



Asset Management

MAYBANK ISLAMIC STRATEGIC INCOME FUND

*(constituted on 9 October 2024 and
launched on 4 November 2024)*

Manager : Maybank Islamic Asset Management Sdn Bhd (Registration No.: 201301012623 (1042461-K))

Trustee : TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))

This Information Memorandum is dated 4 November 2024.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM AND IF NECESSARY, OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO UNITS OF THE FUND.

UNITS OF THE MAYBANK ISLAMIC STRATEGIC INCOME FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.

THE FUND MAY DECLARE DISTRIBUTION OUT OF CAPITAL AND INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE FUND WILL BE ERODED WHEN THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.

Responsibility Statement

This Information Memorandum has been seen and approved by the directors of Maybank Islamic Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

Statements of Disclaimer

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia.

THE SECURITIES COMMISSION MALAYSIA HAS NOT AUTHORISED OR RECOGNISED THE MAYBANK ISLAMIC STRATEGIC INCOME FUND AND A COPY OF THIS INFORMATION MEMORANDUM HAS NOT BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA.

THE LODGEMENT OF THIS INFORMATION MEMORANDUM SHOULD NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION MALAYSIA RECOMMENDS THE MAYBANK ISLAMIC STRATEGIC INCOME FUND OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS INFORMATION MEMORANDUM.

THE SECURITIES COMMISSION MALAYSIA IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF MAYBANK ISLAMIC ASSET MANAGEMENT SDN BHD RESPONSIBLE FOR THE MAYBANK ISLAMIC STRATEGIC INCOME FUND AND TAKES NO RESPONSIBILITY FOR THE CONTENTS IN THIS INFORMATION MEMORANDUM. THE SECURITIES COMMISSION MALAYSIA MAKES NO REPRESENTATION ON THE ACCURACY OR COMPLETENESS OF THIS INFORMATION MEMORANDUM, 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. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.

Additional Statements

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

The Maybank Islamic Strategic Income Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

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

TABLE OF CONTENTS

1. CORPORATE DIRECTORY	1
2. DEFINITIONS	2
3. FUND'S DETAILS	7
4. FEES AND CHARGES	11
5. TRANSACTION DETAILS	12
6. RISKS RELATING TO THE FUND	15
6.1 General Risks of Investing in the Fund	15
6.2 Specific Risks of the Fund	17
6.3 Risk Management Strategy	19
7. PRICING POLICY	20
8. VALUATION POLICY AND VALUATION BASIS	21
9. PARTIES TO THE FUND	24
10. SALIENT TERMS OF THE DEED	25
10.1 Rights of the Unit Holders	25
10.2 Liabilities of Unit Holders	26
10.3 Termination of the Fund or a Class	26
10.4 Power to call for a Meeting by Unit Holders	27
11. CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS	27
12. TAX	28
13. CUSTOMER INFORMATION SERVICE	29
14. TAX ADVISER'S LETTER	30

1. CORPORATE DIRECTORY

MANAGER	Maybank Islamic Asset Management Sdn Bhd (Registration No.: 201301012623 (1042461-K))
REGISTERED OFFICE	5 th Floor, Tower A Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: 03 - 2297 7870
BUSINESS OFFICE	Level 12, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: 03 - 2297 7888 Fax No.: 03 - 2297 7898
WEBSITE	https://www.maybank-am.com/web/islamic/
E-MAIL	mamcs@maybank.com.my
TRUSTEE	TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))
REGISTERED OFFICE AND BUSINESS OFFICE	Level 13, Menara 1 Sentrum 201, Jalan Tun Sambanthan Brickfields, 50470 Kuala Lumpur Tel. No.: 03 - 2382 4288 Fax No.: 03 - 2382 4170
WEBSITE	https://www.tmf-group.com
E-MAIL	malaysia@tmf-group.com
SHARIAH ADVISER	Amanie Advisors Sdn Bhd (Registration No.: 200501007003 (684050-H))
REGISTERED OFFICE	Unit 11-3A, 3 rd Mile Square, No. 151, Jalan Klang Lama Batu 3 ½, 58100 Kuala Lumpur
BUSINESS OFFICE	Level 13A-2 Menara Tokio Marine Life 189 Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03 - 2161 0260 Fax No.: 03 - 2161 0262
WEBSITE	https://www.amanieadvisors.com
E-MAIL	contact@amanieadvisors.com

2. DEFINITIONS

In this Information Memorandum, the following abbreviations or words shall have the following meanings unless otherwise stated:

Bursa Malaysia	means the stock exchange managed and operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).
Business Day	means a day on which Bursa Malaysia is open for trading.
CIS	means collective investment schemes.
Class A / Class B	represents the class of Units of the Fund with different rates of management fee for each Class.
Classes	means any class of Units in the Fund representing similar interest in the assets of the Fund and a “Class” means any one class of Units.
CMSA	means the Capital Markets and Services Act 2007, including all amendments thereto and all regulations, rules and guidelines issued in connection therewith.
Commencement Date	means the date the Fund commences its first investments.
Deed	means the deed in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee.
Ex-distribution Date	means the next Business Day after the date on which income distribution of the Fund is declared.
FIMM	means the Federation of Investment Managers Malaysia.
Forward Pricing	means the NAV per Unit for the Fund calculated at the next valuation point after a purchase request or a redemption request, as the case may be, is received by us.
Fund	means the Maybank Islamic Strategic Income Fund.
Information Memorandum	means this information memorandum of the Fund.
LPD	means the latest practicable date as at 30 September 2024.
Manager / we / us / our	means Maybank Islamic Asset Management Sdn Bhd (Registration No.: 201301012623 (1042461-K)).
MARC	means Malaysian Rating Corporation Berhad.
Maybank	means Malayan Banking Berhad (Registration No.: 196001000142 (3813-K)).

MYR/RM	means Ringgit Malaysia.
Net Asset Value or NAV	means the total value of the Fund's assets minus its liabilities at the valuation point; where the Fund has more than one Class, there shall be a NAV of the Fund attributable to each Class.
NAV per Unit	means the NAV of a Class at the valuation point divided by the total number of Units in circulation of that Class at the same valuation point.
RAM	means RAM Rating Services Berhad.
Redemption Price	means the price payable by the Manager to a Unit Holder pursuant to a redemption request by the Unit Holder and will be the NAV per Unit. The Redemption Price shall be exclusive of the redemption charge (if any).
SACBNM	means the Shariah Advisory Council of Bank Negara Malaysia.
SACSC	means the Shariah Advisory Council of the SC.
SC	means the Securities Commission Malaysia.
Selling Price	means the price payable by an investor or a Unit Holder for the purchase of a Unit of the Fund and will be the NAV per Unit. The Selling Price shall be exclusive of the sales charge.
Shariah	means Islamic law comprising the whole body of rulings pertaining to human conducts derived from the sources of Shariah namely the <i>Qur'an</i> (the holy book of Islam); and its practices and explanations rendered by the Prophet Muhammad (peace be upon him) and <i>Ijtihad</i> (exertion of individual efforts to determine the true ruling of the divine laws on matters whose revelations are not explicit) of Shariah scholars.
Shariah Adviser	means Amanie Advisors Sdn Bhd (Registration No.: 200501007003 (684050-H)).
Sophisticated Investor(s)	means: <ul style="list-style-type: none"> (a) a unit trust scheme, private retirement scheme or prescribed investment scheme; (b) Bank Negara Malaysia; (c) a licensed person or a registered person; (d) an exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator; (e) a corporation that is licensed, registered or approved to carry on any regulated activity or capital market services by an authority in Labuan

or outside Malaysia which exercises functions corresponding to the functions of the SC;

- (f) a bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;
- (g) an Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;
- (h) a chief executive officer or a director of any person referred to in paragraphs (c) to (g);
- (i) a closed-ended fund approved by the SC;
- (j) a company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding RM10 million or its equivalent in foreign currencies;
- (k) a corporation that -
 - (i) is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under its management, exceeding RM10 million or its equivalent in foreign currencies; or
 - (ii) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has assets under its management exceeding RM10 million or its equivalent in foreign currencies;
- (l) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
- (m) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- (n) a statutory body established under any law whose function or mandate is investment in capital market products;
- (o) a pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967;
- (p) an individual -
 - (i) whose total net personal assets exceeding RM3 million or its equivalent in foreign currencies, provided that the net value of the primary residence of the individual contribute not more than RM1 million of the total net assets;
 - (ii) whose total net joint assets with -
 - (a) his or her spouse; or
 - (b) his or her child,exceeding RM3 million or its equivalent in foreign currencies, provided that the net value of the primary residence of the

- individual with his or her spouse or child contribute not more than RM1 million of the total net assets;
- (iii) who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies in the preceding twelve months;
 - (iv) who jointly with his or her spouse or child, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding twelve months;
 - (v) whose total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding RM1 million or its equivalent in foreign currencies;
 - (vi) who holds any of the following qualifications and has five consecutive years of relevant working experience in finance, economics, actuarial science or accounting-
 - (A) holds a Bachelor's or Master's degree related to Finance, Economics or Actuarial Science;
 - (B) holds a Bachelor's or Master's degree in Accounting; or
 - (C) holds a Master of Business Administration;
 - (vii) who holds the following membership in the associations as set out below:
 - (A) Active Member of Chartered Financial Analyst (CFA) Institute;
 - (B) Chartered Banker of Asian Institute of Chartered Bankers (AICB);
 - (C) Ordinary Member of Financial Markets Association Malaysia (FMAM);
 - (D) Chartered Accountant, C.A(M) of Malaysian Institute of Accountants (MIA);
 - (E) Ordinary Member of Malaysia Association of Tax Accountants (MATA);
 - (F) Accredited Angel Investor of Malaysian Business Angel Network (MBAN);
 - (G) Certified Member of Financial Planning Association of Malaysia (FPAM); or
 - (H) Ordinary Member of Malaysian Financial Planning Council (MFPC); or
 - (viii) who has five consecutive years of working experience in a capital market intermediary relating to product development, corporate finance, deal advisory, investment management, sales and trading, investment research and advisory, financial analysis, or the

provision of training in investment products;

- (q) any person who acquires any capital market product specified under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or
- (r) any other category of investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

Trustee means TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W)).

Unit(s) means a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund or a Class, as the case may be.

Unit Holder(s) / you means the person registered as the holder of a Unit or Units including persons jointly registered for a Class. In respect of the Fund, means all the unit holders of every Class in the Fund.

U.S. means the United States of America.

U.S. (United States) Person(s) means:

- (a) a U.S. citizen (including those who hold dual citizenship or a greencard holder);
- (b) a U.S. resident alien for tax purposes;
- (c) a U.S. partnership;
- (d) a U.S. corporation;
- (e) any estate other than a non-U.S. estate;
- (f) any trust if:
 - (i) a court within the U.S. is able to exercise primary supervision over the administration of the trust; and
 - (ii) one or more U.S. Persons have the authority to control all substantial decisions of the trust;
- (g) any other person that is not a non-U.S. person; or
- (h) any definition as may be prescribed under the Foreign Account Tax Compliance Act 2010, as may be amended from time to time.

3. FUND'S DETAILS

FUND'S DETAILS		
Fund Name	Maybank Islamic Strategic Income Fund	
Fund Category	Sukuk (Wholesale)	
Fund Type	Income	
Base Currency	MYR	
Financial Year End	30 September	
Initial Offer Period	Up to 21 days from the launch date of the Fund. <i>Note: The initial offer period may be shortened at our discretion if we determine that it is in the best interest of the Unit Holders to commence investment for the Fund, subject to the Trustee's approval.</i>	
Class	Class A	Class B
Initial Offer Price	RM 1.00	RM1.00
Commencement Date	The next Business Day after the end of the initial offer period.	
Deed	The deed dated 9 October 2024.	
Investment Objective	The Fund aims to provide Unit Holders with income through investments in sukuk (directly or via Islamic CIS), Islamic money market instruments and Islamic deposits. <i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i>	
Investor Profile	The Fund is suitable for Sophisticated Investors who: <ul style="list-style-type: none"> • seek income distribution; and • prefer a short to medium-term investment horizon. 	
Performance Benchmark	Maybank 1-month Islamic deposit rate. (Source: www.maybank2u.com.my) <i>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</i>	
Asset Allocation	<ul style="list-style-type: none"> ➤ A minimum of 30% of the Fund's NAV in MYR-denominated sukuk; and ➤ Up to 70% of the Fund's NAV in Islamic money market instruments and Islamic deposits. 	
Investment Strategy	The Fund seeks to achieve its investment objective by investing a minimum of 30% of the Fund's NAV in MYR-denominated sukuk and up to 70% of its NAV in Islamic money market instruments and Islamic deposits. The Fund may invest in MYR-denominated sukuk directly or via Islamic CIS.	

FUND'S DETAILS	
	<p>The Fund will invest in MYR-denominated sukuk with a minimum credit rating of “AA3” by RAM or its equivalent rating by MARC at the point of purchase. If any of the Fund’s investments in MYR-denominated sukuk have been downgraded to a credit rating lower than “AA3” by RAM or its equivalent rating by MARC, we may dispose the downgraded sukuk as soon as practicable. However, if such prompt action may be detrimental to the Fund, or if we remain comfortable with the default risk after conducting our credit assessment by taking into consideration both the quantitative and qualitative factors and concluded that the probability of the default is low, we may, at our own discretion based on our understanding of the credit fundamentals of the issuer, continue to hold the downgraded MYR-denominated sukuk for up to ninety (90) days. This treatment shall be applicable to issuer rating when there is no issue rating for a MYR-denominated sukuk.</p> <p>The Fund’s investments in MYR-denominated sukuk which are issued by government and/or government-linked agencies need not be rated.</p> <p>In determining the applicable rating for the respective MYR-denominated sukuk, the issuer rating assigned by a relevant rating agency may be used instead when there is no rating assigned by the same rating agency to the sukuk and we are of the opinion that the issuer’s rating is a representation of the MYR-denominated sukuk’s rating i.e., in the event of any insolvency of the issuer, the sukuk of that issuer shall rank in equal seniority in rights of payment or claim with all other non-secured and non-guaranteed obligations of that issuer.</p> <p>We may also invest in MYR-denominated sukuk via Islamic CIS provided that it is consistent with the Fund’s investment objective.</p> <p>The Fund is actively managed to meet the investment objective of the Fund. However, the frequency of its trading activities will depend on market opportunities and our assessment of the market.</p>
Temporary Defensive Position	<p>During volatile market conditions, we will engage in active downside risk management to minimise drawdown. This may involve adopting temporary defensive positions to protect the Fund’s investments to respond to adverse market, political or economic conditions by holding up to 100% of the Fund’s NAV in Islamic liquid assets that may be inconsistent with the Fund’s principal investment strategy and asset allocation.</p>
Permitted Investments	<p>The Fund is permitted to invest in the following:</p> <ul style="list-style-type: none"> • Sukuk; • Islamic money market instruments; • Islamic deposits with financial institutions; and • Islamic CIS.
Distribution Policy	<p>Distribution will be made on a monthly basis or at such other frequency as the Manager may decide in its absolute discretion.</p>

FUND'S DETAILS	
	<p>The Fund may distribute from realised income, realised gains, unrealised income and/or unrealised gains to enable the Fund to distribute income on a regular basis in accordance with the distribution policy of the Fund. Any declaration and payment of distribution will have the effect of lowering the NAV of the Fund.</p> <p>In addition, distribution out of the Fund's capital may amount to a reduction of part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders. When a substantial amount of the original investment is being returned to Unit Holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</p>
Mode of Distribution	<p>All income distribution will be reinvested into additional Units in the Fund.</p> <p>We will create the Units based on the NAV per Unit* at the income reinvestment date (which is within seven (7) business days from the Ex-distribution Date).</p> <p>* There will be no cost to Unit Holders for reinvestments in new additional Units.</p>
Communication with Unit Holders	<p>Official Receipt and Statement of Investment</p> <p>Each time a Unit Holder purchases Units or conducts any other transaction for the Fund, a confirmation advice is sent out to the Unit Holder. A computer generated statement will also be issued on a monthly basis to provide the Unit Holder with a record of each and every transaction made in the account so that the Unit Holder may confirm the status and accuracy of his or her transactions, as well as to provide the Unit Holder with an updated record of his or her investment account(s) with us.</p> <p>Unit Price</p> <p>We will publish the Fund's NAV per Unit on our website, www.maybank-am.com/web/islamic/ on the next Business Day.</p> <p>Financial Reports</p> <p>We will provide Unit Holders with a quarterly report and an audited annual report within two (2) months after the close of the quarterly period or financial year end.</p>
Cross Trade Policy	<p>We may conduct cross trades between funds that we are currently managing provided that the requirements of the applicable laws are complied with. Cross trades undertaken shall be in the best interest of the Fund's rebalancing purposes and are transacted through a broker, dealer or a financial institution at an arm's length and fair value basis. All cross trades will be identified in the monthly trades reports.</p>
Shariah Investment Guidelines	<p>Shariah Investment Guidelines</p> <p>The following are the Shariah Investment Guidelines for the Fund which we are to strictly adhere to on a continuous basis.</p>

FUND'S DETAILS

At all times, the Fund shall invest in investment instruments that are allowed under Shariah principles and shall not invest in investment instruments that are prohibited by the Shariah principles based on the parameters of the applicable Shariah Advisory Council, the relevant Shariah advisory board and the Shariah Adviser.

A. Investments

1. Sukuk

Sukuk are certificates that provide evidence of an investment into an underlying asset or a project which is typically an income generating asset or project. The Fund will only invest in sukuk approved by the SACSC and/or the Shariah Adviser.

2. Islamic Money Market Instruments

For investment in money market, the Fund may acquire any Islamic money market instruments based on the data available at:

- Bond Pricing Agency Malaysia
(<https://www.bpam.com.my>)
- Fully Automated System for issuing/ tendering
(<https://fast.bnm.gov.my>)

The Fund may also invest into any other Islamic money market instruments deemed Shariah-compliant by the SACBNM or the Shariah Adviser.

3. Islamic Deposits

The Fund is prohibited from investing in interest-bearing deposits and recognizing any interest income.

4. Islamic CIS

The Fund may invest in domestic Islamic CIS. The domestic Islamic CIS must be approved by the SC.

Where the Shariah Adviser request a change to the Shariah Investment Guidelines, it shall give the Manager a reasonable period of time to effect such change in the Information Memorandum in accordance with the requirements of any applicable law and regulation.

B. Cleansing Process for the Fund

Shariah non-compliant investments

The Manager will immediately dispose of any Shariah non-compliant investment inadvertently made in the Fund. If the disposal of the Shariah non-compliant investment results in losses to the Fund, the losses are to be borne by the Manager by ensuring the loss portion is restored and returned to the Fund. The said investment will be disposed/withdrawn with immediate effect or within a period of not more than one month after becoming aware of the status of the investment. In the event that there are any capital gains or profits received before or after the disposal of the investment, such gains will be channeled to *baitulmal* and/or any other charitable bodies

FUND'S DETAILS	
	<p>as advised by the Shariah Adviser. The Fund has the right to retain only the investment cost.</p> <p>C. Payment of Zakat</p> <p>This refers to the purification by way of payment of zakat by Muslims. The Fund does not pay zakat on behalf of Muslim Unit Holders. Thus, Muslim Unit Holders are advised to pay zakat on their own.</p> <p>The investment portfolio of the Fund will comprise instruments that have been classified as Shariah-compliant by the SACSC and, where applicable the SACBNM. For instruments that are not classified as Shariah-compliant by the SACSC and, where applicable the SACBNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.</p>

4. FEES AND CHARGES

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund. We reserve the right to waive or reduce the fees and charges involved at our absolute discretion.

Note: All fees, charges and expenses stated herein are exclusive of any applicable tax which may be imposed by the government or the relevant authority. You and/or the Fund (as the case may be) are responsible to pay the applicable amount of tax, if any, in addition to the fees, charges and expenses stated herein.

FEES AND CHARGES					
Sales Charge	Nil.				
Redemption Charge	Nil.				
Switching Fee	<table border="1"> <thead> <tr> <th>Class A</th> <th>Class B</th> </tr> </thead> <tbody> <tr> <td>RM10.00 per switch</td> <td>RM10.00 per switch</td> </tr> </tbody> </table> <p><i>Notes:</i></p> <p>(1) We reserve the right to waive the switching fee at our absolute discretion.</p> <p>(2) In addition to the switching fee, you will have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.</p>	Class A	Class B	RM10.00 per switch	RM10.00 per switch
Class A	Class B				
RM10.00 per switch	RM10.00 per switch				
Transfer Fee	<table border="1"> <thead> <tr> <th>Class A</th> <th>Class B</th> </tr> </thead> <tbody> <tr> <td>RM10.00 per transfer</td> <td>RM10.00 per transfer</td> </tr> </tbody> </table> <p><i>Notes:</i></p> <p>(1) We reserve the right to waive the transfer fee at our absolute discretion.</p> <p>(2) We reserve the right to decline any transfer request if such transfer will expose us to any liability and/or will</p>	Class A	Class B	RM10.00 per transfer	RM10.00 per transfer
Class A	Class B				
RM10.00 per transfer	RM10.00 per transfer				

FEES AND CHARGES		
	<i>contravene any law or regulatory requirements, whether or not having the force of law.</i>	
Annual Management Fee	Class A	Class B
	Up to 0.30% per annum of the NAV of the Class, calculated and accrued daily, and payable monthly to us	Up to 0.15% per annum of the NAV of the Class, calculated and accrued daily, and payable monthly to us
Annual Trustee Fee	0.03% per annum of the NAV of the Fund, calculated and accrued daily and payable monthly to the Trustee.	
Fund Expenses	Only fees and expenses that are directly related and necessary to the operation and administration of the Fund or a Class may be charged to the Fund or a Class.	

5. TRANSACTION DETAILS

TRANSACTION DETAILS		
Minimum Initial Investment [^]	Class A	Class B
	RM250,000	RM10,000,000
Minimum Additional Investment [^]	Class A	Class B
	RM50,000	RM5,000,000
Minimum Unit Holdings [^]	Class A	Class B
	100,000 Units	500,000 Units
[^] or such other lower amount or number of Units (as the case may be) as may be decided by us from time to time. Note: Our distributors may set a lower minimum initial and/or additional investment than the above for investments made via the distributors subject to their terms and conditions for investment.		
Minimum Redemption of Units	None, provided the minimum Unit holdings requirement is met. If a Unit Holder's Unit holdings, after a redemption request, are below the minimum Unit holdings for the Fund, full redemption will be initiated.	
Transfer Facility	Transfer of ownership of Units is allowed for this Fund. Transfer of ownership from the account of the deceased Unit Holder to his/her personal representative will only be undertaken through the process of estate administration and death claims procedures.	
Switching Facility	Unit Holders are permitted to switch from and to other funds managed by us provided that both funds are denominated in	

TRANSACTION DETAILS	
	<p>the same currency. Switching is treated as a withdrawal from 1 fund and an investment into another fund. Switching will be made at the prevailing NAV per Unit of the Class to be switched from on a Business Day when the switching request is received and accepted by us, subject to the availability and any terms and conditions imposed by the intended fund to be switched to, if any.</p> <p>There is no restriction on the minimum number of Units for a switch or the frequency of switching. However, you must meet the minimum Unit holdings (after the switch) of the Class that you intend to switch from unless you are redeeming all your investments from the Class.</p> <p>Unit Holders who switch from a fund with a lower sales charge to a fund with a higher sales charge need to pay the difference in sales charge between the sales charge of these 2 funds in addition to the switching fee. Unit Holders who switch from a fund with higher sales charge to a fund with a lower sales charge do not need to pay the difference in sales charge between these funds.</p> <p>We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.</p> <p>However, switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Unit Holders.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving applications in respect of switching of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
Cooling-off Right	Cooling-off right is not applicable for the Fund.
Dealing Cut-Off Time for Subscription, Redemption and Switching of Units	<p>The dealing cut-off time shall be at 4.00 p.m. on a Business Day.</p> <p>Any application received after the cut-off time on a Business Day will be treated as having been received on the next Business Day and will be processed on the next Business Day based on the next Forward Pricing of the Fund.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving applications in respect of any dealing in Units. Please check with the respective distributors for their respective cut-off time.</i></p>
Subscription of Units	<p>Subscription request/application can be made on any Business Day. There is no restriction on the frequency of subscription.</p> <p>For any subscription request/application received via e-mail notification (or by fax, if e-mail is down) by us as well as cleared funds (unless any prior arrangement is made with us) received on or before the cut-off time of 4.00 p.m. on a Business Day, the Units will be created based on the NAV per Unit as at the next valuation point after the applicable subscription of Units is received and accepted by us. Any subscription request/application received or deemed to have</p>

TRANSACTION DETAILS	
	<p>been received by us after this cut-off time would be considered as being transacted on the next Business Day.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of subscription of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
Redemption of Units and Payment of Redemption Proceeds	<p>Redemption request/application can be made on any Business Day. There is no restriction on the frequency of redemption.</p> <p>For any redemption request/application received or deemed to have been received via e-mail notification (or by fax, if e-mail is down) by us on or before the cut-off time of 4.00 p.m. on any Business Day, the Units will be processed on the same Business Day based on the NAV per Unit as at the next valuation point after the request for redemption of Units is received by us.</p> <p>Any redemption request/application received or deemed to have been received by us after the cut-off time of 4.00 p.m. on any Business Day will be treated as having been received on the next Business Day and will be processed on the next Business Day.</p> <p>If a Unit Holder's Unit holdings, after a redemption request, are below the minimum Unit holdings for the Fund, full redemption will be initiated.</p> <p>Unit Holders shall be paid within three (3) Business Days from the date the redemption request is received by the Manager and provided that all documentations are complete and verifiable. However, in the event of large redemptions on a single Business Day or in unforeseen circumstances where the Fund has insufficient Islamic liquid assets to pay within the three (3) Business Days, the redemption proceeds will be paid to the Unit Holders not exceeding seven (7) Business Days.</p> <p>Transaction costs such as charges for electronic payments, if any, will be borne by the Unit Holders and set-off against the redemption proceeds.</p> <p>We shall remit the redemption proceeds to the bank account held in the name of the Unit Holder(s).</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of redemption of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
<p>For both applications for and redemption of Units, we shall not be held responsible for any delay or loss incurred in the event of:</p> <ul style="list-style-type: none"> • Real Time Electronic Transfer of Funds and Securities (RENTAS) experiencing problems; • Any remittance of funds that does not correspond with the request promptly; • Inaccurate details (including but not limited to identity card number and account number) provided by Unit Holders; or • Circumstances beyond our control or the Trustee's control. 	

TRANSACTION DETAILS	
Suspension of Dealing in Units	<p>We may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so.</p> <p>We will cease the suspension as soon as practicable after the aforesaid circumstances has ceased, and in any event within 21 days of commencement of suspension. The period of suspension may be extended if we satisfy the Trustee that it is in the best interest of Unit Holders for the dealing in Units to remain suspended. Such suspension will be subject to weekly review by the Trustee.</p> <p>Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. In such cases, Unit Holders will be compelled to remain invested in the Fund for a longer period of time than the stipulated redemption timeline. Hence, their investments will continue to be subjected to the risk factors inherent to the Fund.</p> <p>Where such suspension is triggered, we will inform all Unit Holders in a timely and appropriate manner of our decision to suspend the dealing in Units.</p>

6. RISKS RELATING TO THE FUND

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investment against all risks. The various asset classes generally exhibit different levels of risks. Please note that the returns of the Fund are not guaranteed.

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

Investors are reminded that the list of risks below may not be exhaustive and if necessary, they should consult their adviser(s), e.g. bankers, lawyers, Shariah advisers, stockbrokers or independent professional advisers for a better understanding of the risks.

6.1 General Risks of Investing in the Fund

GENERAL RISKS	
Market Risk	The value of an investment will decrease or increase due to changes in market factors i.e., economic, political or other events that impact large portions of the market. Market risk cannot be eliminated; hence, the Fund's investment portfolio may be prone to changing market conditions that may result in uncertainties and fluctuations in the value of the underlying investment portfolio of the Fund, causing the NAV or prices of Units to fluctuate.
Inflation Risk	This is the risk that Unit Holders' investment in the Fund may not grow or generate returns at a rate that keeps pace with

GENERAL RISKS	
	inflation. This would reduce Unit Holders' purchasing power even though the value of the investment in monetary terms has increased.
Liquidity Risk	<p>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.</p> <p>Liquidity risk of the Fund is also our ability as manager to honour redemption requests or to pay Unit Holders' redemption proceeds in a timely manner. We will actively manage the liquidity of the Fund and/or where available, take cash financing on a temporary basis as permitted by the relevant laws to manage the Unit Holders' redemption request.</p>
Financing Risk	This risk occurs when Unit Holders take a financing to finance their investment. The inherent risk of investing with financed money includes investors being unable to service the financing. In the event Units are used as collateral, an investor may be required to top-up the investor's 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 NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the financing.
Non-Compliance Risk	This risk refers to the possibility that we may not follow the provisions set out in this Information Memorandum or the Deed or the laws, rules, guidelines or internal operating policies which governs the Fund. Non-compliance may occur directly due to factors such as human error or system failure and can also occur indirectly due to amendment on the relevant regulatory frameworks, laws, rules, and other legal practices affecting the Fund. This risk may result in operational disruptions and potential losses to the Fund. We aim to reduce this risk by placing stringent internal policies and procedures and compliance monitoring processes to ensure that the Fund is in compliance with the relevant fund regulations or guidelines.
Manager's Risk	This risk refers to our day-to-day management of the Fund which will impact the performance of the Fund. For example, investment decisions undertaken by us, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund. In order to mitigate this risk, the implementation of internal controls and a structured investment process and operational procedures has been put in place by us.
Performance Risk	Unit Holders should take note that by investing in the Fund, there is no guarantee of any returns, i.e., income distribution or capital appreciation. Unlike fixed deposits placed directly by

GENERAL RISKS	
	the investors into any financial institution which carry a specific rate of return, the Fund does not provide a fixed rate of return.
Suspension of Redemption Risk	The Fund may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the redemption of Units under exceptional circumstances, where the fair value of a material portion of the Fund's assets cannot be reasonably determined. Upon suspension, the Fund will not be able to pay Unit Holders' redemption proceeds in a timely manner and Unit Holders will be compelled to remain invested in the Fund for a longer period of time than the stipulated redemption timeline. Hence, Unit Holder's investments will continue to be subjected to the risk factors inherent to the Fund. Please refer to Section 5 of this Information Memorandum for more information on suspension of redemption of Units.

6.2 Specific Risks of the Fund

SPECIFIC RISKS	
Profit Rate Risk	<p>Profit rate risk refers to the impact of profit rate changes on the valuation of sukuk, Islamic money market instruments and Islamic deposits. When profit rates rise, sukuk' and Islamic money market instruments' prices generally decline and this may lower the market value of the Fund's investment in sukuk and Islamic money market instruments. The reverse may apply when profit rates fall.</p> <p>Profit rate fluctuations also affect the Islamic deposits' returns of the Fund. Profit rates offered by the financial institutions will fluctuate according to the overnight rate policy determined by Bank Negara Malaysia and this has direct correlation with the Fund's investment in Islamic deposits. The Fund's future reinvestment in Islamic deposits will benefit from the higher profit rate and in the event of falling profit rates, the Fund's future investment in Islamic deposits will be reinvested at lower profit rates which in turn will reduce the Fund's potential returns.</p>
Credit and Default Risk	<p>Credit risk relates to the creditworthiness of the issuers of the sukuk or Islamic money market instruments, 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 or Islamic money market instruments. In the case of rated sukuk or Islamic money market instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a sukuk or Islamic money market instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the sukuk or Islamic money market instruments. This could adversely affect the value of the Fund.</p> <p>This risk is mitigated by investing in sukuk with credit rating of at least "AA3" by RAM or an equivalent rating by MARC and</p>

SPECIFIC RISKS	
	<p>carrying out due diligence in the credit assessments of the investments. In the absence of a credit rating for the sukuk, the credit rating of the issuer issuing the sukuk will be used instead.</p> <p>Islamic deposits that the Fund has placed with financial institutions are also exposed to default risk. If the financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and profit foregone, causing the performance of the Fund to be adversely affected. Placements of Islamic deposits with financial institution will also be made based on prudent selection.</p>
Company Specific Risk	<p>This risk arises when a company is exposed to adverse conditions or negative sentiments such as management issues, deteriorating business fundamentals or loss of competitiveness which is specific to a single company. As a consequence, the price of sukuk issued by such company might fall and subsequently affects the Fund's performance. The impact of a specific company may be reduced as the Fund invests in a wide portfolio of investments consisting of sukuk issued by different companies thereby spreading the element of this risk through diversification.</p>
Shariah Non-compliance Risk	<p>This is the risk of the Fund not conforming to Shariah Investment Guidelines. We would be responsible for ensuring that the Fund is managed and administered in accordance with the Shariah Investment Guidelines. As the Fund can only invest in Shariah-compliant investments, non-compliance may adversely affect the NAV of the Fund when the rectification of such non-compliance results in losses.</p>
Distribution Out of Capital Risk	<p>The Fund may distribute out of its capital. The declaration and payment of distribution may have the effect of lowering the NAV of the Fund. In addition, distribution out of the Fund's capital may reduce part of the Unit Holders' original investment and may also result in reduced future returns to Unit Holders.</p>
Risk Associated with Investing in Islamic CIS	<p>Investing in Islamic CIS may be more costly to the Fund than if the Fund had invested in the underlying investments directly as the Fund will indirectly be paying the fees and expenses of the Islamic CIS in addition to the Fund's direct fees and expenses. Investing in other Islamic CIS may subject the Fund to the risk that (i) the valuations of the Fund may not reflect the true value of the underlying Islamic CIS at a specific time which could result in significant losses or inaccurate pricing for the Fund and/or (ii) the valuation of the underlying Islamic CIS may not be available as at the relevant valuation point for the Fund. The Fund's investments in Islamic CIS may also subject the Fund to additional risks (such as risk associated with the investment manager of the Islamic CIS) than if the Fund would have invested directly in the underlying investments of the Islamic CIS. The risk associated with the investment manager of the Islamic CIS includes but are not limited to the risk of non-adherence to the investment</p>

SPECIFIC RISKS	
	objective, strategy and policies of the Islamic CIS, the risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems of the investment manager of the Islamic CIS, and the risk that the Islamic CIS may underperform due to poor investment decisions by the investment manager of the Islamic CIS. Any adverse price movement of such Islamic CIS will adversely affect the Fund's NAV.

6.3 Risk Management Strategy

RISK MANAGEMENT STRATEGY	
Risk Management Strategy and Technique	<p>Risk management is an integral part of our investment management process. We employ measures such as asset allocation strategy in order to manage the specific risks of the Fund. When downturn is expected in sukuk markets and liquidity risks are high, we may reduce the Fund's allocation in sukuk and increase its asset allocation to Islamic liquid assets to safeguard the investment portfolio of the Fund. The Fund's exposure will also be spread across various sectors, counterparties and companies as diversification strategy is also recognised by us as an essential risk management strategy for the Fund.</p> <p>In order to ensure that the Fund is managed in accordance with the relevant guidelines and the Deed, proper procedures and parameters are in place to manage the risks that are applicable to the Fund. Regular monitoring, reviews and reporting are also undertaken by us to ensure that the Fund's investment objective is met.</p> <p><u>Liquidity Risk Management</u></p> <p>In managing the Fund's liquidity, we will:</p> <ul style="list-style-type: none"> (a) actively manage the liquidity of the Fund to meet redemption requests from Unit Holders; and/or (b) where available, obtain cash financing on a temporary basis for the purpose of meeting redemption requests for Units and for short term bridging requirements. <p>However, if we have exhausted the above avenue, we will then, in consultation with the Trustee and having considered the interests of the Unit Holders, resort to suspend the redemption of Units to manage the liquidity of the Fund under exceptional circumstances, where the fair value of a material portion of the Fund's assets cannot be reasonably determined. Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer to Section 5 of this Information Memorandum for more information on suspension of dealing in Units.</p>

7. PRICING POLICY

PRICING POLICY	
Single Pricing Regime	<p>We adopt a single pricing regime in calculating a Unit Holder's purchase and redemption of Units. This means that all purchases and redemptions are transacted on a single price (i.e., NAV per Unit). You would therefore purchase and redeem Units at NAV per Unit. The Selling Price and Redemption Price are based on Forward Pricing.</p>
Selling Price	<p>The Selling Price of a Unit of a Class is the NAV per Unit at the next valuation point after the request to purchase Units is received by us (Forward Pricing). The sales charge applicable to the Class is payable by you in addition to the Selling Price for the Units purchased.</p> <p><u>Calculation of Selling Price</u></p> <p>Illustration - Sale of Units</p> <p>Example:</p> <p>If you wish to invest RM1,000,000.00 in Class A before 4.00 p.m. on any Business Day, and if no sales charge is imposed, the total amount to be paid by you and the number of Units issued to you will be as follows:</p> <p>Assuming that the NAV per Unit for Class A at the end of a Business Day = RM1.0000.</p> $\begin{aligned} \text{Sales charge incurred} &= \frac{\text{Investment amount}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)} \\ &= \frac{\text{RM1,000,000.00}}{1 + 0.0\%} \times 0.0\% \\ &= \text{RM0.00} \end{aligned}$ $\begin{aligned} \text{Net investment amount} &= \text{Investment amount} - \text{sales charge} \\ &= \text{RM1,000,000.00} - \text{RM0.00} \\ &= \text{RM1,000,000.00} \end{aligned}$ $\begin{aligned} \text{Units credited to investor} &= \text{Net investment amount} / \text{NAV per Unit} \\ &= \text{RM1,000,000.00} / \text{RM1.0000} \\ &= 1,000,000 \text{ Units} \end{aligned}$
Redemption Price	<p>The Redemption Price of a Unit of a Class is the NAV per Unit at the next valuation point after the redemption request is received by us (Forward Pricing).</p> <p><u>Calculation of Redemption Price</u></p> <p>Illustration - Redemption of Units</p> <p>Example:</p> <p>If you wish to redeem 10,000.00 Units from Class A before 4.00 p.m. on any Business Day and if no redemption charge is imposed, the total amount to be paid to you and the number of Units redeemed by you will be as follows:</p> <p>Assuming that the NAV per Unit for Class A at the end of a Business Day = RM1.0000</p>

PRICING POLICY	
	<p>Redemption charge payable by you = $0\% \times \text{RM}1.0000 \times 10,000$ Units = RM0.00</p> <p>The total amount to be paid to you will be:</p> <p>= the number of Units to be redeemed multiplied with the NAV per Unit less redemption charge</p> <p>= $[10,000.00 \text{ Units} \times \text{RM}1.0000] - \text{RM}0.00$</p> <p>= <u>RM10,000.00</u></p> <p>Therefore, you will receive <u>RM10,000.00</u> as redemption proceeds.</p>
Incorrect Pricing	<p>We shall ensure that the Fund and the Units of the Class are correctly valued and priced according to the Deed and all relevant laws. Where there is an error in the valuation and pricing of the Fund and/or Units, any incorrect valuation and pricing of the Fund and/or Units which is deemed to be significant will involve the reimbursement of money in the following manner:</p> <p>(i) by us to the Fund; or</p> <p>(ii) by the Fund to you and/or to former Unit Holders.</p> <p>However, reimbursement of money shall only apply if the error is at or above the significant threshold of 0.5% of the NAV per Unit and the amount to be reimbursed is RM10.00 or more.</p>

8. VALUATION POLICY AND VALUATION BASIS

VALUATION POLICY AND VALUATION BASIS	
Valuation Point	<p>The Fund is valued once at the end of every Business Day.</p> <p>As such, the daily price of the Fund for a particular Business Day will be published on the next Business Day.</p>
Valuation of Investment	<p>The valuation bases of the permitted investments of the Fund are as follows:</p> <p><u>Sukuk</u></p> <p>Listed sukuk will be valued daily based on the last done market price.</p> <p>However, if:-</p> <p>(a) a valuation based on the market price does not represent the fair value of the listed sukuk, for example during abnormal market conditions; or</p> <p>(b) no market price is available, including in the event of a suspension in the quotation of listed sukuk for a period exceeding 14 days, or such shorter period as agreed by the Trustee,</p> <p>then the listed sukuk would be valued at fair value, as determined in good faith by us based on the methods or bases</p>

VALUATION POLICY AND VALUATION BASIS

approved by the Trustee after appropriate technical consultation.

Investments in unlisted sukuk will be valued daily based on the price quoted by a bond pricing agency (“BPA”) registered with the SC. Where we are of the view that the price quoted by BPA for a specific sukuk differs from the market price by more than 20 basis points, we may use the market price provided that we:

- (a) record our basis for using a non-BPA price;
- (b) obtain the necessary internal approvals to use the non-BPA price; and
- (c) keep an audit trail of all decisions and basis for adopting the market yield.

Islamic money market instruments

Investments in Islamic commercial papers and Islamic treasury bills are valued each day based on the price quoted by BPA registered with the SC. Where we are of the view that the price quoted by BPA differs from the market price by more than 20 basis points, we may use the market price provided that we:

- (a) record our basis for using a non-BPA price;
- (b) obtain the necessary internal approvals to use the non-BPA price; and
- (c) keep an audit trail of all decisions and basis for adopting the market yield.

For investments in Islamic money market instruments with remaining term to maturity of not more than 90 days at the time of acquisition, such instruments are valued each day based on amortised cost. The risk of using amortised cost accounting is the mispricing of the Islamic money market instruments. We will monitor the valuation of such Islamic money market instruments using amortised cost method against the market value on a daily basis and will use the market value if the difference in valuation exceeds 3%.

Islamic deposits

Islamic deposits placed with financial institutions are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period.

Islamic CIS

Units in listed Islamic CIS are valued based on the last done market price and unlisted Islamic CIS will be valued based on the last published repurchase price.

Computation of NAV and NAV per Unit

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

Please note that the example below is for illustration only:

		Fund (RM)	Class A (RM)	Class B (RM)
	Value of the Fund	101,500,000		
Add:	Other assets (including cash & income)	200,000		
Less:	Liabilities	100,000		
	NAV of the Fund before deducting management fee and trustee fee for the day	101,600,000		
	Multi class ratio [^]	100%	60%	40%
	NAV of the Class before deducting management fee and trustee fee for the day		60,960,000	40,640,000
Less:	Management fee for the day		(60,960,000 x 0.30% / 365 days)	(40,640,000 x 0.15% / 365 days)
		668.05	501.04	167.01
Less:	Trustee fee for the day		(60,960,000 x 0.03% / 365 days)	(40,640,000 x 0.03% / 365 days)
		83.50	50.10	33.40
	Total NAV (RM)	101,599,248.45	60,959,448.86	40,639,799.59

[^]Multi class ratio is apportioned based on the size of the Class relative to the whole Fund. This means the multi class ratio is calculated by taking the value of a Class for a particular day and dividing it with the value of the Fund for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

The NAV per Unit of a Class is calculated by dividing the NAV of the Fund attributable to the Class by the number of Units in circulation of that Class at the end of each Business Day.

Assuming there are 100,000,000 Units of the Fund in circulation at the point of valuation, the NAV per Unit of a Class shall therefore be calculated as follows:

		Fund (RM)	Class A (RM)	Class B (RM)
	NAV	101,599,248.45	60,959,448.86	40,639,799.59
Divide:	Units in circulation	100,000,000	60,000,000	40,000,000
	NAV per Unit of the Class (RM)		1.0160*	1.0160*

**The NAV per Unit of each Class will be rounded up to 4 decimal places for the purposes of publication of the NAV per Unit.*

9. PARTIES TO THE FUND

PARTIES TO THE FUND	
The Manager	Our corporate information is available on our website at https://www.maybank-am.com/web/islamic/corporate-profile .
Our Role as the Manager	<p>We are responsible for the day-to-day management of the Fund in accordance with, amongst others, the provisions of the Deed, the CMSA, the relevant SC's guidelines and our internal policies and for the development and implementation of appropriate investment strategies. The main tasks performed by us include:</p> <ul style="list-style-type: none"> (a) selecting and managing investments of the Fund; (b) executing, supervising and valuing investments of the Fund; (c) conducting the sale and redemption of Units in the Fund; (d) issuing reports on the Fund's performance; (e) distributing income to Unit Holders; and (f) keeping proper records of the Fund.
Our Investment Team	Our investment team formulates, establishes and implements investment strategies and policies. The investment team will review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The investment team will also ensure investment guidelines and regulations are complied with. The investment team will meet at least once a month or more should the need arise.
Designated Fund Manager	<p>Muhammad Riduan bin Jasmi</p> <p>Muhammad Riduan bin Jasmi is the Chief Investment Officer of MIAM and his profile is available at https://www.maybank-am.com/web/islamic/key-people.</p>
The Trustee	TMF Trustees Malaysia Berhad
Duties and Responsibilities of the Trustee	The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance

PARTIES TO THE FUND	
	<p>and is required to act in accordance with the provisions of the Deed, the laws and all relevant guidelines.</p> <p>The Trustee also assume an oversight function on the management company by ensuring that the management company performs its duties and obligations in accordance with the provisions of the Deed, the laws and all relevant guidelines.</p>
Trustee's Delegate	<p>The Trustee has appointed Standard Chartered Saadiq Berhad ("SCSB") as the custodian of the quoted and unquoted investments of the Fund. SCSB was incorporated in Malaysia under the same name on 30 June 2008 under the Companies Act 1965 (now known as Companies Act 2016) as a public limited company and is an indirect subsidiary of Standard Chartered Bank (Singapore) Limited and an indirect subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCSB was granted a license on 12 October 2008 under the Islamic Banking Act 1983 (now known as Islamic Financial Services Act 2013).</p> <p>SCSB is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instructions from the Trustee.</p>
Trustee's Statement of Responsibility	<p>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.</p>
Trustee's Material Litigation and Arbitration	<p>As at LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.</p>

10. SALIENT TERMS OF THE DEED

10.1 Rights of the Unit Holders

A Unit Holder has the right, amongst others:

- (a) to receive distribution of income and/or capital (if any);
- (b) to participate in any increase in the value of the Units;
- (c) to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through special resolution;
- (d) to receive annual and quarterly reports of the Fund; and
- (e) to enjoy such other rights and privileges as set out in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the Fund's assets or be entitled to interfere with or question the exercise by the Trustee, or the Manager on the Trustee's behalf, of the rights of the Trustee as the registered owner of such assets.

10.2 Liabilities of Unit Holders

No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined in accordance to the Deed at the time the Units were purchased and any charges payable in relation thereto.

A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund's assets, and any right of indemnity of the Manager and/or the Trustee pursuant to this clause shall be limited to recourse to the Fund.

10.3 Termination of the Fund or a Class

Termination of the Fund

The Manager may determine the trust and wind up the Fund in accordance with the relevant laws. Notwithstanding the aforesaid, if the Fund is left with no Unit Holders, the Manager shall be entitled to terminate the Fund.

The Manager may also, in its sole discretion and without having to obtain the prior approval of the Unit Holders, terminate the trust and wind up the Fund if the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

The Manager, upon termination, may notify the existing Unit Holders in writing of the following options:

1. to receive the net cash proceeds derived from the sale of all the Fund's assets less any payment for liabilities of the Fund and any cash produce available for distribution in proportion to the number of Units held by the Unit Holders respectively;
2. to use the net cash proceeds to invest in any other wholesale fund managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
3. to choose any other alternative as may be proposed by the Manager.

Nonetheless, the Fund may be terminated or wound up if a special resolution is passed at a Unit Holder's meeting to terminate or wind up the Fund.

Termination of a Class

The Manager may terminate a particular Class via the passing of a special resolution by the Unit Holders of such Class at a meeting of Unit Holders of such Class, and subject to and in accordance with the relevant laws. The Manager may only terminate a particular Class if the termination of that Class does not prejudice the interests of Unit Holders of any other Class. For the avoidance of doubt, the termination of a Class shall not affect the continuity of any other Class of the Fund.

The Manager may, in its sole discretion and without having to obtain the prior approval of the Unit Holders, terminate a particular Class if the Manager deems it to be uneconomical for the Manager to continue managing that Class.

10.4 Power to call for a Meeting by Unit Holders

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed.

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

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed,

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

Every question arising at any 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 the Deed requires a special resolution a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one (1) vote notwithstanding that a Unit Holder may hold Units in different Classes. Upon a voting by poll, the votes by every Unit Holder present in person or by proxy shall be proportionate to the value of Units held by him.

Quorum

- (a) The quorum required for a meeting of the Unit Holders of the Fund or a Class (as the case may be) shall be five (5) Unit Holders, whether present in person or by proxy; however if the Fund or a Class (as the case may be) has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a Class (as the case may be) shall be two (2) Unit Holders, whether present in person or by proxy.
- (b) If the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in circulation of the Fund or a Class (as the case may be) at the time of the meeting.
- (c) If the Fund or a Class, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a Class, as the case may be.

11. CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS

Manager

As at LPD, we are not aware of any existing or potential conflict of interest situations which may arise.

Save as disclosed below, there are no existing or proposed related party transactions involving the Fund, us as the manager, the Trustee and/or persons connected to them as at LPD:

Name of Party	Name of Related Party and Nature of Relationship	Existing / Potential Related Party Transaction
The Manager	<p>Maybank</p> <p>The Manager is wholly-owned by Maybank Asset Management Group Berhad (“MAMG”). MAMG is wholly owned by Maybank.</p>	<p>Distributor:</p> <p>Maybank has been appointed as one of the Manager’s institutional unit trust scheme advisers.</p> <p>Delegate:</p> <p>The Manager has delegated its back office functions (i.e., the fund accounting and valuation function and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank.</p>
	<p>MAMG</p> <p>The Manager is wholly-owned by MAMG.</p>	<p>Delegate:</p> <p>The Manager has delegated its back office functions (i.e., finance, performance attribution, administration, legal, compliance, corporate secretarial services, strategy and project management office and risk management) to MAMG.</p>
	<p>Maybank Shared Services Sdn Bhd</p> <p>Maybank Shared Services Sdn Bhd is wholly-owned by Maybank.</p>	<p>Delegate:</p> <p>The Manager has delegated its information technology function to Maybank Shared Services Sdn Bhd.</p>
	<p>Maybank Asset Management Sdn Bhd (“MAM”)</p> <p>MAM is wholly owned by MAMG. MAMG wholly owns the Manager.</p>	<p>Delegate:</p> <p>The Manager has delegated the central dealing, product services, client services and business operations function to MAM.</p>

12. TAX

Unit Holders and/or the Fund, as the case may be, will bear any tax which may be imposed by the government or other authorities from time to time in addition to the applicable fees, charges and expenses stated in this Information Memorandum.

13. CUSTOMER INFORMATION SERVICE

Unit Holders can seek assistance on any issue relating to the Fund from our client servicing personnel at our office at 03 - 2297 7888 from 8.45 a.m. to 5.45 p.m. from Monday to Thursday and from 8.45 a.m. to 4.45 p.m. on Friday. Alternatively, Unit Holders may e-mail their enquiries to mamcs@maybank.com.my.

Alternatively, Unit Holders can contact:

- (i) Complaints Bureau, FIMM via:
 - Tel No: 03 - 7890 4242
 - email: complaints@fimm.com.my
 - Online complaint form: www.fimm.com.my
 - Letter: Complaints Bureau
Legal & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Capital A
No. 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur.

- (ii) Securities Industry Dispute Resolution Center (SIDREC) via:
 - Tel No: 03 - 2276 6969
 - email: info@sidrec.com.my
 - Letter: Securities Industry Dispute Resolution Center
Level 25, Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur.

- (iii) Consumer & Investor Office, SC via:
 - Tel No: 03 - 6204 8999 (*Aduan hotline*)
 - Fax No: 03 - 6204 8991
 - email: aduan@seccom.com.my
 - Online complaint form: www.sc.com.my
 - Letter: Consumer & Investor Office
Securities Commission Malaysia
No. 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur.

14. TAX ADVISER'S LETTER



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Taxation adviser's letter in respect of the taxation of the unit trust fund and the unit holders (prepared for inclusion in this Information Memorandum)

Ernst & Young Tax Consultants Sdn Bhd
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50490 Kuala Lumpur

14 October 2024

The Board of Directors
Maybank Islamic Asset Management Sdn Bhd
Level 12, Tower C
Dataran Maybank
No. 1, Jalan Maarof
59000 Kuala Lumpur

Dear Sirs

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Information Memorandum in connection with the offer of units in the unit trust known as Maybank Islamic Strategic Income Fund (hereinafter referred to as "the Fund").

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

Taxation of the Fund

The taxation of the Fund 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 Fund 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 the 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.



The Board of Directors
Maybank Islamic Asset Management Sdn Bhd
14 October 2024

2

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 dividend¹, interest and rent chargeable to tax for that basis period; and
 - C is the aggregate of the gross income consisting of dividend¹ 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.

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
Maybank Islamic Asset Management Sdn Bhd
14 October 2024

3

Exempt income

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

▸ **Malaysian sourced dividends**

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

▸ **Malaysian sourced interest**

- (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 Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²;
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002²;
- (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 approved by the Labuan Financial Services Authority (LFSA)³; 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.

² Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the Income Tax Act, 1967 shall not apply to a wholesale fund which is a money market fund.

³ Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

Foreign-sourced income (FSI)

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

Based on the Malaysian Inland Revenue Board's "Guidelines on Tax Treatment in Relation to Income Received from Abroad (Amendment)" updated on 20 June 2024, the term "received in Malaysia" means transferred or brought into Malaysia, either by way of cash⁴ or electronic funds transfer⁵.

FSI received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax⁶, and where relevant conditions are met.

The Income Tax (Unit Trust In Relation To Income Received In Malaysia From Outside Malaysia) (Exemption) Order 2024 [P.U.(A) 250] has been issued to exempt a "qualifying unit trust"⁷ from the payment of income tax in respect of gross income from all sources of income under Section 4 of the MITA which is received in Malaysia from outside Malaysia.

This exemption applies for such FSI received in Malaysia from 1 January 2024 to 31 December 2026 subject to the following conditions being complied with by the qualifying unit trust or the management company⁸ of the qualifying unit trust:

- The income received in Malaysia has been subject to foreign tax i.e. tax of a similar character to income tax under the laws of territory where the income arises; and
- The highest rate of tax of similar character to income tax charged under the law of the territory where the income arises is not less than 15%.

OR

⁴ "Cash" in this context is defined as banknotes, coins and cheques.

⁵ "Electronic funds transfer" means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

⁶ "Foreign tax" includes withholding tax

⁷ "Qualifying unit trust" in this context means a unit trust resident in Malaysia that is:

- (a) managed by a management company;
- (b) has income received in Malaysia from outside of Malaysia; and
- (c) does not include a unit trust which is approved by the Securities Commission as Real Estate Investment Trust or Property Trust Fund listed on Bursa Malaysia.

⁸ "Management company" means a company licensed by the Securities Commission by which or on whose behalf a unit of a qualifying unit trust -

- a) has been or is proposed to be issued, or offered for subscription or purchase; or
- b) in respect of which an invitation to subscribed or purchase has been made.

and includes any person for the time being exercising the functions of the management company.



The Board of Directors
Maybank Islamic Asset Management Sdn Bhd
14 October 2024

5

- ▶ The management company of the qualifying unit trust shall Employ an adequate number of employees in Malaysia and incur an adequate amount of operating expenditure in Malaysia.

The exemption will not apply to a unit trust carrying on the business of banking, insurance or sea or air transport.

Gains from the realisation of investments

Pursuant to the Finance (No. 2) Act 2023 ("Finance Act"), gains from the realisation of investments by a unit trust would no longer be exempt from tax. Pursuant to Section 61(1)(b) of the MITA, gains arising from the realisation of investments shall be treated as income of a unit trust under Section 4(aa) of MITA, provided that such gains are not related to real property as defined in the Real Property Gains Tax Act 1976. Section 4(aa) provides that gains or profits from the disposal of a capital asset are to be treated as a class of income. The tax imposed on such income under the MITA is commonly referred to as "capital gains tax" (CGT).

Based on the MITA, the following will be subject to Malaysian CGT:

Capital assets situated in Malaysia

- a) Gains or profits from the disposal of shares of a company incorporated in Malaysia not listed on the stock exchange (including any rights or interests thereof) owned by a company, limited liability partnership, trust body or co-operative society
- b) Gains or profits, accruing to a company, limited liability partnership, trust body or co-operative society, on the disposal of shares in foreign incorporated controlled companies deriving value from real property in Malaysia, as determined based on the relevant provisions of the MITA.

Capital assets situated outside Malaysia

- c) Gains or profits from the disposal of movable or immovable property situated outside Malaysia including any rights or interests thereof. Such gains will only be subject to tax when the gains are received in Malaysia.

Note:

Pursuant to the Income Tax (Exemption) (No.3) Order 2024 [P.U.(A) 75], a trust body is exempted from payment of income tax in respect of gains or profits from the disposal of capital asset arising from outside Malaysia which is received in Malaysia. This exemption applies for such disposals from 1 January 2024 to 31 December 2026 subject to the following conditions being complied with by the trust body:

- ▶ employ an adequate number of employees in Malaysia with necessary qualifications to carry out the specified economic activities in Malaysia; and



- ▶ incur an adequate amount of operating expenditure for carrying out the specified economic activities in Malaysia.

The Finance Act provides an effective date of 1 January 2024 for the above changes to the MITA. However, pursuant to the Income Tax (Exemption) (No. 7) Order 2023 [P.U.(A) 410] and the Income Tax (Exemption) (No. 2) Order 2024 [P.U.(A) 57], taxpayers, including a trust body, are exempted from the payment of income tax in respect of any gains or profits received from the disposal of capital assets situated in Malaysia (see Item (a) and (b) above) where such disposals occur between 1 January and 29 February 2024.

In addition to the above, the Income Tax (Unit Trust) (Exemption) Order 2024 [P.U.(A) 249] exempts a qualifying unit trust⁹ resident in Malaysia from the payment of income tax in respect of any gains or profit received from the disposal of shares of a company incorporated in Malaysia which is not listed on the stock exchange and from the disposal of shares under section 15C of the MITA where such disposals occur between 1 January 2024 to 31 December 2028.

The exemption will not apply to a unit trust carrying on the business of banking, insurance or sea or air transport.

CGT rates

The relevant tax rates of the gains of the disposal of capital assets are as below:

	Tax rates
A. Disposal of capital assets situated in Malaysia which was acquired before 1 January 2024 <ul style="list-style-type: none"> ▶ On chargeable income of the disposal ▶ On gross disposal price 	10% 2%
B. Disposal of capital assets situated in Malaysia which was acquired after 1 January 2024 <ul style="list-style-type: none"> ▶ On chargeable income of the disposal 	10%
C. Disposal of capital assets situated outside Malaysia <ul style="list-style-type: none"> ▶ On chargeable income of the disposal 	24% (prevailing tax rate of a unit trust)

⁹ "Qualifying unit trust" in this context does not include a unit trust which is approved by the Securities Commission as a Real Estate Investment Trust or Property Trust Fund listed on Bursa Malaysia.

Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to service tax¹⁰ provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of unit holders

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

The income of unit holders from their investment in the Fund 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:

¹⁰ Pursuant to Service Tax (Rate of Tax) (Amendment) Order 2024 [P.U. (A) 64], the service tax rate is increased from 6% to 8% with effect from 1 March 2024 on generally all of the taxable services except for provision of food and beverage services, telecommunication services, parking space and logistics services.



1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount. See however item 2 below on certain distributions which are not taxable to unit holders.

Such taxable 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 holders.

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 Fund will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the MITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

As stated above, with effect from 1 January 2024 (1 March 2024 for disposals of shares of a company incorporated in Malaysia not listed on the stock exchange), gains arising from the realisation of investments shall be treated as income of the Fund under Section 4(aa), pursuant to the proviso of Section 61(1)(b) of MITA.¹² However, pursuant to Section 61(1A) of MITA, unit holders will still not be charged to tax on the gains referred to in the proviso to Section 61(1)(b).

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:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> • Individual and non-corporate unit holders (such as associations and societies) • Co-operatives¹¹ • Trust bodies • Corporate unit holders <ul style="list-style-type: none"> (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) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment^{12 13} 	<ul style="list-style-type: none"> • Progressive tax rates ranging from 0% to 30% • Progressive tax rates ranging from 0% to 24% • 24% • First RM150,000 of chargeable income @ 15%¹⁴ • Next RM450,000 of chargeable income @17% • Chargeable income in excess of RM600,000 @ 24%

¹¹ 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.

¹² A company would not be eligible for the concessionary tax rate on the first RM600,000 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.
(d) Pursuant to the Finance Act 2023, effective from the year of assessment 2024, in order for a company to qualify for the concessionary tax rates not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia.

¹³ The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

¹⁴ Pursuant to the Finance Act 2023, effective from the year of assessment 2023, the concessionary tax rate is reduced from 17% to 15% for the first RM150,000 of chargeable income.



Unit holders	Malaysian income tax rates
(ii) Companies other than (i) above	<ul style="list-style-type: none"> • 24%
Non-Malaysian tax resident (Note 1): <ul style="list-style-type: none"> • Individual and non-corporate unit holders • Corporate unit holders and trust bodies 	<ul style="list-style-type: none"> • 30% • 24%

Note 1:

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.

Gains from sale of units

Gains arising from the sale of units will generally 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 as follows:

- Unit splits - new units issued by the Fund 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 Fund.



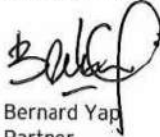
The Board of Directors
Maybank Islamic Asset Management Sdn Bhd
14 October 2024

11

We hereby confirm that, as at the date of this letter, the statements made in this letter 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 Fund. 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 Fund.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd



Bernard Yap
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 Information Memorandum and has not withdrawn such consent before the date of issue of this Information Memorandum.

Maybank Islamic Asset Management Sdn Bhd
(Registration No.: 201301012623 (1042461-K))

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