

# **EASTSPRING INVESTMENTS WHOLESALE SUKUK EXTRA FUND**

## **Information Memorandum**

This Information Memorandum is dated 28 May 2021.

The date of constitution of the Eastspring Investments Wholesale Sukuk Extra Fund is 28 May 2021\*.

*\*The constitution date of this Fund is also the launch date of this Fund.*

### **MANAGER**

**EASTSPRING INVESTMENTS BERHAD**  
200001028634 (531241-U)

### **TRUSTEE**

**DEUTSCHE TRUSTEES MALAYSIA BERHAD**  
200701005591 (763590-H)

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 6.**

## **RESPONSIBILITY STATEMENT**

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

## **STATEMENTS OF DISCLAIMER**

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Eastspring Investments Berhad and takes no responsibility for the contents of the information memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this information memorandum.

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

## **ADDITIONAL 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 the information memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the information memorandum or the conduct of any other person in relation to the Eastspring Investments Wholesale Sukuk Extra Fund.

Eastspring Investments Wholesale Sukuk Extra Fund has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund.

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# 1. DEFINITIONS

In this information memorandum, the following abbreviations or words shall have the following meanings unless expressly stated:

“**accredited investors**” refers to:

- (a) Central Bank of Malaysia (“BNM”) established under the *Central Bank of Malaysia Act 2009*;
- (b) a holder of a Capital Markets Services Licence;
- (c) an executive director or chief executive officer of a holder of a Capital Markets Services Licence;
- (d) a unit trust scheme or a prescribed investment scheme;
- (e) a closed end fund approved by the SC;
- (f) a licensed bank as defined in the *Financial Services Act 2013* or a licensed Islamic bank as defined in the *Islamic Financial Services Act 2013*;
- (g) a Labuan bank as defined under the *Labuan Financial Services and Securities Act 2010*;
- (h) a licensed insurer as defined in the *Financial Services Act 2013*;
- (i) an insurance licensee as defined in the *Labuan Financial Services and Securities Act 2010*;
- (j) a takaful licensee as defined in the *Labuan Islamic Financial Services and Securities Act 2010*;
- (k) a licensed takaful operator as defined in the *Islamic Financial Services Act 2013*; or
- (l) a private retirement scheme as defined in the Capital Market Services Act 2007;

“**Act**” means the *Capital Markets and Services Act 2007* as may be amended from time to time;

“**Authorised Distributors**” refers to IUTA, CUTA, UTC and any other entities authorised by the Manager to market and distribute the Fund;

“**BNM**” means Bank Negara Malaysia;

“**Bursa Malaysia**” means the stock exchange managed and operated by Bursa Malaysia Securities Berhad;

“**Business Day**” means a day on which Bursa Malaysia is open for trading;

“**CUTA**” means Corporate Unit Trust Scheme Adviser, a licensed financial planner registered with the FIMM and is authorised to market and distribute unit trust schemes of another party;

“**Deed**” means the deed dated 26 April 2021 entered into between the Manager and the Trustee in respect of the Fund as may be modified by a supplemental deed from time to time;

“**deposits**” means moneys placed with financial institutions in fixed deposits or current account;

“**External Investment Manager**” means Eastspring Al-Wara’ Investments Berhad;

“**financial institution**”

- if the institution is in Malaysia -
  - i. licensed bank;
  - ii. licensed investment bank; or
  - iii. licensed Islamic bank; or
- if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services;

“**FIMM**” means Federation of Investment Managers Malaysia;

“**Fund or Eastspring Wholesale Sukuk Extra Fund**” means Eastspring Investments Wholesale Sukuk Extra Fund;

“**high net-worth entities**” refers to:

- (a) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
- (b) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- (c) a company that is registered as a trust company under the *Trust Companies Act 1949* which has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (d) a corporation that is a public company under the *Companies Act 2016* which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (e) a pension fund approved by the Director General of Inland Revenue under section 150 of the *Income Tax Act 1967*; or
- (f) a statutory body established by an Act of Parliament or an enactment of any State;

**"high net-worth individuals"** refers to:

- (a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
- (b) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months; or
- (c) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months;

**"Information Memorandum"** means this information memorandum and includes any supplementary information memorandum or replacement information memorandum, as the case may be;

**"IUTA"** means Institutional Unit Trust Scheme Adviser, a corporation registered with the FIMM and is authorised to market and distribute unit trust schemes of another party;

**"Labuan FSA"** means the Labuan Financial Services Authority;

**"Manager"** means Eastspring Investments Berhad;

**"MARC"** means Malaysian Rating Corporation Berhad;

**"Net Asset Value or NAV"** means the value of all the Fund's assets less the value of all the Fund's liabilities, at the valuation point;

**"NAV per Unit"** means the NAV of the Fund divided by the number of Units in circulation, at the valuation point;

**"RAM"** means RAM Rating Services Berhad;

**"RM"** means Ringgit Malaysia, the lawful currency of Malaysia;

**"SAC"** means the Shariah Advisory Council;

**"SC"** means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993;

**"Shariah"** means Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of the Shariah namely the *Qur'an* (the holy book of Islam) and *Sunnah* (practices and explanations rendered by the Prophet Muhammad (*pbuh*)) and other sources of Shariah such as *Ijtihad* (exertion of individual efforts to determine the true ruling of the divine law on matters whose revelations are not explicit) of Shariah scholars;

**"Shariah Adviser"** means BIMB Securities Sdn Bhd;

**"Shariah requirements"** means a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct, all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element;

**"Shariah Supervisory Boards"** is an independent body of specialised jurists in *Fiqh al-mua'malat* (Islamic commercial jurisprudence);

**"Sophisticated Investor"** refers to accredited investors, high net-worth entities or high net-worth individuals;

**"sukuk"** refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SAC of the SC or any relevant Shariah Supervisory Boards and/or the Shariah adviser;

**"Trustee"** means Deutsche Trustees Malaysia Berhad;

**"Unit(s)"** means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund;

**"Unit Holder(s)"** or **"you"** means the person for the time being who is registered pursuant to the Deed as a holder of Units, including a jointholder; and

**"UTC"** means Unit Trust Scheme Consultant, an individual registered with the FIMM and is authorised to market and distribute unit trust schemes.

## 2. CORPORATE DIRECTORY

### MANAGER

NAME : **EASTSPRING INVESTMENTS BERHAD**  
REGISTRATION NO. : 200001028634 (531241-U)  
REGISTERED OFFICE : Level 25, Menara Hong Leong  
No. 6, Jalan Damanlela  
Bukit Damansara  
50490 Kuala Lumpur  
BUSINESS OFFICE : Level 22, Menara Prudential  
Persiaran TRX Barat  
55188 Tun Razak Exchange  
Kuala Lumpur  
TELEPHONE NO. : 603-2778 3888  
FAX NO. : 603-2789 7220  
EMAIL : cs.my@eastspring.com  
WEBSITE : www.eastspring.com/my

### TRUSTEE

NAME : **DEUTSCHE TRUSTEES MALAYSIA BERHAD**  
REGISTRATION NO. : 200701005591 (763590-H)  
REGISTERED OFFICE & BUSINESS OFFICE : Level 20, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
TELEPHONE NO. : 603-2053 7522  
FAX NO. : 603-2053 7526

### SHARIAH ADVISER

NAME : **BIMB SECURITIES SDN BHD**  
REGISTRATION NO. : 199401004484 (290163-X)  
REGISTERED OFFICE & BUSINESS OFFICE : Level 32, Menara Multi Purpose  
Capital Square  
No.8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
TELEPHONE NO. : 603-2613 1600  
FAX NO. : 603-2613 1799  
EMAIL : shariah@bimbsec.com.my  
WEBSITE : www.bimbsec.com.my

### 3. FUND INFORMATION

**Fund Name**

Eastspring Investments Wholesale Sukuk Extra Fund

**Base Currency**

Ringgit Malaysia

**Fund Category / Type**

Sukuk / Income

**Initial Offer Period**

A period of twenty-one (21) days commencing from 28 May 2021 to 17 June 2021.

*The initial offer period may be shortened by the Manager when the Manager is of the view that it is in the best interests of the Unit Holders to commence investing for the Fund.*

**Offer Price**

RM1.0000

**Fund Objective**

The Fund aims to provide regular income stream\* and capital growth to Unit Holders.

*\* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out. Kindly refer to page 18 for more information on the mode of distribution.*

**ANY MATERIAL CHANGE TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.****Investment Strategy**

The External Investment Manager aims to achieve the Fund's objective by actively managing a portfolio of corporate sukuk, sukuk issued or guaranteed by Malaysian government or BNM, Islamic money market instruments, Islamic money market funds and/or Islamic deposits.

The average duration of the investment portfolio of the Fund shall not exceed 3 years and as such, this Fund will be suitable for investors who are looking for a fund that is of short to medium term.

The Fund shall place in Islamic deposits or invest in Islamic money market instruments issued by financial institutions. The credit ratings of the financial institutions will be of a minimum credit rating of AA3/AA- by RAM/MARC or its equivalent rating by any other domestic rating agencies. In the event that the credit ratings of the financial institutions are not available, we will use the credit rating of the parent company of the financial institutions, which should also be of a minimum credit rating of AA3/AA- by RAM/MARC or its equivalent rating by any other domestic rating agencies.

Should the credit rating of the financial institutions or its parent company be downgraded by the rating agencies to below the minimum credit rating, the External Investment Manager shall cease to place new moneys or invest in Islamic money market instruments with the financial institutions concerned.

The credit ratings of corporate sukuk will be of a minimum credit rating of AA3/AA- by RAM/MARC or its equivalent rating by any other domestic rating agencies at the point of purchase.

Sukuk and Islamic money market instruments issued by the Malaysian government or BNM need not be rated.

Furthermore, the Fund may also choose to increase its holdings in Islamic deposits, Islamic money market instruments, Islamic money market funds or any combination of these 3 types of investments, if the size of the Fund is relatively small and where the Fund does not have sufficient moneys to invest in corporate sukuk and/or sukuk issued or guaranteed by Malaysian government or BNM.

**Asset Allocation**

Asset Class	% of the Fund's NAV
Corporate sukuk and/or sukuk issued or guaranteed by Malaysian government or BNM	Up to 100%
Islamic money market instruments, Islamic deposits, Islamic money market funds or any combination of these 3 types of investments	Up to 70%

**Performance Benchmark**

Maybank 1-month Islamic Fixed Deposit-i

Source: [www.maybank2u.com.my](http://www.maybank2u.com.my)

Note: The risk profile of the Fund is not the same as the risk profile of the performance benchmark.

## **Income Distribution Policy**

Subject to the availability of income, distribution of income, if any, will be on quarterly basis, after deduction of taxation and expenses. Income distribution may also be distributed in any other periods as may be determined by the Manager from time to time.

Kindly refer to page 18 for more information on the mode of distribution.

## **Temporary Defensive Positions**

If and when the External Investment Manager considers the market, economic, political or other conditions to be adverse to the Fund, the External Investment Manager may take temporary defensive position to respond to those conditions. In such circumstances, the Fund may temporarily increase its holdings in Islamic money market instruments, Islamic deposits or Islamic money market funds by more than the allocated percentage of the Fund's asset allocation.

## **Risk Management Strategies**

The risk management strategies employed by the Manager includes the following:-

- monitoring market and economic conditions;
- monitoring adherence to the Fund's objective and investment restrictions and limits;
- monitoring the performance of the Fund;
- taking temporary defensive positions, when required; and
- escalating and reporting investment matters to the investment committee, senior management team, risk management committee, audit and compliance committee and board of directors.

## **Permitted Investments**

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund is permitted under the Deed to invest in the following:

- Sukuk;
- Islamic money market instruments;
- Islamic deposits with financial institutions;
- Units in Islamic money market funds; and
- Any other form of Shariah-compliant investments as may be permitted by the relevant authorities from time to time.

## **Investment Restrictions and Limits**

The investment restrictions and limits for the Fund shall be as follows:

- (a) The value of the Fund's placement in Islamic deposits with any single financial institution must not exceed 20% of the Fund's NAV;
- (b) The aggregate value of the Fund's investments in Islamic money market instruments and Islamic deposits issued by or placed with (as the case may be) any single financial institution must not exceed 25% of the Fund's NAV;
- (c) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a predetermined issue size;
- (d) Placement in Islamic deposits or investments in Islamic money market instruments shall not exceed 24 months in terms of their maturity tenure; and
- (e) The average duration of the investment portfolio of the Fund shall not exceed 3 years.

The investment restrictions and limits mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the restrictions or limits is permitted where the restriction or limit is breached through an appreciation or depreciation of the NAV (whether as a result of an appreciation or depreciation in value of the Fund's assets, or as a result of repurchase of Units or payment made from the Fund). The External Investment Manager will not make any further acquisition to which the relevant restriction or limit is breached, and the External Investment Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach.

## **Investors' Profile**

Sophisticated Investors who:

- seek a steady income stream;
- have a low to medium risk tolerance; and
- adopt a short to medium term investment horizon.

## **Deed**

The deed dated 26 April 2021.

## **Financial Year End**

30 September



## **RISK FACTORS**

### **General Risks of Investing in a Fund**

#### **Market risk**

Market risk refers to potential losses that may arise from adverse changes in the market conditions. Market conditions are generally, affected by, amongst others, economic and political stability. If the market which an Islamic fund invests in suffers a downturn or instability due to adverse economic or political conditions, this may adversely impact the market prices of the investments of the Islamic fund.

#### **Liquidity risk**

Liquidity risk refers to two scenarios. The first scenario is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario is where the investment is thinly traded. This may cause the Islamic fund to dispose the investment at an unfavourable price in the market and may adversely affect investor's investment. This risk may be mitigated through stringent security selection process.

#### **Inflation risk**

This risk refers to the risk that investor's investment in an Islamic fund may not grow or generate income at a rate that keeps pace with inflation, thus reducing investor's purchasing power even though the investment in monetary terms may have increased.

#### **Risk of non-compliance**

This risk arises from non-compliance with laws, rules and regulations, prescribed practices and the management company's internal policies and procedures, for example, due to oversight by the management company. Such non-compliance may force the management company to sell down the securities of the Islamic fund at a loss to rectify the non-compliance and in turn affect the value of the investors' investment in the Islamic fund. To mitigate this risk, the Manager has put in place internal controls to ensure its continuous compliance with laws, rules and regulations, prescribed practices and the Manager's internal policies and procedures.

#### **Management company risk**

The performance of an Islamic fund depends on the experience, expertise and knowledge of the management company. Should there be a lack of any of the above qualities by the management company, it may adversely affect the performance of the Islamic fund.

### **Specific Risks when Investing in the Fund**

#### **Credit or Default risk**

Credit risk refers to the creditworthiness of the issuers of the sukuk and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the sukuk.

Default risk relates to the inability of the issuer of the sukuk held by the Fund to make the profit or principal payments when due. In the event the issuer defaults in the profit or principal payments, the value of the Fund will be adversely affected.

#### **Counterparty risk**

The Fund will be exposed to credit risk of the counterparties with whom the Fund trades with or make placements of Islamic deposits. In the event that the counterparty is not able to fulfil its obligations especially in the event of bankruptcy, this may lead to a loss to the Fund. Counterparty risk may be mitigated by conducting credit evaluation on the counterparty to ascertain the creditworthiness of the counterparty.

#### **Interest rate risk**

Generally, the value of sukuk will move inversely to interest rate movements. Therefore, the value of sukuk may fall when interest rates rise and vice versa. Sukuk of longer duration tend to be more sensitive to interest rate changes.

The above interest rate is a general indicator that will have an impact on the management of the Fund regardless whether it is an Islamic fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

#### **Income distribution risk**

It should be noted that the distribution of income is not guaranteed. The distribution of income is made from realised gains and/or realised income. As such, the Fund may not be able to distribute income if it does not receive such cash flows.

#### **Shariah status reclassification risk**

This risk refers to the risk of a possibility that the currently held Shariah-compliant instruments invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah adviser. If this occurs, the External Investment Manager will take the necessary steps to dispose of such instruments. In such situation, the investment may need to be liquidated at an unfavorable market value which will affect the performance of the Fund.

**Note:** Please refer to cleansing process for the Fund below for details.

**THE ABOVE SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST OF THE RISKS WHICH INVESTORS SHOULD CONSIDER BEFORE INVESTING INTO THE FUND. INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE FUND MAY BE EXPOSED TO OTHER RISKS FROM TIME TO TIME. INVESTORS SHOULD CONSULT A PROFESSIONAL ADVISER FOR A BETTER UNDERSTANDING OF THE RISKS.**

## **SHARIAH INVESTMENT GUIDELINES, CLEANSING PROCESS AND ZAKAT FOR THE FUND**

### **(1) Shariah Investment Guidelines Adopted by BIMB Securities Sdn Bhd**

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

- The Fund must at all times and all stages of its operation comply with Shariah principles as resolved by the SAC of the SC or in cases where no specific rulings are made by the SAC of the SC, the decisions of the Shariah Adviser.
- The Fund must be raised and operated, and finally redeemed by the investors on the basis of contracts which are acceptable in Shariah. The banking facilities and short-term money market instruments used for the Fund have to be Shariah-compliant. Similarly, all the other investment instruments including sukuk, must be Shariah-compliant.
- For Islamic money market instruments and sukuk, they shall be based on the data readily available on BNM and SC websites.
- The decision of the Shariah Adviser shall be final.

### **(2) Cleansing process for the Fund**

#### **(a) Wrong Investment**

This refers to Shariah non-compliant investment made by the External Investment Manager. The said investment shall be disposed of/withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. In the event that the investment resulted in Shariah non-compliant income before or after the disposal of the instrument, it has to be channeled to *baitulmal* and/or charitable bodies approved by the Shariah Adviser. The Shariah Adviser advises that this cleansing process (i.e. channeling of income from wrongful investment to *baitulmal* and/or charitable bodies approved by the Shariah Adviser) shall be carried out within two (2) calendar months from the said disposal/withdrawal date. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

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

This refers to the instruments which were earlier classified as Shariah-compliant instruments but due to certain factors such as changes in the issuers' business direction and policy or failure to carry out proper Shariah contracts' transactions, which render the instruments Shariah non-compliant by the relevant authority or the Shariah adviser. If this occurs, the External Investment Manager will take the necessary steps to dispose of such instruments.

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

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

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

### **(3) Zakat for the Fund**

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

Note: The Shariah Adviser confirms that the investment portfolios of Eastspring Investments Wholesale Sukuk Extra Fund comprise instruments that have been classified as Shariah-compliant by the SAC of the SC and/or the SAC of BNM. For instruments that are not classified as Shariah-compliant by the SAC of the SC and/or the SAC of BNM, the Shariah Adviser will review and determine the Shariah status of the said instruments.

## **ROLES, DUTIES AND RESPONSIBILITIES OF THE MANAGER**

The Manager is responsible for the daily management and administration of the Fund in accordance with the provisions of the Deed and all relevant laws and guidelines. The Manager may undertake cross trades through a dealer or a financial institution on an arm's length and fair value basis and subject to the best interests of the Unit Holder. Below is the cross trade policy of the Manager.

### Cross Trade Policy

Cross trade is defined as a buy and sell transaction of the same security between two or more clients' accounts managed by a fund management company. The Manager may conduct cross trades provided the following conditions which are imposed by the regulators are met:

- the cross trade is in the best interests of both clients;
- the reasons for cross trades are documented prior to execution of the trades;
- the cross trade is executed through a dealer or a financial institution on an arm's length and fair value basis; and
- the cross trade transaction is disclosed to both clients.

All cross trades will be executed in accordance with the Manager's policy which is in line with the regulatory requirements. Post transactions, all cross trades will be reviewed by the Manager's compliance officer and the investment committee.

Cross trades between (i) the personal account of an employee of the Manager and any clients' account; and (ii) the Manager's proprietary accounts and any clients' account, are strictly prohibited.

The Manager's main duty includes:

- arranging for the sale and redemption of Units of the Fund;
- keeping proper records of the Fund and reporting to the Unit Holder; and
- providing sales, marketing and customer service support to the Unit Holder and fund distributors of the Fund.

The Manager has established a risk and compliance department under the supervision of the head of risk, compliance and legal who is responsible for the operational risk, investment risk, legal and compliance functions of the Manager. The head of risk, compliance and legal reports to the board of directors and the audit and compliance committee. The internal audit unit of the Prudential Group conducts all internal audit functions and reports to the audit and compliance committee.

## **INFORMATION IN RELATION TO THE EXTERNAL INVESTMENT MANAGER**

The Manager has appointed Eastspring Al-Wara' Investments Berhad as the external investment manager for the Fund. The External Investment Manager is responsible to invest the investments of the Fund in accordance with the Fund's objective and the Deed, subject to the Act, the guidelines and any practice notes issued by the SC from time to time, as well as the internal policies and procedures of the Manager. The External Investment Manager reports to the investment committee of the Fund on a regular basis on the status of the portfolio, proposed investment strategy and other matters relating to the portfolio of the Fund.

### **Background of Eastspring Al-Wara' Investments Berhad**

Eastspring Al-Wara' Investments Berhad ("Eastspring Al-Wara") was incorporated in June 2009 and is part of the Prudential Group. The ultimate parent company of the Prudential Group is Prudential plc whose shares are listed on the London, New York, Hong Kong and Singapore stock exchanges.

Eastspring Al-Wara' business is to manage funds on behalf of institutional client and as at 30 June 2020, it manages more than RM 6.6 billion of Shariah-compliant asset. Eastspring Al-Wara' is also part of the Malaysian International Islamic Financial Centre community, which focuses on supporting the development of the Malaysian Islamic capital market and positioning Malaysia as one of the leading global hubs for Islamic finance.

## **BASES OF VALUATION FOR THE FUND**

The bases of valuation of the respective assets classes of the Fund are as follows:

### **Unlisted sukuk**

Investments in unlisted sukuk denominated in Ringgit Malaysia will be valued on a daily basis using fair value prices quoted by a bond pricing agency registered with the SC. An example of such an agency is the Bond Pricing Agency Malaysia Sdn. Bhd. If the Manager is of the view that the price quoted by the bond pricing agency differs from the market price by more than twenty (20) basis points, the Manager may use the market price provided that the Manager records the basis for not using the bond pricing agency price and obtains the necessary internal approvals for not using the bond pricing agency price. The Manager will keep the audit trail of all the decisions and basis for adopting the market yield.

### **Islamic money market instruments**

Islamic money market instruments will be valued each day based on the price quoted by a bond pricing agency registered with the SC.

### **Islamic deposits**

Islamic deposits placed with financial institutions will be valued each day by reference to the principal value of such investments and profits accrued thereon, if any, for the relevant period.

### **Islamic money market funds**

Investments in Islamic money market funds will be valued each day based on the last published repurchase price.

## **VALUATION OF THE FUND**

### **Valuation Point**

The Fund will be valued at least once every Business Day. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at the next valuation point after the application to purchase or redeem Units is received by the Manager.

As the Fund invests in local market, the valuation of the Fund is conducted at the close of Bursa Malaysia on the same Business Day. If application for sale or redemption is received by the Manager on or before the cut-off time of 4.00 p.m. on any Business Day, say, Tuesday, the Tuesday's Unit pricing shall apply and will be calculated on Tuesday (if Tuesday is a Business Day). Tuesday's Unit pricing will be published on Wednesday (T+1).

You may contact the Manager directly or visit the Manager's website, [www.eastspring.com/my](http://www.eastspring.com/my) to obtain the latest NAV per Unit of the Fund.

## **POLICY ON GEARING**

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

- the Fund's financing is only on a temporary basis and that financing is not persistent;
- the financing period should not exceed a month;
- the aggregate financing of the Fund should not exceed 10% of the Fund's NAV at the time the financing is incurred; and
- the Fund may only obtain financing from financial institutions.

An Islamic fund must seek Islamic financing for the above requirements.

## 4. FEES, CHARGES AND EXPENSES

The fees, charges and expenses currently disclosed are exclusive of any taxes or duties that may be imposed by the government or other authorities from time to time. The Manager / Trustee (where applicable) shall have the right to charge and recover from the Fund any applicable taxes and / or duties now or hereafter imposed by law or required to be paid in connection with the products or services provided by the Manager / Trustee (where applicable).

### FEES AND CHARGES

Below are the fees and charges that you may **directly** incur when purchasing or redeeming Units of the Fund:

#### Sales Charge

The table below sets out the maximum rate of sales charge imposed by the Authorised Distributors:

Authorised Distributors	Sales charge as a percentage of the initial offer price during the initial offer period and thereafter, of the NAV per Unit
Manager	Nil
IUTA	
UTC or CUTA	

#### Repurchase Charge

Nil.

#### Switching Fee

Unit Holders are permitted to switch from the Fund to any other funds managed by the Manager where the currency denomination of the fund that they intend to switch into is the same as the currency denomination of this Fund. There is no limit on the frequency of switching.

There is no switching fee imposed on switching of Units but if a Unit Holder of the Fund wishes to switch into any other funds managed by the Manager and the sales charge of the Fund is less than the sales charge of the other funds to be switched into, the Unit Holder shall pay the difference between the two (2) sales charges of these two transacted funds. However, no sales charge will be imposed if the fund to be switched into has a lower sales charge than the Fund.

Switching from an Islamic fund to a conventional fund is not encouraged especially for Muslim Unit Holders.

#### Transfer Fee

Nil.

### FEES AND EXPENSES

Below are the fees and expenses that you may **indirectly** incur when you invest in the Fund:

#### Annual Management Fee

The Manager is entitled to an annual management fee of up to 0.50% of the Fund's NAV per annum calculated and accrued daily.

#### Annual Trustee Fee

The Trustee is entitled to an annual trustee fee based on the following fee tiering:

NAV of the Fund	Rate of annual trustee fee
Up to RM2 billion	0.03% of the Fund's NAV per annum subject to a minimum of RM15,000 per annum (excluding foreign custodian fees and charges) calculated and accrued daily.
Above RM2 billion	0.015% of the Fund's NAV per annum subject to a minimum of RM15,000 per annum (excluding foreign custodian fees and charges) calculated and accrued daily.

The Manager may, for any reason and at any time, waive, or reduce the amount of any fees (except the trustee fee) or other charges payable by you in respect of the Fund, either generally (for all Unit Holders) or specifically (for any particular Unit Holder) and for any period or periods of time at its absolute discretion.

## OTHER EXPENSES RELATED TO THE FUND

Only expenses that are directly related and necessary for the operation and administration of the Fund and permitted by the Deed may be charged to the Fund. The list of expenses related to the Fund is set out below:

- commissions or fees paid to brokers or dealers;
- auditors' fee;
- tax adviser's fee;
- Shariah adviser's fee;
- valuation fee\*;
- taxes;
- custodial charges (i.e. foreign sub-custodial charges only);
- costs incurred for any modification of the Deed other than for the benefit of the Manager or the Trustee;
- costs incurred for any meeting of the Unit Holders other than those convened for the benefit of the Manager and / or the Trustee;
- costs incurred for the termination of the Fund;
- cost of printing or posting the annual and quarterly reports;
- independent investment committee members' fee;
- any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and
- any other expenses allowed under the Deed.

\*These are fees incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund.

## OTHER FEES AND CHARGES

### Other charges

In executing transactions upon a Unit Holder's request, certain charges may be incurred. A Unit Holder shall bear these transaction charges, for instance bank charges, telegraphic or online transfer charges and courier charges. The Manager reserves the right to vary such conditions from time to time, which shall be communicated to the Unit Holder in writing.

## REBATES AND SOFT COMMISSIONS

Neither the Trustee nor the Manager is entitled to any rebates or to share in any commission from any broker or dealer in consideration for direct dealings in the investments of the Fund. Accordingly, any rebates and shared commissions will be directed to the account of the Fund.

Notwithstanding the aforesaid, the Manager may receive goods and services by way of soft commissions provided always that the goods and services are of demonstrable benefit to the Unit Holder and in the form of research and advisory services that assist in the decision making process relating to the Fund's investments and that the transaction is executed on terms which are the most favourable for the Fund.

Soft commissions which are not allowed include, among others, entertainment allowance, travel, accommodation and membership fee.

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

## CALCULATION OF UNIT PRICES

### Pricing

Computation of NAV and NAV per Unit

NAV per Unit = NAV of the Fund / Units in circulation

### Illustration: Computation of the NAV and NAV per Unit

NAV before deducting management fee and trustee fee	RM	48,000,000.00
Less: Management fee for the day (0.50% per annum) 48,000,000 X 0.50% / 365	RM	(657.53)
Less: Trustee fee for the day (0.03% per annum) 48,000,000 X 0.03% / 365	RM	(39.45)
NAV after deducting management fee and trustee fee	(a) RM	47,999,303.02
Units in circulation	(b)	42,888,888
NAV per Unit (a) / (b)	RM	1.1191548
NAV per Unit (rounded to four (4) decimal places)	RM	1.1192

## Pricing Policy

### • Single Pricing Policy

The Manager adopts the single pricing policy, i.e. the selling price and repurchase price are fixed at the initial offer price during the Fund's initial offer period. After the initial offer period, the selling price and repurchase price will be the NAV per Unit rounded to four (4) decimal places.

### • Forward Pricing

The Fund is valued on a forward pricing basis. The daily NAV per Unit is valued at the next valuation point after the application to purchase or redeem Units is received by the Manager.

### • Incorrect valuation and pricing

The Manager shall ensure that the Fund and the Units are correctly valued and priced according to the Deed and all relevant laws. Where there is a significant error in the valuation of the Fund and pricing of Units, the Manager shall take remedial action to correct the error. The Manager's remedial action will involve the reimbursement of money in the following manner:

- (a) if there is an over valuation and pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;
- (b) if there is an over valuation and pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;
- (c) if there is an under valuation and pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- (d) if there is an under valuation and pricing in relation to the redemption of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

The reimbursement of money shall be made to Unit Holder if the incorrect valuation and pricing:

- (a) is equal or more than 0.50% of the NAV per Unit; and
- (b) results in a total sum of RM10.00 or more.

Illustration on how Units are allocated

#### (a) During initial offer period

During the initial offer period, the selling price shall be RM1.0000

	Investment amount	RM	10,000.00
Add:	Sales charge (Nil X RM10,000)	RM	(Nil)
	Total amount payable by you	RM	10,000.00
	Investment amount	RM	10,000.00
Divide:	Initial offer price	RM	1.0000
	Number of Units purchased		10,000.00

#### (b) After initial offer period

Assuming the NAV per Unit after the initial offer period is RM1.0200

	Investment amount	RM	10,000.00
Add:	Sales charge (Nil X RM10,000)	RM	(Nil)
	Total amount payable by you	RM	10,000.00
	Investment amount	RM	10,000.00
Divide:	NAV per Unit	RM	1.0200
	Number of Units purchased		9,803.92

Illustration on how redemption proceeds are calculated

#### (a) During initial offer period

During the initial offer period, the repurchase price shall be RM1.0000

	Units intended for redemption		10,000
	Repurchase amount (10,000 Units x RM1.0000)	RM	10,000.00
Less:	Repurchase charge (Nil)	RM	(Nil)
	Net amount payable to you	RM	10,000.00

**(b) After initial offer period**

Assuming the NAV per Unit after the initial offer period is RM1.0200

	Units intended for redemption		10,000
	Repurchase amount (10,000 Units x RM1.0200)	RM	10,020.00
Less:	Repurchase charge (Nil)	RM	(Nil)
	Net amount payable to you	RM	<u>10,020.00</u>



## 5. TRANSACTION INFORMATION

### DISTRIBUTION CHANNELS

The Fund is distributed through the Manager's head office, branch offices and Authorised Distributors. Please refer to the Directory of Sales Office section at the end of this information memorandum for more information.

Should a Unit Holder wish to consider investment, subsequent investment, redemption, switching or transfer of Units, the Unit Holder must complete the relevant transaction forms which can be obtained from the distribution channels of the Manager. Upon confirming the transaction, the Unit Holder will receive a *confirmation advice*.

Only a Sophisticated Investor can invest into this Fund and individual applicant must not be less than eighteen (18) years old. For joint applicants, the other individual jointholder must also be a Sophisticated Investor and must not be less than eighteen (18) years old as well.

Any correspondence will ONLY be sent to the Unit Holder at the correspondence address and/or email address that is registered by the Manager as provided by the Unit Holder in the master account opening form.

### HOW TO PURCHASE UNITS

When purchasing Units of the Fund, investors must forward the following completed documents\* to the Manager:

Individual	Non-individual
<ul style="list-style-type: none"><li>• Master account opening form</li><li>• Transaction form</li><li>• Proof of payment which is acceptable by the Manager</li><li>• Suitability assessment form</li><li>• Certified true copy of identity card, passport or other identification</li><li>• Sophisticated Investor Declaration Form</li></ul>	<ul style="list-style-type: none"><li>• Master account opening form</li><li>• Transaction form</li><li>• Proof of payment which is acceptable by the Manager</li><li>• Suitability assessment form</li><li>• Certified true copy of board resolution</li><li>• Certified true copy of latest audited account</li><li>• Certified true copy of corporate structure (where applicable)</li><li>• Certified true copy of identity card or passport of directors and authorised representatives</li><li>• Certified true copy of form 24 / return of allotment of shares under section 78 of the Companies Act 2016 (not required for a public listed company or an entity licensed by the SC, BNM or Labuan FSA)</li><li>• Certified true copy of form 49 / notification of change in the register of directors, managers and secretaries under section 58 of the Companies Act 2016</li><li>• Certified true copy of the constitution (if any)</li><li>• Certified true copy of the certificate of incorporation</li><li>• Certified true copy of form 13 / application for change of name under section 28 of the Companies Act 2016 (if applicable)</li><li>• Certified true copy of form 44 / notification of change in the registered address under section 46 of the Companies Act 2016 (if applicable)</li><li>• Duly completed and signed Personal Data Protection Notice Form (PDPA) by authorised signatories with company stamp</li><li>• Sophisticated Investor Declaration Form</li></ul>

Note:

\* The documents listed may be subject to changes from time to time.

A Unit Holder may be required to forward to the Manager additional documents to authenticate his identification when transacting Units of the Fund. The Manager reserves the right to reject any application without providing any reason.

The Manager allows a Unit Holder the convenience of maintaining all his investments in ONE single master account regardless of the number of funds he invests with the Manager.

### PURCHASE APPLICATION AND ACCEPTANCE

Purchase application should be made before the cut-off time of 4.00 p.m. on any Business Day. The Units will be issued at NAV per Unit calculated at the next valuation point (i.e. forward pricing) after the purchase application is received by the Manager. The cut-off time will be determined based on the stamped time and date made at the Manager's head office and branch offices.

Note: Our Authorised Distributors may have an earlier cut-off time for purchase of Units request. Please check with the respective Authorised Distributors for their respective cut-off time.

When the purchase application is received after the cut-off time stated above, the purchase application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions of investment and payment modes from time to time, which shall be communicated to you in writing. The Manager reserves the right to reject any application without providing any reason. The Manager may also reject any application that is incomplete and/or not accompanied by the required documents.

#### HOW TO PAY FOR AN INVESTMENT

A Unit Holder can make payment via telegraphic or online transfer by submitting the telegraphic or online transfer statement together with the application to the Manager.

A Unit Holder can also make payment by issuing cheque or bank draft made payable to “**Eastspring Investments Berhad**”.

Cheques can be deposited directly into the Manager’s bank account by using a bank deposit slip at any branch of the Manager’s principal bankers stated below. The original client’s copy of the bank deposit slip (proof of payment) must be sent together with the application for Units. Unit Holders are encouraged to indicate their name and National Registration Identity Card (“NRIC”) number on the bank deposit slip.

The Manager will not accept any cash payment, cash payment through Automated Teller Machine (“ATM”) or third-party payment (i.e. payment made via an account that is not under the name of the Unit Holder).

All fees, charges and expenses incurred or to be incurred for payment shall be borne by the Unit Holder.

**INVESTORS MUST NOT MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT  
WHEN PURCHASING UNITS OF THE FUND.**

Details of the Manager’s account with its principal bankers are as follows:

<b>Bank</b>	<b>Account no.</b>
Deutsche Bank (Malaysia) Berhad	0003111-00-0
Malayan Banking Berhad	514011-576079
Standard Chartered Bank Malaysia Berhad	312-143583032
HSBC Bank Malaysia Berhad	305-417255-101

#### HOW TO REDEEM UNITS

A Unit Holder may redeem all or some of the Units held on any Business Day by completing a transaction form.

Redemption application should be made before the cut-off time of 4.00 p.m. on any Business Day. The Units will be redeemed at NAV per Unit calculated at the next valuation point (i.e. forward pricing) after the redemption application is received by the Manager. The cut-off time will be determined based on the stamped time and date made at the Manager’s head office and branch offices.

Note: Our Authorised Distributors may have an earlier cut-off time for redemption of Units request. Please check with the respective Authorised Distributors for their respective cut-off time.

When the redemption application is received after the cut-off time stated above, the redemption application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions for redemption from time to time, which shall be communicated to you in writing.

The Manager shall pay you the redemption proceeds **via e-payment ONLY according to your bank account details as stated in the master account opening form or redemption form**, or in such other manner as determined by the Manager on a case to case basis, no later than ten (10) calendar days from the date the Manager receives the duly completed transaction form. If you redeem immediately after the purchase of Units, the Manager shall have the right to withhold the redemption application until sufficient time has elapsed to ensure that the amount remitted by you (for purchase of Units) is realised and credited to the Manager’s principal bank account.

#### COOLING-OFF PERIOD & COOLING-OFF RIGHT

There is no cooling-off period for this Fund and investors of this Fund will not have any cooling-off rights.

#### SWITCHING BETWEEN FUNDS

A Unit Holder is allowed to switch Units held in the Fund into another fund denominated in the same currency by completing a transaction form. There is no switching fee imposed on switching of Units but Unit Holders have to pay the difference of sales charge if Unit Holders wish to switch into another fund with a higher sales charge. However, no sales charge will be imposed if the fund to be switched into has a lower sales charge than the Fund.

Unit Holder is required to complete a transaction form for switching application. There is no limit on the frequency of switching. However, during the initial offer period, the units of other funds are not allowed to switch into Units of the Fund except at the Manager’s discretion.

Switching application should be made before the cut-off time of 4.00 p.m. on any Business Day. The Units will be switched at NAV per Unit calculated at the next valuation point (i.e. forward pricing) after the switching application is received by the Manager. The cut-off time will be determined based on the stamped time and date made at the Manager's head office and branch offices.

Note: Our Authorised Distributors may have an earlier cut-off time for switching of Units request. Please check with the respective Authorised Distributors for their respective cut-off time.

When a switching application is received after the cut-off time stated above, the switching application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.

The Manager reserves the right to charge the differential sales charge between the two (2) transacted funds.

The table below sets out the switching between funds with different sales charge.

Switching from existing fund	Switching to intended fund	
	Fund with NO sales charge	Fund with sales charge
Fund with sales charge	Switch at NAV per Unit	Switch at NAV per Unit, the differential sales charge between the two (2) funds shall be borne by the Unit Holder.
Fund with NO sales charge		Note: If a switch is made into the Units of the Fund from other fund with a higher sales charge imposed, no sales charge will be imposed on the Unit Holder.

However, please note that only money market funds are allowed to be switched into this Fund. For any other types of funds, it will be reviewed on a case to case basis at the Manager's sole discretion.

The table below sets out as a guide when the Unit Holder switches out of a fund into another fund managed by the Manager. All switches will be transacted on the same day except the following:

Switch out	Switch in	Switch out date	Switch in date
Local sukuk funds	Money market funds	T day	T + 3 days

Switching from an Islamic fund to a conventional fund is not encouraged for Muslim Unit Holders.

## TRANSFER OF UNITS

A Unit Holder may transfer some or all of his Units held in the Fund to another Unit Holder by completing a transfer form.

A transfer is subject to the minimum balance and terms and conditions applicable for the Fund. However, both the transferor and the transferee should maintain the minimum holding of Units for the Fund after the transfer is made. If the transferee does not have any account with the Manager prior to this transfer application, he must forward the completed documents listed in page 14 of this information memorandum to the Manager for account opening in addition to a transfer form.

Transfer application should be made before the cut-off time of 4.00 p.m. on any Business Day. The cut-off time will be determined based on the stamped time and date made at the Manager's head office.

Note: Our Authorised Distributors may have an earlier cut-off time for transfer of Units request. Please check with the respective Authorised Distributors for their respective cut-off time.

When the transfer application is received after the cut-off time stated above, the transfer application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions for transfer from time to time, which shall be communicated to you in writing.

## HOW TO KEEP TRACK OF YOUR INVESTMENT

A Unit Holder will receive annual report within two (2) months from the Fund's financial year end and quarterly report within two (2) months from the end of the period covered. Both the Fund's reports will disclose the performance and investment updates of the Fund. Unit Holder will receive monthly statement of accounts which provides the latest update of your investment accounts.

A Unit Holder can obtain the Manager's latest information, products and services, and market outlook at the Manager's website, [www.eastspring.com/my](http://www.eastspring.com/my). A Unit Holder can register for a "myEastspring" account at [www.myeastspring.com.my](http://www.myeastspring.com.my) to view his account balance, transaction details and generate the latest statement of account.

A Unit Holder can also review and track the performance of his Units by checking the Unit prices published every Business Day on the Manager's website, [www.eastspring.com/my](http://www.eastspring.com/my).

A Unit Holder can always contact the Manager's client services personnel to assist in the following:

1. enquire on the latest Unit price and account balance;
2. any transaction related enquiries, for example switching, top up investment, redemption or transfer;
3. request to change personal details, for example address or telephone no;
4. request for confirmation advices on purchase and other transactions related to your Unit holdings, monthly statements and copy of annual and/or quarterly reports; and
5. other queries regarding the Fund's performance.

A Unit Holder may communicate with the Manager via:

**Client services tel:** 603-2778 1000

**Email:** cs.my@eastspring.com

**THE FUND'S PRINTED ANNUAL AND QUARTERLY REPORTS ARE AVAILABLE UPON REQUEST.**

#### AVENUE FOR ADVICE

Investors may:

- visit any of the Manager's offices listed under the Directory of Sales Office section at the end of this information memorandum; or
- contact any of the Manager's client services at 603-2778 1000 for advice in relation to the Fund; or
- contact any of the Manager's Authorised Distributors for further advice.

Please note that the transaction procedures such as investment, redemption, switching and transfer of Units via our distribution channels may differ from that described in this information memorandum, and you are advised to check with the relevant Authorised Distributor for details on these procedures.

#### TRANSACTION DETAILS

The table below sets out the **minimum initial and additional investment amount** for the Fund:

Fund name	Minimum initial investment		Minimum additional investment	
	Lump sum	Regular investment	Lump sum	Regular investment
	(RM)	(RM)	(RM)	(RM)
Eastspring Wholesale Sukuk Extra Fund	100,000 Refer note 1	Not available	100,000 Refer note 1	Not available

The table below sets out the **minimum redemption, switched out, transfer and holding of Units** for the Fund:

Fund name	Minimum redemption	Minimum switched out	Minimum transfer	Minimum holding
	Units	Units	Units	Units
Eastspring Wholesale Sukuk Extra Fund	100,000 Refer note 1	100,000	Any number of Units Refer note 2	100,000

**Note 1:** The Manager reserves the right to change the above stipulated amounts and quantity from time to time.

**Note 2:** Both the transferor and transferee should maintain the minimum holding of Units for the Fund after a transfer is made.

In the case of a partial redemption, instructions will be carried out only if the minimum holding of Units (being 100,000 Units or such other lower number of Units as the Manager may determine from time to time) remains in the Fund after redemption. If the Units in a Unit Holder's account are less than the minimum holding of Units after a redemption application is made, all Units that the Unit Holder holds in the Fund will be redeemed automatically.

After a switching application is made, Units in a Unit Holder's account for both the Fund and the fund to be switched into should maintain the minimum holding of Units.

- If the Units in the Unit Holder's account for the Fund are less than the minimum holding of Units after a switching application is made, all Units that the Unit Holder holds in the Fund will be switched out automatically.
- If the Units in the Unit Holder's account for the fund to be switched into are less than the minimum holdings of Units after a switching application is made, the Manager may at its sole discretion disallow switching.

In the event the Units carry more than one Unit Holder's name, i.e. "Joint Application", the redemption / switching / transfer application will be signed by both jointholders. If the application specifies "Either Applicant to sign", any one Unit Holder who is registered as a jointholder will have the authority to sign the application. In all cases, redemption proceeds will be paid to the principal account holder or in the names of both account holders in the register of Unit Holders.

In the event a master account has more than one registered owner, the first-named Unit Holder (as determined by reference to the original master account application form) shall receive the confirmation advices, notices and correspondence with respect to the master account, as well as any redemption proceeds or income distribution or other distributions. In addition, such first-named Unit Holder shall have the voting rights, as permitted, associated with such Units.

In the case of jointholders, any one of such jointholders may vote either personally or by proxy as comprised in the jointholding. If the jointholders are present at any meeting either personally or by proxy, the jointholder whose name stands first in the register of Unit Holder shall alone be entitled to vote.

#### **INCOME DISTRIBUTION POLICY**

Subject to the availability of income, distribution of income, if any, will be on quarterly basis, after deduction of taxation and expenses. Income distribution may also be distributed in any other periods as may be determined by the Manager from time to time.

#### **INCOME REINVESTMENT POLICY**

Income distribution to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.

Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager for the income distribution to be paid out, the income distribution proceeds will be paid via e-payment ONLY (i.e. income distribution proceeds will be credited to a Malaysian domiciled bank account via telegraphic or online transfer). Any fees or charges imposed by the bank will be borne by the Unit Holder.

The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete. **In the absence of a registered bank account, the distribution (if any) will be reinvested.**

Distribution payment which is less than or equal to the amount of RM300 or such other amount which will be determined by the Manager will be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost.

#### **AUTO REINVESTMENT POLICY**

Any moneys payable to a Unit Holder as a result of income distribution which remains unclaimed after six (6) months from the date of payment shall automatically be reinvested into additional Units of the Fund at the NAV per Unit on the closing of the fifteenth (15th) day after the said six (6) months period at no cost. In the event the fifteenth (15th) day falls on a non-Business Day, reinvestment will be made on the following Business Day.

#### **UNCLAIMED MONEYS POLICY**

Any unclaimed moneys will be filed with and paid to the Registrar of Unclaimed Moneys after the lapse of one (1) year from the date of payment in accordance with the requirements of the Unclaimed Moneys Act 1965. Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to claim their moneys.

#### **POLICY ON ANTI-MONEY LAUNDERING, ANTI-TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001**

The Manager has an anti-money laundering and anti-terrorism financing policy in place where Unit Holder's due diligence will be performed by the Manager and its Authorised Distributors on all Unit Holders without exception. Application for Units must be accompanied by proper identification documents for the Manager's verification. All Unit Holders will be checked against various reliable sources on money laundering, terrorism financing and proceeds of unlawful activities information. Enhanced due diligence process will be conducted on high risk Unit Holders which would require the Manager's senior management's review and approval, where applicable. Suspicious transactions, if any, will be reported to the Manager's internal money laundering prevention officer for further review and onward reporting to the Financial Intelligence and Enforcement Department of BNM and the SC.

In compliance with the applicable anti-money laundering, anti-terrorism financing and proceeds of unlawful activities laws and the guidelines, the Manager, together with its Authorised Distributors reserve the right to request all relevant information pertaining to the Unit Holders' information as may, in the Manager's opinion or its Authorised Distributors' opinion, be necessary to verify the identity of the Unit Holders.

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

## 6. Salient Terms of the Deed

Please be advised that if you invest in Units through an IUTA which adopts the nominee system of ownership, you would not be considered to be a Unit Holder under the Deed and you may, consequently, not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holder's meeting and to vote thereat and the right to have your particulars appearing in the register of Unit Holders of the Fund).

### RIGHTS OF UNIT HOLDERS

As a Unit Holder, and subject to the provisions of the Deed, you have the right:

1. to receive distribution of income, if any;
2. to participate in any increase in the value of the Units;
3. to call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through a special resolution;
4. to receive annual and quarterly reports of the Fund; and
5. to enjoy such other rights and privileges as are provided for in the Deed.

However, you would not have the right to require the transfer to you any of the Fund's assets. Neither would you have the right 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 the Fund's assets.

### LIABILITIES OF UNIT HOLDERS

As a Unit Holder, and subject to the provisions of the Deed, your liabilities would be limited to the following:

1. you will not be liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.
2. you will 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.

### TERMINATION OF THE FUND

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

- a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund; or
- such other events and situations as provided in the Deed.

Notwithstanding the above, the Manager may, in its sole discretion and without having to obtain the prior consent of the Unit Holders, terminate the trust hereby created and wind up the Fund if the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

Upon the termination of the Fund, the Trustee shall:

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

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

In the event the Fund is terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by the Deed and all relevant laws.

Where the termination and the winding-up of the Fund have been occasioned by any of the events set out herein:

- a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law;

the Trustee shall summon for a Unit Holders' meeting to get directions from the Unit Holders. If a special resolution is passed to terminate the trust and wind-up the Fund, the Trustee shall apply to the court for an order confirming such special resolution. The Manager shall, as soon as practicable after the winding up of the Fund inform Unit Holders and the relevant authorities of the same. The Trustee shall also arrange for a final review and audit of the final accounts of the Fund by the auditor of the Fund; in all other cases of termination of the trust and winding-up of the Fund, such final review and audit by the auditor of the Fund shall be arranged by the Manager.

## **MEETING OF UNIT HOLDERS**

### **Meetings directed by Unit Holders**

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders summon a meeting of the Unit Holders by:

- a) sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and
- b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

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 audited financial statements of the Fund;
- d) giving to the Trustee such directions as the meeting thinks proper; or
- e) considering any matter in relation to the Deed,

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

## 7. Related Party Transactions and Conflict of Interest

Eastspring Al-Wara' Investments Berhad and the Manager are within the same group of companies i.e. the Prudential group of companies; therefore, there is a possibility of conflict of interest element and/or related party transactions. However, the Manager has in place policies and procedures to deal with any conflict of interest and/or related party transactions situations. All transactions with related parties are to be executed on terms which are best available to the Fund and based on best execution and at arms-length transaction between independent parties.

The Manager observes high standards of integrity and fair dealing to your best and exclusive interests. The Manager will not conduct transactions in any manner which will result in unnecessary costs or risk to the Fund. The Manager will also avoid conflicts of interest and will act in a manner so as to avoid any disadvantage to the Fund, if such conflicts should arise. The Manager shall not, without the Trustee's prior approval, invest any money available under the Deed in any securities, property and assets in which the Manager or any of the Manager's officer (including directors and staff) has a financial interest or from which the Manager or any of the Manager's officer, derives benefit.

A person shall be deemed to have a financial interest in securities if he has an interest or interests in one or more voting shares in the company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the company.

In making an investment transaction for the Fund, the Manager is obliged not to make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage for the Manager or for any other person or to cause detriment to your interests. If the interests of the directors or the investment committee members conflict with the interests of the Fund, they will not be allowed to participate in the decision-making process in respect of the matter. Additionally, the Manager's directors, investment committee members and employees have to disclose their personal dealings to the compliance unit, which monitors such dealings.

As at 31 March 2021, none of the Manager's directors or substantial shareholders has any direct or indirect interest in other corporations carrying on a similar business as the Manager, except as otherwise disclosed below:

- Eastspring Investments Group Pte Ltd (Singapore) is a substantial shareholder of various Eastspring entities including but not limited to Eastspring Investments (Singapore) Limited, Eastspring Investments Limited (Japan), Eastspring Al-Wara' Investments Berhad and the Manager.

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

### **Deutsche Trustees Malaysia Berhad**

As the trustee for the Fund and the Manager's delegate for the fund accounting and valuation services, there may be related party transactions involving or in connection with the Fund within the following events:

- 1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- 2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC's guidelines and other applicable laws;
- 3) Where the Manager appoints the Trustee to perform its back office functions (e.g. fund accounting and valuation); and
- 4) Where the Trustee has delegated its custodian functions for the Fund to Deutsche Bank (Malaysia) Berhad.

The Trustee will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While the Trustee has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. The Trustee's commitment to act in the best interests of the Unit Holders of the Fund does not preclude the possibility of related party transactions or conflicts.



## 8. Compliance with Laws in Various Jurisdictions

In managing the Fund, the Manager may be obliged to comply with, observe or fulfil the requirements or expectations of the laws, regulations, orders, guidelines, codes, market standards and requests of or agreements with any public, judicial, tax, governmental or other regulatory authorities or self-regulatory bodies (the “*Authorities*” and each is an “*Authority*”) in various jurisdictions relating to any matter in connection with the Fund and/or the Manager’s business including without limitation, tax compliance, anti-money laundering, sanctions, anti-terrorism financing or the prevention and detection of crime (the “*Applicable Requirements*”) which may be amended, promulgated or introduced from time to time.

In this connection, the Manager may take all reasonable steps to ensure compliance with and adherence to the Applicable Requirements subject to compliance with the relevant laws in Malaysia.

### Disclosure of information to the Authorities

In complying with the Applicable Requirements and subject to the following, the Manager may be required to disclose any information relating to a Unit Holder and/or a Unit Holder’s investments to any Authority, including without limitation:

- (a) the Unit Holder’s account number, investment and redemption details, and the amount of income distribution paid to the Unit Holder;
- (b) if the Unit Holder is an individual, the name, nationality, address, tax identification number, and his United States person (“U.S. person”) status (if applicable); and
- (c) if the Unit Holder is a corporation or any other type of entity, the name, registered office, business address, place of establishment, tax identification number, information of the management, substantial shareholders, legal and beneficial owners or controllers and its U.S. person status (if applicable).

If the Manager intends to disclose the information of a Unit Holder and/or a Unit Holder’s investments to any Authority, the Manager will seek the prior consent of such Unit Holder (unless such consent has already been given by the Unit Holder in the subscription or application form or in any other subsequent document, or unless the relevant laws in Malaysia provide otherwise) whether by mail or such other mode of communication as it deems appropriate.

Such disclosure may be sent by the Manager, its delegates or related corporations, or any other entity as the Manager deems fit.

If the Manager requires any further information or documents for the purposes of its disclosure to an Authority, the Manager may request and a Unit Holder shall provide the Manager with such further information or documents within such time as may be reasonably required by the Manager.

Notwithstanding the above, if such disclosure becomes mandatory under the relevant laws in Malaysia, the Manager shall be entitled to make such disclosure to the Authority without the prior consent of or any notification to, a Unit Holder.

### Updating of information by Unit Holder

A Unit Holder shall provide his or her assistance as may be necessary (including, where required, providing the Manager with further information and documents relating to the Unit Holder, associated persons or affiliates and where the Unit Holder is a corporation or any other type of entity, further information and documents relating to its management, and legal and beneficial owners) to enable the Manager to comply with its obligations under the Applicable Requirements.

The Unit Holder will update the Manager in a timely manner of any change to any of the details previously provided to the Manager whether at the time of subscription or at any other times. In particular, it is very important that the Unit Holder notifies the Manager immediately if:

- (a) the Unit Holder is an individual, and there is a change in his or her nationality, he or she acquires additional nationality or citizenship, or changes in his or her tax residency; or
- (b) the Unit Holder is a corporation or any other type of entity, and there is a change in its registered office, business address, substantial shareholders or their details, legal and beneficial owners or controllers or their details.

If any of these changes occurs or if any other information comes to the Manager’s attention concerning such changes, the Manager may be required to request certain documents or information from the Unit Holder. Such information and documents include but are not limited to duly completed and/or executed (and, if necessary, notarised) tax declarations or forms.

### Effect of non-compliance by Unit Holder

If:

- (a) a Unit Holder does not provide the Manager with the information or documents or any other assistance requested by the Manager in a timely manner;
- (b) a Unit Holder does not update the Manager in a timely manner of any change to any of the details previously provided to the Manager whether at the time of subscription or at any other times; or
- (c) any information or document provided by a Unit Holder is not up-to-date, accurate or complete such that the Manager is unable to comply with or adhere to the Applicable Requirements,

the Manager may continue to request for such information or document from the Unit Holder by letter, email, telephone or any other manner which the Manager may deem appropriate, or repurchase all the Units held by the Unit Holder by providing prior written notice to the Unit Holder of such repurchase if such repurchase is necessary, to ensure that the Manager is in compliance with the Applicable Requirements.

**Notice on Personal Data Protection**

All personal data of a Unit Holder contained in the subscription or application form and all and any further personal data collected in the course of the business relationship with the Manager may be processed by the Manager or its delegates and other related corporation, including those established outside Malaysia, the Trustee or its delegates and any other intermediaries related to the Fund. Such data shall be processed for the purposes of account opening and administration, anti-money laundering requirements, tax identification (including for the purpose of compliance with the Applicable Requirements), processing of transaction(s) and/or any other general business purposes (except for direct marketing and promotion of the Manager's other products and services) by the Manager.

For the purposes of the aforesaid notice, the term "personal data" shall have the same meaning prescribed in the Personal Data Protection Act 2010 ("the PDPA") and the term "processed" shall have the same meaning as "processing" as prescribed in the PDPA.

Please refer to the subscription or application form for further details on the personal data protection requirements.

## 9. Additional Information

### LODGING A COMPLAINT

1. To lodge a complaint or for an internal dispute resolution, you can contact our client services personnel.
  - (a) via phone to : 603-2778 1000
  - (b) via email to : cs.my@eastspring.com
  - (c) via letter to : Eastspring Investments Berhad  
Level 22, Menara Prudential  
Persiaran TRX Barat  
55188 Tun Razak Exchange  
Kuala Lumpur
  
2. Investor can contact the Federation of Investment Managers Malaysia's Complaints Bureau:
  - (a) via phone to : 603-2092 3800
  - (b) via fax to : 603-2093 2700
  - (c) via email to : complaints@fimm.com.my
  - (d) via online complaint form : www.fimm.com.my  
available at
  - (e) via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor, Wisma Tune  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur
  
3. Should an individual or a sole proprietor investor be dissatisfied with the outcome of the internal dispute resolution process, he may refer his dispute to the Securities Industry Dispute Resolution Center (SIDREC) via the following modes. The individual or a sole proprietor investor may do so within 180 days of receiving the final answer from the Manager or after 90 days from filing the complaint (if there was no response from the Manager).
  - (a) via phone to : 603-2282 2280
  - (b) via fax to : 603-2282 3855
  - (c) via email to : info@sidrec.com.my
  - (d) via letter to : Securities Industry Dispute Resolution Center  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur
  
4. The investor can also direct his complaint to the SC even if he has initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:
  - (a) via phone to the Aduan Hotline at : 603-6204 8999
  - (b) via fax to : 603-6204 8991
  - (c) via email to : aduan@seccom.com.my
  - (d) via online complaint form : www.sc.com.my  
available at
  - (e) via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

## 10. Directory of Sales Office

### HEAD OFFICE

Eastspring Investments Berhad  
Level 22, Menara Prudential  
Persiaran TRX Barat  
55188 Tun Razak Exchange  
Kuala Lumpur

**General tel:** 603-2778 3888

**General fax:** 603-2789 7220

**Client services tel:** 603-2778 1000

**Email:** [cs.my@eastspring.com](mailto:cs.my@eastspring.com)

**Website:** [www.eastspring.com/my](http://www.eastspring.com/my)

<b>SELANGOR</b>	<b>SABAH</b>
<p>Eastspring Investments Berhad A-17-P1 &amp; M Block A, Jaya One 72A, Jalan Universiti 46200 Petaling Jaya Selangor</p> <p><b>Tel:</b> 603-7948 1288 <b>Fax:</b> 603-7948 1299</p>	<p>Eastspring Investments Berhad Suite E3, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah</p> <p><b>Tel:</b> 6088-238 613 <b>Fax:</b> 6088-232 136</p>