

PRODUCT HIGHLIGHTS SHEET

PMB Sukuk Fund

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of Directors of PMB Investment Berhad and they 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, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorized the issuance of PMB Sukuk Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorization of PMB Sukuk Fund and lodgment of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends PMB Sukuk Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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This document is dated 19 February 2020.

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

PMB SUKUK FUND

(Formerly known as PMB Shariah Balanced Fund)

Product Type	Unit Trust	Date Relaunch	16 th January 2017
Issuer/Manager	PMB Investment Berhad	Trustee	AmanahRaya Trustees Berhad
Shariah-compliant	Yes	Shariah Adviser	BIMB Securities Sdn Bhd
Financial Year End	30 th November	Dealing Frequency	Every Business Day
Capital Protected/ Guaranteed	No	Distribution Policy	Annually, subject to the availability of income for the financial year.

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is suitable for investors who:

- have a low risk tolerance level;
- have medium to long term investment horizon;
- prefer a fund that conforms to Shariah principles; and
- seek a consistent income and steady capital appreciation in the medium to long term through investments in sukuk.

Investors should consult their financial advisers if in doubt whether this product is suitable for them.

Investor is required to undergo a suitability assessment process in order to determine the range of products that suit their risk profile and needs.

KEY PRODUCT FEATURES

WHAT UNIT TRUST FUND ARE YOU INVESTING IN?

- You are investing in a unit trust fund constituted in Malaysia that aims to provide investors with consistent income stream and a steady capital appreciation in the medium to long term through investments in sukuk.
- You may receive distribution annually (if any) from the Fund, subject to the availability of income for the financial period. The distribution of income distribution, if any will be made in the form of cash or additional units reinvested into the Fund.

Please refer to Master Prospectus [Chapter 3](#) for further information on product features.

Investment Strategy

The Fund seeks to achieve its objective by investing between 70% and 99.5% of its NAV in RM-denominated sukuk in Malaysia issued by the Government of Malaysia, BNM, quasi-government institutions and Malaysian corporations.

The Manager will conduct fundamental and technical analysis when implementing the investment strategy. The fundamental analysis will look into, among others, the global and domestic economic outlook, domestic fiscal and monetary policy, profit/ interest rate outlook, industry and company's growth outlook. The technical analysis will look into, among others, the price, trading volume, trends and yields, of sukuk.

For investments in sukuk issued by the Malaysian corporations, the minimum credit ratings of sukuk or the issuer of sukuk at the point of purchase are as follows:

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

Notes:

The details of the assigned rating are as below –

Tenure	Agency	Symbol	Definition
Long Term	RAM	AA	An issue rated AA has high safety for payment of financial obligations. The issuer is resilient against adverse changes in circumstances, economic conditions and/or operating environments.
	MARC	A	Indicates that the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
Short term	RAM	P2	An issue rated P2 has adequate safety for payment of financial obligations in the short term. The issuer is more susceptible to the effects of deteriorating circumstances than those in the highest-rated category.
	MARC	MARC-2	While the degree of safety regarding timely repayment of principal and payment of interest is strong, the relative degree of safety is not as high as issues rated MARC-1.

MARC-1 refers to ‘the highest category; indicates a very high likelihood that principal and interest will be paid on a timely basis.

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

The Fund Manager will actively manage the Fund. However, the trading frequency of sukuk is dependent on market opportunities and the assessment of the Manager.

Should the credit rating of the sukuk or the issuer of sukuk falls below the minimum credit rating, the Manager may dispose of those Shariah-compliant investments in the best interest of Unit Holders. Any balance not invested in sukuk will be invested in Islamic money market instruments, Islamic deposit placements and/or other Shariah-compliant permitted investments.

The Fund invests between 70% and 99.5% of its NAV in RM-denominated sukuk. The balance will be invested in Islamic money market instruments, Islamic deposit placements and/or other shariah-compliant permitted investments.

Please refer to [Chapter 3](#) of the Master Prospectus for further information on investment strategy.

Applicable Shariah Principles

- Investor appoints PMB Investment Berhad to manage and invest the Fund under the Islamic contract of ‘Wakalah’ or Agency.
- PMB Investment Berhad is appointed to undertake the investment activities on behalf of the investors for ‘Ujrah’ or fee.

Parties Involved

- The Manager of the Fund : PMB Investment Berhad
- The Trustee of the Fund : AmanahRaya Trustees Berhad
- The Shariah Adviser of the Fund : BIMB Securities Sdn Bhd

Please refer to **Chapter 6 & 7** of the Master Prospectus for details on the Manager, Trustee and Shariah Adviser.

Possible Outcomes

As the Fund will invest between 70% and 99.5% in sukuk market, its NAV and hence your investment capital will be subject to a moderate sukuk market fluctuation.

*Assuming as a result of the sukuk market movement, the Fund and your investment may possibly end with the following outcomes:

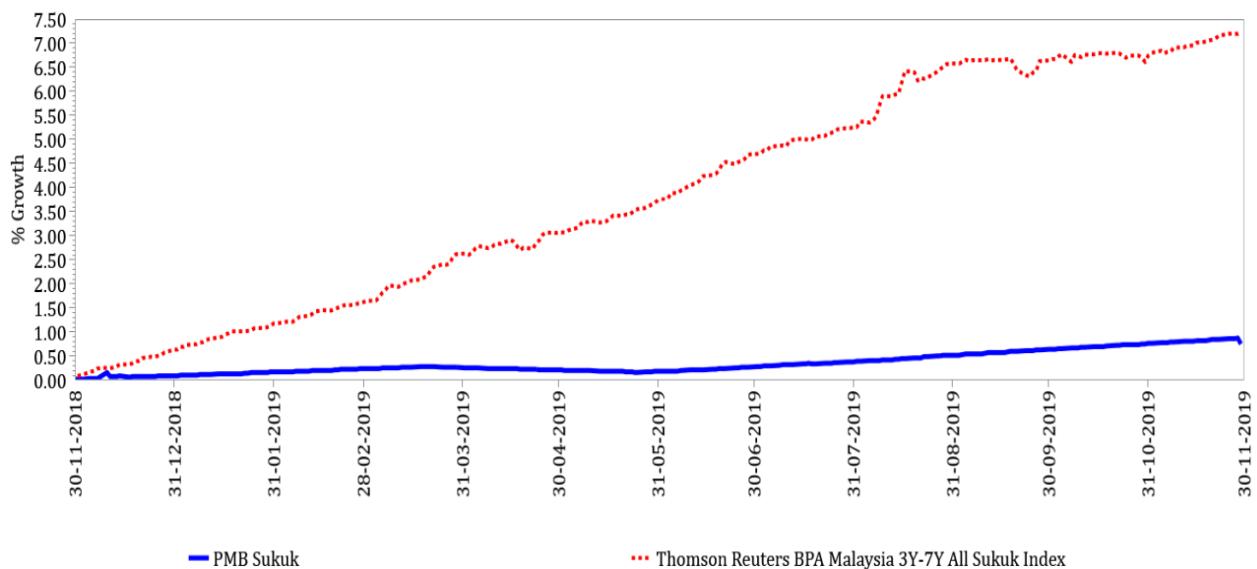
Movement of the Fund's NAV	Outcome of your investment capital
Increase by 10%	Increase by 10%
Decrease by 10%	Decrease by 10%

Fund Performance

Basis of Fund Performance Computation

The calculation for Average Total Return and Annual Total Return of the Funds is based on computation methods of Lipper and sourced from Lipper for Investment Management (Lipper IM). The basis of computation is on NAV-to-NAV or, income re-invested, over a specified period. Lipper IM is an application that provides comprehensive fund information and performance, fund ratings, analytic tools and charting. Information about Lipper IM can be obtained from www.lipperweb.com.

1-year Fund Performance

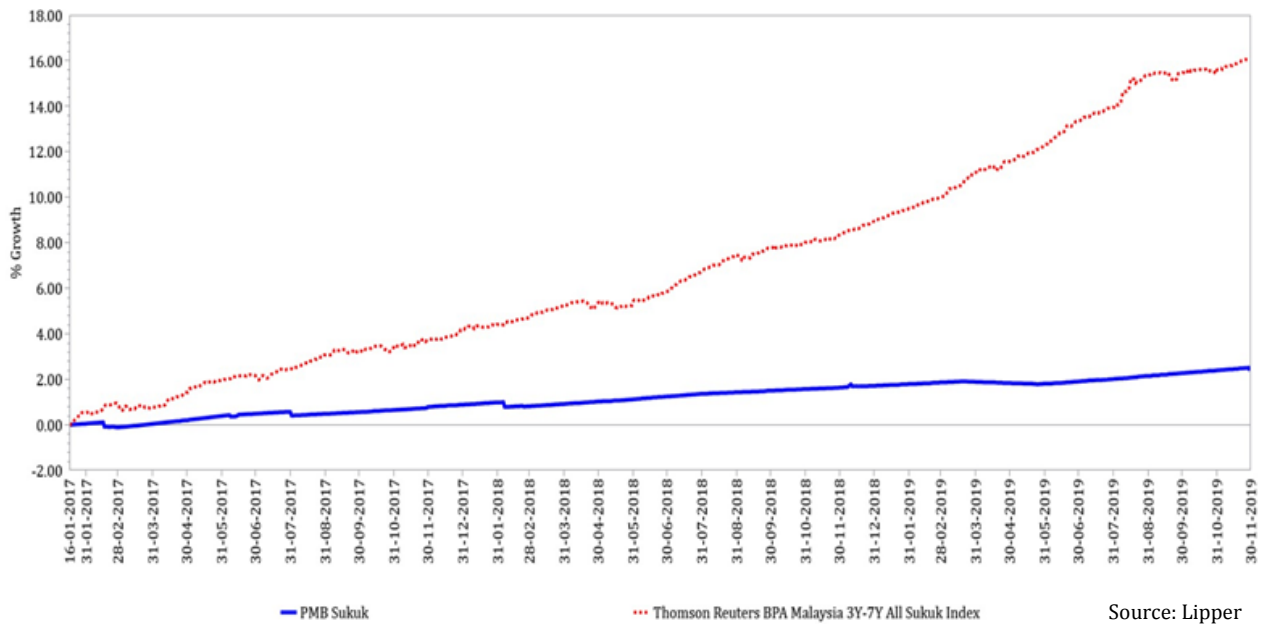


Source: Lipper

1-Year Fund Performance Review

For the 1-year period ended 30 November 2019, the Fund underperformed its benchmark with its total return amounting 0.73% against the return of 7.17% on the BPAM 3 Year – 7 Year Sukuk Index.

Fund performance from 16 January 2017 to 30 November 2019



Fund Performance Review Since Inception

Since commencement on 16 January 2017 until the ended 30 November 2019, the Fund posted a return of 2.38% against the return of 16.09% on the BPAM 3 Year – 7 Year Sukuk Index.

Average Total Return

Fund / Benchmark	For the Period Ended 30 November	
	1 Year	Since Inception 16 Jan 2017-30 Nov 2019
PMB Sukuk Fund	0.73	0.82
BPAM 3Y-7Y All Sukuk Index	7.17	5.33

Source: Lipper

Annual Total Return

Annual Total Return for the Past 10 Financial Year-Ending 30 November

Year	PMB Sukuk Fund (Formerly known as PMB Shariah Balanced Fund)	Benchmark
2019	0.73%	7.17%
2018	0.85%	4.41%
2017	0.79%	3.74%
2016	(0.45%)	(1.12%)
2015	3.06%	(0.26%)
2014	2.35%	2.96%
2013	10.33%	9.80%
2012	4.24%	6.54%

2011	(2.74%)	1.41%
2010	(3.77%)	12.80%

Note:

Source: Lipper

Change of benchmark

- i) 16 January 2017 – BPAM 3y -7y All Sukuk Index (change of Fund’s investment objective that invest in RM-denominated Sukuk)
- ii) 15 January 2013 – 50% FBMSHA + 50% 1-year KLIRR (change of Fund’s investment objective that invest in Shariah-compliant securities)
- iii) 6 July 2009 – 60% FBM Top 100 Index + 40% Maybank’s 12-month Fixed Deposit Rate (adoption by Bursa Malaysia of FTSE Bursa Malaysia Index Series)

Distribution Highlight

Financial Year End	30 November		
	2019	2018	2017
Gross Distribution Per Unit - Cash (sen)	-	-	2.00
Net Distribution Per Unit - Cash (sen)	-	-	*2.00

* Distribution is in the form of units.

Portfolio Turnover Ratio (PTR)

2019	2018	2017
0.49 times	0.84 times	0.16 times

The PTR was higher than the previous year as a result of a decrease in trading activities undertaken by the Fund during the financial year.

Asset Allocation

Year	2019	2018	2017
Islamic Deposit Placement & Others	100%	100%	100%

The Fund’s NAV was held in Islamic deposits and/or other Shariah-compliant permitted investments due to the minimum allocation for investments in the sukuk is still inadequate.

Historical Financial Highlights

Extract of Statement of Comprehensive Income for the Financial Year Ending 30 November

Financial Year End 30 November		2019	2018	2017
Total Investment Income	(RM)	32,555	33,623	46,218
Total Expenses	(RM)	(17,153)	(21,494)	(23,621)
Profit before Taxation	(RM)	15,402	12,129	22,597
Taxation	(RM)	(3,062)	-	-
Profit after Taxation	(RM)	12,340	12,129	22,597

Extract of Statement of Financial Position as at 30 November

Financial Year End 30 November		2019	2018	2017
Total Investment	(RM)	874,219	929,809	986,434
Other Assets	(RM)	489,818	493,735	431,531
Total Assets	(RM)	1,364,037	1,423,544	1,417,965
Total Liabilities	(RM)	(7,514)	(7,354)	(42,467)
Total Equity	(RM)	1,356,523	1,416,190	1,375,498

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

Total Annual Expenses

The table below shows the total annual expenses incurred by the Fund in its respective preceding financial year-end. The percentage was calculated based on the Average NAV.

Fund	Management Fee		Trustee Fee		Fund Expenses		Total Expenses	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
PMB Sukuk Fund (Formerly known as PMB Shariah Balanced Fund)	10	0.73	0.6	0.04	6.4	0.46	17	1.23

Management Expenses Ratio (MER)

The MERs of the Fund for the respective latest financial years is as follows:

Fund/Financial Year End	2019	2018	2017
PMB Sukuk Fund (Formerly known as PMB Shariah Balanced Fund)	1.23%	1.50%	1.53%

KEY RISKS

You should be aware that –

- The value of your investment, and the distribution payable, may go down as well as up.
- The return of the Fund is not guaranteed.

Profit/Interest Rate Risk

Movements in interest rate will have an impact on a management of a fund. This risk refers to the effect of profit/interest rate changes on the market value of Islamic money market instruments, Islamic deposit placements and sukuk. Any downward movement of the profit/interest rate may result in a loss of the expected return from the Fund's investments in Islamic money market instrument and Islamic deposit placement. The value of the sukuk has a tendency to move inversely with the movement of the profit/interest whereby the prices of the sukuk may fall when profit/interest rates rise, and vice versa.

The interest rate is a general indicator. Although the Fund does not invest in interest bearing instruments, the movement of the interest rate will have an impact on the profit rate of the Islamic money market instruments and Islamic deposit placement, and consequently affect the expected return of the Fund's investments.

Credit/Default Risk

Credit risk relates to the creditworthiness of the issuers of the sukuk 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 sukuk. In the case of rated sukuk, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the sukuk. 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.

Please refer to Master Prospectus [Section 3.5](#) for further information on the risk factors.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

- Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Sales Charge (imposed for every transaction performed)	IUTA, CUTA, UTC and direct purchase	2.0%
Repurchase Charge	Nil	
Switching Fee	Up to RM25.00 per transaction	
Transfer Fee	Up to RM10.00 per transaction	
Other Charges (imposed for every transaction performed)	<ul style="list-style-type: none"> • Bank charges • Telegraphic Transfer charges 	Rate is determined by the appointed bankers
Distribution Channel(s)	<ul style="list-style-type: none"> • IUTA • CUTA • UTC 	<ul style="list-style-type: none"> • Direct Purchase • Auto Debit

Note: In addition, the above fees and charges are subject to the Tax at the prevailing rate

Payable indirectly by you

Management Fee	0.75% per annum
Trustee Fee	0.04% per annum
Other fees charged by the Fund	<ul style="list-style-type: none"> • Commissions/fees paid to brokers/dealers; • Auditor's fee; • Tax adviser's fee; • Valuation fee; • Taxes; • Custodial Charges; • Tax voucher/distribution warrants; and • Any other fees/expenses permitted by the Deed

Please refer to [Chapter 4](#) of the Master Prospectus for further information.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

- It is our policy that the Fund is valued on a daily basis at the end of a Business day.
- You may obtain our latest information on the Fund's price at our website, pmbinvestment.com.my.

Please refer to [Chapter 5](#) of the Master Prospectus for further determination of prices and redemption details.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

- **Cooling-off Period**

If you are a first time individual investor, you have the right to withdraw your application for investment within six (6) business days, beginning from the day the completed application is received and accepted by us. However, this cooling-off period does not apply to a staff of the Manager and a person registered with a body approved by the SC to deal in unit trusts.

You are entitled to receive a full refund of the money initially invested i.e. the NAV per unit on the day the Units were first purchased and the sales charge per unit originally imposed on the day the Units were purchased. The money payable out of this transaction must be refunded to the investor within 10 days of receipt of cooling-off.

- **Redemption**

- You may exit from this investment on any business day by completing a Transaction Form together with a photocopy of your NRIC.
- For a request to redeem units received or deemed to have been received by us before 3.00 p.m. on any Business Day, units will be redeemed at the NAV per unit calculated at the end of Business Day on which the request was received ("forward pricing").
- Where the repurchase request is received after the cut-off time, i.e. after 3.00 p.m., the request will be deemed to have been received on the next Business Day.
- Payment will be made within 10 days of the receipt of redemption request.
- We reserve the right to vary the terms and conditions of repurchase/redemption mode from time to time, which shall be communicated to you in writing.
- No redemption charge is imposed when you redeem your investment.

Please refer to [Chapter 5](#) of the Master Prospectus for further information on determination of prices and redemption details.

CONTACT INFORMATION

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

- You can call us, PMB Investment Berhad, at (03) 2785 9900, email us at investorrelation@pelaburanmara.com.my or visit our appointed distributors as listed on pmbinvestment.com.my.
- Our business address is at Level 20, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

- For any complaint or internal dispute resolution, please contact:

Customer Service Unit

PMB Investment Berhad
Level 20, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
50470 Kuala Lumpur.

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

- 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 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 : (03) 6204 8999
- (b) via fax to : (03) 6204 8991
- (c) via e-mail to : aduan@seccom.com.my
- (d) via online complaint form available at www.sc.com.my
- (e) via letter to : **Consumer & Investor Office**
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur.

- **Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:**

- (a) via phone to : (03) 2092 3800
- (b) via fax to : (03)2093 2700
- (c) via e-mail : 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

Please refer to [Chapter 12](#) of the Master Prospectus for further information.

APPENDIX: GLOSSARY OF TERMS

- **BNM:** means Bank Negara Malaysia;
- **BPAM:** means Bond Pricing Agency Malaysia Sdn Bhd;
- **Bursa Malaysia:** means Malaysia's stock exchange managed by Bursa Malaysia Securities Berhad;
- **Business day:** means a day on which the Bursa Malaysia is open for dealings;
- **CUTA:** means 'Corporate Unit Trust Adviser', which is a licensed financial planner registered with FIMM and authorised to market and distributed unit trust schemes of another party;
- **Cut-off time:** means the time by which requests for unit purchases or redemptions by investors are accepted each day up to the Fund's dealing cut-off time and are processed using the same day-end's NAV per unit prices;
- **Deed:** means the principal and the supplemental deeds of the Fund made between the Manager and the Trustee;
- **FIMM:** means Federation of Investment Managers Malaysia;
- **Forward pricing:** means the purchase or redemption of units is determined based on the NAV per unit calculated at the next valuation point after an application to purchase or repurchase units is received by the Manager;
- **Fund:** means PMB Sukuk Fund;
- **IUTA:** 'Institutional Unit Trust Adviser', which is an institution, a corporation or an organization registered with the FIMM in accordance with FIMM's Guidelines for Registration of Institutional Unit Trust Adviser for the marketing and distribution of unit trusts;
- **Long term:** means a period of more than 5 years;
- **MARC:** means Malaysian Rating Corporation Berhad;
- **Medium term:** means a period of between 3 and 5 years;
- **NAV:** means 'Net Asset Value', refers to the value of a unit trust fund which is determined by deducting the value of all the fund's liabilities from the value of all the fund's assets, at the valuation point;
- **quasi-government:** means established and supported by the government but managed privately;
- **RAM:** means RAM Rating Services Berhad;
- **SAC:** means the Shariah Advisory Council of the SC and/or BNM;
- **SC:** means Securities Commission Malaysia, established under the Securities Commission Act, 1993;
- **Shariah:** means Islamic laws, originating from the Qur'an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (peace be upon him) and ijihad of ulama' (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);
- **Shariah-compliant securities:** means the investment portfolio of the Fund comprises securities that have been classified as Shariah-compliant by the SAC of the SC or the SC of BNM. For securities that have yet to be certified by the SAC of the SC or the SC of BNM, the Shariah Adviser of the Fund will determine whether or not the securities are Shariah-compliant for investment by the Fund;
- **Tax:** means any applicable tax and/or duties which may be imposed by the government or other authorities from time to time;
- **UTC or Unit Trust Consultant:** means an individual unit trust adviser registered with FIMM.

Please refer to [Chapter 1](#) of the Master Prospectus for further information on Glossary of Terms.