

Date of Issuance: 9 APRIL 2020



**PHILLIP MUTUAL BERHAD** (570409-K)

## **PHILLIP MASTER ISLAMIC CASH FUND ("the Fund")**

### **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet ("PHS") has been reviewed and approved by the directors or authorized committee or persons approved by the Board of Phillip Mutual Bhd and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, 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 PHS false or misleading.

### **STATEMENT OF DISCLAIMER**

The Securities Commission Malaysia ("SC") has authorised the issuance of the Phillip Master Islamic Cash Fund ("PMICF" or "the Fund") and a copy of this PHS has been lodged with the SC.

The authorisation of the PMICF and lodgement of this PHS should not be taken to indicate that the Securities Commission of Malaysia recommends the PMICF or assumes responsibility for the correctness of any statement made or opinion or report expressed in this PHS.

The SC is not liable for any non-disclosure on the part of PMB responsible for the PMICF and takes no responsibility for the contents of this PHS. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this PHS, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This Product Highlights Sheet only highlights the key features and risks of the Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

## PRODUCT HIGHLIGHTS SHEET

### PHILLIP MASTER ISLAMIC CASH FUND

#### BRIEF INFORMATION OF THE PRODUCT

##### 1. What is this product about?

The PMICF is an Islamic money market fund managed by PMB and aims to provide investors with returns higher than Ringgit Malaysia savings deposits while maintaining principal value and a high degree of liquidity by investing in Shariah-compliant instruments.

#### PRODUCT SUITABILITY

##### 2. Who is this product suitable for?

The Fund is suitable for investors who:

- i) seek regular Shariah-compliant income\*
- ii) have low risk tolerance
- iii) have short-term investment horizon

\*Investors are to note that income referred to above will not be cash but additional Units of the Fund based on the NAV per unit

For further information, refer to the Prospectus of "Phillip Master Islamic Cash Fund".

#### KEY PRODUCT FEATURES

##### 3. What am I investing in?

Category of Fund	Islamic money market
Type of Fund	Income
Launch Date	26 March 2018
Financial Year End	31 <sup>st</sup> December
Minimum Initial Investment	RM1,000
Minimum Additional Investment	RM300
Asset Allocation	<ul style="list-style-type: none"> <li>• At least 90% of the NAV of the Fund will be invested in Islamic money market instruments and Islamic Deposits which have a remaining maturity period of not more than 365 days.</li> <li>• Up to 10% of the NAV of the Fund will be invested in Islamic money market instruments and Islamic Deposits which have a remaining maturity period of more than 365 days but fewer than 732 days.</li> </ul>
Investment Objective	Aims to provide investors with returns higher than Ringgit Malaysia savings deposits while maintaining principal value and a high degree of liquidity by investing in Shariah-compliant instruments.
Performance Benchmark	<p>The benchmark for the Fund is based on Maybank's 1-month General Investment Account (GIA) rate.</p> <p>Information on the benchmark of the Fund can be obtained from Maybank's website (<a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a>).</p> <p><i>*Please note that the risk profile of the Fund does not reflect that of the performance benchmark.</i></p>

Distribution Policy	<p>The Fund will distribute its income on a monthly basis subject to availability of income.</p> <p>Where a Unit Holder requests for a full redemption on his/her investment in the Fund within the month, any income distribution subsequently declared will be automatically paid out to the Unit Holder on the first Business Day of the following month. Under such circumstances, the Unit Holder must provide his bank account number and the bank's name to facilitate banking of the income distribution to his bank account. In the situation that no bank account number and bank's name are provided, a check will be issued to the Unit Holder and will be couriered to the latest available address furnished to the Manager.</p> <p>All distributions (if any) from the Fund will be automatically reinvested into additional Units of the Fund based on the NAV per unit at no additional cost on the first Business Day of the following month if the Unit Holder did not elect the mode of distribution or Unit Holder did not provide his bank account number and the bank's name. Unit Holders can specify in the application form whether they want a distribution cheque (payout) instead.</p>
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**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT**

**4. Who am I investing with?**

The Manager	Phillip Mutual Berhad
Investment Manager	Phillip Capital Management Sdn Bhd
Trustee	RHB Trustees Berhad
Auditors & Reporting Accountants	Deloitte PLT
Tax Adviser	Deloitte Tax Services Sdn Bhd
Shariah Adviser	Amanie Advisors Sdn Bhd

**5. What are the possible outcomes of my investment?**

The investor stands to earn regular income and returns above Maybank's 1- Month General Investment Account (GIA) Rate (Tier 1-Month Rate).

**KEY RISKS**

**6. What are the key risks associated with this product?**

General Risks of investing in unit trust:

Market Risks	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in a fund's net asset value.
Management Company Risk	The performance of a fund is dependent upon the experience, knowledge, expertise and investment strategies adopted by the fund manager of the fund. Lack of experience, knowledge and expertise, as well as poor execution of the investment strategy or general management of the fund will jeopardise the unit holders' capital and returns. In view of this, proper training and stringent selection of personnel to manage the fund as well as implementation of the fund's strategies are crucial towards mitigating this risk.
Inflation Risk	This is the risk that investors' investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
Financing Risk	This risk occurs when investors take a financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the financing payments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing.

Non-Compliance Risk	This is the risk where the fund manager does not comply with the provisions as set out in the deed, the prospectus, the laws/ guidelines that govern the fund or its internal procedures and policies. The non-compliance could be due to several factors such as a result of human errors and oversight, system failures or fraudulent acts by the fund manager. Whilst not every non-compliance will necessarily result in investment losses to the unit holders, there is still always a risk that the investments of the unit holders may be adversely affected, especially in situations where the fund manager is forced to sell the investments of the fund at a discount in order to resolve the non-compliance. In order to mitigate this risk, the fund manager has imposed stringent internal compliance controls.
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Specific risks subject to the characteristics of the type of securities that the Fund invests in:

Profit Rate Risk	<p>Changes in profit rates will impact the prices of Islamic money market instruments. In general, the prices of Islamic money market instruments are inversely related to the movement of profit rates. Higher profit rates will drive the prices of Islamic money market instruments lower. Profit rate risk can be mitigated if the Islamic money market instruments are held to maturity.</p> <p>The rates for Islamic Deposits are normally fixed during the specific and agreed tenure. Hence, any changes in the prevailing level of profit rates will not impact the earlier deposit rates that have been agreed between the Investment Manager and the financial institutions. However, in the event of rising profit rates, the Fund will lose the opportunity to earn higher profits during the specific tenure of the Islamic Deposits.</p>
Credit and Default Risk	Credit risk relates to the creditworthiness of the issuers of the Islamic money market instruments and Islamic Deposits and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the Islamic money market instruments and Islamic Deposits. In the case of rated Islamic money market instruments and Islamic Deposits, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of an Islamic money market instruments and Islamic Deposits either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Islamic money market instruments and Islamic Deposits. This could adversely affect the value of the Fund.
Liquidity Risk	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.
Shariah Specific Risk	The risk that the investments do not conform to the principle of Shariah may result in those investments being not Shariah-compliant. Should the situation arise, the Manager will need to take the necessary steps to dispose of such investments in accordance with the rules of divestment of non Shariah-compliant investments. If this occurs, the Fund could suffer losses from the disposal and thus, adversely affecting the value of the Fund.

For further information, refer to the "General Risks" and "Specific Risks" of the Prospectus on page 8 & 9.

## FEES AND CHARGES

### 7. What are the fees and charges involved?

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

Sales Charge	nil
Repurchase Charge	nil
Reinvestment of Income Distribution Charge	nil
Dilution Fee/Transaction Cost Factor	nil
Switching Fees/ Policy	<p>Switching of Units from the Fund to a fund to be switched into will be processed based on the respective fund's net asset value per unit calculated at the end of the Business Day, subject to availability of Units in the Unit Holder's account and a switching fee* equal to the sales charge of the new fund.</p> <p>Switching from Shariah-compliant unit trust funds to conventional funds is discouraged especially to Muslim Unit Holders.</p> <p><i>* The switching fee is subject to Sales and Service Tax (SST) or any other similar sales tax or levy which will be payable by the Unit Holders.</i></p>
Transfer Fees	<p>There will be a transfer fee of up to RM20* to be charged for any requests to transfer Units. The transfer requests must be in respect of a minimum of 1,000 Units or such amount as the Manager may from time to time decide.</p> <p><i>* The transfer fee is subject to Sales and Service Tax (SST) or any other similar sales tax or levy which will be payable by the Unit Holders.</i></p>
Other charges incurred directly	In executing transactions upon Unit Holders request, certain charges may be incurred, for instance bank charges on remittance of money. Unit Holders shall bear these transaction charges.

The sales charge and repurchase charge stated above is applicable when investments are made through IUTAs, tied agents (i.e. PMB's authorised agents) and the Manager. The above fees and charges are negotiable at the manager's sole discretion only.

The table below describes the charges that may be incurred **indirectly** when investment is made in the Fund.

Annual Management* Fee	The Manager will be charging up to 0.50% per annum (p.a.) of the NAV of the Fund.
Annual Trustee Fee*	<p>The Trustee will be charging:</p> <p>a) 0.01% per annum (p.a.) of the NAV of the Fund for NAV of up to RM500 million; and b) 0.008% per annum (p.a.) of the NAV of the Fund for NAV of any amount in excess of RM500 million.</p> <p>Subject to a minimum fee of RM12,000 per annum (p.a.).</p>
Expenses related to the Funds	<ul style="list-style-type: none"> <li>• The Auditor's Fees and other professional fees;</li> <li>• Annual Management Fees;</li> <li>• Annual Trustee Fee;</li> <li>• Commissions paid to brokers;</li> <li>• Valuation fees;</li> <li>• The costs of distributing annual and half-yearly reports and other notices to Unit Holders;</li> <li>• Expenses which are directly related to or are necessary for the business of the Fund as set out in the Deed; and</li> <li>• Shariah Adviser's fees.</li> </ul>
Other Charges incurred indirectly (if any)	In executing transactions upon Unit Holders request, certain charges may be incurred, for instance bank charges on remittance of money. Investors shall bear these transaction charges.

Note: In the event of leap year, the annual management and trustee fee will be divided by 366 days. Please refer to Section 5.2.1 of the prospectus on how the annual management fee and annual trustee fee are calculated.

## FUND PERFORMANCE

### Average Total Returns (in %)

Average Total Return is based on NAV to NAV with distribution reinvested. Below are annualised average total returns of the Funds as at as at 31 December 19 for 1 year and since inception.

1 Year (31/12/18 - 31/12/19)	Since Inception (26/03/18 - 31/12/2019)
3.48%	3.58%

(Source: Financial Statements Audited by Deloitte PLT)

### Basis of calculation for Annualised Average Total Return

Annualised Average Total Return = Total Return for the year / Number of year

### Annual Total Returns (in %)

Annual Total Return is based on NAV to NAV with distribution reinvested. Below are Annual Total Return of the Funds for each of the financial year since inception.

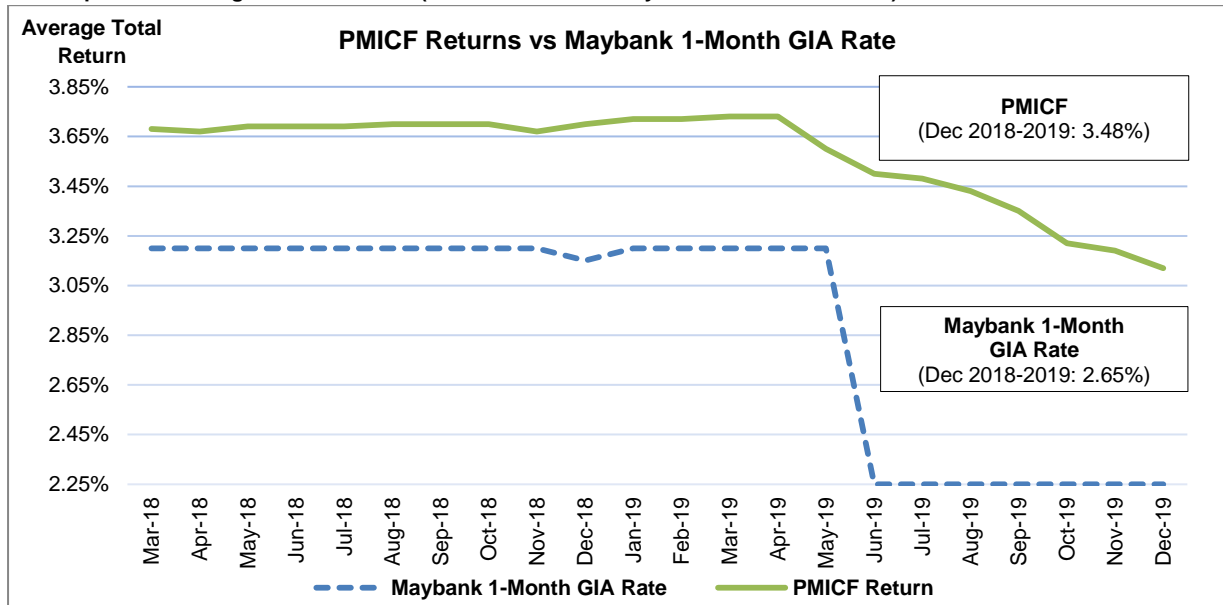
Since Inception (26/03/18 - 31/12/2019)	1 Year (31/12/18 - 31/12/19)
3.69%	3.48%

(Source: Financial Statements Audited by Deloitte PLT)

### Basis of calculation for Annual Total Return

Annual Total Return =  $\frac{\text{NAV per unit end} - \text{NAV per unit begin} + \text{Net distribution per unit}}{\text{NAV per unit begin}} \times 100$

### Fund's performance against benchmark (PMICF Returns vs Maybank 1-Month GIA Rate)



Source: Maybank2u Website & Phillip Capital Management Sdn. Bhd as at 31 December 2019.

Since inception, the Fund has distributed dividend on a monthly basis. During the period until review, the Fund's return was better than the returns offered by Maybank's 1-Month GIA Rate.

### Portfolio Turnover Ratio

Portfolio turnover ratio is the ratio of the average placements and withdrawals of deposits of the Fund during the period to the average NAV of the Fund. The portfolio turnover ratio for the current period is 19.26 times.

### Distribution

The NAV per unit before and after distribution remains at RM1.00. No unit split was made by the Fund during the period under review.

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

## VALUATIONS AND EXITING FROM INVESTMENT

### 8. How often are valuations available?

The NAV per unit and the management fee will be published on the Manager's website at [www.eunittrust.com.my](http://www.eunittrust.com.my) and [www.phillipmutual.com](http://www.phillipmutual.com) every Business Day.

### 9. How can I exit from this investment and what are the risks and costs involved?

#### Repurchase of Units

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

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

#### Cooling-off Right

The cooling-off right refers to the right of the investor to obtain a refund if he should change his mind about an investment he has made in the Fund if he so requests within the cooling-off period i.e. within 6 Business Days of the date of his application. The cooling-off right is only given to an individual investor, other than those listed below, who is investing in any Fund managed by us for the first time:

- 1) a staff of the Manager; and
- 2) persons registered with a body approved by the SC to deal in unit trusts.

Refund for every Unit held following a request for a reverse of an application would be based on:

- 1) the NAV per unit on the day the Units were purchased; and
- 2) the Sales Charge per Unit originally imposed on the day the Units were purchased.

The cut-off time for any subscription application is at 10.30 a.m. on any Business Day from Monday to Friday, whereas the cut-off time for any redemption request is at 9.45 a.m. on any Business Day from Monday to Friday. The redemption value pursuant to a redemption request will be paid to the Unit Holders by the next Business Day. Any subscription application or redemption request received after the cut-off time will be deemed to have been received on the following Business Day.

## CONTACT INFORMATION

### 10. Who should I contact for further information or to lodge a complaint?

1. For internal dispute resolution, you may contact the Customer Service Hotline:
  - (a) Tel : 03-2783 0300
  - (b) Fax : 03-2166 6417 / 03-2711 3036
  - (c) Email : phillipmutual@poems.com.my
  - (d) Website : <https://www.phillipmutual.com>
  
2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
  - (a) via phone to : 03-2282 2280
  - (b) via fax to : 03-2282 3855
  - (c) via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur
  
3. You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:
  - (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - (d) via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
  - (e) via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur
  
4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
  - (a) via phone to the Aduan Hotline at : 03-2092 3800
  - (b) via fax to : 03-2093 2700
  - (c) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - (d) via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
  - (e) via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No.19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur



## APPENDIX: GLOSSARY

<b>“Act”</b>	means the Capital Markets and Services Act 2007;
<b>“BNM”</b>	means Bank Negara Malaysia;
<b>“Business Day”</b>	a day on which banks in Kuala Lumpur is open for business;
<b>“Deed”</b>	means the Deed dated 19 <sup>th</sup> December 2017 in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee and that is registered with the SC;
<b>“FIMM”</b>	means Federation of Investment Managers Malaysia;
<b>“financial institutions”</b>	means <ul style="list-style-type: none"> <li>(a) if the institution is in Malaysia: <ul style="list-style-type: none"> <li>(i) licensed bank;</li> <li>(ii) licensed investment bank; or</li> <li>(iii) licensed Islamic bank; or</li> </ul> </li> <li>(b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorized by the relevant banking regulator to provide financial services;</li> </ul>
<b>“Fund” or “PMICF”</b>	means the Phillip Master Islamic Cash Fund;
<b>“Fund Manager”</b>	means designated personnel appointed by the Investment Manager to manage the Fund;
<b>“Fund Master Form”</b>	means the application form for the Phillip Master Islamic Cash Fund;
<b>“Government”</b>	means the government of Malaysia;
<b>“Government agencies”</b>	means institutions established by the Government such as Bank Negara Malaysia and companies established by Bank Negara Malaysia such as Danamodal Nasional Berhad, Khazanah Nasional Berhad and companies established by Khazanah Nasional Berhad such as Danasaham Sdn Bhd, and companies established by the Ministry of Finance such as Pengurusan Danaharta Nasional Berhad;
<b>“Guidelines”</b>	means the Guidelines on Unit Trust Funds issued by the SC as may be amended from time to time;
<b>“he” or “him” or “his”</b>	means masculine gender and includes “she” or “her” or “hers”;
<b>“Investment Manager” or “PCM”</b>	means Phillip Capital Management Sdn Bhd (Company No.: 333567-D);
<b>“IUTA”</b>	means Institutional Unit Trust Advisers approved by SC or any other regulatory body and registered with FIMM to market and distribute unit trust funds;
<b>“Islamic Deposits”</b>	means has the same meaning as defined in the Islamic Financial Services Act 2013;
<b>“licensed bank”</b>	means has the meaning assigned to it in the Financial Services Act 2013;
<b>“licensed investment bank”</b>	means has the meaning assigned to it in the Financial Services Act 2013;
<b>“licensed Islamic bank”</b>	means has the meaning assigned to it in the Islamic Financial Services Act 2013;
<b>“MARC”</b>	means Malaysian Rating Corporations Berhad;
<b>“Net Asset Value/NAV”</b>	means the value of all the Fund’s assets less the value of all the Fund’s liabilities at the valuation point;
<b>“NAV per unit”</b>	means the NAV of the Fund divided by the number of Units in circulation, at the valuation point;
<b>“PhillipCapital Group”</b>	means Phillip Capital Management Sdn Bhd, Phillip Mutual Berhad, Phillip Futures Sdn Bhd, Phillip Wealth Planners Sdn Bhd, Phillip Capital Holdings Sdn Bhd, Phillip Research

	Sdn Bhd, PC Quote (M) Sdn Bhd and FAME Platform Sdn Bhd;
<b>“PMB”/ “Manager”/ “Management Company”/ “Our”/ “us”/ “we”</b>	means Phillip Mutual Berhad (Company No.: 570409-K);
<b>“RAM”</b>	means RAM Rating Services Berhad (Company No.: 763588-T);
<b>“RM”</b>	means Ringgit Malaysia;
<b>“SAC of BNM”</b>	means The Shariah Advisory Council of the Bank Negara Malaysia;
<b>“SC”</b>	means The Securities Commission Malaysia;
<b>“Shariah”</b>	means Islamic Law, originating from the Qur’an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and <i>ijtihad of Ulama</i> (personal effort by qualified Shariah Scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);
<b>“Shariah Adviser” or “Amanie Advisors”</b>	means Amanie Advisors Sdn Bhd (Company No.: 684050-H);
<b>“Short term”</b>	means a period of less than 2 years;
<b>“Sales Charge”</b>	means fee payable by an investor for his purchase of Units. It is represented as a percentage of the NAV per unit;
<b>“Trustee”</b>	means RHB Trustees Berhad (Company No.: 573019-U);
<b>“Unit”</b>	means a unit of the Fund; and
<b>“Unit Holder” or “You”</b>	means the person the time being who is registered pursuant to the Deed as a holder of Units of the Fund, including persons jointly registered.

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