND
  - 1.2.2 SUKUK AND ISLAMIC MONEY MARKET INSTRUMENTS
  - 1.2.3 OTHER TRUST ACCOUNTS
  - 1.2.4 TEMPORARY DEFENSIVE MEASURE
  - 1.2.5 PERMITTED INVESTMENT
  - 1.2.6 INVESTMENT RESTRICTION
  - 1.2.7 LIMITATION OF SHARIAH COMPLIANT INVESTMENT (DIVERSIFICATION IN TERMS OF ASSET ALLOCATION, THE USE OF ISLAMIC FUTURES CONTRACTS FOR HEDGING PURPOSE)
- 1.3 AMANAHRAYA ISLAMIC EQUITY FUND (ARIEF)
  - 1.3.1 KEY FEATURES OF THE FUND
  - 1.3.2 PERMITTED INVESTMENT
  - 1.3.3 TEMPORARY DEFENSIVE MEASURE
  - 1.3.4 LIMITATION ON INVESTMENT
  - 1.3.5 SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES
  - 1.3.6 SHARIAH-COMPLIANT DERIVATIVES
  - 1.3.7 FOREIGN SHARIAH-COMPLIANT SECURITIES
  - 1.3.8 ISLAMIC LIQUID ASSETS
  - 1.3.10 INVESTMENT RESTRICTION
  - 1.3.11 VALUATION OF AUTHORIZED INVESTMENTS
- 1.4 SPECIFIC RISKS
  - 1.4.1 SPECIFIC RISKS FOR ARUTF & ARSTF
  - 1.4.2 SPECIFIC RISKS FOR ARIEF
- 1.5 ADDITIONAL INFORMATION IN RELATION TO AMANAHRAYA SYARIAH TRUST FUND AND AMANAHRAYA ISLAMIC EQUITY FUND
- 1.6 FEES AND CHARGES
  - 1.6.1 CHARGES IMPOSED ON SALE AND PURCHASE OF UNITS
  - 1.6.2 FEES INCURRED ON INVESTING IN THE FUNDS
- 1.7 INFORMATION ON TRANSACTION OF UNITS
- 1.8 DISTRIBUTION POLICY
- 1.9 LIST OF CURRENT DEED AND SUPPLEMENTAL DEED

---

iii
6.5 THE INVESTMENT TEAM
6.6 THE MANAGER’S POLICY WITH RESPECT TO DEALING WITH CONFLICT OF INTEREST SITUATIONS
6.7 CIRCUMSTANCES THAT MAY LEAD TOWARDS THE RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER
6.8 RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST
6.9 POLICIES AND PROCEDURES ON MONEY LAUNDERING ACTIVITIES
6.10 POWER OF THE MANAGER TO REMOVE/REPLACE TRUSTEE, AS STIPULATED UNDER THE DEED AND SECURITIES LAWS
6.11 CROSS TRADE
6.12 MATERIAL LITIGATION AND ARBITRATION
7. THE TRUSTEE
7.1 PROFILE OF CIMB ISLAMIC TRUSTEE BERHAD (TRUSTEE FOR ARUTF & ARSTF)
7.1.1 GENERAL INFORMATION
7.1.2 EXPERIENCES AS TRUSTEE TO UNIT TRUST FUNDS
7.1.3 DUTIES AND RESPONSIBILITIES OF THE TRUSTEE
7.1.4 TRUSTEE’S DELEGATE
7.1.5 MATERIAL LITIGATION AND ARBITRATION
7.2 PROFILE OF PB TRUSTEE SERVICES BERHAD (TRUSTEE FOR ARIEF)
7.2.1 GENERAL INFORMATION
7.2.2 EXPERIENCE IN THE TRUSTEE BUSINESS
7.2.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES
7.2.4 THE TRUSTEE MAY BE REMOVED AND ANOTHER TRUSTEE MAY BE APPOINTED BY SPECIAL RESOLUTION OF THE UNIT HOLDERS’ MEETING CONVENED IN ACCORDANCE WITH THE DEED OR AS STIPULATED IN THE CMSA 2007.
7.2.5 TRUSTEE’S STATEMENT OF RESPONSIBILITY
7.2.6 REMOVAL OR REPLACEMENT OF THE TRUSTEE
7.2.7 TRUSTEE’S DECLARATION
7.2.9 MATERIAL LITIGATION AND ARBITRATION
8. SHARIAH ADVISER
9. SALIENT TERMS OF THE DEEDS
9.1 UNIT HOLDERS’ RIGHTS AND LIABILITIES
9.2 JOINTHOLDERS
9.3 MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED
9.4 PERMITTED EXPENSES PAYABLE OUT OF THE FUNDS
9.5 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER
9.6 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE
9.7 TERMINATION OF THE FUND
9.8 UNIT HOLDERS’ MEETING
9.9 THE DEED
10. COMMUNICATION WITH UNIT HOLDERS
11. RIGHTS & LIABILITIES TO UNIT HOLDERS
12. TAXATION
13. CONSENTS
14. DIRECTORS DECLARATION
15. COLLECTING POINTS
## GLOSSARY OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AmanahRaya Investment Management or ARIM</td>
<td>AmanahRaya Investment Management Sdn Bhd (309646-H)</td>
</tr>
<tr>
<td>or the Manager</td>
<td></td>
</tr>
<tr>
<td>ARB</td>
<td>Amanah Raya Berhad (344986-V)</td>
</tr>
<tr>
<td>ARB Branch Offices</td>
<td>Act as the Collecting Points</td>
</tr>
<tr>
<td>ARUTF or Fund</td>
<td>AmanahRaya Unit Trust Fund</td>
</tr>
<tr>
<td>ARSTF or Fund</td>
<td>AmanahRaya Syariah Trust Fund</td>
</tr>
<tr>
<td>ARIEF or Fund</td>
<td>AmanahRaya Islamic Equity Fund</td>
</tr>
<tr>
<td>Assets</td>
<td>All property, rights and income of the Fund and includes all amounts due to the Fund</td>
</tr>
<tr>
<td>BNM</td>
<td>Bank Negara Malaysia</td>
</tr>
<tr>
<td>BRA</td>
<td>Bond Rating Agency</td>
</tr>
<tr>
<td>Business Day(s)</td>
<td>Mondays to Fridays where Financial Institutions in Kuala Lumpur are open for business</td>
</tr>
<tr>
<td>Bursa Malaysia</td>
<td>Bursa Malaysia Berhad</td>
</tr>
<tr>
<td>Bursa Securities</td>
<td>Bursa Malaysia Securities Berhad</td>
</tr>
<tr>
<td>CITB or Trustee</td>
<td>CIMB Islamic Trustee Berhad (167913-M)</td>
</tr>
<tr>
<td>Collecting Points</td>
<td>Any branch, outlet or any premise only as a conduit used to facilitate purchase and redemption of unit trust funds. Collection Points are not distribution points for marketing and distribution of unit trusts in accordance to the Guidelines on Marketing And Distribution of Unit Trusts issued by SC</td>
</tr>
<tr>
<td>Common Fund</td>
<td>Shall have the same meaning as prescribed under Clause 25 of the PTCA 1995, vis-à-vis all capital money available for investments which are held by ARB after the date of which PTCA 1995 is in force, shall form the Common Fund and shall be invested in any investments permitted by law of investment of trust funds</td>
</tr>
<tr>
<td>CMSA 2007</td>
<td>Capital Markets and Services Act 2007</td>
</tr>
<tr>
<td>Cooling-Off Period</td>
<td>A period where a Unit Holders is allowed to exercise the Cooling-Off Right.</td>
</tr>
<tr>
<td>Cooling-Off Right</td>
<td>The right of the Unit Holders to obtain a refund of his investment in the Fund within six (6) Business Days commencing from the date of receipt of application by the Manager. For EPF Unit Holders, the cooling-off period will commence from the date of receipt of application form by AmanahRaya Investment Management Sdn Bhd</td>
</tr>
<tr>
<td>EPF</td>
<td>Employees Provident Fund</td>
</tr>
<tr>
<td>The Deed</td>
<td>The Principal and any Supplemental Deed in respect of the Fund made between the Manager, the Trustee and the Unit Holders of the Fund, agreeing to be bound by the provisions of the Deed</td>
</tr>
<tr>
<td>FBM KLCI</td>
<td>FTSE Bursa Malaysia Kuala Lumpur Composite Index</td>
</tr>
<tr>
<td>The Funds</td>
<td>AmanahRaya Unit Trust Fund, AmanahRaya Syariah Trust Fund and AmanahRaya Islamic Equity Fund</td>
</tr>
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</tr>
<tr>
<td>Financial Institutions</td>
<td>Means, if the institution is in Malaysia licensed bank; licensed investment bank; or licensed Islamic bank; or if the institution is outside Malaysia, any institution that is licensed, registered, approved, or authorised by the relevant banking regulator to provide financial services.</td>
</tr>
<tr>
<td>FIMM</td>
<td>Federation of Investment Managers Malaysia</td>
</tr>
<tr>
<td>General Investment Account (GIA)</td>
<td>Investment account which is based on Shariah contracts and applicable for investment purposes.</td>
</tr>
<tr>
<td>GII</td>
<td>Government Investment Issues – long-term non interest - bearing Government securities, which are issued based on Islamic principles by the Government of Malaysia.</td>
</tr>
<tr>
<td>GST</td>
<td>Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.</td>
</tr>
<tr>
<td>IBFIM</td>
<td>Refers to the Shariah Adviser for ARSTF and ARIEF.</td>
</tr>
<tr>
<td>Individual</td>
<td>As defined under the Financial Services Act 2013.</td>
</tr>
<tr>
<td>Initial offer period</td>
<td>The dates on or the period during which the initial subscription to units of the Fund can be made.</td>
</tr>
<tr>
<td>Islamic deposits</td>
<td>means a sum of money accepted or paid in accordance with Shariah –</td>
</tr>
<tr>
<td></td>
<td>(a) on terms under which it will be repaid in full, with or without any gains, return or any other consideration in money or money’s worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and person accepting it; or</td>
</tr>
<tr>
<td></td>
<td>(b) under an agreement, on terms whereby the proceeds under the arrangement to be paid to the person paying the sum of money shall not be less than such sum of money, but excludes money paid bona fide –</td>
</tr>
<tr>
<td></td>
<td>(i) by way of an advance or a part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;</td>
</tr>
<tr>
<td></td>
<td>(ii) by way of security for the performance of a contract or by way of security in respect of any loss which may result from the non-performance of a contract;</td>
</tr>
<tr>
<td></td>
<td>(iii) without limiting paragraph (ii), by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise; and</td>
</tr>
<tr>
<td></td>
<td>(iv) in such other circumstances, or to or by such other person, as set out in schedule 2 of the Islamic Financial Services Act 2013.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
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</tr>
<tr>
<td>Service Charge</td>
<td>Preliminary charge on each investment.</td>
</tr>
<tr>
<td>Institutional Trust Account or ITA</td>
<td>ARB’s Institutional Trust Account</td>
</tr>
<tr>
<td>MER</td>
<td>Management Expense Ratio – The MER is the ratio of the inherent costs incurred in operating a unit trust fund to the fund’s average net asset value. The expenses are paid directly from the fund and the cost includes the management fees, trustee fees and trust expenses. Generally, the larger the fund, the lower the MER due to economies of scale. The MER provides a measurement by which investors can assess and compare the outgoings incurred by the fund.</td>
</tr>
<tr>
<td>MARC</td>
<td>Malaysian Rating Corporation Berhad (364803-V).</td>
</tr>
<tr>
<td>NAV or Net Asset Value</td>
<td>Means the value of all the fund’s assets less the value of all the fund’s liabilities at the valuation point.</td>
</tr>
<tr>
<td>NAV per unit</td>
<td>The Net Asset Value of the Fund divided by the number of units in circulation, at the valuation point.</td>
</tr>
<tr>
<td>PB Trustee or Trustee</td>
<td>PB Trustee Services Berhad (7968-T)</td>
</tr>
<tr>
<td>Person</td>
<td>For the purpose of Unit Holders it includes but not limited to a firm, a body corporate, an unincorporated association, an authority, an Individual and non-Individual.</td>
</tr>
<tr>
<td>PDUT</td>
<td>Persons Dealing in Unit Trust as defined in the guidelines of FIMM.</td>
</tr>
<tr>
<td>Master Prospectus</td>
<td>Includes information of ARUTF, ARSTF &amp; ARIEF</td>
</tr>
<tr>
<td>PTR</td>
<td>Portfolio Turn Over Ratio – A measure of how frequently assets within a fund are bought and sold by the Manager. It is the average of securities purchased and sold during a period divided by the total NAV.</td>
</tr>
<tr>
<td>RAM</td>
<td>Rating Agency of Malaysia Berhad (208095-U)</td>
</tr>
<tr>
<td>REIT</td>
<td>Real Estate Investment Trust</td>
</tr>
<tr>
<td>RM and sen</td>
<td>Ringgit Malaysia and sen respectively</td>
</tr>
<tr>
<td>SC</td>
<td>Securities Commission</td>
</tr>
<tr>
<td>SAC</td>
<td>The Shariah Advisory Council of the SC and/or BNM</td>
</tr>
<tr>
<td>Sukuk</td>
<td>Means certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the Shariah Advisory Council of the Securities Commission.</td>
</tr>
<tr>
<td>SC Guidelines or Guidelines</td>
<td>The Guidelines on Unit Trust Funds issued by the SC and includes any schedules, appendices and guidelines contained therein and any amendments or modification made thereto, from time to time.</td>
</tr>
<tr>
<td>Selling Price of a unit</td>
<td>The price payable by an investor or a Unit Holders of the Fund for the purchase of a Unit of the Fund. The Selling Price of a Unit shall be equal to the Net Asset Value per Unit as at the next valuation point of the Fund’s relevant Business Day (“forward pricing”) after the application for Units is received by the Manager. A service charge may be computed separately based on the net investment amount/purchase amount.</td>
</tr>
<tr>
<td><strong>Special Resolution</strong></td>
<td>“Special Resolution” in respect of the Fund, means a resolution passed at a meeting of Unit Holders of the Fund duly convened in accordance with the Deed and carried by a majority in number representing not less than seventy-five per centum (75%) of all the Unit Holders present and voting at a duly convened meeting of Unit Holders of the Fund summoned for that purpose, in person or by proxy.</td>
</tr>
<tr>
<td><strong>Shariah requirements</strong></td>
<td>A phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.</td>
</tr>
<tr>
<td><strong>Shariah</strong></td>
<td>Islamic Law comprising the whole body of rulings pertaining to human conducts derived from sources of Shariah.</td>
</tr>
<tr>
<td><strong>The Shariah Adviser</strong></td>
<td>Refers to IBFIM (763075-W) or any Shariah Adviser appointed for the Fund which includes its permitted assigns, successors in title and any new or replacement Shariah Adviser.</td>
</tr>
<tr>
<td><strong>Trust Account</strong></td>
<td>A trust deposit account which is subject to Trustee Act 1949 and/or PTCA 1995.</td>
</tr>
<tr>
<td><strong>Unit Holders</strong></td>
<td>The registered holder for the time being of a unit of the Fund including corporations, institution or persons jointly so registered.</td>
</tr>
<tr>
<td><strong>UIC</strong></td>
<td>Unit In Circulation refer to total number of units in issue at a point in time.</td>
</tr>
<tr>
<td><strong>Valuation point</strong></td>
<td>Valuation point refers to such a time(s) on a business day as may be decided by the Manager wherein the Net Asset Value (“NAV”) of the fund is calculated. Under normal circumstances, only one valuation is conducted on each Business Day. For funds with no foreign investments, the valuation of NAV of funds is conducted on each Business Day at the close of Bursa Securities. For the funds with foreign investments, the Fund will be valued at 5.00 p.m. on every Business Day (or “trading day” or “T” day). However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or “T + 1”). All foreign assets are translated into the Base Currency based on the exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 a.m. midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FIMM. If the foreign market in which the Fund is invested in is closed for business, the Manager will value the underlying assets based on the latest available price as at the day the particular foreign market was last opened for business.</td>
</tr>
</tbody>
</table>
CORPORATE DIRECTORY

The Manager & Investment Manager
AmanahRaya Investment Management Sdn Bhd

Registered Address
Tingkat 11 Wisma Amanah Raya
No 2 Jalan Ampang
50508 Kuala Lumpur
Tel: (03) 2055 7388
Fax: (03) 2078 8187

Business Office
Tingkat 7 & 8 Wisma Amanah Raya
No 2 Jalan Ampang
50508 Kuala Lumpur
Tel: (03) 2687 5300
Fax: (03) 2687 5200
Website: www.arim.com.my

Shariah Adviser
IBFIM (763075-W)

Registered Address
No.149A, 149B, 151B
Persiaran Raja Muda Musa
42000 Port Klang,
Selangor Darul Ehsan

Business Office
3rd Floor, Menara Takaful Malaysia,
Jalan Sultan Sulaiman, 50000 Kuala Lumpur
Tel: (03) 2031 1010
Fax: (03) 2078 5250
Email: info@ibfim.com
Website: www.ibfim.com

Auditors of the Fund
Ernst & Young (AF: 0039)

Business Office
Level 23A, Menara Millennium, Jalan Damanlela
Pusat Bandar Damsarsara, 50490 Kuala Lumpur
Tel: (03) 7495 8000
Fax: (03) 2095 9076

Tax Consultant of the Fund
Ernst & Young Tax Consultants Sdn Bhd (179793-K)

Business Office
Level 23A, Menara Millennium, Jalan Damanlela
Pusat Bandar Damsarsara, 50490 Kuala Lumpur
Tel: (03) 7495 8000
Fax: (03) 2095 5332

The Trustee for ARUTF and ARSTF
CIMB Islamic Trustee Berhad (167913-M)

Registered Address
Level 13, Menara CIMB,Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel: (03) 2261 8888
Fax: (03) 2261 0099

Business Office
Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel: (03) 2261 8888
Fax: (03) 2261 9892

Trustee’s Delegate
CIMB Bank Berhad (13491-P)

Registered Address
Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel: (03) 2261 8888
Fax: (03) 2261 8889
Website: www.cimb.com

Business Office
Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel: (03) 2261 8888
Fax: (03) 2261 9892

The Trustee for ARIEF
PB Trustee Services Berhad (7968-T)

Business Office
17th Floor, Menara Public Bank, No 146, Jalan Ampang,
50450 Kuala Lumpur
Tel : 03-2162 6605
Fax : 03-2164 3285

Trustee’s Delegate
Public Nominees (Tempatan) Sdn Bhd (6464-T)

Registered Address
Level 6 Menara Public Bank,
146 Jalan Ampang,
50450 Kuala Lumpur,
Tel.No: 03-2162 6077
Fax No. 03-2162 6078

Federation of Investment Managers Malaysia
19-07-03, 7th Floor
PNB Damansara
No 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2093 2600
Fax : 03-2093 2700
1.  DETAILED INFORMATION OF THE FUNDS

1.1  AMANAHRAYA UNIT TRUST FUND (ARUTF)

1.1.1  KEY FEATURES OF THE FUND

<table>
<thead>
<tr>
<th>Category of Fund</th>
<th>Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Fund</td>
<td>Growth and Income</td>
</tr>
<tr>
<td>Launch Date</td>
<td>21/09/2006</td>
</tr>
</tbody>
</table>

**Investment Objective**

ARUTF is a bond fund that aims to provide regular income and capital growth over the medium to long-term through investments predominantly in debt securities, money market instruments and Trust Accounts.

Any material changes to the fund objectives would require unit holders’ approval.

**Investment Strategy**

ARUTF will invest a minimum of 70% of the Fund’s NAV in Ringgit and foreign currency debt securities and money market instruments rated at least ‘A’ or ‘P2’ by RAM or its MARC equivalent rating or A- by S&P, or its Moodys and Fitch equivalent rating. The Fund may invest up to 30% of the Fund’s NAV into ARB’s Common Fund via Institutional Trust Account and/or other Trust Accounts.

This risk management strategies and techniques employed by the Manager include diversification of the Fund’s asset allocation in terms of its exposure to various industries, sectors and bonds classes (i.e. Bonds and Money Market instruments). Derivatives may also be used for hedging purposes where appropriate.

For the Fund’s trading policy, the Manager will maintain a core holding for the Fund, which it intends to hold over a medium to long-term investment horizon bias, which is similar to a buy and hold philosophy. At the same time, the Manager may also take advantage of prevailing market conditions to trade securities when opportunity arises to assist the Fund in meeting its objective.

**Specific Risks**

The specific risks related to the Fund are bond issuer risk, credit / default risk, interest rate risk, market risk and liquidity risk.

**Potential Investor**

It is suitable for investors seeking:

- a moderate to low risk investment that has exposure in debt securities, money market instruments and Trust Accounts;
- a fund that aims to provide regular income stream; and/or
- a fund that aims for long-term capital growth.

**Investor Profile**

Conservative.

**Benchmark**

70% quant shop MGS Bond Index (Medium Sub – Index) + 30% 12-months Fixed Deposit Rate.

The structure of the above benchmark is referring to the investment strategy of the Fund. The risk profile of the performance benchmark is not the same as the risk profile of the Fund.

You can obtain the information on the benchmark from the quant shop website (www.fundslogic.com) and maybank2u website (http://www.maybank2u.com.my). For further details on the benchmark, you may obtain the information from the Manager upon request.
1.1.2 DEBT SECURITIES AND MONEY MARKET INSTRUMENTS

The debt securities portion will be invested in a mixture of short-term to long-term debt securities comprising government and corporate bonds rated at least "A" by RAM or its MARC equivalent at the time of acquisition. The asset allocation between the short-term and long-term debt securities is subject to the prevailing investment norms and the financial market environment. The selection of sectors and securities for the portfolio will be decided based on the economic and interest rate outlook, yield curve, duration, credit quality and possible credit upgrades or downgrades.

ARUTF will also invest in money market instruments rated at least "P2" by RAM or its MARC equivalent at the time of acquisition. The size of the money market instruments is dependent on various factors, such as market conditions and interest rate movements. Under normal circumstances, money market instruments provide liquidity to meet redemptions and a substantial allocation in these instruments may affect the Fund’s ability to pursue its investment objectives. However, in the event of a market downturn, the Fund may make a larger allocation in money market instruments as a temporary defensive measure to reduce the Fund’s exposure in the riskier assets.

1.1.3 INSTITUTIONAL TRUST ACCOUNT OR ITA

ARUTF is permitted by the SC and it plans to invest up to 30% of its NAV in the Common Fund via Institutional Trust Account. ARUTF’s investment in the Common Fund aims to achieve greater portion of returns in the form of income distributions as compared to capital gains.

ITA is a trust created by a corporate body or institution with ARB acting as a Trustee to the assets under a trust which are in the Common Fund. The aforesaid corporate body or institution is also known as a “Settlor”/“Donor” and it can also be the beneficiary. Under a trust structure, the relationship between Settlor and ARB is governed by a Trust Deed which is a legal document stating the conditions of the account and the responsibilities of the Trustee with regard to the administration and management of the account.

The trust created under the ITA shall be fully invested in the Common Fund. The Common Fund was formed under Section 25 of the PTCA 1995 of which its investment parameters are governed under the Trustee Act 1949 and PTCA 1995. Both Acts define the types of investment and market allowed for the Common Fund as well as describing the role and power mandated to ARB as a Trustee and Administrator to the Common Fund.

The Common Fund is a diversified portfolio, consisting of debt securities, equities, properties and money market instruments. Currently, the asset allocation for the Common Fund is as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>Up to 50%</td>
</tr>
<tr>
<td>Equities</td>
<td>Up to 18%</td>
</tr>
<tr>
<td>Properties</td>
<td>Up to 20%</td>
</tr>
<tr>
<td>Money Market</td>
<td>Minimum 2%</td>
</tr>
<tr>
<td>Alternative Investment</td>
<td>Minimum 10%</td>
</tr>
</tbody>
</table>
In addition, the Common Fund is permitted to invest up to 30% of its NAV into foreign securities and assets. The Common Fund is also allowed to invest into the sub-category of the assets such as REITs, private equity and corporate bonds subject to the allocation set out above.

1.1.4 OTHER TRUST ACCOUNTS

The Fund is permitted to invest in other Trust Accounts that have objectives which are consistent with the objectives of ARUTF. For the avoidance of doubt, investment into other Trust Accounts other than ARB’s Common Fund via ITA, ARUTF shall only invest up to 20% of the Fund’s NAV in any single Trust Account.

1.1.5 TEMPORARY DEFENSIVE MEASURE

ARUTF may need to exercise temporary defensive measures during adverse market conditions, economic, political, or any other conditions that may be inconsistent with the Fund’s objectives and investment strategies. In times of adversity in the bond markets, the Manager will attempt to reduce the portfolio’s overall duration by investing in shorter-tenure assets. It may also utilize Interest Rate Swap and KLIBM Futures contracts to hedge the portfolio against rising interest rate scenarios.

The Fund may also need to invest into short-term bank deposits or opt to invest in good credit quality debt assets during times of economic uncertainties in order to protect the value of the portfolio.

<table>
<thead>
<tr>
<th>Assets</th>
<th>Allocation (PREVIOUS)</th>
<th>Allocation (REVISED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>Up to 55%</td>
<td>Up to 50%</td>
</tr>
<tr>
<td>Equities</td>
<td>Up to 20%</td>
<td>Up to 18%</td>
</tr>
<tr>
<td>Properties</td>
<td>Up to 20%</td>
<td>Up to 20%</td>
</tr>
<tr>
<td>Money Market</td>
<td>Minimum 5%</td>
<td>Minimum 2%</td>
</tr>
<tr>
<td>Alternative Investment</td>
<td>-nil-</td>
<td>Minimum 10%</td>
</tr>
</tbody>
</table>

1.1.6 PERMITTED INVESTMENT

The Manager has absolute discretion, subject to the following:
- the Deed;
- the investment policy for the Fund; and
- the requirements of the SC and any other regulatory bodies as to how the assets of the Fund are invested.

Under the Deed, the Fund can invest in a wide range of securities, including but not limited to the following:
- Malaysian currency balances in hand, Malaysian currency deposits with financial institutions, including Negotiable Certificates of Deposit and Floating Rate NID;
- Malaysian currency deposits including Islamic Negotiable Investment of Deposit and Islamic Floating Rate NID;
- Cagamas bonds and bankers’ acceptances;
- Islamic Accepted Bills, Mudharabah Cagamas Bonds and Islamic debt securities carrying at least an “A” rating by RAM and MARC equivalent and corporate sukuk that have an equivalent rating by RAM or MARC;
Malaysian corporate bonds traded in the money market which are either bank guaranteed or carrying at least an “A” rating by RAM or its MARC equivalent and corporate bonds that have an equivalent rating by RAM or MARC;

Malaysian Government Securities, Treasury Bills, BNM Certificates and Government Investment Certificates;

Foreign currency debt securities with minimum rating of A- by international rating agencies e.g.: S&P, or its Moody’s and Fitch equivalent rating;

Malaysian Islamic bonds and other Islamic debt securities, both corporate as well as government with a minimum credit rating of “A” or “P2” by RAM or MARC equivalent;

Derivatives products inclusive of forward contracts, currency swaps, interest rate swaps, options, caps, floors and credit default swaps for hedging purposes;

Treasury Bills, Bankers Acceptances, repurchase and reverse repurchase agreements and promissory notes with and/or issued by financial institution with a minimum credit rating of “A” or “P2” by RAM or its MARC equivalent;

Institutional Trust Account or other Trust Accounts from time to time that is in line with the Fund’s objectives;

All types of collective investment schemes including unlisted and listed unit trust, which invests in debt securities and fixed interest securities;

Any other form of investments as permitted by the SC from time to time that is in line with the Fund’s objectives;

Currencies; and

Credit linked notes

The formulation of the investment policies and strategies of the Fund are based on the objectives of the Fund after taking into consideration the regulatory requirements outlined in the SC Guidelines, with such variations as approved by the SC.

1.1.7 INVESTMENT RESTRICTION

The SC Guidelines and/or the Deed also stipulate the following investment restrictions:

- The Fund’s holding in debt securities of, and relating to, any single issuer must not exceed 20% of the Fund’s NAV.
- The Fund may invest up to 30% of its net asset value in single issuer securities with ratings of “AAA” or “P1”;
- The value of the Fund’s holding of debt securities of and relating to any group of companies should not exceed 30% of the Fund’s NAV except in cases where there are acceptable reasons for exceeding the limit wherein the Manager must receive prior approval from the SC and notify the relevant Trustee of the reasons thereof;
- The Fund’s holding of any class of debt securities of any single issuer must not exceed 20% of the debt securities issued;
- The Fund’s holding of foreign currency debt securities must not be more than 20% of Total Funds NAV; and
- The Fund’s investments in domestic bonds and other debt securities are subject to a minimum credit rating of “A” by RAM or its MARC equivalent. However, in the event of a credit rating downgrading, the investment manager reserves the right to deal with the security in the manner which it considers to be in the best interest of the Fund.
In respect of restrictions stipulated by the SC Guidelines, there is an allowance of 5% where such restrictions are breached through appreciation or depreciation in value of the investments or as a result of repurchase of units or payment made from the Fund.

If, by reason of market movement, the Fund ceases to comply with the above limitations on investments, the Manager should not make any further acquisitions to which the relevant limit is breached and must remedy the non-compliance as soon as practicable (maximum three (3) months) after the Manager becomes aware of the non-compliance.

1.1.8 LIMITATION OF INVESTMENT (DIVERSIFICATION IN TERMS OF ASSET ALLOCATION, THE USE OF FUTURES CONTRACTS FOR HEDGING PURPOSE)

Debt securities, money market instrument and Trust Accounts
ARUTF will invest at least 70% of its NAV in debt securities and money market instruments with the remaining balance of up to 30% of its NAV to be invested into the ARB’s Common Fund via Institutional Trust Account and/or other Trust Accounts. Save for ARB’s Common Fund, ARUTF may only invest up to 20% of its NAV in any single issuer.

Collective investment schemes
Investments in collective investment schemes may be made in such situations where it is either practical or desirable by the Manager to gain exposure to a particular asset class by investing in another unit trust.

Liquid assets
The Fund must hold a minimum of 2% of the Net Asset Value of the Fund (or such other amount agreed by the Manager and Trustee from time to time) in liquid assets such as cash, deposits and easily convertible securities available to meet immediate and emergency needs.

Derivatives
The term ‘derivative’ is used to describe any financial instrument of which its value depends on, or is ‘derived’ from assets or liabilities or indices (the underlying asset). The most commonly used derivatives include but are not limited to futures contracts, options and forward rate agreements.

Derivatives can provide a similar exposure to an investment as in the purchase or sale of the underlying physical asset. They can also be used in risk management to protect the Fund from detrimental movements in underlying markets or investments.

The Fund is not allowed the using of the writing of option derivatives and short position of futures contracts by the Fund. The participation of the Fund in any futures contract other than a futures option or an eligible exchange traded option must be for hedging purposes only. The Fund is not allowed to use derivatives for gearing its exposure to a market.

In any case, the Fund’s exposure from the derivatives position must not exceed the Fund’s Net Asset Value at all times.

Inherent risk
The inherent risk refers to the probability of loss arising out of circumstances or existing in an environment, in the absence of any action to control or modify the circumstances, thus all derivatives deals must satisfy the following criteria;

(a) the counter-party is a financial institution with a minimum long-term rating provided by any domestic or global rating agency that indicates strong capacity for timely payment of financial obligations;
(b) the fund manager has determined it is able to value the investment concerned to ensure that the pricing is reasonable;
(c) the counter-party is able to provide a reliable and verifiable valuation on a regular basis (preferably every business day) or at any time as may be requested by the fund manager or the trustee; and

In the event of a downgrade in the rating of the issuer below minimum rating in case of the OTC derivatives, the specific risk management to be adopted is to ensure the counter-party must be ready to unwind, buy-back or close out the transaction upon request of the fund manager at a fair value determined on methods or bases which have been verified by the auditor of the fund and approved by the trustee.

**Variation to the SC Guidelines**
ARIM has obtained approval from the SC for a variation to Clause 3.0(1), Schedule C Appendix 1 of the SC Guidelines which permits ARUTF to invest up to 30% of its NAV in ARB’s Common Fund.

**1.1.9 VALUATION OF AUTHORIZED INVESTMENTS**

**Deposits (liquid assets)**
The value of any authorized investments which are deposits placed with banks or other Financial Institutions and bank bills shall be determined each day by referring to the nominal value of such authorized investments and the accrued income thereon for the relevant period.

**Trust Accounts**
The value of any authorized investments which are deposits placed in Trust Accounts, shall be determined each day by referring to the nominal value of such authorized investments and the accrued income thereon for the relevant period.

**Unlisted Securities**
As provided under SC Guidelines, the value of unlisted securities shall be determined on the basis of fair value in good faith by the Manager based on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee, and adequately disclosed in this Master Prospectus.

The value of any unlisted Ringgit-denominated bond and fixed income securities shall be calculated on a daily basis using fair value prices quoted by the Bond Pricing Agency (BPA) registered with the SC. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific bond differs from the market price by more than 20 basis points, the Manager may use the market price by reference to the last available quote provided such quote was obtained within the previous 30 days.

The value of any bond and debt securities which are not quoted on any recognized exchange shall be calculated at least once a week by referring to the average of bid and offer prices quoted by at least three (3) reputable financial institutions (including foreign banks) such as Citibank Berhad, CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad) and AmInvestment Group Berhad and/or bond pricing agencies of similar standing in the over-the-counter or telephone market at the close of trading.

However, if such quotations are not available or reliable, the value shall be determined by referring to the last available price provided that such price was obtained within the previous thirty (30) days.

**Listed Securities**
The value of any authorized investments, which are quoted on an approval exchange, shall be calculated by referring to the last transacted price on that approved exchange.

If there is no such transacted price, the value shall be determined by referring to the mean of bid and offer prices at the close of trading.
In the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, then the securities will 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.

**Collective Investment Schemes**

The value of any investments in collective investment schemes, which are quoted on an approved exchange, shall be calculated in the same manner as the other listed securities described above. When investing in unlisted open-ended unit trusts, the value shall be determined by referring to the Manager’s last published withdrawal price for that unit trust.

If the quotations referred to above are not available or in the opinion of Manager, the value of the authorized investments determined in the manner described above does not represent a fair value of the authorized investments, then the value shall be any reasonable value as may be determined by the Manager (with the consent of the Trustee). This valuation method shall be verified by the auditors and approved by the Trustee.

**Borrowings**

The Fund shall not borrow cash or other assets in connection with its activities.

**Termination of the Fund**

The Fund may be terminated:

(a) by a Special Resolution; or
(b) by the Manager, by giving three (3) months’ notice in writing to the Trustee and the Unit Holders. This could happen if at any time the NAV of the Fund has fallen to a level such that the Manager considers it impossible or impracticable to continue the trust.

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## 1.2 AMANAHRAYA SYARIAH TRUST FUND (ARSTF)

### 1.2.1 KEY FEATURES OF THE FUND

<table>
<thead>
<tr>
<th>Category of Fund</th>
<th>Bond (Shariah compliant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Fund</td>
<td>Growth and Income</td>
</tr>
<tr>
<td>Launch Date</td>
<td>21/09/2006</td>
</tr>
<tr>
<td>Investment Objective</td>
<td>ARSTF aims to provide regular income and capital growth over the medium to long-term through investments predominantly in Shariah-compliant debt securities, money market instruments and Trust Accounts. Any material changes to the fund objectives would require unit holders’ approval.</td>
</tr>
<tr>
<td>Investment Strategy</td>
<td>ARSTF will invest a minimum of 70% of the Fund’s NAV in Ringgit and foreign currency sukuk rated at least ‘A’ or ‘P2’ by RAM or its MARC equivalent rating or A- by S&amp;P, or its Moodys and Fitch equivalent rating. The Fund may invest up to 30% of the Fund’s NAV into ARB’s Common Fund via Institutional Trust Account and/or other Trust Accounts that comply with Shariah requirements. This risk management strategies and techniques employed by the Manager include diversification of the Fund’s asset allocation in terms of its exposure to various industries, sectors and bonds classes/type of Shariah compliant investments (i.e. sukuk and Islamic Money Market instruments). For the Fund’s trading policy, the Manager will maintain a core holding for the Fund, which it intends to hold over a medium to long-term investment horizon bias, which is similar to a buy and hold philosophy. At the same time, the Manager may also take advantage of prevailing market conditions to trade securities when opportunity arises to assist the Fund in meeting its objective.</td>
</tr>
<tr>
<td>Specific Risks</td>
<td>The specific risks related to the Fund are sukuk issuer risk, credit / default risk, interest rate risk, market risk and liquidity risk.</td>
</tr>
<tr>
<td>Potential Investor</td>
<td>It is suitable for investors seeking:</td>
</tr>
<tr>
<td></td>
<td>• a moderate to low risk investment that has exposure in sukuk, Islamic money market instruments and Trust Accounts that comply with Shariah requirements;</td>
</tr>
<tr>
<td></td>
<td>• a fund that aims to provide regular income stream; and/or</td>
</tr>
<tr>
<td></td>
<td>• a fund that aims for long-term capital growth.</td>
</tr>
<tr>
<td>Investor Profile</td>
<td>Conservative</td>
</tr>
<tr>
<td>Benchmark</td>
<td>70% quant shop GII Index (Medium Sub – Index) + 30% 12-months GIA</td>
</tr>
<tr>
<td></td>
<td>The structure of the above benchmark is referring to the investment strategy of the Fund. <strong>The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</strong></td>
</tr>
<tr>
<td></td>
<td>You can obtain the information on the benchmark from the quant shop website (<a href="http://www.quantshop.com">www.quantshop.com</a>) and maybank2u website (<a href="http://www.maybank2u.com.my">http://www.maybank2u.com.my</a>). For further details on the benchmark, you may obtain the information from the Manager upon request.</td>
</tr>
<tr>
<td>Base Currency</td>
<td>MYR</td>
</tr>
</tbody>
</table>
1.2.2 SUKUK AND ISLAMIC MONEY MARKET INSTRUMENTS

The sukuk portion will be invested in a mixture of short-term to long-term sukuk comprising government and sukuk rated at least "A" by RAM or its MARC equivalent at time of acquisition. The asset allocation between the short-term and long term sukuk is subject to prevailing investment norms and the financial market environment. The selection of sectors and securities for the portfolio will be decided based on the economic and interest rate outlook, yield curve, duration, credit quality and possible credit upgrades or downgrades.

ARSTF will also invest in Islamic money market instruments rated at least "P2" by RAM or its MARC equivalent at time of acquisition. The size of the Islamic money market instruments is dependent on various factors, such as market conditions and interest rate movements. Under normal circumstances, Islamic money market instruments provide liquidity to meet redemptions and a substantial allocation in these instruments may affect the Fund’s ability to pursue its investment objectives. However, in the event of a market downturn, the Fund may make a larger allocation in Islamic money market instruments as a temporary defensive measure to reduce the Fund’s exposure in the riskier assets.

A rise in the interest rates may have an effect on the valuation of sukuk and Islamic money market instruments.

1.2.3 OTHER TRUST ACCOUNTS

The Fund is permitted to invest in other Trust Accounts which is Shariah Compliant that have objectives which are consistent with the objectives of ARSTF. For the avoidance of doubt, for investment into other Trust Accounts other than ARB’s Common Fund via ITA, ARSTF shall only invest up to 20% of the Fund’s NAV in any single Trust Account.

1.2.4 TEMPORARY DEFENSIVE MEASURE

ARSTF may need to exercise temporary defensive measures during adverse market conditions, economic, political, or any other conditions that may be inconsistent with the Fund’s objectives and investment strategies provided that it is in compliance with Shariah requirements. In times of adversity in the sukuk markets, the Manager will attempt to reduce the portfolio’s overall duration by investing into shorter tenure assets.

The Fund may also need to invest into short-term Islamic deposits or opt to invest in good credit quality sukuk during times of economic uncertainties in order to protect the value of the portfolio.

1.2.5 PERMITTED INVESTMENT

The Manager has absolute discretion, subject to the following:

- the Deed;
- the investment policy for the Fund; and
- the requirements of the SC and any other regulatory bodies.
Under the Deed, the Fund can invest in a wide range of Shariah Compliant securities, including but not limited to the following:

- Islamic deposits and placement of money at call with any bank having Islamic Banking facilities;
- Islamic Accepted Bills, Cagamas sukuk and sukuk carrying at least an “A” rating by RAM and MARC equivalent and sukuk that have an equivalent rating by RAM or MARC;
- Malaysian sukuk, both corporate as well as government with a minimum credit rating of “A” or “P2” by RAM or MARC equivalent;
- Institutional Trust Account and/or other Trust Accounts that comply with Shariah requirements from time to time that is in line with the Fund’s objectives;
- All types of Shariah-compliant collective investment schemes including unlisted and listed unit trust, which invests in sukuk; and
- Any other form of Shariah-compliant investments, subject to Shariah requirements, as permitted by the SC from time to time that is in line with the Fund’s objectives.

The formulation of the investment policies and strategies of the Fund are based on the objectives of the Fund after taking into consideration the regulatory requirements outlined in the SC Guidelines, with such variations as approved by the SC.

1.2.6 INVESTMENT RESTRICTION

The SC Guidelines and/or the Deed also stipulate the following investment restrictions:

- The Fund’s holding in sukuk of, and relating to, any single issuer must not exceed 20% of the Fund’s NAV. The Fund may invest up to 30% of its net asset value in single issuer securities with ratings of “AAA” or “P1”;
- The value of the Fund’s holding of sukuk of and relating to any group of companies should not exceed 30% of the Fund’s NAV except in cases where there are acceptable reasons for exceeding the limit wherein the Manager must notify the Trustee and the SC of the reasons thereof;
- The Fund’s holding of any class of sukuk of any single issuer must not exceed 20% of the sukuk issued; and
- The Fund’s investments in domestic sukuk are subject to a minimum credit rating of “A” by RAM or its MARC equivalent. However, in the event of a credit rating downgrading, the Investment Manager reserves the right to deal with the security in the manner which it considers to be in the best interest of the Fund. The Investment Manager will either continue holding the sukuk or liquidate the securities immediately or liquidate within the specific time frame due to insufficient liquidity.

In respect of restrictions stipulated by the SC Guidelines, there is an allowance of 5% where such restrictions are breached through appreciation or depreciation in value of the Shariah-compliant investment or as a result of repurchase of units or payment made from the Fund.

If, by reason of market movement, the Fund ceases to comply with the above limitations on Shariah-compliant investments, the Manager should not make any further acquisitions to which the relevant limit is breached and must remedy the non-compliance as soon as practicable (maximum three (3) months) after the Manager becomes aware of the non-compliance.
1.2.7 LIMITATION OF SHARIAH COMPLIANT INVESTMENT (DIVERSIFICATION IN TERMS OF ASSET ALLOCATION, THE USE OF ISLAMIC FUTURES CONTRACTS FOR HEDGING PURPOSE)

**Sukuk, Islamic money market instruments and Trust Accounts**
ARSTF will invest at least 70% of its NAV in sukuk and Islamic money market instruments with the remaining balance of up to 30% of its NAV into the ARB’s Common Fund via Institutional Trust Account and/or other Trust Accounts that comply with Shariah requirements. Save for ARB’s Common Fund, ARSTF may only invest up to 20% of its NAV in any single issuer.

**Shariah-compliant Collective investment schemes**
Investments in Shariah-compliant collective investment schemes may be made in such situations where it is either practical or desirable by the Manager to gain exposure to a particular asset class by investing in another unit trust.

**Islamic Liquid assets**
The Fund must hold a minimum of 2% of the Net Asset Value of the Fund (or such other amount agreed by the Manager and Trustee from time to time) in Islamic liquid assets such as cash, Islamic deposits and any other instrument capable of being converted into cash within seven (7) days as may be approved by the Trustee.

**Shariah-compliant Derivatives**
The term ‘derivative’ is used to describe any financial instruments of which value depends on, or is ‘derived’ from assets or liabilities or indices (the underlying asset). The most commonly used derivatives include but are not limited to Islamic futures contracts, Islamic options and Islamic forward rate agreements.

Shariah-compliant derivatives can provide a similar exposure to an investment as in the purchase or sale of the underlying physical asset. They can also be used in risk management to protect the Fund from detrimental movements in underlying markets or investments.

The Fund is not allowed the using of the writing of option derivatives and short position of futures contracts by the Fund. The participation of the Fund in any Islamic short position of futures contract must be for hedging purposes only and subject to approval from the Shariah Adviser. The value of the Fund’s holding in Islamic options (including Islamic futures options or eligible Islamic exchange traded options) must not exceed 15% of the Fund’s NAV. In addition, the Fund is not allowed to use Shariah-compliant derivatives for gearing (e.g. to borrow) its exposure to a market.

In any case, the Fund’s exposure from the Shariah-compliant derivatives position must not exceed the Fund’s Net Asset Value at all times.

**Inherent risk**
The inherent risk refers to the probability of loss arising out of circumstances or existing in an environment, in the absence of any action to control or modify the circumstances, thus all derivatives deals must satisfy the following criteria:

(a) the counter-party is a financial institution with a minimum long-term rating provided by any domestic or global rating agency that indicates strong capacity for timely payment of financial obligations;
(b) the fund manager has determined it is able to value the investment concerned to ensure that the pricing is reasonable;
(c) the counter-party is able to provide a reliable and verifiable valuation on a regular basis (preferably every business day) or at any time as may be requested by the fund manager or the trustee; and

In the event of a downgrade in the rating of the issuer below minimum rating in case of the OTC derivatives, the specific risk management to be adopted is to ensure the counter-party must be ready...
to unwind, buy-back or close out the transaction upon request of the fund manager at a fair value
determined on methods or bases which have been verified by the auditor of the fund and approved
by the trustee.

Variation to the SC Guidelines
ARIM has obtained approval from the SC for a variation to Clause 3.0(1), Schedule C, Appendix 1
of the SC Guidelines which permits ARSTF to invest up to 30% of its NAV in ARB’s Common Fund.

1.2.8 VALUATION OF AUTHORIZED INVESTMENTS

Islamic Deposits (Islamic liquid assets)
The value of any authorized Shariah compliant investments which are Islamic deposits placed with
banks or other Financial Institutions and bank bills shall be determined each day by referring to the
nominal value of such authorized Shariah compliant investments and the accrued income thereon for
the relevant period.

Trust Accounts
The value of any authorized Shariah compliant investments which are deposits placed in Trust
Accounts, shall be determined each day by referring to the nominal value of such authorized
investments and the accrued income thereon for the relevant period.

Unlisted Shariah Compliant Securities
As provided under SC Guidelines, the value of unlisted Shariah compliant securities shall be
determined on the basis of fair value in good faith by the Manager based on methods or bases which
have been verified by the auditor of the Fund and approved by the Trustee, and adequately disclosed
in this Master Prospectus.

The value of any unlisted Ringgit-denominated sukuk shall be calculated on a daily basis using fair
value prices quoted by a bond pricing agency (BPA) registered with the SC. Where such quotations
are not available or where the Manager is of the view that the price quoted by the BPA for a specific
sukuk differs from the market price by more than 20 basis points, the Manager may use the market
price by reference to the last available quote provided such quote was obtained within the previous
30 days.

The value of any sukuk which are not quoted on any recognized exchange shall be calculated at least
once a week by referring to the average of bid and offer prices quoted by at least 3 reputable financial
institutions (including foreign banks) such as Citibank Berhad, CIMB Investment Bank Berhad
(Formerly known as Commerce International Merchant Bankers Berhad) and AmInvestment Group
Berhad and/or bond pricing agencies of similar standing in the over-the-counter or telephone market
at the close of trading.

However, if such quotations are not available or reliable, the value shall be determined by referring
to the last available price provided that such price was obtained within the previous thirty (30) days.

Listed Shariah Compliant Securities
The value of any authorized Shariah compliant investments, which are quoted on an approval
exchange, shall be calculated by referring to the last transacted price on that approved exchange.

If there is no such transacted price, the value shall be determined by referring to the mean of bid and
offer prices at the close of trading.

In the event of a suspension in the quotation of the Shariah compliant securities for a period exceeding
fourteen (14) days, or such shorter period as agreed by the Trustee, then the Shariah compliant
securities will 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.
Shariah-compliant Collective investment schemes
The value of any investments in Shariah-compliant collective investment schemes, which are quoted on an approved exchange, shall be calculated in the same manner as the other listed Shariah compliant securities described above. When investing in unlisted open-ended Shariah-compliant unit trusts, the value shall be determined by referring to the Manager’s last published withdrawal price for that unit trust.

If the quotations referred to above are not available or in the opinion of Manager, the value of the authorized Shariah compliant investments determined in the manner described above does not represent a fair value of the authorized Shariah compliant investments, then the value shall be any reasonable value as may be determined by the Manager (with the consent of the Trustee). This valuation method shall be verified by the auditors and approved by the Trustee.

Borrowings
The Fund shall not borrow cash or other assets in connection with its activities.

Termination of the Fund
The Fund may be terminated:
(a) by a Special Resolution; or
(b) by the Manager, by giving three (3) months’ notice in writing to the Trustee and the Unit Holders. This could happen if at any time the NAV of the Fund has fallen to a level such that the Manager considers it impossible or impracticable to continue the trust.

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### 1.3 AMANAHRAYA ISLAMIC EQUITY FUND (ARIEF)

#### 1.3.1 KEY FEATURES OF THE FUND

<table>
<thead>
<tr>
<th>Category of Fund</th>
<th>Equity (Shariah compliant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Fund</td>
<td>Growth</td>
</tr>
<tr>
<td>Launch Date</td>
<td>23/04/2008</td>
</tr>
<tr>
<td>Investment Objective</td>
<td>The Fund aims to provide investors with above average capital growth over a medium to long term period by investing in a carefully selected portfolio of stocks which complies with the Shariah Principle. Any material changes to the fund objectives would require unit holders’ approval.</td>
</tr>
<tr>
<td>Investment Strategy</td>
<td>This Fund seeks to achieve its investment objective by structuring a portfolio as follows:</td>
</tr>
<tr>
<td></td>
<td><strong>Investment a minimum of 70% and up to 95% of the Fund’s Net Asset Value</strong> Investments in Shariah compliant securities of companies that have good growth potential and whose business activities comply with Shariah requirements.</td>
</tr>
<tr>
<td></td>
<td><strong>Maintain a minimum 5% of the Fund’s Net Asset Value</strong> Investments in Islamic liquid assets comprising of cash and Islamic deposits with licensed financial institutions, Islamic accepted bills, sukuk, Cagamas sukuk, Government Investment Issues and any other Shariah compliant instrument capable of being converted into cash within seven (7) days. The above asset allocation is only indicative and will be reviewed from time to time depending on the judgment of the investment manager as to the general market economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.</td>
</tr>
<tr>
<td></td>
<td>This risk management strategies and techniques employed by the Manager include diversification of the Fund’s asset allocation in terms of its exposure to various industries, sectors and asset classes/type of Shariah compliant investments (i.e. Shariah compliant equity, sukuk, Islamic Money Market instruments). Shariah-compliant derivatives may also be used for hedging purposes where appropriate.</td>
</tr>
<tr>
<td></td>
<td>The bulk of the investments will be invested over a medium to long term period with active disposal and liquidation of the Shariah compliant investments, this being further strategy to control risk as well as optimize capital gains. This is especially so when the full growth potential of the Shariah compliant investment is deemed to have been reduced over a prolonged bull run, and the available alternative Shariah compliant investment may present more attractive valuations and potential returns. The permitted investment manager in making his investment decision shall at all times comply with the investment restriction and requirements as set out in the Deed.</td>
</tr>
<tr>
<td></td>
<td>The Manager may take temporary defensive position that may be inconsistent with the Fund’s principal strategy in attempting to respond to adverse economic, political or any other market conditions. However, any position if taken, will always comply with Shariah requirements. In such circumstances, the Manager may relocate the Fund’s Shariah compliant equity investments into other asset classes such as sukuk, Islamic money market instruments, cash and Islamic deposits with any licensed financial institutions, which are defensive in nature and comply with Shariah</td>
</tr>
</tbody>
</table>
requirements. In its reallocation, the level of Shariah compliant equity investments would normally not be below 20% of the Net Asset Value. The performance of this Fund can be benchmarked against the FTSE Bursa Malaysia EMAS Shariah Index or such other equivalent index as may be substituted by BMSB. For ease of reference, investors may refer to the newspaper for this indicator.

<table>
<thead>
<tr>
<th>Specific Risks</th>
<th>The specific risk associated when investing in the Fund are:--</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Market Risk</td>
</tr>
<tr>
<td></td>
<td>• Particular Stock Risk</td>
</tr>
<tr>
<td></td>
<td>• Manager Risk</td>
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<tr>
<td></td>
<td>• Non-Compliance Risk</td>
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<tr>
<td></td>
<td>• Liquidity Risk</td>
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<tr>
<td></td>
<td>• Loan Financing Risk</td>
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<tr>
<td></td>
<td>• Company or Issue specific risk (Unique risk)</td>
</tr>
<tr>
<td></td>
<td>• Islamic Structured Products/Option Valuation risk</td>
</tr>
<tr>
<td></td>
<td>• Reclassification of Shariah status risk</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Potential Investor</th>
<th>Ideal for medium to long-term investors who are risk tolerant and seek higher returns for their investments.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Investor Profile</th>
<th>Aggressive</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>FTSE Bursa Malaysia Emas Shariah Index. (Obtainable from <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>)</th>
</tr>
</thead>
</table>

The performance of this Fund can be benchmarked against the FTSE Bursa Malaysia Emas Shariah Index (“FBM Emas Shariah”). FBM Emas Shariah Index design is in line with FTSE internationally accepted index methodology by taking the constituents of the FTSE Bursa Malaysia EMAS Index, which has been free float weighted and liquidity screened, and overlays the Securities Commission’s Shariah Advisory Council’s (SAC) screening methodology to derive a highly investable and transparent Shariah-compliant index.

The structure of the above benchmark is referring to the investment strategy of the Fund. **The risk profile of the performance benchmark is not the same as the risk profile of the Fund.**

To obtain the latest information on FBM Emas Shariah, investors can refer to Bursa Malaysia website ([www.bursamalaysia.com](http://www.bursamalaysia.com)) under Market Information Section.

<table>
<thead>
<tr>
<th>Base Currency</th>
<th>MYR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Year End</td>
<td>30 November</td>
</tr>
<tr>
<td>Trustee</td>
<td>PB Trustee Services Bhd</td>
</tr>
<tr>
<td>Shariah Adviser</td>
<td>IBFIM</td>
</tr>
</tbody>
</table>

### 1.3.2 PERMITTED INVESTMENT

The Fund may invest in the following investments in Malaysia or any other market considered as an eligible market subject to the SC Guidelines, Shariah requirements and the Fund’s objective:

- Shariah-compliant securities listed on the Bursa Malaysia or any other market considered as an eligible market;
• Shariah-compliant securities that are not traded in or under the rules of an eligible market including unlisted Shariah compliant securities that have been approved by the SC for listing and quotation on either Bursa Malaysia or any other considered as an eligible market;
• Islamic Accepted Bills and other Islamic money market instruments in the money market;
• Islamic deposits placed with financial institutions;
• Islamic Negotiable Instruments and placements of money at call with discount houses which comply with Shariah requirements;
• Shariah-compliant Collective Investment Schemes with similar investment objectives;
• Islamic Structured Product investments that enable yield enhancements for the Fund.

To ensure compliance with Shariah requirements, the Fund is prohibited from investing in companies whose core activities are of the following :-

• Gambling activities
• Production and processing of alcoholic beverages and non-halal food;
• Conventional banking activities and other interest-bearing activities; or
• Conventional insurance activities.

1.3.3 TEMPORARY DEFENSIVE MEASURE

The Manager may need to exercise temporary defensive measures during adverse market conditions, economic, political and any other conditions that may be inconsistent with the Fund’s objectives and investment strategies. For example, the Manager may choose to shift some Assets of the Fund into cash and other Shariah compliant instruments in the event of a negative outlook in the market.

1.3.4 LIMITATION ON INVESTMENT

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include Shariah-compliant securities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer.

1.3.5 SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

The Manager will only make such investments where the Manager expects these investments to complement the objective and enhance the performance of this Fund.

1.3.6 SHARIAH-COMPLIANT DERIVATIVES

The Manager may participate in Islamic futures contracts and other Shariah-compliant derivatives, when appropriate. The Fund ’s participation in Shariah-compliant derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market as well as to hedge against any opportunity loss arising from its uninvested cash, and shall commence only if the underlying futures index participation complies with Shariah requirements. The primary interest is to protect the value of the portfolio. Currently, there are no relevant Islamic futures contracts for participation that pertains to this Fund.
1.3.7 FOREIGN SHARIAH-COMPLIANT SECURITIES

This Fund will not invest in foreign Shariah-compliant securities as the Manager intends to maintain the Fund as part of its stable of local Funds.

1.3.8 ISLAMIC LIQUID ASSETS

This Fund shall not borrow in connection with its activities or lend any of its cash or Shariah compliant investments unless permitted by the Guidelines on Unit Trust Funds and any Guidance Notes issued by the Securities Commission from time to time or other laws regulation pertaining to unit trusts.

The Manager in structuring this Fund’s portfolio will, after consultation with the Trustee, maintain a minimum Islamic liquid assets level of 5% of the Net Asset Value of the Fund for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager (after consultation with the Trustee) from lowering or raising the Islamic liquid assets level beyond stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risk when circumstances warrant it.

1.3.10 INVESTMENT RESTRICTION

The acquisition of such permitted investments shall be subject to the following restrictions:

- The value of the Fund’s holding of the Shariah compliant share capital of any single issuer shall not exceed 10% of the NAV of the Fund;
- The value of the Fund’s holding of the Shariah compliant securities of and the Shariah compliant securities relating to, any single issuer shall not exceed 15% of the NAV of the Fund;
- Unless the Trustee and/or the SC are satisfied with the reason pertaining to the limit, the aggregate value of the Fund’s holding of the Shariah compliant securities of and the Shariah compliant securities relating to, any group of companies shall not exceed 20% of the NAV of the Fund;
- The Fund’s holding of any class of Shariah compliant security of any single issuer shall not exceed 10% of the Shariah compliant security issued;
- The value of the Fund’s holding of in Shariah-compliant warrants and options must not exceed 15% of the Fund’s NAV. This Shariah compliant investment limit applies to the price of Shariah compliant warrants and premium of the options;
- The value of Islamic liquid assets shall not be less than 5% of the NAV of the Fund;
- The value of the Fund’s holding in Shariah-compliant collective investment schemes of, and Shariah-compliant collective investment schemes relating to any single issuer must not exceed 15% of the Fund’s NAV;
- The value of the Fund’s holding in Islamic structured products issued by any single issuer must not exceed 15% of the Fund’s NAV;
- The Fund shall not borrow cash or assets (including the borrowing of Shariah compliant securities) in connection with its activities;
- The value of the Fund’s investments in transferable Shariah compliant securities and Islamic money market instruments of a single issuer must not exceed 15% of the Fund’s NAV;
- The value of the Fund’s investments in ordinary Shariah compliant shares issued by any single issuer must not exceed 10% of the Fund’s NAV; and
• Except as otherwise provided under the Guidelines, none of the cash or investments 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.

The above limits and restrictions must be complied with at all times based on the most up-to-date value of the Fund and value of the Shariah compliant investments. However, under the Guidelines a 5% allowance in excess of any limit or restriction may be permitted where the limit or restriction is breached through the appreciation or depreciation of the Fund (whether as a result of an appreciation or depreciation in value of the Shariah compliant investments or as a result of repurchase of Units or payment made from the Fund).

The Manager shall not make any further acquisition to which the relevant limit is breached and shall within a reasonable period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach.

1.3.11 VALUATION OF AUTHORIZED INVESTMENTS

Islamic Deposit (Islamic liquid assets)
The value of any authorized Shariah compliant investments, which are Islamic deposits, placed with banks or other financial institutions and bank bills shall be determined each day by reference to the nominal value of such authorized Shariah compliant investments and the accrued income thereon for the relevant period.

Listed Shariah compliant securities (including Islamic exchange traded futures contract)
The value of any authorized Shariah compliant investments, which are quoted on an approved exchange, shall be calculated by reference to the last transacted price on that approved exchange.

If there is no such transacted price, the value shall be determined by reference to the mean of bid and offer prices at the close of trading. In the event of a suspension in the quotation of the Shariah compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, then the Shariah compliant securities will be valued as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

Unlisted Sukuk
Unlisted sukuk are marked to market on a weekly basis. These prices are obtained from the market quotations gathered from a minimum of three financial institutions including foreign banks such as Citibank Berhad, CIMB Investment Bank Berhad (Formerly known as Commerce International Merchant Bankers Berhad) and AmInvestment Group Berhad. If market quotations for any particular security are unavailable, the fair value of the security will be based on the last available market quotations within the previous 30 days, failing which, the value of the security will be determined based on a process of evaluation involving available transacted yield gather for Shariah compliant securities of similar invested grade and tenure, adjusted for certain specific risks. The methods or bases must be approved by the trustee.

Borrowing
The Fund shall not borrow cash or other assets in connection with its activities.

Termination of the Fund
The Fund may be terminated;
   a) By special resolution; or
   b) By the Manager or Trustee, based on the provisions of the Deed.
1.4 SPECIFIC RISKS

You are advised that there are risks when investing into the Fund. The specific risks related to the Funds are as follows:

1.4.1 SPECIFIC RISKS FOR ARUTF & ARSTF

Bond/Sukuk Issuer risk
This risk refers to the individual risk of the respective companies issuing the securities. Bond/Sukuk issuer risk includes, but is not limited to, changes in consumer taste and demand, legal suits, competitive operating environments, changing industry conditions and mistakes made by the management. If the performance of a company (invested by the Fund) deteriorates, the company’s debt securities will decline in value and this in turn may suppress the NAV of the Fund. The deterioration of the performance also will affect the liquidity of sukuk. This risk can be minimised through diversification and by careful selection of debt securities/sukuk.

Credit/default risk (ARUTF)
Bond issuers may default or reschedule their repayment. When this occurs, the value of the defaulted bond would fall and cause the NAV of the Fund to decline proportionately. This risk however can be mitigated by careful selection of debt securities. In any case, this Fund will invest only in debt securities rated at least "A" by RAM or its MARC equivalent.

Credit/default risk (ARSTF)
Sukuk issuers may default or reschedule their payment which may cause the NAV of the Fund to decline. This risk however can be mitigated by careful selection of sukuk. In any case, this Fund will invest only in sukuk rated at least "A" by RAM or its MARC equivalent.

Interest rate risk
Bond prices generally fall when interest rates rise and vice versa. The Fund’s NAV may fall when interest rates rise or are expected to rise. This will also have an effect on the valuation of sukuk. This risk could cause the decline of the valuation for the sukuk, and vice versa. To mitigate this risk the Investment Manager will manage the duration of investment in bond/sukuk. In times of rising interest rates, the duration will be shortened and vice versa.

The above interest rate is a general indicator that will have an impact on the management of the fund regardless whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that a Shariah-compliant fund will invest in conventional financial instruments.

Market risk
Investments in securities are always exposed to market risk. Market risk is the risk of negative movements that affect the price of all assets in a particular market.

The factors influencing the performance of the markets include but are not limited to:

- economic and financial market conditions;
- political change;
- broad investors’ sentiment;
- movements in interest rates and inflation;
- any factors which are beyond the reasonable control of the Manager or the Trustee; and
- any other factors, causes or reasons which are referred to in the Deed.
Such movements in the underlying values of the securities/assets of the investment portfolio will cause the NAV or prices of units to fall as well as rise. The Manager will employ an active asset allocation management to reduce the risk.

**Liquidity risk**

Liquidity risk is defined as the ease with which a security can be sold at or near its fair value depending on the volume traded on the market. Generally if the security encounters a liquidity crunch, the security may need to be sold at a discount to the security’s fair value. This in turn may depress the NAV growth of the Fund. For purposes of this Fund, the Investment Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volumes and those that could occasionally encounter poor liquidity. This is expected to reduce the risk for the entire portfolio without limiting the Fund’s growth potential.

### 1.4.2 SPECIFIC RISKS FOR ARIEF

**Market risk**

The risk that arises due to developments in the market environment and typically include changes in regulations, politics, technology and the economy. Market development can result in stock market fluctuations which in turn affects a fund’s underlying investments and hence, its unit price. Diversification of a fund’s Shariah compliant investments into different sectors may help to mitigate its exposure to market uncertainties and fluctuations in the market.

**Particular stock risk**

The performance of each individual Shariah compliant security that a fund invests in is dependent upon the management quality of the particular company and its growth potential, changes in consumer tastes and preferences, industry conditions and etc. This in turn would have an impact on a fund’s prices causing it to rise or fall accordingly. This risk can be minimised by investing in companies operating in fairly stable industries and that function independently from one another.

**Manager risk**

The performance of a fund is dependent upon the experience, knowledge, expertise and investment strategies adopted by the external investment manager. Lack of the above qualities as well as poor management of the fund will jeopardise the investments of Unit Holders through the loss of their capital invested. In view of this, proper training and stringent selection of personnel to manage the fund as well as the implementation of appropriate investment objectives, policies and strategies are crucial towards minimising this risk.

**Non-compliance risk**

Non-compliance with the provisions of the deed, Master Prospectus, Act, Guidelines, manager’s internal policies and relevant laws in the management of the fund may affect the Unit Holders’ investments. This risk can be mitigated by internal controls and compliance monitoring undertaken by the Manager.

**Liquidity risk**

The risk that arises when a Shariah compliant security cannot be liquidated for cash in a timely manner at or near its market value will affect the price of the units. Liquidity risks can be minimised through investments mainly in short-term and high quality issues as these Shariah compliant securities are more liquid.

**Loan financing risk**

Investors must be aware of the inherent risk involved with loan financing for investments including their ability to service loan installments, which may be affected by increase in interest rate or unforeseen circumstances, such as loss of regular income stream. Investors may be required to pledged units held in a fund or any other assets as collateral to cover the loan margin. In the event units are used as collateral, an investor may be required to provide cash or units as additional collateral.
if the unit prices fall beyond a certain level. If the additional collateral is not made within the prescribed time, the investors’ units may be sold towards settling the loan financing.

**Company or Issue specific risk (Unique risk)**
The risks associated with each individual Shariah compliant security. It is managed by adherence to a strict investment decision making process which is applied in the selection process and involves conducting primary and secondary research on factors relevant to each individual listed company. For each Shariah compliant equity, emphasis will be on the company’s industry and business outlook, management track record, financial health, earnings quality, growth potential and other financial valuations.

**Islamic Structured Products/Options Valuation risk**
The External Investment Manager is relying on the option provider to conduct the daily valuation of the Islamic structured products/option. Any error in valuation would result in under/over computation of NAV per Unit of the Fund. However, the risk is mitigated by the stringent internal procedures of the reputable Islamic structured products/option provider.

Other than the risks as stated above, the following risk is only applicable for Shariah-compliant funds;

**Reclassification of Shariah status risk**
The risk that the currently held Shariah compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the SC performed twice yearly. If this occurs, the Manager will take the necessary steps to dispose of such securities.

As a result of the above risks, cash distribution and capital appreciation of the value of the unit trust cannot be guaranteed. However, with an able management team, a manager will take reasonable steps to ensure that the above potential risks are mitigated in a fund.

**IMPORTANT**

*YOU ARE REMINDED THAT THE ABOVE LIST OF RISKS MAY NOT BE EXHAUSTIVE AND IF NECESSARY, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER(S) FOR A BETTER UNDERSTANDING OF THE RISKS.*

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1.5 ADDITIONAL INFORMATION IN RELATION TO AMANAHRAYA SYARIAH TRUST FUND AND AMANAHRAYA ISLAMIC EQUITY FUND

1. SHARIAH INVESTMENT GUIDELINES

The following matters are adopted by IBFIM in determining the Shariah status of investments of the Fund.

INVESTMENT IN MALAYSIA

Equity:

Reference for investment in local securities is based on the list of Shariah-compliant securities issued by the Shariah Advisory Council of the Securities Commission (“SACSC”) twice yearly on the last Friday of May and November which is readily available at the Securities Commission’s website.

However, for Initial Public Offering (“IPO”) companies that have yet to be determined the Shariah status by the SACSC, IBFIM adopts the following analysis as a temporary measure in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.

The investment portfolio of the Funds comprise instruments that have been classified as Shariah-compliant by the SAC of the SC or the SAC of BNM. For securities not certified by the SAC of the SC and, where applicable to the SAC of the BNM, a statement stating that the status of the securities has been determined in accordance with the ruling issued by the Shariah Adviser appointed for the Funds.

- Core Business Activities Analysis

Companies whose activities are not contrary to the Shariah will be classified as Shariah-compliant securities. On the other hand, companies will be classified as Shariah non-compliant if they are involved in the following core business activities:
  a) Conventional financial services;
  b) Gambling and gaming;
  c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
  d) Manufacture or sale of tobacco-based products or related products;
  e) Pornography;
  f) Weaponry;
  g) Entertainment activities that are not permitted by the Shariah; and
  h) Other activities considered non-permissible according to the Shariah.

- Mixed Business Activities Analysis

For companies with activities comprising both permissible and non-permissible elements, IBFIM applies two analyses before they can be classified as Shariah-compliant. The analyses are as follows:

i) Qualitative Analysis

In this analysis, IBFIM will look into aspects of general public perception of the companies’ images, core businesses which are considered important and maslahah (beneficial) to the Muslim ummah and the country, the non-permissible elements are very small and involve matters like umum balwa (common plight and difficult to avoid), ‘uruf (custom) and rights of the non-Muslim community which are accepted by the Shariah.
ii) **Quantitative Analysis**

Companies which passed the above qualitative analysis will be further subjected to quantitative analysis. IBFIM deduces the following to ensure that they are lower than the Shariah tolerable benchmarks:

a) **Business Activity Benchmarks**

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

- Conventional banking;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;
- Shariah non-compliant entertainment;
- Interest income\(^1\) from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- Dividends\(^2\) from Shariah non-compliant investments;
- Tobacco and tobacco-related activities; and
- Other activities considered non-compliant according to Shariah.

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

- Hotel and resort operations;
- Share trading;
- Stockbroking business;
- Rental received from Shariah non-compliant activities; and
- Other activities considered non-compliant according to Shariah.

The contribution of Shariah non-compliant activities to the overall revenue/sales/turnover/income and profit before tax of the companies will be calculated and compared against the relevant business activity benchmarks.

b) **Financial Ratio Benchmarks**

The financial ratios applied are as follows:

- **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.

- **Debt over Total Assets**
  
  Debt will only include interest-bearing debt whereas Islamic debt/financing or sukuk will be excluded from the calculation.

---

1 Interest income will be compared against the companies' overall revenue/sales/turnover/income
2 Dividends will be compared against the companies' profit before taxation
Both ratios, which are intended to measure riba and riba-based elements within a companies’ balance sheet, must be lower than 33%.

Should any of the above deductions fail to meet the benchmarks, IBFIM will not accord a Shariah-compliant status for the companies.

**Sukuk and Islamic Money Market Instruments:**
IBFIM will verify any sukuk and/or Islamic money market instruments based on the data available at Bond Info Hub (www.bondinfo.bnm.gov.my) and Fully Automated System For Issuing/Tendering (https://fast.bnm.gov.my).

2. **CLEANSING PROCESS FOR THE FUND**

(a) **Wrong Investment**

This refers to Shariah non-compliant investment made by the Fund Manager. The said investment will be disposed of/withdrawn with immediate effect. In the event of the investment resulted in gain (through capital gain and/or dividend/profit), the gain is to be channeled to baitulmal or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Fund Manager.

(b) **Reclassification of Shariah Status of the Fund’s Investment**

Reclassification of Shariah status refers to security which is reclassified as Shariah non-compliant by the Shariah Advisory Council of the Securities Commission, or the Shariah Adviser. The said security will be disposed soonest practical, once the total amount of dividends received and the market value of the Shariah non-compliant security held equal the original investment cost.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channeled to baitulmal or any charitable bodies as advised by the Shariah Adviser.

3. **ZAKAT (TITHE) FOR THE FUND**

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

[The rest of this page is intentionally left blank]

24
### 1.6 FEES AND CHARGES

#### 1.6.1 CHARGES IMPOSED ON SALE AND PURCHASE OF UNITS

This table describes the charges that you may directly incur when you buy or redeem units of the Funds.

<table>
<thead>
<tr>
<th>Charges</th>
<th>Equity Fund</th>
<th>Bond Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge per Unit :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agents</td>
<td>Up to 5.5% of the NAV of the fund per unit</td>
<td>Up to 1.00% of the NAV of the fund per unit</td>
</tr>
<tr>
<td>Manager</td>
<td>Up to 5.5% of the NAV of the fund per unit</td>
<td>Up to 1.00% of the NAV of the fund per unit</td>
</tr>
<tr>
<td>EPF</td>
<td>N/A</td>
<td>Up to 3.0% of the NAV of the fund per unit *</td>
</tr>
</tbody>
</table>

*Investments under the EPF Members’ Investment Scheme will be levied a sales charge of up to 3% of the NAV of the fund per unit, as regulated by EPF.*

| Charges                      |                                                  |                                                |
|------------------------------|--------------------------------------------------|                                                |
| Redemption Charge per Unit   | Nil                                              |                                                |
| Switching Charges            | Switching from bond fund to other fund may or may not incur fees. Gas generally no fee will be charge on switching between funds that charges the same amount of fees unless the fund being switched from have different Service Charges from the fund to be switched to. |
| Transfer Charges             | A maximum of RM50.00 may be charged for each transfer. |

* The charges are only applicable to the Funds approved for EPF-MIS (ARUTF & ARSTF).

Bank charges, courier charges and any other indirect charges incurred as a result of redemptions will be borne by the investor.

*Notes: In the event of the imposition of any GST on any fees, charges, and/expenses, upon the implementation of the GST Act 2014 and/or other relevant statutory law relating to goods and services and/or consumption tax in Malaysia, the Unit Holders and/or the Funds (as the case maybe) shall upon demand pay to the party duly entitled to collect the GST all such GST as may be applicable in addition to any other payments payable by the paying party.*

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT
1.6.2 FEES INCURRED ON INVESTING IN THE FUNDS

There are annual operating expenses involved in running a Fund such as the Management Fee, Trustee Fee, Audit Fee, and other direct administrative cost. These expenses are deducted from the gross income of the Fund.

This table describes the fees that you may indirectly incur when you invest in the fund.

<table>
<thead>
<tr>
<th>Fees</th>
<th>%/RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Management Fee</td>
<td>ARIEF, 1.5% per annum of the NAV of the fund</td>
</tr>
<tr>
<td></td>
<td>ARUTF and ARSTF, 1.75% per annum of the NAV of the fund</td>
</tr>
<tr>
<td>Annual Trustee Fee</td>
<td>ARIEF, Up to 0.08% per annum of the NAV of the fund, subject to a</td>
</tr>
<tr>
<td></td>
<td>minimum fee of RM18,000.</td>
</tr>
<tr>
<td></td>
<td>ARUTF and ARSTF, Up to 0.07% per annum of the NAV of the fund, subject to a minimum fee of RM18,000.</td>
</tr>
<tr>
<td>Any other fees payable by an investor</td>
<td>In administering the Fund, only fees and costs directly incurred will</td>
</tr>
<tr>
<td></td>
<td>be paid out of the Fund. These include:</td>
</tr>
<tr>
<td></td>
<td>• All fees to be paid out from the Fund to the Manager and the Trustee</td>
</tr>
<tr>
<td></td>
<td>• All fees and disbursements by the auditor of the Fund;</td>
</tr>
<tr>
<td></td>
<td>• Accounting, other professional fees and disbursements approved</td>
</tr>
<tr>
<td></td>
<td>• The costs of printing and dispatching to Unit Holders, the reports,</td>
</tr>
<tr>
<td></td>
<td>• Fees for valuation of any investment of the fund by independent</td>
</tr>
<tr>
<td></td>
<td>• Duties and taxes payable in respect of the Fund;</td>
</tr>
<tr>
<td></td>
<td>• All expenses and disbursements incurred by the Trustee for the</td>
</tr>
<tr>
<td></td>
<td>• All information and issue expenses of the Fund pursuant to this</td>
</tr>
</tbody>
</table>
|                                           | Notes: In the event of the imposition of any GST on any fees, charges, and/expenses, upon the implementation of the GST Act 2014 and/or other relevant statutory law relating to goods and services and/or consumption tax in Malaysia, the Unit Holders and/ or the Funds (as the case maybe) shall upon demand pay to the party duly entitled to collect the GST all such GST as may be applicable in addition to any other payments payable by the paying party. YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT
## INFORMATION ON TRANSACTION OF UNITS

<table>
<thead>
<tr>
<th>Unit Transactions</th>
<th>Units may be bought or sold daily on any Business Day which is a Dealing Day for the Bursa Securities.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Category</strong></td>
<td><strong>ARUTF/ ARSTF</strong></td>
</tr>
<tr>
<td><strong>Minimum Initial Investment</strong></td>
<td>RM100 or such amounts as the Manager may from time to time decide.</td>
</tr>
<tr>
<td><strong>Minimum Additional Investment</strong></td>
<td>RM100 or such amounts as the Manager may from time to time decide.</td>
</tr>
<tr>
<td><strong>Minimum Repurchase Units</strong></td>
<td>100 units or such amounts as the Manager may from time to time decide.</td>
</tr>
<tr>
<td><strong>Cooling-off Right</strong></td>
<td>The right of the Unit Holders to obtain a refund of his investment in the Fund within six (6) Business Days commencing from the date of receipt of application by the Manager. For EPF Unit Holders, the cooling-off period will commence from the date of receipt of application form by AmanahRaya Investment Management Sdn Bhd.</td>
</tr>
<tr>
<td><strong>Repurchase Period</strong></td>
<td>The Manager will pay the redemption proceeds within ten (10) calendar days upon receipt of the redemption request.</td>
</tr>
<tr>
<td><strong>Switching Facility</strong></td>
<td>The minimum switching amount is 100 units. You need to keep a minimum balance of 100 units at all times or such amounts as the Manager may decide from time to time.</td>
</tr>
<tr>
<td><strong>Transfer Facility</strong></td>
<td>You are allowed to transfer your unit holdings, subject to conditions stipulated in the Fund’s Deed. The minimum transfer amount is 100 units. The Manager may refuse to register any transfer of units at its absolute discretion.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Fund Category</strong></th>
<th><strong>ARIEF</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum Initial Investment</strong></td>
<td>RM100 or such amounts as the Manager may from time to time decide.</td>
</tr>
<tr>
<td><strong>Minimum Additional Investment</strong></td>
<td>RM100 or such amounts as the Manager may from time to time decide.</td>
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</tr>
<tr>
<td><strong>Transfer Facility</strong></td>
<td>You are allowed to transfer your unit holdings, subject to conditions stipulated in the Fund’s Deed. The minimum transfer amount is 100 units. The Manager may refuse to register any transfer of units at its absolute discretion.</td>
</tr>
<tr>
<td>Repurchase Of Units</td>
<td>Unit-holders may redeem units on any Business Day and receive payment of repurchase proceeds within 10 days. There is no restriction on the frequency of repurchase.</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Minimum Holding/ Balance</td>
<td>100 Units.</td>
</tr>
<tr>
<td></td>
<td>In the case of partial repurchase, the Manager may elect to repurchase the entire account if the effect thereof would be that the unit-holders hold less than 100 units in his account with the fund.</td>
</tr>
<tr>
<td>Switching Between Funds</td>
<td>Unit-holders may switch their investments between funds on any Business Day.</td>
</tr>
<tr>
<td></td>
<td>The minimum transaction per switch is 100 units. (Switching from a Shariah-compliant fund to a conventional fund is discouraged especially for Muslim Unit Holders).</td>
</tr>
</tbody>
</table>

### 1.8 DISTRIBUTION POLICY

<table>
<thead>
<tr>
<th>ARUTF/ARSTF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distribution Policy</strong></td>
<td>Aims to make an income distribution once a year.</td>
</tr>
<tr>
<td><strong>Mode Of Distribution</strong></td>
<td>You may choose to receive the distribution in the form of cheques, or reinvest as additional units to your investment. The additional units will be based on NAV per unit as at the valuation date immediately following the distribution date.</td>
</tr>
<tr>
<td></td>
<td>No sales charge will be imposed on distribution reinvestment.</td>
</tr>
<tr>
<td></td>
<td>If no distribution instruction is specified on the application form or the cheque is returned or unclaimed within (6) months from the date of issues, the income from the Fund will be automatically reinvested into additional units of the Fund.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARIEF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distribution Policy</strong></td>
<td>Given its investment objective, the Fund is not expected to pay regular distribution.</td>
</tr>
<tr>
<td><strong>Mode Of Distribution</strong></td>
<td>You may choose to receive the distribution in the form of a cheque, or to reinvest as additional units to your investment. The additional units will be based on the NAV per units as the valuation date immediately following the distribution date.</td>
</tr>
<tr>
<td></td>
<td>No sales charge will be imposed on distribution reinvestment.</td>
</tr>
<tr>
<td></td>
<td>If no distribution instruction is specified on the application form or the cheque is returned or unclaimed within (6) months from the date of issues, the income from the Fund will be automatically reinvested into additional units of the Fund.</td>
</tr>
</tbody>
</table>

UNIT HOLDERS WILL BE GIVEN A CHEQUE UPON REDEMPTION OR ADDITIONAL UNITS IF THE UNIT HOLDERS DECIDE TO REINVEST.
1.9 LIST OF CURRENT DEED AND SUPPLEMENTAL DEED

<table>
<thead>
<tr>
<th>Principal Deed</th>
<th>Supplemental Deed</th>
</tr>
</thead>
</table>

THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THE FEES AND CHARGES BEFORE INVESTING IN THE FUND.

UNIT PRICES AND DISTRIBUTION PAYABLE, IF ANY, MAY GO DOWN AS WELL AS UP.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 33-35.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

INVESTORS WHO INTEND TO FINANCE AN INVESTMENT IN A SHARIAH-COMPLIANT FUND, OR FOR THAT MATTER ANY SHARIAH-COMPLIANT INVESTMENT, ARE ADVISED TO SEEK FOR ISLAMIC FINANCING TO FINANCE THEIR INVESTMENT.

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2. **THE BASIC MECHANICS OF UNIT TRUST**

A unit trust fund consists of pooled money’s belonging to different investors. These investors share similar investment objectives. The pooled moneys are then invested in a diversified portfolio of investments and managed by professional fund managers.

Unit trust funds can invest in a wide range of assets or investment classes, which may not be ordinarily available to an individual investor. These investment classes may include government bonds/sukuk and corporate bonds/sukuk. Investments in such instruments require a large outlay of funds, which are often beyond the reach of individuals. Collectively, however, those investments can become accessible. The type of investment portfolios in unit trust funds is depends on the fund’s nature or type as well as its objective and investment strategy. For example, a bond fund provides an individual the opportunity to invest in the bond/sukuk market to potentially gain a steady stream of income.

An investor in a unit trust fund is called a Unit Holders. An investor can buy and sell units through the management company’s authorized agent, be they retail sales agents or institutional unit trust agents (e.g. banks)

A Unit Holders has easy access to the performance of the fund’s investments. Unit prices are calculated daily and are published in major newspapers. A Unit Holders also receives a detailed report of the fund’s portfolio every six months.

To safeguard the investments, a trustee is appointed for the fund. The trustee shall take custody and control of the assets of the fund and ensure that the fund manager adheres to the requirements as set out in the deed.

2.1 **THE UNIT TRUST FRAMEWORK**

**THE DIAGRAM BELOW ILLUSTRATES THE BASIC MECHANICS OF UNIT TRUSTS IN MALAYSIA**

A unit trust fund is a collective investment scheme, which pools money from you and other investors with similar investment objectives, to procure a portfolio of well-diversified assets with the aim of generating returns. The returns could be in the form of dividends, interests, profit or capital gains,
which in turn are shared between you and other investors in an equitable manner that is reflective of your ownership in the fund.

Professional investment managers manage the assets of the unit trust funds while the unit trust manager ensures that the fund is administered appropriately. In addition to this, the trustee acts as a custodian as well as a watchdog to ensure that the investors’ interests are protected.

**How are unit trust funds regulated?**

All matters relating to unit trust schemes are governed and regulated by the SC. The SC is empowered to formulate a set of guidelines and regulations for unit trust funds that are designed to regulate and facilitate an orderly development of the unit trust industry. It is responsible for ensuring that the unit trust industry is in compliance with the CMSA 2007 and SC Guidelines.

In addition, a deed regulates the workings of the fund, your rights as an investor and the responsibilities and duties of the unit trust manager and the trustee. You may inspect a copy of the deed and any other materials, contracts or documents as stated in the prospectus at the head office of the unit trust manager and the trustee, free of charge during office hours.

### 2.2 GENERAL BENEFITS

**Professional Management** – All investments will be managed by full time and experienced professional managers. Investment decisions are backed by extensive research, market analysis and monitoring of the economy and market. You are relieved from all the intricacies surrounding investment decisions through unit trust.

**Diversification** – Asset diversification reduces investment risks and is usually achieved via investing into various securities that do not fluctuate in tandem with each other. Construction of such diversified assets demands huge investment outlays. Unit trusts provide asset diversification benefits without requiring you to commit large quantities of monies since it pools these monies from a variety of investors.

**Liquidity** – Having access to your money in a short period of time is very important. Unit trust managers ensure the liquidity of the investment scheme and will allow you to convert your investment into cash at any time.

**Affordable** – Investment in unit trust funds may be more affordable as compared to direct investment in a portfolio of securities since the minimum investment amount in unit trust funds is relatively low. Therefore, you only need a small amount of money to participate in a professionally managed portfolio of investment and enjoy the same benefits accorded to others when investing in high-priced securities.

### 2.3 COMPARISONS BETWEEN UNIT TRUST FUNDS AND OTHER ASSETS

**Stocks**

Investing in stocks leaves you directly exposed to the risk of the underlying stock as well as the market as a whole. A diversified portfolio would serve to minimize this risk.

Through investing in unit trusts, you stand to benefit from a diversified portfolio of assets with just a minimal investment amount. You may also stand to benefit from Ringgit cost averaging by investing additional amounts in a fund regularly over the long term and in this way, you need not worry about market timing.
**Fixed Deposits**

Unlike fixed deposits whereby depositors are assured of the interest amount and guaranteed capital, investing in unit trusts involves a certain level of risk depending on the investment of the fund. There is no guarantee that the objectives of the funds would be achieved.

**BY INVESTING IN UNIT TRUSTS, YOU COULD POTENTIALLY EARN A MODERATELY HIGHER RETURN. EVEN THOUGH THE UNDERLYING RISKS OF INVESTING IN UNIT TRUSTS ARE HIGHER, THE OVERALL RISKS POSITION IS REDUCED OWING TO DIVERSIFICATION.**

2.4 **A TYPICAL UNIT TRUST INVESTOR PROFILE**

Unit trusts are an option for investors that:

- wish to invest a relatively small amount of money but want a broadly diversified portfolio of assets;
- wish to gain access to the expertise of professional investment managers;
- is willing to take more risks for a potentially higher return;
- is seeking alternative instruments for banks savings, fixed deposits/investment accounts, stock market, property and other types of investment;
- have a long-term investment horizon; and
- do not have either the time, desire, or expertise to invest directly in financial markets.

2.5 **AN EXPLANATION ON THE FEES AND CHARGES IMPOSED ON INVESTORS**

The fees and charges that come with investing in unit trust funds are made up of (but not limited to)

<table>
<thead>
<tr>
<th>Fees/Charge</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Charge</td>
<td>Preliminary charge on each investment.</td>
</tr>
<tr>
<td>Redemption charge</td>
<td>An exit fee levied upon withdrawal.</td>
</tr>
<tr>
<td>Switching fee</td>
<td>A fee that is levied when you switch to another fund managed by the same manager.</td>
</tr>
<tr>
<td>Transfer fee</td>
<td>A nominal fee levied for each transfer of units from your account to another person.</td>
</tr>
<tr>
<td>Management fee</td>
<td>A percentage of the net asset value of the fund that is paid to the manager for managing the fund.</td>
</tr>
<tr>
<td>Trustee fee</td>
<td>A percentage of the net asset value of the fund that is paid to the trustee for performing its functions as trustee of the fund.</td>
</tr>
</tbody>
</table>

**Notes:** In the event of the imposition of any GST on any fees, charges, and/expenses, upon the implementation of the GST Act 2014 and/or other relevant statutory law relating to goods and services and/or consumption tax in Malaysia, the Unit Holders and/or the Funds (as the case may be) shall upon demand pay to the party duly entitled to collect the GST all such GST as may be applicable in addition to any other payments payable by the paying party.

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT**
2.6 EXPLANATION ON MER

The MER is the ratio of the inherent costs incurred in operating a unit trust fund to the fund’s average net asset value. The expenses are paid directly from the fund and the cost includes the management fees, trustee fees and trust expenses. Generally, the larger the fund, the lower the MER due to economies of scale. The MER provides a measurement by which investors can assess and compare the outgoings incurred by the fund.

2.7 EXPLANATION ON UNDERSTANDING FUND PERFORMANCE INDICATOR AND BENCHMARK

The benchmark of a fund is an important element in measuring the relative investment performance of the fund. Usually, the performance of a fund is measured against an appropriate chosen benchmark. Where it is not possible, returns from a directly competing investment product may be used.

In Malaysia, the common benchmark used for fixed income, sukuk and money market portfolios are the quant shop MGS Index, GII and Kuala Lumpur Inter-Bank Overnight Rate (KLIBOR). Meanwhile, the preferred benchmarks for equity funds are the Kuala Lumpur Composite Index (KLCI) and Kuala Lumpur Emas Index (KL Emas). For the Shariah-compliant equity portfolios, the more common benchmark used is the FTSE-Bursa Malaysia EMAS Shariah Index (FBMSHA).

Before making your decision to invest, it is advisable to check the performance of the funds you intend to invest in. Good sources are the independent rating agencies such as Standard & Poor’s and Lipper, which can be found in The Edge publication, published weekly.

2.8 RISK FACTORS

There are many possible outcomes associated with an investment and all investments involve some degree of risk. Different classes of assets generally exhibit different levels of risk. It is important to note that it is not always possible to protect your investments against all risks, as events affecting investments cannot always be foreseen. When investing into a unit trust fund, one should be prepared to accept some level of risk and should consider the following risks:

Market risk
Market risk is the risk of fluctuation in the performance that affects the price of all assets in a particular capital market. The risk factors such as political change, economic and financial market climates, fluctuations in the interest rate, overseas capital market performances, fiscal policies of the respective countries and inflation will shape the movements of the values of the underlying instruments in the investment portfolio. This will cause the NAV or prices of units to fall as well as rise.

Particular Stock Risk
The performance of each individual security that a fund invests in is dependent upon the management quality of the particular company and its growth potential, changes in consumer tastes and preferences, industry conditions and etc. This in turn would have an impact on a fund’s prices causing it to rise or fall accordingly. This risk can be minimized by investing in companies operating in fairly stable industries and that function independently from one another.

Interest rate risk
Debt securities, fixed interest securities and sukuk are sensitive to movements in the interest rate. Interest rate fluctuations may be attributed to market risks that affect the level of risk free rate. A rise in the general level of interest rates may result in a decline of the value of debt securities and fixed interest securities. This would lead to a decrease in the bond fund’s NAV.
Fluctuations in interest rates that affect the general market may also have an impact on the Shariah-compliant fund. A rise in the general level of interest rates may have an effect on the valuation of sukuk fund.

The above interest rate is a general economic indicator that will have an impact on the management of the fund regardless whether it is a Shariah-compliant unit trust fund or otherwise. It does not in any way suggest that the fund will invest in conventional financial instruments.

**Liquidity risk**
Liquidity risk is defined as the ease with which a security can be sold at or near its fair value depending on the volume traded on the market.

**Company or security specific risk and credit risk**
There are many specific risks, which apply to individual companies or securities. Examples of specific risks include losing market share in the industry, a continuous decline in sales and increasing debt and expenses.

Other risks which apply to individual bonds/sukuk and fixed interest securities include the likelihood of a company defaulting on the repayment/payment of the coupon/profit and/or principal of its fixed interest securities/sukuk, or the impact of a company’s credit rating being downgraded. All these risks may cause the NAV or prices of units to fall.

**Inflation risk**
Inflation rate risk is the potential loss of purchasing power of your investment due to a general increase in consumer prices. Inflation causes uncertainty over the future value of your investment. In an inflationary environment, the real rate of your return will be eroded when the rate of return on investment is lower than the inflation rate.

**Risk of non-compliance**
A lack of fiduciary care by a management company to uphold the interests of its Unit Holders poses a risk to your investment. To ensure that compliance with all applicable requirements are met at all times, sufficient internal policies and controls must be in place to protect the interests of the Unit Holders.

**Management risk**
The securities selected by the investment manager may perform better or worse than the overall stock market or as compared to the portfolios selected by their competitors. As a result, lack of knowledge, experience, expertise and poor management techniques may result in an adverse impact on the performance of the fund and thus, the investments of the Unit Holders.

**Country risk**
It is a risk associated with fluctuations in foreign securities due to changes in the country’s economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the foreign investments portion of the fund and the prices of the securities that the fund invested in.

**Currency risk**
It is a risk associated with investments denominated in foreign currencies. When the foreign currencies fluctuate unfavorably against the Ringgit, the investment may encounter currency loss. This will result in a lower NAV of the fund.

**Loan financing risk**
Borrowing/financing from the financial institution licensed by Bank Negara Malaysia to invest can multiply the effect of an increase or decrease in the value of your investment. If the value of your investment falls below a certain level, you may be asked to reduce the outstanding loan/financing amount to the required level. Your borrowing/financing cost may also vary from time to time depending on the fluctuations in interest rates.
You should carefully assess the risks of using loan/financing in light of your investment objectives, attitude to risk and financial circumstances before borrowing or seeking financing facilities to invest in a unit trust fund.

**Credit Risk or Default risk**
The risk that arises when there is a possibility of the issuer being unable to pay the coupon/profit due or the principal on the coupon/profit date or maturity date in a timely manner. Credit risks can be reduced significantly through a rigorous and disciplined credit analysis and diversifying investment in many issues.

**Derivatives/Structured Product**
A fund may from time to time invest in derivatives, which are financial contracts whose values depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include shares, interest rates, currency exchange rates and stock indices. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and in some cases, greater than, the risk presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk.

**Dividend Policy Risk**
The risk is particular to a fund which has heavy emphasis on high dividend yielding stocks. It may occur when there is a significant deterioration in an investee company’s dividend policy. This risk can be mitigated by investing mainly in companies with consistent historical record of paying dividends, companies operating in fairly stable industries or companies with strong cash flows.

**Repatriation Risk**
Investment in emerging markets could be adversely affected by delays in, or refusal to grant, relevant approvals for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. This could arise due to the imposition of exchange controls or the introduction of new laws. Consent granted prior to an investment being made in any particular country may be varied or revoked, and new restrictions may be imposed.

**Reclassification of Shariah Status Risk**
The risk that the currently held Shariah compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. The Manager will take the necessary steps to dispose of such securities.

As a result of the above risks, cash distribution and capital appreciation of the value of the unit trust cannot be guaranteed. However, with an able management team, a manager will take reasonable steps to ensure that the above potential risks are mitigated in a fund.

**IMPORTANT**

YOU ARE REMINDED THAT THE ABOVE LIST OF RISKS MAY NOT BE EXHAUSTIVE AND IF NECESSARY, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER(S) FOR A BETTER UNDERSTANDING OF THE RISKS.

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3. **GETTING STARTED WITH AMANAHRAYA INVESTMENT MANAGEMENT SDN BHD**

3.1 **INVESTING WITH AMANAHRAYA INVESTMENT MANAGEMENT SDN BHD (ARIM)**

ARIM distributes units of the funds through a network of dedicated sales agents who are registered with FIMM. Investors have the right to view the authorization card issued by FIMM to the attending agent, permitting them to deal in unit trust products.

ARB Branch Offices are located throughout the state capitals and major towns of Malaysia to service unit-holders who may need to do an enquiry or a transaction with us. Please refer to the Directory of ARB Branch Offices on back page of the Master Prospectus for details of their addresses and telephone numbers.

3.2 **HOW TO BUY, SELL OR SWITCH UNITS OF THE FUNDS**

3.2.1 **READ AND UNDERSTAND THE MASTER PROSPECTUS OF THE FUNDS**

It is important that you should understand fully about unit trust investments and what investing with the funds would mean to you in terms of the potential benefits and risks. First ask the agent attending to you for information on the funds and be sure to request for a copy of the Master Prospectus. It is important that you read the Master Prospectus carefully and seek further clarification on any matter that may concern you.

In reading the Master Prospectus, do make sure that you understand fully:

- The nature of collective investment schemes
- The fund category, objective and its distribution policy
- The types of fund transactions available
- Your rights as unit-holder
- The nature and amount of fees and expenses of the fund which you would have to bear
- The reports that you will receive as a unit-holder which keeps you fully informed about the performances of the fund

3.2.2 **TO OPEN AN ACCOUNT**

**For prospective investors of the funds,** you would need only to complete the Fund Application Form that comes with the Master Prospectus obtainable free upon request. Your application form, together with the investment amount made out in a cheque in favor of “AmanahRaya Investment Management Sdn Bhd – A/C 1” for conventional Funds or “AmanahRaya Investment Management Sdn Bhd – A/C 2 (Shariah)” for Islamic Funds followed by the new NRIC number of the first holder, can then be submitted to any of the ARB Branch Offices. You are advised to retain the bank-in-slip issued by the bank for your record and future reference.

**For non-individual or corporate applicants,** the application must be submitted together with the requisite statutory documents. Please refer to the fund application form for details of the documents required by the different customer types, i.e. a Malaysian company, partnership, sole proprietor or others. Please contact the marketing department desk at Tel: (03) 2687 5200; Fax: (03) 2687 5300 should you need further assistance.

**Minimum initial investment** for all these funds is only **RM100.00.**
3.2.3 ADDING REGULARLY TO YOUR ACCOUNT

You may invest regularly into your investment account. This can be easily done through issuing Direct Debit Authorization with ARIM. Ask your agent about investing regularly and get a head start on the benefits of dollar-cost-averaging that comes with the regular purchase of units.

Alternatively, you may add to your investment account as and when you feel so inclined by depositing your cash/cheque made in favor of “AmanahRaya Investment Management Sdn Bhd – A/C 1” for conventional Funds or “AmanahRaya Investment Management Sdn Bhd – A/C 2 (Shariah)” for Islamic Funds followed by your fund account number, into the collection accounts maintained at ARIM.

Minimum additional investment for the fund is RM100.00.

It is against our Company’s policy to accept cash for the purchase of units in the funds. As such investors are advised not to make payment in cash to any individual agent when purchasing units of the funds.

3.2.4 EXERCISE OF COOLING-OFF RIGHT

For investors who are investing with ARIM for the first time, the request to exercise your cooling-off right must be submitted either to the ARIM Head Office or to any ARB Branch Office within 6 business days from the date of receipt of the application form and payment by ARIM. You will be paid a full refund of your investment principal within 10 days from the date of exercise of this cooling-off right.

Corporation or institution, staff of the Manager and person/agents registered to deal in its unit trust funds are not entitled to the cooling-off right.

3.2.5 EXERCISE OF REPURCHASE, SWITCHING AND TRANSFER OF UNITS

Repurchase

Should you later need to partially or fully redeem your units, you would only need to complete and submit the Repurchase Form to your nearest ARB Branch Offices or ARIM Head Office. You will be paid the repurchase proceeds within 10 days from our receipt of your repurchase request.

Switching

Switching from ARUTF and ARSTF (bond) to other Fund may or may not incur fees. Generally, no fee will be charged on switching between funds that charge the same amount of fees unless the funds being switched to have different Service Charges. The fee charged will be based on the difference of the Service Charges between the fund to be switched from and the fund to be switched to. As for ARIEF (equity), switching will be based on the difference of the Service Charges between the fund to be switched from and the fund to be switched to. Switching from a Shariah-compliant fund to a conventional fund is discouraged especially for Muslim unit-holders.

Transfer

A maximum of RM 50.00 may be charged for each transfer.

Minimum Transaction Amount for Repurchase, Switching and Transfer

The minimum transaction per repurchase, switching or transfer is 100 units.
3.2.6 MINIMUM ACCOUNT BALANCE

Whatever you may do by way of repurchase, transfer or switching of funds, you must always ensure that you leave a minimum balance of 100 units in your account at all times in order to stay invested with the fund.

In the case of partial repurchase, the Manager may elect to repurchase the entire account if the effect thereof would result in the unit-holder holding less than 100 units in his/her account with the fund.

3.2.7 BORROWING/FINANCING TO PURCHASE UNITS

Unit trust are considered long term savings vehicle which should, theoretically speaking, return better than bank deposits or bonds through its investment in equities or other market-related securities. But, likewise, unit trust cannot avoid assuming to a certain extent the market risks inherent in its portfolio investments, and it would be considered unwise for the unit-holder to undertake borrowing to purchase his units as it may serve to accentuate any capital loss incurred by him in the event of a prolonged weak (bear) market. Investing in a unit trust fund with borrowed money is more risky than investing with your own savings.

Investors are advised to read and understand fully the Loan Financing Risk Disclosure Statement that forms part of the Fund Application Form before signing off on the form.

3.3 STATEMENTS AND REPORTS

3.3.1 STATEMENTS TO CONFIRM AND RECORD TRANSACTIONS

Computer-generated Statements will be issued to provide you a record of each and every transaction made in your account so that you may confirm the status and accuracy of your transactions, as well as an updated record of your investment account(s) with us.

3.3.2 ANNUAL/INTERIM STATEMENT OF TRANSACTIONS

In addition, you will receive annual and interim Statements of Investment, sent together with the funds’ financial reports, which will provide you with the latest update of your investment account.

3.3.3 ANNUAL AND INTERIM REPORTS

The investment strategies, performances, portfolio holdings and accounts of the funds are detailed twice a year in annual and interim reports which are sent to all unit-holders within 2 months from the close of each financial year or interim period.

3.3.4 STATEMENT OF DISTRIBUTION OF RETURNS

If distribution of returns is declared by the funds, you will receive “Malaysian Tax Voucher” or “Reinvestment Statement” (applicable to ‘reinvested’ Unit Holders only) detailing the nature and amount of returns distributed by the funds.
3.3.5 KEEPING TRACK OF THE DAILY PRICES OF UNITS

Unit-holders may check for the current NAV/price of the funds by referring to the Unit Trust Column published daily in major newspapers or by visiting our website at http://www.arim.com.my.

FEEL FREE TO CONTACT AMANAHRAZA INVESTMENT MANAGEMENT SDN BHD AT 03-2687 5200 FOR GENERAL ENQUIRIES OR SPECIFIC ASSISTANCE REGARDING YOUR INVESTMENTS WITH US.

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4. UNDERSTAND FEES AND EXPENSES

4.1 CHARGES

SERVICE CHARGE

Effective 1 July 2007, the SC implemented a single pricing regime whereby the Service Charge is separately disclosed.

The maximum Service Charge of 1.0% on the NAV per unit shall be imposed on each purchase of units of ARUTF/ARSTF and maximum Service Charge of 5.5% on the NAV per unit would be imposed on purchases of ARIEF.

An illustration on how the Service Charge is calculated when making an investment:

NAV per unit: RM 0.50
Sales charge: 5.5%
An investor wishes to invest RM 10,000 in the Fund A will be informed that there will be a Service Charge of 5.5% of NAV of the fund per unit to be incurred for services rendered, which is payable in addition to the amount invested.

a. Amount to be invested in Fund A : RM10,000 @ RM 0.50 per unit
b. Units issued to the investor : 20,000 units of Fund A
c. Service Charge incurred by investor: RM 550 (i.e. RM10,000 x 5.5%)
d. Amount payable by investor: RM10,550

Investors may negotiate and at the Manager discretion to charge lower service charge subject to qualifying criterion

REDEMPTION CHARGE

No redemption charge would be imposed upon withdrawal from ARUTF, ARSTF and ARIEF.

SWITCHING CHARGE

ARUTF and ARSTF

Switching from ARUTF/ARSTF to other funds managed by the Manager may or may not incur switching charge.

Generally, no fees are charged on switching between funds that charge the same amount of fees unless the funds being switched to have different Service Charge. The fee charged will be based on the difference of the Service Charge between the fund to be switched from and the fund to be switched to.

The minimum unit for a switch is 100 units.

ARIEF

The minimum unit for a switch is 100 units. You need to keep a minimum balance of 100 units at all times or such amounts as the Manager may decide from time to time.
4.2 TRANSFER CHARGE

ARUTF and ARSTF

A maximum of RM50.00 may be charged for each transfer.

ARIEF

You are allowed to transfer your unit holdings, subject to conditions stipulated in the Deed. The minimum transfer amount is 100 units. The Manager may refuse to register any transfer of units at its absolute discretion.

4.3 COMMISSIONS

Up to 100% of the Service Charge may be payable to distributors/ sales agents (if any).

4.4 OTHER FEES

Where the Fund invests in other Shariah-compliant unit trust or Trust Account managed by ARIM or a related party, ARIM will ensure that the Fund does not pay any application fees and that there are no double charging of management fees and trustee fees.

4.5 FEES AND EXPENSES

ANNUAL MANAGEMENT FEE

For managing the Fund, the Manager is entitled to an annual management fee of 1.00% of the Fund’s NAV. The management fee shall be computed and accrued on a daily basis before deducting the Managers and Trustees’ fee for that particular day. The annual management fee shall be paid on a monthly basis.

Illustration on how the management fee is calculated :-

Management Fee for the Day (ARUTF and ARSTF)

= NAV of the Fund (before deducting the management fee and trustee fee) x management fee rate for the Fund (%) / 365 days

Example:
If the NAV of the Fund (before deducting the management fee and trustee fee) is RM250 million, then the daily management fee

= RM 250 million x 1.75%/365
= RM 11,986.30

Management Fee for the Day (ARIEF)

For managing the Fund, the Manager is entitled to an annual management fee of up to 1.5% of the NAV of the Fund. The management fee shall be computed and accrued on a daily basis before deducting the Manager’s and Trustee’s fees for that particular day. The annual management fee shall be paid on a monthly basis.
Illustration on how the management fee is calculated -:

Management fee for the day

= NAV of the Fund (before deducting the management fee and trustee fee) is RM200 million, then the daily Management fee:

= RM 200 million x 1.5%/365
= RM 8,219.18

**TRUSTEE FEE**

**ARUTF and ARSTF**

The Trustee is entitled to a fee of up to 0.07% of the Funds’ NAV, subject to a minimum of RM18,000 per annum from the Fund. The trustee fee shall accrue daily and be paid on monthly basis.

Illustration on how the trustee fee is calculated -:

Trustee fee for the day = NAV of the Fund (before deducting the management fee and trustee fee) x trustee fee rate for the Fund (%) / 365 days

Example:
If the NAV of the Fund (before deducting the management fee and trustee fee) is RM 250 million, then trustee fee for the day

= RM 250 million x 0.07% /365
= RM 479.45

**ARIEF**

The Trustee is entitled to a fee of up to 0.08% of the NAV of the Fund, subject to a minimum of RM18,000 per annum from the Fund. The Trustee fee shall accrue daily and be paid on monthly basis.

Illustration on how the trustee fee is calculated -:

Trustee fee for the day = NAV of the Fund (before deducting the management fee and trustee fee) x trustee fee rate for the Fund (%) / 365 days

Example:
If the NAV of the Fund (before deducting the management fee and trustee fee) is RM 200 million, then Trustee for the day:

= RM200 million x 0.08% /365
= RM 438.36

**4.6 EXPENSES**

In administering the Fund, only fees and costs directly incurred will be paid out of the Fund. These include:

- All fees to be paid out from the Fund to the Manager and the Trustee as stipulated by the Deed;
- All fees and disbursements by the auditor of the Fund;
- Accounting, other professional fees and disbursements approved by the Trustee;
• The costs of printing and dispatching to Unit Holders, the reports, accounts of the Fund, tax certificates, distribution statements, notices of meeting of Unit Holders and such other similar costs as may be approved by the Trustee;
• Fees for valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
• Duties and taxes payable in respect of the Fund;
• All expenses and disbursements incurred by the Trustee for the Fund; and
• All information and issue expenses of the Fund pursuant to this Master Prospectus will be borne by the Manager.

4.7 REBATES AND SOFT COMMISSIONS

A soft commission may be retained by the Manager or its delegate for payment of goods and services such as research material, data and quotation services, and investment management tools which are demonstrably beneficial to the Unit Holders.

Rebates, if any, on stock broking transactions will be credited to the Fund. All dealings with brokers are executed on terms which are the best available for the Fund.

4.8 POLICY ON ROUNding ADJUSTMENT

NAV per unit for the Fund is rounded 4 decimal points. The investment amount payable to the Manager is rounded 2 decimal points. The units allocated into investor’s account are rounded to 2 decimal points. Redemption value is also rounded to 2 units.

Our fees and charges are fixed but subject to the discretion of the management company to further negotiate on the fees and charges.

THERE ARE FEES AND CHARGES INVOLVED AND INVESTOR ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND

NOTES: IN THE EVENT OF THE IMPOSITION OF ANY GST ON ANY FEES, CHARGES, AND/EXPENSES, UPON THE IMPLEMENTATION OF THE GST ACT 2014 AND/OR OTHER RELEVANT STATUTORY LAW RELATING TO GOODS AND SERVICES AND/OR CONSUMPTION TAX IN MALAYSIA, THE UNIT HOLDERS AND/ OR THE FUNDS (AS THE CASE MAYBE) SHALL UPON DEMAND PAY TO THE PARTY DULY ENTITLED TO COLLECT THE GST ALL SUCH GST AS MAY BE APPLICABLE IN ADDITION TO ANY OTHER PAYMENTS PAYABLE BY THE PAYING PARTY.
5. TRANSACTION INFORMATION (BASED ON SINGLE PRICING)

5.1 PRICING OF UNITS

Valuation of units

The valuation of units is determined using forward pricing and is based on the NAV of the Fund at the close of every business day. The NAV per unit is calculated as follows:

\[
\text{NAV per unit} = \frac{\text{NAV of the Fund at the close of business day}}{\text{Number of units in circulation}}
\]

The same formula is also applied in calculating the buying price per unit for the Fund. Therefore:

\[
\text{NAV per unit} = \text{buying price per unit}
\]

Calculation of Unit Prices

The prices of Units of the Funds are determined by using the forward pricing formula where prices are based on the NAV per Unit of the relevant Fund at the end of a Business Day after the application for Unit is received by the Manager.

The SC has implemented a single-pricing regime which is effective 1 July 2007. The single pricing which equates to sales and redemptions quoted and transacted on a single price (i.e. NAV per unit), offer many advantages to investors. Under this practice, distribution charge (service charge) are separately disclosed, therefore it is easier to understand and fairer to investors as they can see what they are being charged. Such transparency would also facilitate the investor in comparing the different charges imposed by various distribution channels and assist investors in making an informed decision about their choice of investment products as well as the preferred distribution channel. In addition, with all charges separately stated, investors are able to clearly gauge or ascertain the performance of their investment.

Making an Investment

\[
\text{NAV per unit} = \text{RM 1.0000} \quad \text{Service Charge} = \text{1%}
\]

Assuming an investor wishes to invest amount of RM10,000 in a Fund. The service charge of 1% of NAV is payable in addition to the amount invested of RM10,000. Hence, the total amount payable by the investor (total payment amount) is RM10,100 as illustrated below:

<table>
<thead>
<tr>
<th>Items</th>
<th>RM/Units</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Amount to be invested (investment amount)</td>
<td>RM 10,000</td>
<td></td>
</tr>
<tr>
<td>(ii) Units issued to investor</td>
<td>10,000 units</td>
<td>RM 10,000/RM1 per unit</td>
</tr>
<tr>
<td>(iii) Service Charge incurred by investor</td>
<td>RM100</td>
<td>RM 10,000 x 1%</td>
</tr>
<tr>
<td>(iv) Amount payable by investor (total payment amount)</td>
<td>RM 10,100</td>
<td>(RM 10,000 + RM 100)</td>
</tr>
</tbody>
</table>

Redeeming an investment

There is no redemption fee imposed for these Funds.
5.2 HOW TO PURCHASE, REDEEM OR SWITCH UNITS OF THE FUNDS

Read and Understand the Prospectus of the Funds

It is important that you should fully understand unit trust investments, and what investing with the funds would mean to you in terms of the potential benefits and risks. First ask the unit trust consultant attending to you for information on the funds, and be sure to request for a copy of the prospectus. It is important that you read the prospectus carefully, and seek further clarification on any matter that may concern you.

In reading the prospectus, do make sure that you understand fully:
• the nature of collective investment schemes;
• the fund category, objective and its distribution policy;
• the types of fund transactions available;
• your rights as a Unit Holder;
• the nature and amount of fees and expenses of the fund which you would have to bear;
• the reports that you will receive as a Unit Holder which keeps you fully informed about the performances of the fund.

To Open an Account

For prospective investors, please contact our sales desk at 03-2687 5277 for further assistance.

For prospective investors of the funds, you would need to complete the fund Application Form that comes with the prospectus obtainable free upon request. Your application form, together with the investment amount made out in a cheque in favour of “AmanahRaya Investment Management Sdn Bhd A/C 1” for conventional fund or “AmanahRaya Investment Management Sdn Bhd A/C 2 (Shariah) for Islamic funds, can be submitted to our office. You are advised to write down your name, new NRIC/passport number and telephone number at the back of the cheque. Please retain the bank-in slip issued by the bank for your record and future reference.

For investors who are investing under the EPF Members Investment Scheme (of which application to invest will be subject to the approval by EPF), you are required to complete the Application Form for EPF Members Investment Scheme and KWSP 9N (AHL) Form and submit them together with a copy of your NRIC to the unit trust consultant attending to you.

For non-individual or corporate applicants, the application must be submitted together with the requisite statutory documents. Please refer to the New Investor Form for details of the documents required by the different customer types i.e. a Malaysian company, partnership, sole proprietor or others. Please contact the sales desk at 03-26875277 should you need further assistance.

Initial Offer Period

Nil

How to purchase units of the fund(s)

Who can invest?

The following investors are eligible to invest in the Fund:
• an Individual who is not an undischarged bankrupt, investing in single or joint names (as a joint Unit holder);
• a child under 18, provided that the monies are held by an adult on his behalf; and
• an institution including but is not limited to a company, corporation, corporative, trust or pension fund.
How to invest?

Investments can be made through AmanahRaya Investment Management, ARB Branch Offices or authorized agents (PDUT) after completing an application form and attaching a copy of your identity card or passport or other acceptable identification, where applicable.

For non-Individuals, the following documents must be enclosed with a completed application form:

- a certified copy of the Memorandum and Articles of Association and any other equivalent document acceptable to the Manager, where applicable;
- a board resolution or any other equivalent document acceptable to the Manager, appointing the authorized signatory(ies);
- a specimen signature(s) of the authorized signatory(ies); and
- any other relevant documents as required by the Manager from time to time.

Investments can be made:

- by crossed cheque, banker’s draft, money order, postal order or cashier’s order made payable to “AmanahRaya Investment Management Sdn Bhd – A/C 1” for conventional Funds or “AmanahRaya Investment Management Sdn Bhd – A/C 2 (Shariah)” for Islamic Funds; or
- by cash provided the application is made in person and does not exceed RM1,000.

(Any investments made by cash shall only be made through the Manager or ARB Branch Offices).

Investment limits for ARUTF, ARSTF and ARIEF

- The minimum initial investment is RM100 or such amounts as the Manager may from time to time decide; and
- The minimum additional investment is RM100 or such amounts as the Manager may from time to time decide.

5.3 HOW TO REDEEM UNITS OF THE FUNDS

Redemption
The minimum redemption amount for the Fund is 100 units or such amounts as the Manager may from time to time decide, unless you are withdrawing your entire investment. For EPF Unit Holders, the net redemption proceeds will be remitted to EPF for crediting into your provident accounts.

Minimum holding/balance
The minimum holding/balance of units remaining in your account must always be 100 units or such amounts as the Manager may from time to time decide. If a redemption notice is received and the amount in your account is below 100 units, you will either need to make additional investments to meet the minimum balance required by the Fund or the Manager may redeem your entire holding of units in the Fund and forward the proceeds to you.

5.4 DETAILS WITH RESPECT TO THE COOLING OFF PERIOD

The Cooling off period is only applicable to an individual investing for the first time in any unit trust fund managed by the Manager.
You have the right, within six (6) Business Days from the date of receipt of the application form by the Manager, to call for redemption of your investments. A full refund of the money initially invested will be paid to you within ten (10) calendar days from the receipt of your application for cooling off by the Manager, provided that redemption proceeds will only be paid to you once the Manager has received cleared funds for the original investments.

The Cooling off period shall exclude corporations/institutions, staff of the Manager, ARB and its group of companies, and persons registered to deal in its unit trust funds. For the avoidance of doubt, the Cooling off period is also not applicable to any society, statutory body, local authority, trade union, cooperative society, partnership, sole proprietor and any other unincorporated body, organization, association or group.

**EXERCISE OF COOLING-OFF RIGHT**

If you are investing with ARIM for the first time, the request to exercise your cooling-off right must be submitted either to the ARIM Head Office or to any of its branch offices within 6 Business Days from the date of receipt by ARIM, of the application form and payment. You will be paid a full refund of your investment within 10 days from the date of exercise of this cooling-off right. The refund for every unit held will be the sum of the price of a unit on the day the units were purchased and the sales charge imposed on the day the units were purchased.

For EPF Unit Holders, the cooling-off period will commence from the date of receipt of application form by ARIM.

Corporation or institutions, staff of the Manager and persons registered to deal in unit trust funds are not entitled to the cooling-off right.

**5.5 WHERE UNITS CAN BE PURCHASED AND REDEEMED**

A valid application to purchase or redeem units of the Fund received by ARIM before 4.00 p.m. will be processed using the NAV per unit calculated at the end of the same Business Day. Any application received after 4.00 p.m. or on a non-Business Day will be processed at the end of the next Business Day.

Any incomplete application will not be processed, pending receipt of all necessary information.

**5.6 HOW TO SWITCH BETWEEN FUND(S), OR TRANSFER OWNERSHIP OF UNITS**

The minimum switching amount is 100 units or such amounts as the Manager may from time to time decide.

Generally, no fees are charged on switching between funds that charge the same amount of fees and would only apply if the fund switches into funds that have different Service Charge. The fee charged will be based on the difference between the Sales Charge of the fund to be switched from and the fund to be switched to.

**5.7 OTHER TRANSACTION INFORMATION**

Generally, you are allowed to transfer your unit holdings, subject to conditions stipulated in the Deed of the Fund. The minimum transfer amount is 100 units. The Manager may refuse to register any transfer of units at its absolute discretion. A transfer charge of not more than **RM50.00** may be charged for each transfer.
5.8 UNCLAIMED MONEYS

Any cheque payable to you which remain unclaimed for the last twelve (12) months or such period as prescribed under the Unclaimed Moneys Act will be paid to Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Thereafter all claims need to be made to the Registrar of Unclaimed Moneys.

5.9 DISTRIBUTION POLICY

ARUTF/ARSTF

Distribution Policy  Aims to make an income distribution once a year.

Mode of Distribution  You may choose to receive the distribution in the form of cheques, or reinvest as additional units to your investment. The additional units will be based on NAV per unit as at the valuation date immediately following the distribution date.

No sales charge will be imposed on distribution reinvestment.

If no distribution instruction is specified on the application form or the cheque is returned or unclaimed within (6) months from the date of issuance, the income from the Fund will be automatically reinvested into additional units of the Fund.

ARIEF

Distribution Policy  Given its investment objective, the Fund is not expected to pay regular distribution.

Mode of Distribution  You may choose to receive the distribution in the form of a cheque, or to reinvest as additional units to your investment. The additional units will be based on the NAV per units as the valuation date immediately following the distribution date.

No sales charge will be imposed on distribution reinvestment.

If no distribution instruction is specified on the application form or the cheque is returned or unclaimed within (6) months from the date of issuance, the income from the Fund will be automatically reinvested into additional units of the Fund.

UNIT HOLDERS WILL BE GIVEN A CHEQUE UPON REDEMPTION OR ADDITIONAL UNITS IF THE UNIT HOLDERS DECIDE TO REINVEST.

INVESTORS ARE ADVISED NOT TO MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF A FUND.

UNIT PRICES AND DISTRIBUTION PAYABLE, IF ANY, MAY GO DOWN AS WELL AS UP.
6. THE MANAGER

6.1 CORPORATE PROFILE OF THE MANAGER

AmanahRaya Investment Management Sdn Bhd (“ARIM”) is a licensed asset management company under the Capital Markets and Services Act and a wholly-owned subsidiary of Amanah Raya Berhad. As at December 2011, the authorized and paid-up capital of ARIM stood at RM25 million and RM10 million respectively.

With effect from 21 January 2010, ARIM has taken over the role of the Manager for the Funds from AmanahRaya Unit Trust Management Sdn Bhd (“ARUTM”).

Asset under management as at 30th September 2016 is approximately RM5.847 billion with the total number of five (5) funds under ARIM, which makes ARIM one of the biggest non-bank backed fund management companies in Malaysia. The asset under management covers both Shariah and non-Shariah mandates. Over the years, ARIM has invested vast resources in building up its infrastructure to provide a top notch fund management service.

ARIM also has wealth of experience and competency in managing multiple asset classes, for both Ringgit and non-Ringgit based investments, which include but not limited to equity, fixed income, unit trust, property, structured products and private equity.

Currently, ARIM’s list of clients include reputable pension funds, insurance companies, government agencies, non-profit foundations, public listed companies and high net-worth individuals.

6.2 ROLE OF THE MANAGER

The Manager is responsible for the investment management and marketing of the Fund; servicing Unit Holders needs; keeping proper administrative records of Unit Holders and the Fund; ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

6.3 THE BOARD OF DIRECTORS

There are seven (7) members on the Board of Directors of ARIM which consisted of three (3) Independent Directors and four (4) Non-Independent Directors. The Board of Directors oversees the management and operations of ARIM and meets quarterly.

Role of Directors

The Board of directors is responsible for the overall management of ARIM and its funds. The Board not only ensures corporate governance is practiced but policies and guidelines are adhered to.

Members of The Board of Directors

Datuk Mohamed Adnan bin Ali (Chairman) (Independent, Non-Executive)

Datuk Mohamed Adnan Ali was appointed as a Chairman of ARIM effectively on 30 January 2013. Datuk Mohamed Adnan Ali, was appointed to the Board on 1 October 2005. He was formerly Accountant-General, Malaysia. He had served as an Accountant with various Ministries such as Ministry of Trade and Industry, Ministry of Energy and Public Works. He was also a Senior Manager, Investment with the Employees Provident Fund (“EPF”), Treasurer of International Islamic University Malaysia and Bursar of Universiti Teknologi Malaysia. He does not sit on the Board of any public listed companies in Malaysia. Datuk Mohamed Adnan Ali is a Fellow, Chartered Institute of Management Accountants, United Kingdom.
Meor Khairi bin Meor Mohd Bazid (Managing Director/Chief Executive Officer)

Meor Khairi Meor Mohd Bazid was appointed to the Board on 27 February 2013. He holds a Bachelor of Business Administration (Finance) and Master of Business Administration (Finance) from University of Toledo, Ohio, USA. He was a recipient of Jabatan Perkhidmatan Awam’s full scholarships at both undergraduate and graduate levels.

He began his working career as a Corporate Banking Officer at Arab Malaysian Merchant Bank in 1992, which back then was the biggest merchant bank in the country. In 1993, he joint DR Group Holdings as Assistant Finance Manager, where he was responsible in overseeing the group's cash flows, investment as well as insurance portfolio. His career then progressed into fund management industry when he began working as Assistant Portfolio Manager at SJ Asset Management (“SJAM”) in 1995 and was appointed as the Chief Investment Officer of SJAM in 2003.

In April 2008, after almost thirteen years, he left the aforementioned company to join ARIM, first as General Manager, Equity Research and later as the Chief Investment Officer. Besides overseeing the Research Department, he is also responsible in formulating the asset allocation and equity strategies. He has more than a decade of experience in investment in the Asian region. He had done extensive research work and company visits around the region in the last 13 years.


Azhar bin Harun (Independent, Non-Executive)

Azhar Harun was appointed to the Board of ARIM on 25 January 2010. Azhar Harun has a total of 23 years working experience gained in progressively higher positions of responsibility, with 10 years of international posting as expatriate staff with US multinational corporations based in Turkey, Johannesburg and Singapore. These are best illustrated during his tenure with The Singer Company. In August 1997 he was promoted to Area General Manager for Singer's operations in Sub-Saharan region of Africa responsible for marketing and distribution of Singer and Akai products in eleven countries. He was subsequently appointed as Senior Director, Marketing Services and Distributor Development at The Singer Company worldwide corporate marketing headquarters in Singapore. In view of his desire to be domiciled in Malaysia, he has taken a position as Chief Executive Officer at Assunta Hospital beginning September 2002. He was later selected as a Board Member to the Association of Private Hospital Malaysia (APHM) in July 2004. In November 2006, he joint UM Holdings, managing all the business operations of University Malaya comprised healthcare, hospitality, IP commercialization, publications and property development. Azhar Harun holds an MBA from University of Nottingham, UK.

Dato’ Haji Che Pee bin Samsudin (Non-Independent, Non-Executive)

Dato’ Haji Che Pee was appointed to the Board on 18 August 2011. He has vast experience in accounting field and finance, have started his career as an Accountant in Government services since 1982. His experience includes serving at various Government Department including Ministry of Finance, Langkawi Development Authority (LADA), Malaysia Institute of Islamic Understanding (IKIM), Economic Planning Unit in Prime Minister's Department and in Perbendaharaan State of Kedah as Treasurer, State of Kedah for nine (9) years. He is presently the Director of Bahagian Perkhidmatan Operasi Pusat dan Agensi in Jabatan Akauntan Negara Malaysia, Putrajaya. He is also a Director of Amanah Raya Berhad Group. He holds Bachelor Honours Degree in Accounting and a Member of Chartered Accountant (CA) of Malaysian Institute of Accountants (MIA).
Tuan Haji Zulkifly bin Sulaiman (Independent, Non-Executive)

Tuan Haji Zulkifly Sulaiman was appointed as director on 25 February 2013. He has extensive and knowledge in banking having held various positions in the banking industry for 32 years. He was a former Chairman of Internal Audit Committee at Prudential Al-Wara Islamic Asset Management Company. His experience includes serving at Malayan Banking Berhad (MAYBANK), Phileo Allied Bank (PHILEO) and United Malayan Banking Corporation (UMBC). Tuan Haji Zulkifly Sulaiman holds a Bachelor Degree in Economics from University of Malaya. He currently sits on The Board of AmanahRaya Group of companies.

Huzairi Bin Zainal Abidin (Non-Independent, Non-Executive)

Encik Huzairi was appointed to the Board of AmanahRaya Investment Management Sdn. Bhd. on 19 February 2016 as Non-Independent and Non-Executive Director.

Encik Huzairi holds a Bachelor of Accounting (Honours) from the Universiti Tenaga Nasional. He also obtained a Master of Business Administration in Islamic Banking and Finance from Bangor Business School London Centre, University of Bangor, United Kingdom under Federal Scholarship Award from Government of Malaysia.

Encik Huzairi started his career with AmFinance Berhad in 2001 as Treasury Officer in the Treasury Department. He then pursued his career in the government sector and held various positions in Prime Minister’s Office / Department before joining the Ministry of Finance in 2014. He is currently the Special Officer to the Secretary General of Treasury, Ministry of Finance.

Encik Adenan bin Md Yusof (Non-Executive, Non-Independent)

Encik Adenan bin Md Yusof was appointed to the Board of AmanahRaya Investment Management Sdn Bhd on 30 September 2016 as Non-Independent Non-Executive Director. Upon obtaining his Bachelor of Architecture from Illinois Institute of Technology Chicago, Illinois, USA, Encik Adenan worked for two of the largest architectural practice in the United States. During his tenure at Harry Weese and Associates as well as Lohan Associates, he gained valuable experience in the development of various building types from residential to 5 star hotels and office buildings. Thereafter, in 1993, he joined KLCC Berhad and worked on the prestigious Petronas Twin Towers project.

Encik Adenan later joined Amanah Capital Partners Berhad in 1995 and was responsible in overseeing all property investments under Amanah Capital Group. Subsequently, in 2003, Encik Adenan moved to KUB Malaysia Berhad as General Manager and was later seconded to KUB Realty Sdn. Bhd, the property arm of KUB.

In 2008, Encik Adenan joined Terengganu Incorporated as the Group General Manager to head its property investment division and was tasked in drafting a strategic plan for its property investment. Prior to his return to AmanahRaya, he was the Senior Vice President of Special Projects at UDA Holdings Berhad.

Encik Adenan also holds a Capital Market Services Representative’s License since July 2013 and was the Vice Chairman of the Malaysian REIT Managers Association and a member of its Regulatory Committee. Encik Adenan is presently the Group Managing Director of Amanah Raya Berhad. He is also a Director of Amanah Raya Berhad Group.

6.4 THE INVESTMENT COMMITTEE

The investment committee approves or recommends investment policies and procedures. The committee will continuously monitor the implementation of the investment policies against the predetermined benchmarks towards achieving a proper performance of the Fund. The investment committee will meet at least once every quarter or such other times as may be decided by the Chairman.
6.5 THE INVESTMENT TEAM

Meor Khairi Meor Mohd Bazid (Managing Director / Chief Executive Officer)

Please refer to Section 6.3 above for details.

Roszali Ramlee (General Manager, Head of Fixed Income: Responsible person for ARUTF and ARSTF)

Roszali Ramlee joined the company in April 2014 and is responsible in spearheading the fixed income investment team. He has more than 25 years of experience in capital market industry. Prior to joining the company, he was a Senior Fund Manager in Manulife Asset Management, UniAsia Life Assurance and a Senior Dealer with RHB Sakura Merchant Bankers Berhad.

Roszali holds a degree of Bachelor in Business Administration in Finance from University of Toledo, USA. He is a holder of Capital Market and Services Representative’s license and license holder of Persatuan Pasaran Kewangan Malaysia (PPKM). He was a recipient of Most Astute Investor in Malaysian Ringgit Bond by The Asset Magazine in 2011, 2015 & 2016.

Jasmine See Yeng Wah, CFA (Senior Manager, Credit Evaluation, Fixed Income)

Jasmine holds a Bachelor Degree in Economic (Hons) from University Utara Malaysia, 1997. She joined ARIM in June 2009 and is currently responsible for credit assessment on fixed income portfolio. She started her career with AmBank Berhad (formerly known as Arab-Malaysia Bank Berhad) in 1997. She joined OSK investment Bank in 2006 and later in 2007, moved to RHB Bank Berhad.

Jasmine has extensive exposure in banking industry, particularly in credit assessment in various market segments besides hands on experience in loan documentation, and loan recovery. She is a certified credit professional who has been conferred Certified Credit Professional (CCP); a qualification endorsed by the Bank Negara Malaysia.

Yap Jia Huey (Senior Manager, Equities: Responsible person for ARIEF)

Yap Jia Huey joined the company in May 2011 as an Equity Fund Manager. Prior to this, she was with Uni.Asia Life Assurance and SBB Mutual where her experience includes managing equity funds, research as well as product development. She has more than 10 years of experience in the investment industry.

She holds an MBA (Finance) from Nottingham University and B. App. Science (Mathematics and Economics) from Universiti Sains Malaysia. She is a license holder of Capital Market & Services Representative and Persatuan Pasaran Kewangan Malaysia (PPKM).

Md Razif Bin Rahim (Assistant Manager, Equities: Responsible person for ARIEF)

Md Razif Bin Rahim joined the company in October 2015 as an Equity Fund Manager. He started his career in OSK Investment Bank as a dual-licensed dealer in 2009. Prior to joining ARIM, he was with Muamalat Invest Sdn Bhd and Labuan Reinsurance (L) Ltd where his experience includes managing equity funds as well as research. He has more than 7 years of experience in the investment industry.

Razif graduated with a Bachelor Degree in Finance (Hons) from Universiti Teknologi Mara (UiTM) in 2008. He is a license holder of Capital Market & Services Representative and passed Level 1 CFA examination in December 2015.
6.6 THE MANAGER’S POLICY WITH RESPECT TO DEALING WITH CONFLICT OF INTEREST SITUATIONS

The Manager, its directors and any of its delegates including the Investment Committee members will at all times act in the best interests of the Unit Holders of the Fund and will not conduct itself in any manner that will result in a conflict of interest or potential conflict of interest. Should any conflict of interest arise, such conflict shall be resolved in a manner that shall not place the Fund in any disadvantaged position.

In the unlikely event that ARIM faces conflicts in respect of its duties to any of the Funds and its duties to other ARIM investment funds that it manages, ARIM is obliged to act in the best interest of all its investors and will seek to resolve any conflict fairly.

In the sale and purchase of any securities or investments for the Fund, the Manager shall not act in a manner which it may derive benefits for itself.

The Manager shall not make any investment for the Fund in any securities, properties or assets in which the Manager or its officer has financial interest in or from which the Manager or its officer derives a benefit, unless with the prior written approval of the Trustee.

Employees’ securities dealings

ARIM has in place a policy contained in its Compliance Policy Manual, which regulates its employees’ securities dealings. An annual declaration of securities trading 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 company and customers of the company.

6.7 CIRCUMSTANCES THAT MAY LEAD TOWARDS THE RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER

Retirement, Removal or Replacement of the Manager (ARUTF & ARSTF)

The Manager may be removed by the Trustee under certain circumstances outlined in the Deed. These include:

- if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or ceases to carry on business or if a receiver shall be appointed of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets;
- if a Special Resolution is duly passed by the Unit Holders that the Manager be removed;
- if the Manager is in breach of any of its obligations under the Deed; or
- if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit Holders for it to do so, after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the SC and with the approval of the Unit Holders.

Retirement, Removal or Replacement of the Manager (ARIEF)

The Management Company may retire upon giving 12 months’ notice (or such shorter period as the Manager and Trustee may agree) to the Trustee of its desire to do so, and may by deed appoint in its stead a new Management Company approved by the Trustee and the SC.

The Management Company shall also retire, if so required by the Trustee, on the grounds that:

a) a Special Resolution to that effect has been passed by the Unit Holders at a meeting called for that purpose;
b) the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee
has given notice to it of that opinion and the reason for that opinion, and after consultation with
the relevant authorities and with the approval of Unit Holders;
c) the manager has gone into liquidation, except for the purpose of amalgamation or reconstruction
or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

6.8 RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

All transactions carried out for or on behalf of the Funds are executed on terms that are best available
to the funds and which are no less favorable than arm’s length transactions between independent
parties.

The existing related-party transactions of the Funds include:
- Dealings on sale and purchase of investment securities and instruments by the Funds.
- Money market deposits and placements by the Funds.
- Holding of units in the Funds by related parties.

All related-party transactions of the Funds are transacted at arm’s length and are established on terms
and conditions that are stipulated in the applicable regulations of respective stock exchanges and/or
other applicable laws and market convention.

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

Employees of the Manager who are directly involved in the investment management of the Fund(s)
or who have direct and timely access to the daily trades done by the Fund Manager, are required to
declare their dealings in securities.

None of our directors or substantial shareholders have any direct or indirect interest in other
corporations carrying on a similar business as the Manager as at 30 September 2016.

6.9 POLICIES AND PROCEDURES ON MONEY LAUNDERING ACTIVITIES

The Manager has established a set policies and procedures to counter the risk involving money
laundering and financing of terrorism, in compliance with the provisions of Anti-Money Laundering
and Anti-Terrorism Financing Act 2001, (AMLATFA). The policies and procedures encompassed
the following key initiatives:
- Provision of training and education on the subject matter to all employees, with emphasis on front-
  line personnel and members of the agency force.
- Setting up specific measures and controls with regard to customer identification and acceptance
  which include verification of true identity of customer via relevant identification documents.
- Ensuring prompt reporting of suspicious transactions to the Financial Intelligence Unit of Bank
  Negara.

6.10 POWER OF THE MANAGER TO REMOVE/REPLACE TRUSTEE, AS STIPULATED
UNDER THE DEED AND SECURITIES LAWS

*Power of the Manager to Remove the Trustee (ARUTF & ARSTF)*

The respective Trustee may be removed in the event that:
- the Trustee goes into liquidation;
• the Trustee is placed under receivership, ceases to exist, fails or neglects its duties;
• the Trustee ceases to be approved by the SC to be a trustee for unit trust schemes; or
• if a Special Resolution is duly passed by the Unit Holders that the Trustee be removed.

Powers of the manager to remove the trustee (ARIEF)

The Trustee may be removed and another Trustee may be appointed by special resolution of the Unit Holders at a Unit Holders’ meeting convened in accordance with the Deed.

The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:
• The Trustee has ceased to exist;
• The Trustee has not been validly appointed;
• The Trustee is not eligible to be appointed or to act as Trustee under Section 290 of the CMSA 2007;
• The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or the provisions of the CMSA 2007;
• A receiver is appointed over the whole or a substantial part of the assets or undertaking of the existing Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the existing Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the existing
• Trustee becomes or is declared to be insolvent); or
• The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any securities law.

6.11 CROSS TRADE

The Manager may conduct cross trades between funds it currently manages provided that all criteria imposed by the regulators are met. The cross trade transaction (if any) will be reflected in the Fund’s Interim Annual Report and will be reported to the Manager’s Risk & Compliance Committee Meeting on quarterly basis, to avoid conflict of interest and manipulation that could have negative impact on the investors.

6.12 MATERIAL LITIGATION AND ARBITRATION

As at 30 September 2016, there is no material litigation or arbitration proceedings current, pending or threatened against or initiated by the Manager nor do there exist any facts likely to give rise to any proceedings which might materially affect business/financial position of the Manager or any of its delegates.

VISIT OUR WEBSITE WWW.ARIM.COM.MY FOR FURTHER INFORMATION ON THE MANAGEMENT COMPANY, INVESTMENT COMMITTEE, SHARIAH ADVISER AND FUND MANAGER

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7. **THE TRUSTEE**

7.1 **PROFILE OF CIMB ISLAMIC TRUSTEE BERHAD (TRUSTEE FOR ARUTF & ARSTF)**

7.1.1 **GENERAL 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.

7.1.2 **EXPERIENCES 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 and private retirement schemes.

7.1.3 **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 opinions may indicate that the interests of Unit Holders 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.

7.1.4 **TRUSTEE’S DELEGATE**

CIMB Islamic Trustee Berhad has appointed CIMB Bank Berhad (CIMB Bank) as the Custodian of the Fund’s assets. CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company in Bursa Malaysia and currently the second largest financial services provider in Malaysia. CIMB 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 assets, they are held through its wholly owned nominee subsidiary “CIMB Group Nominees (Tempatan) Sdn Bhd”. For foreign non-Ringgit assets, CIMB 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 Bank acts only in accordance with instructions from the Trustee.

7.1.5 MATERIAL LITIGATION AND ARBITRATION

As at 30 September 2016, the Trustee is not engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Trustee and the board of directors of the Trustee do not know of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the position of the Trustee.

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7.2 PROFILE OF PB TRUSTEE SERVICES BERHAD (TRUSTEE FOR ARIEF)

7.2.1 GENERAL INFORMATION

PB Trustee Services Berhad (7968-T) (“PBTSB”) is the Trustee of the AmanahRaya Islamic Equity Fund (ARIEF). PBTSB was incorporated on 24 August 1968 and commenced its operations on 22 January 1969, with its registered and business office at 17th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. PBTSB has an authorized share capital of RM1,050,000 and a paid-up share capital of RM525,000.

7.2.2 EXPERIENCE IN THE TRUSTEE BUSINESS

PBTSB’s experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include corporate bonds, writing of wills, management of estates, trusteeship for golf clubs, recreational clubs and time sharing schemes. PBTSB is also acting as a custodian in its capacity. As at 30th September 2016, it has two (2) unit trust funds and nineteen (19) wholesale funds under its trusteeship.

7.2.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES

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

(a) acting as trustee and safeguarding the rights and interests of the Investors;
(b) holding the assets of the Scheme for the benefit of the Investors; and
(c) exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of the Scheme.

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 Investors.

7.2.4 THE TRUSTEE MAY BE REMOVED AND ANOTHER TRUSTEE MAY BE APPOINTED BY SPECIAL RESOLUTION OF THE UNIT HOLDERS’ MEETING CONVENED IN ACCORDANCE WITH THE DEED OR AS STIPULATED IN THE CMSA 2007.

7.2.5 TRUSTEE’S STATEMENT OF RESPONSIBILITY

The Trustee has given its willingness to assume the position as Trustee of the Scheme and all the obligation in accordance with the Deed, all relevant laws and rules of law.

7.2.6 REMOVAL OR REPLACEMENT OF THE TRUSTEE

The Trustee may retire upon giving twelve (12) months’ notice to the Manager of its desire to do so, or such shorter period as the Manager and the Trustee may agree, and may by deed appoint in its stead a new Trustee approved by the Securities Commission.

The Trustee may be removed and another Trustee may be appointed by special resolution of the Unit Holders at a Unit Holders’ meeting convened in accordance with the Deed.

The Manager shall take all reasonable steps to replace a Trustee as soon as practicable after becoming aware that:
• The Trustee has ceased to exist;
• The Trustee has not been validly appointed;
• The Trustee is not eligible to be appointed or to act as Trustee under Section 290 of the CMSA 2007;
• The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or the provisions of the CMSA 2007;
• A receiver is appointed over the whole or a substantial part of the assets or undertaking of the existing Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the existing Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the existing Trustee becomes or is declared to be insolvent); or
• The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any securities law.

7.2.7 TRUSTEE’S DECLARATION

The Trustee is financially independent of the Manager. The Trustee will carry out transactions on an arm’s length basis and on terms which are best available for the Scheme, as well as act at all times in the best interest of the Scheme’s investors. The Trustee also has adequate procedures and processes in place to prevent or control conflicts of interest.

The Trustee’s boards of directors declare that the requirements of the guidelines on allowing a person to be appointed or to act as trustee under subsection 290(1) of the CMSA 2007 have been complied with at the point of application.

7.2.8 PBTSB’s DELEGATE

The Trustee has appointed Public Nominees (Tempatan) Sdn Bhd as custodian of the quoted and unquoted local investments of the Fund. The custodian’s comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with instructions from the Trustee.

7.2.9 MATERIAL LITIGATION AND ARBITRATION

As at 30 September 2016, the Trustee is not engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Trustee and the board of directors of the Trustee do not know of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the position of the Trustee.

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8. **SHARIAH ADVISER**

IBFIM has been appointed as the Shariah Adviser for AmanahRaya Syariah Trust Fund and AmanahRaya Islamic Equity Fund (“the Funds”). IBFIM will counsel the mechanism of the operations of the Fund’s activities to ensure that the operations of the Fund comply with Shariah requirements.

8.1 **GENERAL INFORMATION OF IBFIM**

IBFIM was incorporated as a company limited by guarantee and not having share capital in Malaysia under the Companies Act, 1965 on 15 February 2007.

8.2 **EXPERIENCE IN ADVISORY AND SERVICES**

IBFIM is registered with the SC to act as a Shariah Adviser for Shariah-compliant collective investment schemes and sukuk issuance. IBFIM is also involved in numerous Shariah-compliant private mandates as well as the Shariah Adviser for Islamic REITs and Islamic asset management houses.

As at 30th September 2016, IBFIM has total staff strength of 100 employees, and has 128 funds under its supervision.

8.3 **ROLES AND RESPONSIBILITIES OF IBFIM AS THE SHARIAH ADVISER**

As the Shariah Adviser, the role of IBFIM is to ensure that the operations and investments of the Funds are in compliance with Shariah requirements. IBFIM reviews the Funds’ investments on a monthly basis to ensure compliance with Shariah requirements at all times and advise on the Funds’ compliance with Shariah requirements. Final responsibility for ensuring Shariah compliance of the Funds with Shariah requirements in all relevant aspects rests solely with the Manager.

In line with the Securities Commission (“SC”) Guidelines, the roles of IBFIM as the Shariah Adviser are;

1. ensuring that the Shariah-compliant unit trust funds (“the Funds”) are managed and administered in accordance with the Shariah principles;
2. providing expertise and guidance for the Funds in all matters relating to Shariah principles, including on the Funds’ deed and prospectus, its structure and investment process, and other operational and administrative matters;
3. consulting the SC who may consult the Shariah Advisory Council where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. scrutinising the Funds’ compliance report as provided by the compliance officer, transaction report provided by or duly approved by the trustee and any other report deemed necessary for the purpose of ensuring that the Funds’ investments are in line with the Shariah principles;
5. preparing a report to be included in the Funds’ interim and annual report certifying whether the Funds have been managed and administered in accordance with the Shariah principles;
6. ensuring that the Funds comply, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
7. vetting and advising on the promotional materials of the Funds;
8. assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.
8.4 PROFILE OF THE SHARIAH TEAM

IBFIM’s Shariah team consists of the following personnel;

**Dato’ Mohd Bakir Bin Haji Mansor (Chairman, IBFIM Shariah Committee)**

Dato’ Mohd Bakir is a member of the Shariah Advisory Body of Syarikat Takaful Malaysia Berhad and sits on the Shariah Panel Committee of Amanah Ikhtiar Malaysia. He is also the Chairman of the Shariah Advisory Committee of BIMB Securities Sdn. Bhd.

Prior to joining IBFIM, Dato’ Mohd Bakir was the Shariah Coordinator at Bank Islam Malaysia Berhad (“BIMB”) and the Secretary of the Shariah Advisory Council of BIMB, from 1984 to 2001. Previously, he served at the National Council for Islamic Religious Affairs in the Prime Minister’s Department for 10 years from 1971. He was also a Chief Assistant Director at the Islamic Research Centre for 4 years from 1981. He holds a Shahadah Ulya from Kolej Islam Malaya.

Dato’ Mohd Bakir was awarded “Anugerah Maulidur Rasul 1434H/2013M” by the government of Malaysia for his services in the Islamic finance industry.

**Mohd Nasir Bin Ismail (Managing Advisor - Shariah)**

Mohd Nasir, a holder of the Islamic Financial Planner (IFP) certification, has been with IBFIM since its incorporation in 2001. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant funds. Prior to joining IBFIM, he was a faculty member of a private higher learning institution specializing in Islamic studies, Institut Pengajian Ilmu-Ilmu Islam, Kelantan.

He graduated with a Bachelor of Shariah (Honours) Degree from the University of Malaya. He is also the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

**Ahmad Zakirullah Bin Mohamed Shaarani (Shariah Advisor)**

Ahmad Zakirullah is a member of Shariah Committee of the United Overseas Bank Malaysia Berhad. He joined IBFIM in February 2008. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant funds. Prior to joining IBFIM, he served at University Sains Islam Malaysia and PTPL College.

He obtained his Diploma of Shariah Islamiyyah (Honours) from Higher Institute of Islamic and Arabic Language (MADIWA), Perak, Bachelor of Shariah Islamiyyah (Honours) Degree from Al-Azhar University, Egypt and Master’s Degree (with Honours) of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the International Islamic University Malaysia. He is also the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

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9. SALIENT TERMS OF THE DEEDS

9.1 UNIT HOLDERS’ RIGHTS AND LIABILITIES

A Unit Holder is a person registered in the register as a holder of units or fractions of units in a fund which automatically accord him rights and interest in the fund.

Unit Holders shall be entitled to receive the distributions of the funds, participate in any increase in the capital value of the units and to other rights and privileges as are provided for in the Deed.

Unit Holders are vested with the powers to call for a Unit Holders’ meeting and to vote for the removal of the Trustee or the Manager through Special Resolution.

Investors who are investing with ARIM for the first time are entitled to a cooling-off period of 6 Business Days from the date of receipt of the application form and payment by ARIM. This cooling-off right, however, shall not extend to a corporation or institution, the staff of ARIM and person registered to deal in its unit trust funds.

In addition, Unit Holders shall receive annual and interim reports of the Funds which are sent out within two months from the close of each financial year/period.

No Unit Holders shall be entitled to require the transfer to him of any of the assets comprised in the Funds 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 owner of such assets.

No Unit Holders shall by reason of the provisions of the Deed and the relationship created thereby between the Unit Holders, the Trustee and the Manager be liable for any amount in excess of the purchase price paid for the unit and shall not be under any obligation to indemnify the trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the funds pursuant to and/or in the performance of the provisions of the Deed the Gross Asset Value of the funds and any right of indemnity of the Trustee and/or Manager will be limited to recourse to the funds.

9.2 JOINTHOLDERS

Units may be registered in the name of more than one Unit Holders subject to a maximum number of two jointholders. If the units are held by jointholders of whom one is a minor, the first registered Unit Holders must be an adult who is not less than 18 years of age.

In the event of the demise of a jointholder, the Manager shall only recognize the surviving jointholders as the rightful person having title or right of interest to the units in the account. However, if the surviving jointholder is a minor, the units in the account shall be vested in the estate of the deceased jointholder upon receipt by the Manager of the necessary documentation.

[The rest of this page is intentionally left blank]
9.3 MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

<table>
<thead>
<tr>
<th>Fund</th>
<th>Management Fee</th>
<th>Trustee Fee</th>
<th>Service Charge</th>
<th>Redemption Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>AmanahRaya Unit Trust Fund (ARUTF)</td>
<td>1.75% per annum of the NAV of the fund</td>
<td>Up to 0.07% per annum of the NAV of the fund, subject to a minimum fee of RM18,000.</td>
<td>Up to 1.00% of the NAV of the fund per unit</td>
<td>Nil</td>
</tr>
<tr>
<td>AmanahRaya Syariah Trust Fund (ARSTF)</td>
<td>1.75% per annum of the NAV of the fund</td>
<td>Up to 0.07% per annum of the NAV of the fund, subject to a minimum fee of RM18,000.</td>
<td>Up to 1.00% of the NAV of the fund per unit</td>
<td>Nil</td>
</tr>
<tr>
<td>AmanahRaya Islamic Equity Fund (ARIEF)</td>
<td>1.5% per annum of the NAV of the fund</td>
<td>Up to 0.08% per annum of the NAV of the fund, subject to a minimum fee of RM18,000.</td>
<td>Up to 5.5% of the NAV of the fund per unit</td>
<td>Nil</td>
</tr>
</tbody>
</table>

A lower fee and/or charges than what is stated in the deed may be charged, all current fees and charges are disclosed in the Master Prospectus.

Any increase of the fees and/or charges above that stated in the current Master Prospectus may be made provided that a supplemental prospectus is issued and the maximum stated in the deed shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the deed shall require Unit Holders’ approval.

9.4 PERMITTED EXPENSES PAYABLE OUT OF THE FUNDS

The major expenses that are recoverable directly from the Funds include:

(i) Commission/fees paid to brokers in effecting dealings in the investment of the Funds, shown on the contract notes or difference account;
(ii) (where the custodial function is delegated by the relevant Trustee for foreign markets investment), charges/fees paid to the sub custodian;
(iii) Tax and other duties charged on the funds by the Funds by the Government and other authorities;
(iv) The fee and other expenses properly incurred by the Auditor and all professional and accounting fees and disbursements approved by the relevant Trustee;
(v) Fees for the valuation of any investment of the Funds by independent valuers for the benefit of the Funds;
(vi) Costs incurred for the modification of the deed other than those for the benefit of the Funds;
(vii) Costs incurred for any meeting of Unit Holders other than those convened by the Manager or Trustee for its own benefit;
(viii) The costs of printing and dispatching to Unit Holders the accounts of the Funds, tax certificates, distribution warrants, notices of meeting of Unit Holders, newspaper advertisement and such other similar costs as may be approved by the relevant Trustee, and;
(ix) Any other expenses properly incurred by the relevant Trustee in the performance of its duties and responsibilities.
9.5 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER

Retirement, Removal or Replacement of the Manager (ARUTF & ARSTF)

The Manager may be removed by the Trustee under certain circumstances outlined in the Deed. These include:

- if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or ceases to carry on business or if a receiver shall be appointed of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets;
- if a Special Resolution is duly passed by the Unit Holders that the Manager be removed;
- if the Manager is in breach of any of its obligations under the Deed; or
- if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit Holders for it to do so, after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the SC and with the approval of the Unit Holders.

Retirement, Removal or Replacement of the Manager (ARIEF)

The Manager may retire upon giving 12 months’ notice (or such shorter period as the Manager and Trustee may agree) to the Trustee of its desire to do so, and may by deed appoint in its stead a new management company approved by the Trustee and the SC.

The Manager shall also retire, if so required by the Trustee, on the grounds that:

- a special Resolution to that effect has been passed by the Unit Holders at a meeting called for that purpose;
- the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given Notice to it of that opinion and the reasons for that opinion, and after consultation with the relevant authorities and with the approval of Unit Holders;
- the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

9.6 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

Retirement, Removal or Replacement of the Trustee (ARUTF & ARSTF)

(i) Retirement

The Trustee may retire upon giving six (6) months’ written notice to the Manager (or such shorter period as may be agreed upon with the Manager). The Manager shall within three (3) months after becoming aware of the intention of the Trustee to retire, appoint a replacement trustee who is eligible to be appointed to act as trustee under the CMSA 2007 and who has been approved by the SC.

(ii) Removal by the Manager

If the Trustee:

- has ceased to exist;
- is not validly appointed;
- is not eligible to be appointed or to act as trustee pursuant to Section 290 of the CMSA 2007;
- fails or refuses to act as trustee in accordance with the provisions or covenants of the Deed or the provisions of the CMSA;
- has a receiver appointed over the whole or a substantial part of its assets or undertaking and the Trustee has not ceased to act under the appointment, or a petition is 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 on the Trustee becomes or is declared to be insolvent); or
- is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, CMSA 2007 or any securities law.

The Manager shall, as soon as practicable after becoming aware of any of the above events, take all reasonable steps to remove the Trustee from its appointment under the Deed and appoint a replacement trustee which is eligible to be appointed to act as trustee under the CMSA 2007 and which has been approved by the SC.

(iii) Removal by the Unit Holders

The Unit Holders may remove the Trustee by a Special Resolution passed at a duly convened meeting on grounds that the Trustee is in breach of its obligations under the Deed and the Trustee has failed to remedy the breach despite the request from the Manager to remedy the breach and another trustee (which is eligible to be appointed to act as trustee under the CMSA 2007 and duly approved by the SC) appointed.

(iv) Removal by SC

The SC may remove the Trustee under the CMSA 2007.

Retirement, Removal or Replacement of the Trustee (ARIEF)

The Trustee may retire upon giving twelve (12) months’ notice to the Manager of its desire to do so, or such shorter period as the Manager and the Trustee may agree, and may by deed appoint in its stead a new Trustee approved by the Securities Commission.

The Trustee may be removed and another Trustee may be appointed by special resolution of the Unit Holders at a Unit Holders’ meeting convened in accordance with the Deed.

A management company shall take all reasonable steps to replace a Trustee as soon as practicable after becoming aware that:

(i) The Trustee has ceased to exist;
(ii) The Trustee has not been validly appointed;
(iii) The Trustee is not eligible to be appointed or to act as Trustee under Section 290 of the CMSA 2007;
(iv) The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or the provisions of CMSA 2007;
(v) A receiver is appointed over the whole or a substantial part of the assets or undertaking of the existing Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the existing Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the existing Trustee becomes or is declared to be insolvent); or
(vi) The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any securities law.
9.7 TERMINATION OF THE FUND

**ARUTF/ARSTF**

The Fund may be terminated or wound-up by the Manager in their absolute discretion by giving not less than three (3) months’ notice in writing to the Trustee and Unit Holders as hereinafter provided:

(a) if the Aggregate Value of the Assets of the Fund shall be at such level as the Manager considers it impossible or impracticable to continue the Fund; or

(b) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund.

*Termination upon direction from Unit Holders:*

(a) The Manager go into liquidation

(b) The Manager ceased to carry on business

The Trustee shall summon a meeting of the Unit Holders in accordance with the provisions stated in the Deed for the purpose of seeking directions from the Unit Holders, to pass a Special Resolution, from the effective date of the termination of the Fund.

**ARIEF**

*Termination by the Manager*

The Manager may in its absolute discretion created and wind up the Fund at any time.

Upon the termination of the Fund by the Manager, the Trustee shall as soon as practicable give to each Unit Holder of the Fund being wound up notice of such termination, the Manager shall notify the Unit Holders of the Fund in writing.

*Termination by the Trustee*

In any of the following events:

- If the Manager has gone into liquidation
- If in the opinion of the Trustee, the Manager has ceased to carry on business
- If in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant Law.

*The Trustee shall summon a meeting of Unit Holders for the purpose of seeking directions from the Unit Holders.*

*If at any such meeting a Special Resolution to terminate the Fund is passed by the Unit Holders, the Trustee shall apply to the court for an order confirming such Special Resolution.*

9.8 UNIT HOLDERS’ MEETING

**ARUTF & ARSTF**

A meeting of Unit Holders of the Fund must be convened by notice in writing sent to every Unit Holders entitled to attend and vote at the meeting. The notice of meeting must include a proxy form. The notice of meeting need not set out the terms of any resolution to be proposed, but must state the general nature of the business to be transacted at the meeting. Either the Manager or the Trustee may convene a meeting but must first give the other at least three (3) days’ notice of its intention to do so.
Unit Holders have the right under the SC Requirements to request the Manager to summon a meeting.

The quorum for a meeting of Unit Holders of the Fund is five (5) Unit Holders of the Fund present in person or by proxy together holding between them at least 10% of all the Units in issue of the Fund. Provided that the quorum for a meeting of the Unit Holders of the Fund convened for the purpose of removing the Manager and/or the Trustee shall be ten (10) Unit Holders of the Fund whether present in person or by proxy, who must hold in aggregate at least fifty per centum (50%) of the units of the Fund in circulation at the time of the meeting.

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by this deed or by law to be decided by a percentage of all Units. Each Unit Holder present in person or by proxy has one vote on a show of hands. On a poll, each Unit Holder present in person or by proxy has one vote for each whole fully paid Unit held. In the case of joint Unit Holders, only the person whose name appears first in the register may vote. Units held by the Management Company or its nominees shall have no voting rights in any Unit Holders’ meeting of the Fund.

A poll may be demanded before or on declaration of the result of a show of hands by either:
- the Chairman; or
- at least ten (10) Unit Holders present in person or by proxy holding between them at least 20,000 Units.

A Unit Holder may be represented at a meeting by proxy. The Trustee is not obligated to enquire whether a proxy has been validly given. A proxy expires after twelve (12) months. A proxy is still valid after it is revoked or after the Unit Holders who gave it dies or becomes under a legal disability, unless the Trustee has received written notice of that fact before the meeting at which the proxy is used.

An instrument appointing a proxy shall be duly stamped (if required) and deposited at the Management Company’s business office no later than forty eight (48) hours prior to the holding of a meeting or adjourned meeting.

A body corporate may be represented at a meeting by a person appointed in the manner provided in section 147(3) of the Companies Act 1965. The Trustee may accept a certificate under section 147(5) of the Companies Act 1965 as evidence of the person’s appointment. The person may exercise on the person’s behalf the same powers as the body could if it were a natural person and the body is taken to be present at the meeting in person.

The Trustee, the Manager and the Auditor may attend and speak at the meeting, or invite any other person to attend and speak.

A Resolution binds all Unit Holders of the Fund, whether or not they are present at the meeting. No objection may be made to any vote cast unless the objection is made at the meeting. The decision of the Chairman on any matter is final.

A Special Resolution is required in a meeting of Unit Holders voting by poll for the following:
(a) the removal of the Trustee under Clause;
(b) the removal of the Manager;
(c) termination of the Trust; and
(d) any other matters requiring a Special Resolution in accordance with the Act or the SC Requirements, and all other relevant laws.

**ARIEF**

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving an application from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a meeting of the Unit Holders by:
(a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and
(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.

The Unit Holders may apply to the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

(a) requiring the retirement or removal of the Manager;
(b) requiring the retirement or removal of the Trustee;
(c) considering the most recent financial statements of the Fund; or
(d) giving to the Trustee such directions as the meeting thinks proper;

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

Unit Holders

Meetings summoned by the Trustee

(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 this Deed or contravened any of the provisions of the Act,

Meetings summoned by the Manager

The Manager may for any purpose whatsoever summon a meeting of the Unit Holders by sending by post at least fourteen (14) days before the date of the proposed meeting, or such other time as may be prescribed by the relevant laws, a notice of the proposed meeting to all the Unit Holders.

Provisions governing Unit Holders' Meetings

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided always that the quorum for a meeting of the Unit Holders convened for the purpose of removing the Manager and/or the Trustee shall be ten (10) Unit Holders, whether present in person or by proxy, who must hold in aggregate at least fifty per centum (50%) of the Units in circulation at the time of the meeting. If the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of removing the Manager and/or the Trustee, the Unit Holders present in person or by proxy must hold in aggregate at least fifty per centum (50%) of the Units in circulation at the time of the meeting.

- Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll is demanded or if it be a question which under this Deed requires a Special Resolution a poll shall be taken.
- On a show of hands every Unit Holders who is present in person or by proxy shall have one vote.
- Upon a poll every Unit Holders present in person or by proxy shall have one vote for every Unit held by him.
- A poll may be demanded before or immediately after any question is put to a show of hands.
- Every Unit Holders entitled to attend a meeting and to vote thereat may vote personally or by proxy. The proxy appointed need not be a Unit Holders. Where a Unit Holders is a company, the proxy may be any officer of such company appointed in the manner provided in section 147(3) of the Companies Act 1965. The Manager or the Trustee may accept a certificate under section 147(5) of the Companies Act 1965 as evidence of the proxy's appointment. The proxy may exercise on behalf of the company the same powers as the company could if it were a natural person and the company is to be taken to be a natural person present at the meeting in person.
• In the case of jointholders, any one of such jointholders may vote either personally or by proxy as comprised in the jointholding, but if jointholders are present at any meeting either personally or by proxy, the joinholder whose name stands first in the Register shall alone be entitled to vote in respect thereof.
• Several executors or administrators shall be deemed to be jointholders.
• The Manager may not exercise any voting rights in respect of the Units held by it or its nominees at any Unit Holders’ meeting regardless of the party who requested the meeting and the matter or matters which are laid before the meeting.
• Any party related to the Manager may not exercise any voting rights in respect of the Units held by such party in any Unit Holders' meeting.

9.9 THE DEED

Copies of the Deed may be obtained from the Manager at a cost of RM20 each or may be inspected free of charge during normal working hours at the offices of the Manager.

All Unit Holders of units will be entitled to the benefit of, be bound by and be deemed to have notice of the provisions of the Deed, copies of which are available as mentioned above.

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10. COMMUNICATION WITH UNIT HOLDERS

10.1 HOW DO I OBTAIN INFORMATION ON MY INVESTMENT?

The Manager will send you a written confirmation comprising of:

- Half-yearly statements detailing your investments and confirming your transactions;
- The annual and interim reports that will be published within two (2) months from the end of the financial year and half-year respectively; and
- Statements of annual income distribution, detailing the distribution declared during the specific period.
- The Fund’s annual report is available upon request.

10.2 HOW CAN I CHECK THE DAILY PRICES OF UNITS?

You can check the daily unit prices as published in the Unit Trust section in Malaysia’s major daily newspapers. However, the daily unit price published in the newspapers is only a historical price for the Fund and not the actual price used for selling and buying transaction on that day.

You may also check the performance of the Fund in comparison with its peers in the industry through performance ratings made by independent international fund rating agencies like Standard & Poor’s, Lipper and Micropal.

10.3 WHO DO I CONTACT IF I NEED INFORMATION ABOUT MY INVESTMENT?

The Manager will be pleased to provide more detailed information on your investments should you require this service.

Our Customer Service personnel will always be willing to assist you in enquiries on the products, your investments and other administrative matters.

You can contact our Customer Service personnel through the following:

<table>
<thead>
<tr>
<th>Telephone</th>
<th>(03) 2687 5200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facsimile</td>
<td>(03) 2687 5300</td>
</tr>
<tr>
<td>e-mail</td>
<td><a href="mailto:sales@arim.com.my">sales@arim.com.my</a></td>
</tr>
</tbody>
</table>

10.4 WHO SHOULD I CONTACT FOR FURTHER INFORMATION OR TO LODGE A COMPLAINT

For internal dispute resolution, you may contact our customer service personnel :-

(a) via phone to : 03-26875200
(b) via fax to : 03-26875399
(c) via email to : sales@arim.com.my
(d) via letter to : AmanahRaya Investment Management Sdn Bhd
                  Level 7& 8, Wisma Amanah Raya
                  No 2 Jalan Ampang
                  50508 Kuala Lumpur
If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the following bodies, details of which are as follows:

Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
(a) via phone to : 03 – 20923800
(b) via fax to : 03 – 20932700
(c) via e-mail to : complaints@fimm.com.my
(d) via online complaint form available at : www.fimm.com.my
(e) via letter to : Legal, Secretarial & Regulatory Affairs
                Federation of Investment Managers Malaysia
                19-06-1, 6th Floor Wisma Tune
                No. 19 Lorong Dungun
                Damansara Heights
                50490 Kuala Lumpur

OR

Securities Industries Dispute Resolution Corporation (SIDREC) :-
(a) via phone to : 03-2282 2280
(b) via fax to : 03-2282 3855
(c) via email to : info@sidrec.com.my
(d) via letter to : Securities Industry Dispute Resolution Center
                (SIDREC)
                Unit A-9-1, Level 9, Tower A
                Menara UOA Bangsar
                No.5, Jalan Bangsar Utama 1
                59000 Kuala Lumpur

You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC’s Investor Affairs & Complaints Department:
(a) via phone to Aduan Hotline at : 03-6204 8999
(b) via fax to : 03-6204 8991
(c) via email to : aduan@seccom.com.my
(d) via online complaint form available at : www.sc.com.my
(e) via letter to : Investor Affairs & Complaints Department
                Securities Commission Malaysia
                No 3 Persiaran Bukit Kiara
                Bukit Kiara
                50490 Kuala Lumpur

[The rest of this page is intentionally left blank]
11. RIGHTS & LIABILITIES TO UNIT HOLDERS

11.1 A Unit Holder has amongst others, the following rights:

- to receive the distribution of the Fund and to participate in any increase in the capital value of the units which they hold;
- to call for Unit Holders’ meetings;
- to vote for the removal of the Trustee or the Manager through a Special Resolution;
- to receive annual reports, interim reports or any other reports of the Fund;
- to exercise Cooling off Right for qualified investors;
- to inspect the Register, free of charge, at any time at the registered office of the Manager, and obtain such information pertaining to its units as permitted under the Deed and the SC Guideline and such other rights and privileges as set out in the Deed.

11.2 A Unit Holder must not:

- interfere with any rights or powers of the Manager or Trustee under the Deed;
- exercise a right in respect of any of the Assets or lodge a caveat or other notice affecting the Assets or otherwise claim any interest in the Assets; or
- require the said Assets to be transferred to the Unit Holder.

Unit Holders’ rights may be varied by changes to the Deed, the SC Guidelines or judicial decisions or interpretation.

11.3 Liabilities of Unit Holders

The liability of a Unit Holder is limited to the selling price paid or agreed to be paid for a unit. A Unit Holder need not indemnify the Trustee or the Manager if there is a deficiency in the net assets of the Fund or meet the claim of any creditor of the Trustee or the Manager in respect of the Fund.

The recourse of the Trustee, the Manager and any creditor is limited to the Assets of the Fund.

11.4 Documents Available for Inspection

For a period of not less than twelve (12) months from the date of this Master Prospectus, Unit Holders may inspect the following documents or copies thereof in relation to the Fund at the registered office of the Manager and/or the Trustee without charge:

(a) The master deed and supplemental deeds;
(b) the Prospectus and supplementary or replacement prospectus (if any);
(c) the latest annual and interim reports of the funds;
(d) Each material contract disclosed in the Master Prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
(e) The audited financial statements of the fund for the current financial year (where applicable) and for the last three financial years or if the fund has been established / incorporated for a period of less than three (3) years, the entire period preceding the date of the Master Prospectus;
(f) All reports, letters or other documents, valuation and statements by any expert, any part of which is extracted or referred to in this Master Prospectus. Where a summary expert’s report is included in the Master Prospectus, the corresponding full expert’s report should be made available for inspection;
(g) Writ and relevant cause papers for all material litigation and arbitration disclosed in this Master Prospectus; and
(h) All consents given by experts disclosed in this Master Prospectus.
12. TAXATION

Taxation adviser’s letter in respect of the taxation
of the unit trust and the unit holders
(prepared for inclusion in this master prospectus)

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Pusat Bandar Damansara
50490 Kuala Lumpur

17 October 2016

The Board of Directors
AmanahRaya Investment Management Sdn Bhd
Level 8, Wisma AmanahRaya
2, Jalan Ampang
50580 Kuala Lumpur
Dear Sirs

Taxation of the unit trust and unit holders

This letter has been prepared for inclusion in this Master Prospectus to be dated 15 November 2016 in connection with the offer of units in the unit trust known as AmanahRaya Islamic Equity Fund, AmanahRaya Shariah Trust Fund and AmanahRaya Unit Trust Fund (hereinafter referred to as “the Funds”).

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Funds and the unit holders.

Taxation of the Funds

The taxation of the Funds is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Funds comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from year of assessment 2016.

Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*.

The effect of this is that any gains or profits received (hereinafter referred to as “profits”) and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*, will be accorded the same tax treatment as if they were interest.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as ‘permitted expenses’) not directly related to the production of income, as explained below.
“Permitted expenses” refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders, share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

\[
A \times \frac{B}{4C}
\]

where

- \( A \) is the total of the permitted expenses incurred for that basis period;
- \( B \) is gross income consisting of dividend, interest and rent chargeable to tax for that basis period; and
- \( C \) is the aggregate of the gross income consisting of dividend and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

**Exempt income**

The following income of the Funds is exempt from income tax:

- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest (profits)**

  (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;

  (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;

  (iii) interest from *Simpanan Malaysia* issued by Bank Negara Malaysia;

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1 Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.
The Board of Directors  
AmanahRaya Investment Management Sdn Bhd  
17 October 2016

(iv) interest derived from Malaysia and paid or credited by banks or financial institutions licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983;  
(v) interest derived from Malaysia and paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;  
(vi) interest from sukuk originating from Malaysia, other than convertible loan stock issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or the Labuan Financial Services Authority (LFSA); and  
(vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

**Foreign sourced income**

Dividends, profits and other income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

**Gains from the realisation of investments**

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Funds and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the sale of chargeable assets, as defined in the RPGT Act.

**Goods and Services Tax (GST)**

On 1 April 2015, GST was implemented at the standard rate of 6% to replace the existing sales tax and service tax systems. Based on the Goods and Services Tax Act 2014 which was gazetted on 19 June 2014, the Funds, being a collective investment vehicle, will be making exempt supplies. Hence, the Funds is not required to be registered for GST purposes. The Funds will incur expenses such as management fees, trustee fees and other administrative charges which will be subject to 6% GST. The 6% input tax which may be incurred on such expenses will generally not be claimable by the Funds.

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2 The Banking and Financial Institutions Act 1989 and the Islamic Banking Act 1983 were repealed and replaced with the Financial Services Act 2013 and the Islamic Financial Services Act 2013, respectively, with effect from 30 June 2013. Pursuant to Section 272(h) of the Financial Services Act 2013 and Section 283(h) of the Islamic Financial Services Act 2013, any reference to the Banking and Financial Institutions Act 1989 and the Islamic Banking Act 1983 in any written law shall generally be construed as a reference to the Financial Services Act 2013 or the Islamic Financial Services Act 2013, respectively.
The Board of Directors
AmanahRaya Investment Management Sdn Bhd
17 October 2016

**Taxation of unit holders**

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Funds.

The income of unit holders from their investment in the Funds broadly falls under the following categories:

1. taxable distributions; and

2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

1. **Taxable distributions**

   Distributions received from the Funds will have to be grossed up to take into account the underlying tax paid by the Funds and the unit holder will be taxed on the grossed up amount.

   Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

   Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. **Non-taxable and exempt distributions**

   Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Funds will not be subject to Malaysian income tax in the hands of the unit holders.

**Rates of tax**

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:
The Board of Directors
AmanahRaya Investment Management Sdn Bhd
17 October 2016

<table>
<thead>
<tr>
<th>Unit holders</th>
<th>Malaysian income tax rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual and non-corporate unit holders (such as associations and societies)</td>
<td>Progressive tax rates ranging from 0% to 28%</td>
</tr>
<tr>
<td>Co-operatives</td>
<td>Progressive tax rates ranging from 0% to 24%</td>
</tr>
<tr>
<td>Trust bodies</td>
<td>24%</td>
</tr>
<tr>
<td>Corporate unit holders</td>
<td>First RM500,000 of chargeable income @ 19%</td>
</tr>
<tr>
<td>(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment)</td>
<td>Chargeable income in excess of RM500,000 @ 24%</td>
</tr>
<tr>
<td>(ii) Companies other than (i) above</td>
<td>24%</td>
</tr>
<tr>
<td>Non-Malaysian tax resident (Note):</td>
<td></td>
</tr>
<tr>
<td>Individual and non-corporate unit holders</td>
<td>28%</td>
</tr>
<tr>
<td>Corporate unit holders and trust bodies</td>
<td>24%</td>
</tr>
</tbody>
</table>

**Note:**
Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

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3 Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—
(a) in respect of a period of five years commencing from the date of registration of such co-operative society; and
(b) thereafter where the members’ funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit is exempt from tax.

4 A company would not be eligible for the 20% tax rate on the first RM500,000 of chargeable income if:-
(a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
The Board of Directors  
AmanahRaya Investment Management Sdn Bhd  
17 October 2016

Gains from sale of units

Gains arising from the realisation of investments will not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders/dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are generally as follows:

- Unit splits – new units issued by the Funds pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Funds.

We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Funds. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Funds.

Yours faithfully

Ernst & Young Tax Consultants Sdn Bhd

Farah  
Rosley  
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser’s Letter in the form and context in which it appears in this Master Prospectus and has not withdrawn such consent before the date of issue of this Master Prospectus.
13. CONSENTS

Ernst & Young Tax Consultants Sdn Bhd, CIMB Islamic Trustee Berhad, CIMB Group Nominees (Tempatan) Sdn Bhd, PB Trustee Services Berhad, Ernst & Young (Auditor) and IBFIM (Shariah Adviser) have given their written consents to act in their respective capacity and have not subsequently withdrawn their consent to the inclusion of their names and/or letter/report in the form and context in which it appears in this Master Prospectus.

[The rest of this page is intentionally left blank]
14. DIRECTORS DECLARATION

This Master Prospectus (AmanahRaya Unit Trust Fund, AmanahRaya Syariah Trust Fund & AmanahRaya Islamic Equity Fund) has been reviewed and approved by the Directors of AmanahRaya Investment Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Master Prospectus (AmanahRaya Unit Trust Fund, AmanahRaya Syariah Trust Fund & AmanahRaya Islamic Equity Fund) false or misleading.

Signed by the Directors:

1. Datuk Mohamed Adnan bin Ali (Chairman) *(Independent/Non-Executive)*
2. Meor Khairi bin Meor Mohd Bazid (Managing Director/Chief Executive Officer)
3. Azhar bin Harun *(Independent/Non-Executive)*
4. Dato’ Haji Che Pee bin Samsudin *(Non-Independent/Non-Executive)*
5. Tuan Haji Zulkifly bin Sulaiman *(Independent/Non-Executive)*
6. Huzairi Bin Zainal Abidin *(Non-Independent/Non-Executive)*
7. Adenan Bin Md Yusof *(Non-Independent/Non-Executive)*

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## COLLECTING POINTS

| Main Office |
|------------------|------------------|
| **Amanah\[Raya Investment Management Sdn Bhd**  |
| Tingkat 7 Wisma Amanah Raya, No 2 Jalan Ampang  |
| 50508 Kuala Lumpur  |
| Tel : 03 2687 5200 Fax : 03 2687 5300  |

| ARB Branches |
|------------------|------------------|
| **Cawangan Utama Amanah Raya Berhad**  |
| Tingkat Bawah & Satu, Wisma Amanah Raya  |
| No 2 Jalan Ampang, 50508 Kuala Lumpur  |
| Tel : 03 2078 3421 Fax : 03 2055 7502  |
| **Shah Alam, Selangor**  |
| Lot 1 Tingkat 1, 2 & 3, Pusat Dagangan UMNO Shah Alam, Persiaran Damai, Seksyen 11, 40100 Shah Alam, Selangor Darul Ehsan  |
| Tel : 03 5511 5733/5727 Fax : 03 5511 5732  |
| **Bangi, Selangor**  |
| Lot 802G, Complex Diamond, Bangi Business Park, Jalan Medan Bangi, Off Persiaran Bangi, Bandar Baru Bangi, Bangi, Selangor D.E.  |
| Tel : 03 8210 1346/1347 Fax : 03 8210 1345  |
| **Seremban, Negeri Sembilan**  |
| No 1 Jalan S2 D38, Magistrate Square, Seremban 2, 70300 Seremban, Negeri Sembilan  |
| Tel : 06 601 5824/5821 Fax : 06 601 5825  |
| **Melaka**  |
| No 42A Jalan PMS 3, Plaza Melaka Sentral, Peringgit, 75300 Melaka  |
| Tel : 06 282 2848 Fax : 06 282 1443  |
| **Muar, Johor**  |
| No 208 Jalan Meriam, 84000 Muar Johor Darul Takzim  |
| Tel : 06 952 3218 Fax : 06 851 4595  |
| **Johor Bahru, Johor**  |
| G-04 Block 5 Danga Walk Commercial Centre Jalan Skudai, Batu 4½, 81200 Johor Bahru Johor Darul Takzim  |
| Tel : 07 236 2668/238 5918 Fax : 07 236 8428  |
| **Temerloh, Pahang**  |
| No 23 Jalan Dato’ Bahaman 3 Pusat Komersil Temerloh, 28000 Temerloh Pahang Darul Makmur  |
| Tel : 09 292 1296/4562/4381 Fax : 09 296 4734  |
| **Kuantan, Pahang**  |
| No 23, Tingkat Bawah, 1 & 2, ICT Hub, Jalan Putra Square 4, Putra Square, 25200 Kuantan, Pahang Darul Makmur  |
| Tel : 09 513 5318 Fax : 09 514 6785  |
| **Kuala Terengganu, Terengganu**  |
| No 4, Tingkat Bawah & Satu, Jalan Air Jernih 20300 Kuala Terengganu Terengganu Darul Iman  |
| Tel : 09 622 1201 Fax : 09 622 8449  |

81
<table>
<thead>
<tr>
<th><strong>ARB Branches</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tanah Merah, Kelantan</strong></td>
<td><strong>Kota Bharu, Kelantan</strong></td>
</tr>
<tr>
<td>PT 504, Ground &amp; 1st Floor, Jalan Tasek 17500 Tanah Merah Kelantan Darul Naim Tel : 09 955 1315 Fax : 09 955 1629</td>
<td>Lot 303, Ground Floor &amp; Level 1, Wisma Jaza Batu 2, Jalan Kuala Krai, 15050 Kota Bharu Kelantan Darul Naim Tel : 09 748 2112 Fax : 09 747 8353</td>
</tr>
<tr>
<td><strong>Alor Setar, Kedah</strong></td>
<td><strong>Sungai Petani, Kedah</strong></td>
</tr>
<tr>
<td>No 237 Jalan Shahab 2, Shahab Perdana 05350 Alor Setar, Kedah Darul Aman Tel : 04 732 2080 Fax : 04 730 4406</td>
<td>No 74 Jalan Lagenda 1, Lagenda Heights 08000 Sungai Petani, Kedah Darul Aman Tel : 04 422 9902/9905 Fax : 04 422 9904</td>
</tr>
<tr>
<td><strong>Kangar, Perlis</strong></td>
<td><strong>Pulau Pinang</strong></td>
</tr>
<tr>
<td>No 56, Lot 434, Tingkat Bawah, Bangunan Bernama, Medan Raja Syed Alwi 01000 Kangar, Perlis Tel : 04 976 1485/977 4170 Fax : 04 976 8520</td>
<td>Tingkat 1 &amp; 2, Bangunan Persatuan Melayu Pulau Pinang, No 117 Jalan Macalister 10400 Pulau Pinang Tel : 04 210 4821/22/23 Fax : 04 210 4820</td>
</tr>
<tr>
<td><strong>Ipoh, Perak</strong></td>
<td><strong>Kuching, Sarawak</strong></td>
</tr>
<tr>
<td>A-G-3 &amp; A-1-3, Pusat Perniagaan Greentown Jalan Dato Seri Ahmad Said 30450 Ipoh, Perak Darul Ridzuan Tel : 05 254 8714/8241 Fax : 05 254 9454</td>
<td>No 31 Ground &amp; 1st Floor, Kueh Hock Kui Commercial Centre, Jalan Tun Ahmad Zaidie Adruce, 93150 Kuching, Sarawak Tel : 082 254 170 Fax : 082 422 928</td>
</tr>
<tr>
<td><strong>Kota Kinabalu, Sabah</strong></td>
<td></td>
</tr>
<tr>
<td>Ground &amp; 1st Floor, Lot 31, Block F, Alamesra Plaza Utama, Sulaiman Coastal Highway 88400 Kota Kinabalu, Sabah Tel : 088 488 474/473 Fax : 088 488 475</td>
<td></td>
</tr>
</tbody>
</table>