



PROSPECTUS
**BIMB-ARABESQUE GLOBAL SHARIAH SUSTAINABLE
EQUITY FUND (BGSEF)**

MANAGER : **BIMB INVESTMENT MANAGEMENT BERHAD**
Registration No.: 199301021508 (276246-X)

TRUSTEE : **DEUTSCHE TRUSTEES MALAYSIA BERHAD**
Registration No.: 200701005591 (763590-H)

This Prospectus is dated 30 September 2023

The date of constitution of BIMB-ARABESQUE Global Shariah Sustainable Equity Fund is
13 July 2020

**THIS IS A REPLACEMENT PROSPECTUS THAT REPLACES AND SUPERCEDES THE
PROSPECTUS DATED 8 MARCH 2021 AS AMENDED BY THE FIRST SUPPLEMENTAL
PROSPECTUS DATED 6 SEPTEMBER 2021.**

**BIMB-ARABESQUE GLOBAL SHARIAH SUSTAINABLE EQUITY FUND IS A QUALIFIED
SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) FUND UNDER THE GUIDELINES ON
SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.**

**BIMB-ARABESQUE GLOBAL SHARIAH SUSTAINABLE EQUITY FUND INTEGRATES
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS IN ITS CAPITAL
ALLOCATION PROCESS, AND EMPLOYS SCREENING FOR SHARIAH-COMPLIANCE AND
ALIGNMENT WITH UNGC PRINCIPLES, IN ITS UNIVERSE CONSTRUCTION PROCESS.**

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS
PROSPECTUS. 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 20.**

RESPONSIBILITY STATEMENT

This Prospectus has been reviewed and approved by the Directors of BIMB Investment Management 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 Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

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

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of BIMB Investment Management Berhad, the management company responsible for the Fund and takes no responsibility for the contents in this Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

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 Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to the Fund.

BIMB-ARABESQUE Global Shariah Sustainable Equity Fund (BGSEF) HAS BEEN CERTIFIED AS SHARIAH-COMPLIANT BY THE SHARIAH ADVISER APPOINTED FOR THE FUND.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

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 U.S. Person(s), except in transaction which does not violate the securities laws of the United States of America. Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

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1. GLOSSARY

The following words or abbreviations shall have the following meanings in this Prospectus unless otherwise stated:

“Act”	Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
“AAOIFI”	The Accounting and Auditing Organization for Islamic Financial Institutions.
“AAOIFI Standards”	Shariah standards set by AAOIFI. Please refer to AAOIFI website https://aaoifi.com for more information.
“Assets of the Fund”	The Fund’s holdings, which may include Islamic fixed deposits, Islamic money market instruments and other permitted instruments.
“AUD”	Australian Dollar, the official Currency of Australia.
“AUD Class”	A class of Units of the Fund which is denominated in AUD. (This class is for Malaysian and foreign investors, excluding US person).
“<i>baitulmal</i>”	Refers to the treasury of a State Islamic Religious Council.
“Base Currency”	United States Dollar (USD).
“BEST Invest App”	BIMB Investment Electronic Shariah-Investing Tool, a non-automated, discretionary robo-intelligence unit trust online investing platform approved by the SC and fully managed by BIMB Investment.
“BIMB Investment” or “the Manager”	BIMB Investment Management Berhad (Registration No.: 199301021508 (276246-X)).
“BNM”	Bank Negara Malaysia.
“Bursa Malaysia”	The stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be changed from time to time.
“Business Day”	A day on which Bursa Malaysia is open for trading in securities. The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as in the event of market disruption.
CIS	Collective investment scheme.
“Class(es) of Units”	<p>Any class of Units representing similar interests in the Assets of the Fund although a class of Units of the Fund may have different features from another class of Units of the same Fund and “Class” means any one class of Unit(s).</p> <p>Classes of Units that will be offered for subscription by the Fund are as follows:</p> <ul style="list-style-type: none">• RM Class• RM Hedged Class• USD Class• AUD Class• SGD Class

“CMSRL”	Capital Markets Services Representative’s Licence.
“Deed”	The deed dated 13 July 2020 and the first supplemental deed dated 29 November 2022 in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee.
“ESG”	Environmental, Social and Governance.
“ESG Book”	Previously known as Arabesque S-Ray. ESG Book is a global leader in sustainability data and technology. Incubated by Arabesque in 2018, ESG Book combines cutting-edge technology and proprietary research. Please refer to https://www.esgbook.com/about-us/ for further details.
“feeder fund”	A feeder fund is a fund which invests all its assets in a single collective investment scheme.
“FIMM”	Federation of Investment Managers Malaysia.
“Forward Pricing”	The price of a Unit that is the NAV per Unit calculated at the next valuation point after an instruction or request is received by the Manager.
“Fund” or “BGSEF”	BIMB-ARABESQUE Global Shariah Sustainable Equity Fund.
“GC”	Global Compact.
“Guidelines”	Guidelines on Unit Trust Funds issued by the SC, as amended from time to time.
“Prospectus”	Means the prospectus of the Fund and includes any supplementary or replacement prospectus, as the case may be.
“Institutional Unit Trust Scheme Adviser” or “IUTA”	A corporation registered with FIMM and authorised to market and distribute unit trust schemes of another party.
“Investment Company”	Arabesque Q3.17 SICAV with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg.
“Latest Practicable Date” or “LPD”	28 April 2023
“medium to long term”	A period of three (3) years or more.
“Management Company of the Target Fund”	FundPartner Solutions (Europe) S.A.
“Net Asset Value” or “NAV”	The NAV of the Fund is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at the valuation point. Where the Fund has more than one Class of Units, there shall be a NAV of the Fund attributable to each Class of Units.
“Net Asset Value (NAV) per Unit”	The NAV attributable to a Class of Units of the Fund divided by the total number of Units in circulation for that Class, at the valuation point.
“RM” or “MYR”	Ringgit Malaysia, the lawful currency of Malaysia.

“RM Class”	A class of Units of the Fund which is denominated in MYR. (This class is for Malaysian and foreign investors, excluding US person).
“RM Hedged Class”	A class of Units of the Fund which is denominated in MYR but will be hedged against USD (This class is for Malaysian and foreign investors, excluding US person).
“SAC”	The Shariah Advisory Council.
“SC” or “Securities Commission”	Securities Commission Malaysia.
“Shariah Adviser”	The Shariah adviser appointed by the Manager to advise on all aspects of the Fund in accordance with Shariah principles.
“SGD”	Singapore Dollar, the official currency of Singapore.
“SGD Class”	A class of Units of the Fund which is denominated in SGD. (This class is for Malaysian and foreign investors, excluding US person).
“Shariah”	Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of the Shariah namely the <i>Qur'an</i> (the holy book of Islam) and <i>Sunnah</i> (practices and explanations rendered by the Prophet Muhammad (<i>pbuh</i>)) and other sources of Shariah such as <i>Ijtihad</i> (exertion of individual efforts to determine the true ruling of the divine law on matters whose revelations are not explicit) of Shariah scholars.
“Shariah Supervisory Boards”	Refers to independent bodies of specialized jurists in <i>Fiqh al-mua'malat</i> (Islamic commercial jurisprudence).
“Special Resolution”	A resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting at the meeting in person or by proxy” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of winding-up the Fund or a Class, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
“Target Fund”	Arabesque Q3.17 SICAV – Global ESG Momentum Equity.
“Target Fund Manager”	Arabesque (Deutschland) GmbH.
“Trustee”	Deutsche Trustees Malaysia Berhad (Registration No.: 200701005591 (763590-H)).
“UNGC”	United Nations Global Compact. Further information is available at www.unglobalcompact.org .
“Unit” or “Units”	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 and means a unit issued for each Class of Units.
“Unit Holder(s)”	The person(s) registered as holder(s) of a unit or units of the Fund including person(s) jointly registered and whose name appears in the

	register of Unit Holders.
“USD”	United States Dollar, the official currency of the United States of America.
“USD Class”	A class of Units of the Fund which is denominated in USD (This class is for Malaysian and foreign investors, excluding US person).
“US (United States) Person”	A citizen or resident of the United States of America, a partnership organized or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it.

2. CORPORATE DIRECTORY

MANAGER

BIMB Investment Management Berhad [199301021508 (276246-X)]

Registered Office

Level 32, Menara Bank Islam, No. 22, Jalan Perak
50450 Kuala Lumpur
Tel: +603-2088 8000

Business Office

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50450 Kuala Lumpur
Tel: +603-2161 2524 / +603-2161 2924
Fax: +603-2161 2464
Toll-free number: 1800-88-1196
Email: marketing.bimbinvest@bankislam.com.my
Website: www.bimbinvestment.com.my

TRUSTEE

Deutsche Trustees Malaysia Berhad [200701005591 (763590-H)]

Registered Office and Business Office

Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: +603-2053 7522
Fax: +603-2053 7526
Email: dtmb.rtm@db.com

Trustee's Delegate (Custodian)

Deutsche Bank (Malaysia) Berhad [199401026871 (312552-W)]

Level 18 – 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: +603-2053 6788
Fax: +603-2031 8710

TARGET FUND MANAGER

Arabesque (Deutschland) GmbH

Lindleystrasse 8 A, 60314 Frankfurt am Main, Germany

SHARIAH ADVISER

BIMB Securities Sdn Bhd [199401004484 (290163-X)]

Registered Office

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50450 Kuala Lumpur
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Fax: +603-2088 8033

Business Office

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Tel: +603-2613 1600
Fax: +603-2613 1799
Email: shariah@bimbsec.com.my
Website: www.bimbsec.com.my

3. ABOUT BIMB-ARABESQUE GLOBAL SHARIAH SUSTAINABLE EQUITY FUND

3.1 Fund Profile

Fund Category	Feeder
Fund Type	Growth
Risk Profile	High
Base Currency	USD
Financial Year End	31 March
Class of Units	<ul style="list-style-type: none">• RM Class• RM Hedged Class• USD Class• SGD Class• AUD Class

3.2 Investor's Profile

The Fund is primarily suitable for investors:

- who are seeking capital appreciation over medium to long term period; and
- with high risk tolerance.

3.3 Investment Objective

The Fund seeks to achieve medium to long term capital appreciation.

Note: Any material changes to the Fund's investment objective would require Unit Holders' approval.

3.4 Investment Policy and Strategy

The Fund will be investing in a minimum of 90% of the Fund's NAV into the Target Fund and a maximum of 10% of the Fund's NAV into Islamic liquid assets including Islamic deposits and Islamic money market instruments. Accordingly, the Fund will have a passive strategy as all the investment decisions will be made at the Target Fund level.

The Fund will not adopt any temporary defensive strategy during adverse market condition as the Fund adopts a passive strategy of investing a minimum of 90% of the Fund's NAV into the Target Fund at all times. This strategy allows the Fund to mirror the performance of the Target Fund but may result in the Fund being exposed to the risk of its NAV declining when the Target Fund's net asset value declines.

The Fund's investment will be evaluated bi-monthly to ensure that the investments are in line with the principles of ESG and the overall impact of the investments is consistent with any other sustainability considerations. ESG considerations would not be applicable to the selection of Islamic deposits and Islamic money market instruments.

The Manager may substitute the Target Fund with another ESG fund that has similar objective with the Fund and the said ESG fund must meet the requirements of the Guidelines on Sustainable and Responsible Investment Funds. However, a replacement of the Target Fund would require Unit Holders' approval.

The Manager may use Islamic derivatives instruments such as Islamic options, Islamic future contracts, Islamic forward contracts and Islamic currency swaps for the purpose of hedging. In the event of a downgrade in the rating of a counter-party of an over-the-counter Islamic derivative, the Manager reserve the right to deal with the over-counter Islamic derivative in the best interest of the Unit Holders.

The Fund's exposure to Islamic derivatives, if any, will be calculated based on commitment approach as disclosed in the section below under the heading "Use of Islamic Derivatives".

3.4.1 S-Ray® and Shariah Screening Methodology

The Target Fund leverages S-Ray® data and the AAOIFI Standards to construct its Investment Universe.

S-Ray Screening:

S-Ray® is a proprietary tool of ESG Book that measures the sustainability of global equities worldwide. Please refer to <https://www.esgbook.com> for further information. S-Ray® evaluates all global stocks which have successfully passed the liquidity screening step of the investment process of the Target Fund based on the:

- **GC score:** The GC score constitutes an assessment of each company based on the four core principles of the United Nations Global Compact (UNGC). Companies that are in breach of the UNGC are removed from the investment universe. Companies in the bottom 5% of global stocks ranked by ESG Book's GC score are excluded at universe construction.
- **ESG score:** Stocks which have successfully passed the GC score screening step are evaluated based on their ESG score. The ESG score analyses corporate performance based on sector-specific financially material environmental, social and governance (ESG) criteria.

The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The E, S and G pillar sub-scores are calculated by considering only the features within each of these themes.

The three pillar scores and the total ESG score are scaled between 0 and 100 with higher scores indicating better performance. The ESG score is calibrated using the principle of financial materiality and can be used to help compare companies on their ability to outperform on a risk-adjusted basis over the long-run.

Feature	Description
<i>Environmental</i>	
Emissions	This sustainability topic measures the contribution of business activities to the emission of greenhouse gases and other air pollutants. Inputs into this feature include emissions data as well as reduction initiatives, objectives, policies and monitoring.
Environmental Stewardship	This feature measures the impact of business activities on biodiversity and animal welfare. Inputs into this feature include the use and regulation of animal products/testing alongside biodiversity impact initiatives and targets such as Forest Stewardship.
Resource Use	This topic measures the efficient use of energy and other natural resources including land and materials. Inputs into this feature include energy use/efficiency and land use reduction initiatives, recycling, toxic chemicals reduction and resource efficiency policies.
Environmental Solutions	This quantifies the environmental impact of products and services and the contribution toward sustainable consumerism. Inputs into this feature include the development of hybrid vehicles, smart water solutions and sustainable building products.
Waste	This evaluates the generation of waste and other hazardous outputs as part of business activities. Inputs include hazardous and general waste generation, and reduction policies, recycling practices, and oil spill disclosure.

Water	This sustainability topic assesses the efficient and responsible use of water throughout company operations. Inputs include water pollution, recycling initiatives, and water withdrawal.
Environmental Management	This feature measures the mechanisms and policies employed to manage the overall environmental performance of the business. Inputs include environmental lawsuits, investments into resource efficiency, and environmental impact reduction.
<i>Social</i>	
Diversity	This quantifies the representation of equal opportunities for women and minorities in the workforce and on the board. Inputs include board and employee diversity, discrimination lawsuits, and commitment to supplier diversity.
Occupational Health and Safety	This evaluates workplace-related health and safety performance. Inputs include the disclosure of accident rates and workplace injuries, employee health and safety training and certification, policies/procedures, and targets.
Training and Development	This feature assesses the opportunities and programmes in place to enable and support learning across employees and the supply chain. Inputs include employee training hours, costs, and policies as well as monitoring and targeting.
Product Access	This topic measures access to products and/or services for disadvantaged communities. Inputs to this topic relate to access to finance, medicine, education, food and affordable housing programmes.
Community Relations	This sustainability topic measures the level of community involvement and public trust. Inputs include customer satisfaction and community relations policies, targets and monitoring, and disclosure of employee volunteering hours.
Product Quality and Safety	This feature quantifies the quality and safety of products and services and level of customer satisfaction. Input utilised relate to lawsuits, policies, targets, and monitoring relating to product quality management.
Human Rights	This topic evaluates adherence to and promotion of human rights throughout all business activities, including the supply chain. Inputs include suppliers' human rights consideration, employee human rights training and policy as well as targets and monitoring of these.
Labour Rights	This sustainability topic measures compliance with internationally recognized labour standards, both in-house and across the supply chain. Inputs relate to the Freedom of Association, Supplier Code Audit and child labour, forced labour and labour rights policies.
Compensation	This feature assesses the fair and equal compensation of staff and board members. Inputs include the disclosure of average salaries and benefits, board member compensation, and pension funding.
Employment Quality	This sustainability topic quantifies working conditions and employee satisfaction. Inputs relate to employee turnover, work-life balance policy, and worktime flexibility.
<i>Governance</i>	

Business Ethics	This feature assesses fair business practices such as corruption, political contributions, and anti-trust. Inputs include lawsuits relating to these issues and policies in place to monitor and reduce their impact.
Corporate Governance	This sustainability topic assesses the procedures and mechanisms in place that ensure proper long-term control and management of the corporation. Inputs relate to policies and targets surrounding governance issues like shareholder rights, and insider trading.
Transparency	This topic measures the level of transparency and disclosure of critical information about the business. Inputs relate to disclosures relating to accounting policy, financial transparency, articles of association, and reporting standards.
Forensic Accounting	This feature reflects a company's overall earnings quality and the degree to which their reported earnings properly represent the company's financial health. Those companies with poor earnings quality are at more risk of disappointing in their reported earnings results. This is a good proxy for financial governance and a company's ability to secure future investments.
Capital Structure	This topic depends on how high a company's leverage ratio is compared to other companies in its sector. High leverage increases short-term pressure on companies, making it more difficult to focus on long-term objectives. This is contrary to the long-term perspective which is often necessary for firms to focus on sustainability issues.

- **Preferences Filter:** Stocks which have successfully passed the *ESG Score* screening step are evaluated based on their business involvement.

Shariah Screening:

All global stocks which have successfully passed the S-Ray® screening step of the Investment Universe construction are assessed to eliminate stocks which do not comply with AAOIFI Standards. This is achieved by performing further business involvement and financial screens:

- Business involvement screens:** Non-permissible income must not exceed 5% of total income in order to pass the business involvement screen. This involves incomes derived from the following business involvement: Shariah non-compliant or conventional interest-based banking, financial services, real estate, insurance, mortgage and lease, alcohol, tobacco or pork products, entertainment (hotels, casino/gambling, pornography/adult entertainment, cinema and music), arms manufacturing (weapons and defence) and trading and hedging of gold and silver on a deferred basis. In addition, companies in the coal sector are excluded from the Investment Universe.
- Financial screens:** The strategy shall only invest in companies with a non-permissible income not more than 5% of total income, an interest-bearing investments by market capitalization ratio less than 30%, an interest-bearing debt by market capitalization ratio less than 30%.

The Target Fund is prohibited to invest in preference shares.

3.4.2 Sustainable and Responsible Investment

The Target Fund's investment policy and strategies adopt UNGC principles and ESG performance indicators as stated above. If the Target Fund's investments become inconsistent with its investment policy and strategies, the Target Fund Manager shall dispose the investment(s) as soon as practicable within three (3) months after the breach, in case of violation of the investment policy, or at the next Investment Universe rebalancing (i.e. quarterly) in case of poor UNGC/ESG performance.

3.5 Asset Allocation

Target Fund	Minimum of 90% of the Fund's NAV
Islamic liquid assets including Islamic deposits, and Islamic money market instruments.	Maximum of 10% of the Fund's NAV

3.6 Performance Benchmark

FTSE Shariah All-World Index

The basis for selecting the above benchmark is to reflect the Fund's asset allocation and investment objective.

The above benchmark is only used as a reference for the purpose of investment performance comparison. The Fund is not managed against the benchmark. Please note that the risk profile of the Fund may be higher than the risk profile of the benchmark.

Source: <https://www.ftserussell.com/products/indices/global-shariah>

Unit Holders may contact the Manager for more information on the performance benchmark.

Note:

The performance benchmark of the Fund will be changed from MSCI ACWI Islamic Index Net Return to FTSE Shariah All-World Index effective as per the date of this Prospectus due to the discontinuation of MSCI index licensing.

3.7 Permitted Investment

The Fund may invest in the following:

- ✓ An Islamic collective investment scheme having a similar objective with the Fund;
- ✓ Islamic deposits;
- ✓ Islamic money market instruments;
- ✓ Islamic hedging instruments including but not limited to Islamic options, Islamic future contracts, Islamic currency swaps and Islamic forward contract (for hedging purposes only); and
- ✓ Any other form of Shariah-compliant investment as may be determined by the Manager from time to time that is in line with the Fund's objective.

3.8 Investment Restrictions and Limits

The Fund shall not invest in the following:

- (a) a fund-of-funds;
- (b) a feeder fund; and
- (c) any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

The Fund may invest up to 15% of its NAV in the following permitted Shariah-compliant investments:

- (a) Islamic money market instruments that are dealt in or under the rules of an eligible market and whose residual maturity does not exceed 12 months;
- (b) placement in short-term Islamic deposits; and
- (c) Islamic derivatives for the sole purpose of hedging arrangement.

Notwithstanding the above, the Fund will not hold more than 10% of its NAV in Islamic liquid assets

such as Islamic deposits, and Islamic money market instruments.

Use of Islamic Derivatives

Calculation of global exposure to Islamic derivatives

The global exposure of the Fund is calculated based on commitment approach and is calculated as the sum of:

- (a) the absolute value of the exposure of each individual Islamic derivative not involved in the netting or hedging arrangements;
- (b) the absolute value of the net exposure of each individual Islamic derivative after netting or hedging arrangements; and
- (c) the values of cash collateral received pursuant to the reduction of exposure to counterparties of OTC Islamic derivatives.

Netting and hedging arrangements may be taken into account to reduce the Fund's exposure to Islamic derivatives.

Netting arrangements

The Fund may net positions between:

- (a) Islamic derivatives on the same underlying constituents, even if the maturity dates are different; or
- (b) Islamic derivatives and the same corresponding underlying constituents, if those underlying constituents are Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic collective investment schemes.

Hedging arrangements

The marked-to-market value of Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to Islamic derivatives.

The hedging arrangement must:

- (a) not be aimed at generating a return;
- (b) result in an overall verifiable reduction of the risk of the Fund;
- (c) offset the general and specific risks linked to the underlying constituent being hedged;
- (d) relate to the same asset class being hedged; and
- (e) be able to meet its hedging objective in all market conditions.

Calculation of Exposure to Counterparty of OTC Islamic derivatives

The exposure to a counterparty of an OTC Islamic derivative must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC Islamic derivative.

The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC Islamic derivative transactions entered into with the same counterparty.

3.9 Income Distribution Policy

Distribution of income, if any, is incidental.

Please refer to **Section 3.10 Mode of Income Distribution** for details.

3.10 Mode of Income Distribution

Distribution of income to Unit Holders (if any) will be based on total Units held by the Unit Holder on income distribution date via the following option: -

- i. Cash distribution - The income distribution will be paid to the Unit Holder by way of telegraphic transfer into the Unit Holder's bank account; or
- ii. Reinvestment of Units – The income distributed will be reinvested into the Unit Holder investment account in the form of additional Units at no cost, based on the ex distribution NAV per Unit at the end of the Business Day of the income distribution date (ex distribution date).

If the Unit Holder does not state his/her option in the application form, income distribution, if any, will be automatically reinvested into Unit Holder's account in the form of additional Units.

Unit Holder may inform us or any of our authorized distributions in writing, at any time before the income declaration date of his/her wish of receiving cash payment or additional Units via reinvestment.

Any bank charges incurred for transmitting (via telegraphic transfer) the cash income distribution from the Fund's distribution's account to Unit Holder's bank account (if any) will be borne by the Unit Holders.

3.11 Valuation of Assets

The valuation bases for the permitted Shariah-compliant investments of the Fund are as follows:

- i. Unlisted Islamic collective investment scheme will be valued based on the last published repurchase price.
- ii. The value of any Islamic deposits placed with financial institutions shall be determined each day by reference to the nominal value of the Islamic fixed deposit and the accrued income thereon for the relevant period.
- iii. For Islamic money market instruments, valuation shall be done on daily basis by reference to the principal value of such investments as provided by the financial institution that issues the instrument and verified by the Manager. For investments in Islamic commercial papers, valuation will be performed by reference to the fair value prices quoted by a bond pricing agency registered with the SC.

3.12 Valuation Point for the Fund

Valuation of the Fund is carried out at the end of each Business Day. As Forward Pricing method is used for this Fund, any request received on or before 4.00 p.m. (Malaysia time) on any Business Day, will be processed based on the NAV per Unit at the end of that Business Day which will be computed on T+1.

For any request received after 4.00 p.m. (Malaysia time) on any Business Day, the request will be processed based on the NAV per Unit at the end of the next business day which will be computed on T+1.

All foreign assets will be translated into the Base Currency and any currency translation involved for NAV computation will be based on bid foreign exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 a.m. midnight (Malaysia time) on the same day, or such time stipulated in the investment management standards issued by FIMM.

3.13 Policy on Gearing and Minimum Liquid Assets Requirements

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 requests for Units and for short term bridging requirement are subject to the following:-

- i. The Fund's cash financing is only on a temporary basis and that financings are not persistent;

- ii. The financing period shall not exceed one (1) month;
- iii. The aggregate financings of the Fund shall not exceed 10% of the Fund's NAV at the time the financing is incurred; and
- iv. The Fund may only obtain Islamic financing from financial institutions.

3.14 Denomination of the Fund

The transaction for the Fund in this Prospectus is denominated in USD as it is the base currency for the Fund. The Manager may create new Classes of Units in respect of the Fund in the future. Unit Holders will be notified of any issuance of new Classes of Units through communication in writing and issuance of a supplemental prospectus or replacement prospectus.

4. RISKS FACTORS

4.1 General Risks of Investing in the Fund

The Fund is exposed to the following general risks:

- **Market Risk**

This risk arises due to fluctuations in market value of investments. Such fluctuations occur because of factors that affect the entire market. Market risk cannot be eliminated by diversification. It stems from the fact that there are economy-wide perils which threaten all businesses. Hence investors will be exposed to market uncertainties, and no matter how many equities are held, fluctuations in the economy, political and social environment will affect the market price of the investments.

- **Performance Risk**

The performance of the Fund depends on the financial instruments that the Fund invest. If the instruments do not perform within expectation or if there is a default, then the performance of the Fund will be impacted negatively. The performance of the Fund may also be impacted if the allocation of assets is not properly done. On that basis, there is never a guarantee that investing in the Fund will produce the desired investment returns.

- **Financing Risk**

This risk occurs when the investor obtains financing provided by any financial institution to finance the purchase of the Fund. The financial institution may require additional collateral (when Units are used as collaterals) should the price of Units falls which the investor may be unable to provide. In addition, the investor may not be able to fulfill certain financing obligations due to unforeseen circumstances.

Other financing risk factors to consider include:

- a. the higher the margin of financing, the greater the potential for losses as well as gains; and
- b. if the financing taken is a variable profit rate financing and profit rates rise, the total financing amount will increase.

- **Manager Risk**

This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant guidelines due to factors such as human error, fraud or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

To mitigate the risk, the Manager practices the following:

- a. Strict adherence to the Fund's investment objective, policies and strategies as stated in this Prospectus and Deed.
- b. Internal controls and compliance monitoring is in place to mitigate the risk. Periodical compliance reporting to the management committee, investment committee, Shariah Adviser, board audit and risk committee and the board of directors;
- c. Regular review on its internal policies, system capabilities and maintain strict segregation of duties in mitigating this risk.

- **Risk of Non-Compliance**

This is a risk where the Fund may be mismanaged due to the Manager's non-compliance with the provisions set out in the Deed or this Prospectus or the laws/guidelines governing the Fund or the Manager's own internal procedures or where the employee of the Manager acts fraudulently or dishonestly in managing the Fund. This may also occur when the Manager does not adhere to the investment mandate of the Fund. To mitigate this risk, the Manager will manage the Fund with strict

adherence to the Fund's investment objective, policies and strategies as stated in this Prospectus and the Deed. The compliance team of the Manager oversees the entire compliance matters, including monitoring of adherence to any non-compliance with regulations, guidelines and internal controls.

- **Shariah Non-Compliance Risk**

This risk refers to the risk that the Fund not conforming to Shariah guidelines. The Manager (as advised by the Shariah Adviser) would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah guidelines.

Any Shariah non-compliant investment made by the Fund due to error of the administration shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. Any gain resulting from the said disposal shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser whilst any loss is to be borne by the Manager.

4.2 Specific Risks Associated with Investing in the Fund

In addition, there are also specific risks associated with the Fund that need to be considered.

- **Concentration Risk**

This Fund is a feeder fund which invests in a Target Fund. Any adverse effect on the Target Fund will inevitably affect the Fund. The Fund's performance is also dependent on the performance of the Target Fund. This risk may be mitigated as the Manager is able to substitute the Target Fund with another ESG fund that has similar objective with the Fund and the said ESG fund must meet the requirements of the Guidelines on Sustainable and Responsible Investment Funds. However, a replacement of the Target Fund would require Unit Holders' approval.

- **Liquidity Risk**

Liquidity risk is the risk that the units of the Target Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realization of units of the Target Fund. The Target Fund Manager may suspend the realisation of shares of the Target Fund, or delay the payment of realisation proceeds in respect of any realisation request received, during any period in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the redemption proceeds in a timely manner which in turn may delay the payment of redemption proceeds to the Unit Holders. The Manager will maintain a sufficient liquidity level for the purposes of meeting redemption requests.

- **Country Risk**

Investments of the Fund (i.e. the Target Fund, which is domiciled in Luxembourg) may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of Luxembourg. These factors may have a negative impact on the Fund and consequently adversely affect the Fund's NAV.

- **Currency Risk**

As the Fund invests in foreign investments (i.e. the Target Fund which is denominated in foreign currency), the Fund would be exposed to currency risk. This is the risk associated with investments that are denominated in currencies that are different from the Base Currency. When the currency of foreign investments depreciates against the Base Currency, the Fund will suffer currency losses. This is in addition to any capital gains and/or losses from the investment.

For the RM Hedged Class, the Fund will be investing in the Target Fund which is denominated in USD, however investors in the RM Hedged Class will be subject to lower currency risk at the Fund level as the Manager will mitigate this risk by hedging the foreign currency exposure. Investors should note that by employing this hedging, investors would not be able to enjoy the additional currency gains when USD

moves favorably against the RM. Additional transaction cost of hedging will also be borne by investors in the RM Hedged Class.

- **Target Fund Manager Risk**

As a feeder fund, the Fund invests in the Target Fund which is managed by the Target Fund Manager. The Target Fund Manager has absolute discretion over the Target Fund's investment technique and knowledge, operational controls and management. In the event of any mismanagement of the Target Fund or the Management Company of the Target Fund, the NAV of the Fund, which invests substantially all of its assets into the Target Fund, would be affected adversely. In the event if such a situation arises, the Manager reserves the right to substitute the Target Fund with another ESG fund that has similar objective with the Fund and the said ESG fund must meet the requirements of the Guidelines on Sustainable and Responsible Investment Funds. However, a replacement of the Target Fund would require Unit Holders' approval. To mitigate this risk, the Manager will review and monitor the Target Fund to comply with the Guidelines and Guidelines on Sustainable and Responsible Investment Funds.

- **SRI Investments Risk**

This is the risk that the Manager may not correctly apply the relevant criteria resulting out of the ESG analysis or that the Fund may have indirect exposure to investments which do not meet the relevant criteria (based on UNGC principles and ESG factors). This may result in potential losses to the Fund in the event that such investments are disposed at unfavourable prices due to the violation of the investment policy and strategies of the UNGC principles and ESG factors. If the Fund's investments become inconsistent with its investment policy and strategies of UNGC principles and ESG factors, the Manager shall deal with the investment(s) in accordance with Section 3.4.2 of this Prospectus.

- **AI Driven Investment Approach Risk**

Data is now produced in unprecedented quantities, creating a need for intelligent machine to discover subtle relationships which can be translated into alpha opportunities. AI may be able to better deal with unstructured and alternative data, particularly in textual form and avoid human pre-conceptions and biases. AI may be able to better adapt to dynamically changing markets and is scalable across a broad variety of markets. AI driven approach is adopted in this Fund. Nevertheless, there is no guarantee that the research capabilities will contribute to positive investment outcome of the Fund.

- **Shariah Status Reclassification Risk**

This risk refers to the risk of a possibility that the currently held Islamic collective investment scheme or Islamic deposits or Islamic money market instruments invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such investments. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the said investments.

4.3 Specific Risks Related to the Target Fund

- **General Market Risk**

The asset in which the Management Company of the Target Fund invests for the account of the Target Fund involves risks as well as opportunities for growth in value. If the Target Fund invests directly or indirectly in securities and other assets, it is subject to many market uncertainties, which are sometimes attributable to irrational factors, in particular on the securities markets. Losses can occur when the market value of the assets falls below the cost price. If an investor of the Target Fund i.e. the Fund sells shares of the Target Fund at a time at which the value of assets in the Target Fund have decreased compared with the time of the share purchase, the Fund will not receive the full amount invested in the Target Fund. Despite the fact that the Target Fund aspires to achieve constant growth, this cannot be guaranteed. However, the Fund's risk is always limited to the amount invested. There is no additional funding obligation concerning the money invested.

- **Profit Rate and Interest Rate Change Risk**

Investing in securities at a fixed rate of profit and/or at a rate that is directly affected or influenced by the rate of profit/interest is connected with the possibility that the current profit/interest rate at the time of issuance of a security could change. If the current profit/interest rate increases as against the profit/interest at the time of issue, fixed rate securities will generally decrease in value. Conversely, if the current profit/interest rate falls, fixed rate securities will increase. These developments mean that the current yield of fixed rate securities roughly corresponds to the current profit/interest rate. However, such fluctuations can have different consequences, depending on the maturity time of fixed rate securities. Fixed rate securities with shorter maturity times carry smaller price risks* than fixed rate securities with longer maturity times. On the other hand, fixed rate securities with shorter maturity times generally have smaller yields than fixed rate securities with longer maturity times. For the avoidance of doubt, the aforementioned profit/interest rate risk may be applicable in the case of Shariah-compliant securities whose profit-rate and/or other rates of return are affected by profit/interest rate changes.

- **Risk of Negative Deposit Rates**

The Management Company of the Target Fund invests the liquid assets of the Target Fund with the depository of the Investment Company ("the Depository") or other financial institutions on behalf of the Target Fund. A/An profit/interest rate is agreed for some of these bank balances that corresponds to international profit/interest rates, less an applicable margin. If these profit/interest rates fall below the agreed margin, this leads to negative profit/interest rates on the corresponding account. Depending on the development of the profit/interest rate policy of each of the central banks, short, medium and long-term bank balances may all generate a negative profit/interest rate at banks.

- **Credit Risk**

The creditworthiness of the issuer (its ability and willingness to pay) of a Shariah-compliant security or Islamic money-market instrument directly or indirectly held by the Target Fund may subsequently fall. This normally leads to a fall in the price of the respective financial instrument greater than that associated with general market fluctuations.

- **Company-specific Risk**

The performance of the Shariah-compliant securities and Islamic money-market instruments directly or indirectly held by the Target Fund also depends on company-specific factors, for example, the business position of the issuer. If the company-specific factors deteriorate, the market value of a given Shariah-compliant security may fall substantially and permanently, even if stock market movements are otherwise generally positive.

- **Risk of Counter-Party Default**

The issuer of a security held directly and indirectly by the Target Fund or the debtor of a claim belonging to the Target Fund may become insolvent. The corresponding assets of the Target Fund may become worthless as a result of this.

- **Currency Risk**

If the Target Fund directly or indirectly holds assets which are denominated in foreign currencies, unless the foreign currency positions are hedged, it shall be subject to currency risk. In the event of a devaluation of the foreign currency against the reference currency of the Target Fund, the value of the assets held in foreign currencies shall fall. Foreign currency positions may only be hedged in a Shariah-compliant manner.

- **Industry Risk**

If the Target Fund focuses its investments on specific industries (e.g. natural resources) this shall reduce the benefits of diversification. As a result, the Target Fund shall be particularly dependent on both the general development and the development of the company profits of individual industries or influential industries.

- **Country and Regional Risk**

If the Target Fund focuses its investment on specific countries or regions, this shall also reduce the risk diversification. Accordingly, the Target Fund shall be particularly dependent on the development of individual or mutually interlinking countries and regions, and on companies which are located and/or are active in these countries or regions.

- **Legal and Tax Risk**

The legal and tax treatment of the Target Fund may change in unforeseeable and uncontrollable ways.

- **Country and Transfer Risk**

Economic or political instability in countries in which the Target Fund invests may mean that the Target Fund does not receive, in whole or in part, in time or only in a different currency the monies owing to it due to the insolvency of the issuer of the respective security or other form of assets. The reasons for this may include, for example, currency or transfer restrictions, nonexistent transfer ability or preparedness or other forms of legal changes. If the issuer pays in a different currency the security position is exposed to an additional currency risk.

- **Sustainability Risk**

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of the Target Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Assessment of sustainability risks is complex and may be based on environmental, social or governance (ESG) data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Applying ESG and sustainability criteria to the investment process of the Target Fund may exclude securities of certain issuers for non-investment reasons and therefore some market opportunities available to funds that do not use ESG or sustainability criteria may be unavailable for the Target Fund, and the Target Fund's performance may at times be better or worse than the performance of comparable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on a proprietary ESG scoring process or ban lists that rely partially on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria at the level of the European Union may result in different approaches by the Fund Manager of the Target Fund when setting ESG objectives and determining that these objectives have been met by the Target Fund. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. Investors in the Target Fund should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the methodology of the Target Fund's Fund Manager. The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

The Management Company of the Target Fund analyses sustainability risks as part of its risk management process. The Management Company of the Target Fund and the Fund Manager of the Target Fund identify, analyse and integrate sustainability risks in their decision-making process as they consider that this integration could help enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Target Fund. The Fund Manager of the Target Fund consider that sustainability risks are likely to have a moderate impact on the value of the Target Fund's investments in the long term.

In addition to the ESG, UNGC and business involvement screens, the strategy also incorporates a climate-related screen. Companies in high greenhouse gas emitting sectors are excluded, unless on a 2°C climate pathway.

- **Liquidity Risk**

The Target Fund may also acquire Shariah-compliant assets not admitted for trading on a stock exchange, or not admitted to trading or included in another organised market. In some situations, it might be impossible to sell such Shariah-compliant assets except subject to considerable discounts or delays, if at all. In some cases, even the sale of Shariah-compliant assets admitted to a stock exchange may only be possible with sizeable discounts, or not at all, depending on market conditions, volumes, time frames and planned costs. Although the Target Fund may only acquire Shariah-compliant assets that can generally be liquidated at any time, it is possible that these Shariah-compliant assets may temporarily or permanently only be sold at a loss.

- **Custody Risk**

A risk of loss is associated with the custody of assets, which may result from insolvency or violations of due diligence on the part of the Depositary or a sub-depositary, or by external events.

- **Emerging Markets Risk**

Investing in emerging markets entails investing in countries that, inter alia, are not included in the World Bank's definition of "high GDP per capita" i.e. are not classified as "developed" countries. In addition to the risks specific to the asset class, investments in these countries are generally subject to higher risks, in particular heightened liquidity risk and general market risk. In emerging markets, political, economic or social instability or diplomatic incidents may hamper investments in these countries. Moreover, the processing of transactions in transferable securities from such countries may entail greater risks and be harmful to the investor of the Target Fund i.e. the Fund, particularly due to the fact that it may not be possible or customary for transferable securities to be delivered immediately upon payment in such countries. The country and transfer risks described above are also significantly greater in these countries.

In addition, the legal and regulatory environment and the accounting, auditing and reporting standards in emerging markets may differ significantly from the level and standards which are otherwise customary on an international scale, to the detriment of an investor of the Target Fund i.e. the Fund. This may not only lead to differences in government monitoring and regulation, but also to additional risks in connection with the assertion and settlement of claims of the Target Fund. In addition, a higher custody risk may exist in such countries, which can result in particular from different forms of the transfer of ownership of acquired assets. Emerging markets are generally more volatile and less liquid than markets in developed countries, which can entail greater fluctuations in the unit values of the Target Fund.

- **Risk of Investments in Russia**

The Target Fund may, in accordance with its investment policy, invest in securities of Russian issuers. The Russian stock exchange (OJSC "Moscow Exchange MICEX-RTS") is a regulated market within the meaning of point 1(a) of Article 4 (General provisions of the investment policy) of the Articles of Association. In Russia, securities held in safe keeping present certain risks with respect to ownership and custody, as evidence is kept for the legal claim on shares in the form of delivery by book entry. This means that, in contrast to the common practice in Europe, evidence of ownership is made through an entry in the books of a company or an entry in a Russian registration office. Since such a registration office is not subject to any real state supervision or liable to Depositary's, there is a danger that the Target Fund might lose the registration and ownership of Russian securities through negligence, carelessness or fraud.

The Target Fund currently has no investment in Russia.

- **Inflation Risk**

Inflation risk involves the risk of asset losses as a result of the devaluation of the currency. Inflation will reduce the income of the Target Fund as well as the value of the asset in terms of its purchasing power. A number of currencies are subject to inflation risk to varying high degrees.

- **Concentration Risk**

Additional risks may be incurred if the investments are concentrated in certain assets or markets. In these cases, events affecting these assets or markets may have a greater impact on the Target Fund's assets and cause comparably greater losses than would be the case with a more diversified investment policy.

- **Performance Risk**

Positive performance cannot be ensured without a guarantee issued by a third party. Furthermore, assets acquired for the Target Fund may perform differently than anticipated upon acquisition.

As the Fund will be investing more than 90% of its NAV in the Target Fund, its performance will rely heavily on the performance of the Target Fund.

- **Settlement Risk**

Shariah-compliant transferable securities transactions carry the risk that one of the contracting parties delays, does not pay as agreed or does not deliver the Shariah-compliant transferable securities in good time. This settlement risk also exists with the reversal of Shariah-compliant securities for the Target Fund.

- **Risk of Liquidation**

Particularly relevant to unlisted Shariah-compliant securities, there is a risk of non-settlement or settlement not taking place as expected due to a delay in payment or delivery of Shariah-compliant securities or the payment or delivery not taking place in the agreed manner.

- **Risk of redemption suspension**

Investors in the Target Fund may, in principle, request the redemption of their units from the Investment Company on any valuation day. The Investment Company may temporarily suspend the redemption of the units in the event of exceptional circumstances and then redeem the units at a later point at the price applicable at that time (see also Article 13 of the Articles of Association of the Investment Company, "Suspension of the calculation of the net asset value per share" and Article 16 of the Articles of Association "Redemption and exchange of shares"). This redemption price may be lower than the price before the suspension of the redemption.

- **Potential conflicts of interest**

The Management Company of the Target Fund, its employees, representatives and/or associated companies may act as a member of the board of directors, investment adviser, fund manager, central administration agent, registrar and transfer agent or as any other service provider on behalf of the Target Fund. The role of the Depositary or sub-custodian entrusted with depositary functions can also be carried out by an associated company of the Management Company of the Target Fund. If there is an association between the Management Company of the Target Fund and the Depositary, they shall have appropriate structures to avoid any conflicts of interest arising from this association. If conflicts of interest cannot be avoided, the Management Company of the Target Fund and the Depositary shall identify, manage, monitor and disclose these conflicts. The Management Company of the Target Fund is aware that conflicts of interest may arise as a result of the various activities it carries out with respect to the management of the Target Fund. In accordance with the Law of 17 December 2010 and the applicable administrative provisions of the CSSF, the Management Company of the Target Fund has put in place adequate and appropriate organisational structures and control mechanisms. In particular, it acts in the best interest of the Target Fund. The potential conflicts of interest arising from the delegation of tasks are described in the principles for handling conflicts of interest. These can be found on the Management Company of the Target Fund's website (<https://www.group.pictet/asset->

[services/custody](#)). If a conflict of interest arises that adversely affects the interests of the investors of the Target Fund, the Management Company of the Target Fund shall disclose the general nature and/or sources of the existing conflict of interest on its website. When outsourcing tasks to third parties, the Management Company of the Target Fund ensures that the third parties have taken the necessary measures for complying with all requirements pertaining to organisational structure and the prevention of conflicts of interest, as set forth in the applicable Luxembourg laws and regulations, and that these third parties monitor compliance with these requirements.

- **Risk Profile**

The Target Fund managed by the Management Company of the Target Fund is classified into the following risk profile. The description of the following profile has been prepared under the assumption of normally functioning markets. In unforeseen market situations, non-functioning markets may result in additional risks beyond those listed below.

- Risk profile - Growth-oriented
Due to the composition of the Target Fund's assets, there is a high degree of risk but also a high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk*, as well as market interest rate risks.

**Price risk is a generalized term referring to the risk that the price of a security could fall. This risk is already disclosed in the prospectus of the Fund. See for example:*

- 1. General Market Risk which discusses the possibility that the market value of assets may fall below the cost price;*
- 2. Company-specific risk which discusses the possibility that the market value of a security may fall even when stock market movements are positive."*

- **Risk-Management Procedures**

The Management Company of the Target Fund employs a risk-management procedure enabling it to monitor and assess the risk connected with investment holdings as well as their share in the total risk profile of the investment portfolio of the funds it manages at any time. In accordance with the Law of 17 December 2010 and the applicable supervisory requirements of the CSSF, the Management Company of the Target Fund reports regularly to the CSSF about the risk-management procedures used. The Management Company of the Target Fund manages the overall risk of the funds within the framework of the risk-management procedure and using the necessary and appropriate methods.

- **Shariah-Compliance Risk**

The Target Fund Manager has engaged the Shariah advisor to independently determine whether the Investment Company or the Target Fund is compliant with Shariah. The Shariah advisor acts independently of the Investment Company and the Target Fund Manager. The Investment Company, Management Company of the Target Fund and Target Fund Manager makes no representations or warranties, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such determination or guidance by the Shariah advisor. In the event that the status of such Shariah-compliance should change, the Investment Company, Management Company of the Target Fund and Target Fund Manager accepts no liability in relation to such change. In deciding whether to become an investor in the investment company of the Target Fund, prospective investors of the Target Fund i.e. the Fund should not rely on the pronouncement, guidance or determination of the Shariah advisor, whether jointly or severally. Each investor of the Target Fund i.e. the Fund shall, by becoming an investor, be deemed to have represented that they are satisfied that investing in the Investment Company or the Target Fund will not contravene Shariah principles.

Due to the investment objectives and investment policies of the Investment Company, the Target Fund will not be investing in interest-bearing securities, warrants or options, conventional futures or swaps. Consequently, the Investment Company's opportunity to make returns that might otherwise have been available to the Investment Company is reduced.

In the event that the Target Fund is issued with warrants as a result of it holding stock, the Target Fund will dispose of such warrants as soon as practicable which may lead to the Target Fund obtaining a price lower than that obtainable in the market on disposal of such warrants.

The Target Fund may only hedge against foreign exchange risk in a Shariah-compliant manner. Where this is not possible, the Target Fund would not be able to hedge against foreign exchange risk and consequently this may increase the currency risk of the Target Fund.

The investment objectives and investment policies of the Target Fund shall at all times be made in accordance with the Shariah as determined by the Shariah advisor and the investment objectives and investment policies of the Target Fund. Consequently, there are a limited number of stocks that are available to the Target Fund and therefore the Target Fund's investments may be concentrated in a lesser number of stocks than a comparable Shariah non-compliant Target Fund of the same size.

Where the Target Fund should invest within the parameters as set down by the Shariah advisor and invest in stocks within the Arabesque Investment Universe, no warranty is given as to the Target Fund's compliance with Shariah. Investors are responsible for their own due diligence as regards Shariah compliance.

4.4 Risk Management

The Manager has in place proper risk management structures including:

- i. strict adherence to the Fund's investment objective, policies and strategies as stated in the Prospectus, Deed and the Guidelines. The Trustee will provide oversight function to the Manager in relation to the Fund's investment objective, policies and strategies as stated in the Prospectus, Deed and the Guidelines;
- ii. reviewing and reporting compliance matters to the management committee and investment committee of the Manager. The Manager's designated compliance officer will review and report compliance matters to the management committee, investment committee, the Shariah Adviser and the board of directors;
- iii. practicing prudent liquidity management in a timely and cost effective manner; and
- iv. reduce/mitigate the risk associated with the Fund by imposing internal controls, compliance monitoring, and by virtue of its experience, skills and diligence.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk. The investment of the Fund carries risks and investors are recommended to read the whole Prospectus to assess the risks of the Fund.

Investors are reminded that the above list of risks may not be exhaustive and if necessary, investors should consult their adviser(s), e.g. bankers, lawyers, stockbrokers for a better understanding of the risks.

5. SHARIAH INVESTMENT GUIDELINES, CLEANSING PROCESS AND ZAKAT FOR THE FUND

5.1 Shariah Investment Guidelines

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 requirements 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 established and operated by the Manager, 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 must be Shariah-compliant.
- For Islamic money market instruments, sukuk and Islamic deposits, they shall be based on the data readily available on BNM, the SC and the financial institutions' websites respectively.
- The Fund as a feeder fund, will invest in the Target Fund which invests in Shariah-compliant equities and Shariah-compliant equity related securities based on AAOIFI Standards. For investments in Islamic collective investment schemes other than the Target Fund, the Manager must submit to the Shariah Adviser all pertinent information including the prospectuses, its structures, investment avenues, Shariah investment guidelines, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the Islamic collective investment schemes, for the Shariah Adviser to confirm the Shariah status of the said Islamic collective investment schemes.
- The Fund may only use derivatives for hedging purposes. Such derivatives must be Islamic derivatives. However, if Islamic derivatives are not available or are not commercially viable, the Fund may use conventional derivatives subject to prior approval from the Shariah Adviser being obtained.
- The decision of the Shariah Adviser shall be final.
- To facilitate the purchase and sale of foreign Shariah-compliant investment instruments, there may be a need to have cash placement in a conventional bank account outside Malaysia. In such circumstances, the conventional account should be non-interest bearing and the sole purpose is only to facilitate purchase and sale of foreign Shariah-compliant investment instruments. In the event that such a non-interest bearing account is unavailable, all interests earned shall be cleansed and that shall be undertaken annually if not earlier.

5.2 Cleansing Process for the Fund

(a) Wrong Investment

This refers to Shariah non-compliant investment made by the Manager. The said investment shall be disposed of or 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 received before or after the disposal of the investment, it has to be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Fund has a right to retain only the investment cost. The Shariah Adviser advises that this cleansing process (namely, channelling of income from wrongful investment to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser) shall be carried out within two (2) calendar months from the said disposal or 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 Investments

This refers to the instruments which were earlier classified as Islamic money market instruments or Islamic deposits or Islamic collective investment schemes 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 Manager will take the necessary steps to dispose of or withdraw such money market instruments or deposits or collective investment schemes.

If on 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 reclassification effective date and capital gains arising from the disposal of the said reclassified Shariah non-compliant instruments made on the reclassification effective date can be kept by the Fund.

However, any income received and excess capital gain derived from the disposal after the reclassification effective date at a price that is higher than the price on the reclassification effective date shall be channelled to *baitulmal* and/or charitable bodies as advised 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.

(c) Purification of Unpurified Income Received from the Target Fund

Although the Target Fund shall only invest in Shariah-compliant equity universe (Arabesque Investment Universe), it may invest in the equity of a company which derives a portion of its revenue from Shariah non-compliant activities and/or whose revenue includes Shariah non-compliant income (both as defined in the AAOIFI Standards). In such cases, a portion of income specific to the share(s) of that company is Shariah non-compliant income. In addition, income received by the Target Fund which, although it may be entitled to under applicable laws and regulations in its jurisdiction, shall, if accepted, lead to a breach of any applicable fatwa is also considered as Shariah non-compliant income and an example of such Shariah non-compliant income is interest income and any capital gain from the sale of securities which are held by the Target Fund pursuant to an active breach. The Shariah advisor of the Target Fund has advised that all Shariah non-compliant or prohibited income should be purified by the investor i.e. the Fund by allocating or donating such income to a charity.

At the time of income distribution, the Target Fund shall make available information relating to the portion that is attributable to Shariah non-compliant income. In the event that there is any Shariah non-compliant income received by the Fund as the investor, the said income shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this purification process should be carried out within two (2) calendar months from income distribution date.

5.3 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.

THE SHARIAH ADVISER CONFIRMS THAT THE INVESTMENT PORTFOLIO OF THE FUND COMPRISES INSTRUMENTS WHICH HAVE BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC AND, WHERE APPLICABLE BY THE SAC OF BNM. AS FOR THE INSTRUMENTS WHICH HAVE NOT BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC AND, WHERE APPLICABLE BY THE SAC OF BNM, THE SHARIAH STATUS OF THE INSTRUMENTS HAS BEEN REVIEWED AND DETERMINED IN ACCORDANCE WITH THE RULING ISSUED BY THE SHARIAH ADVISER.

6. FEES, CHARGES AND EXPENSES

There are charges and fees directly incurred when investor purchases or redeems Units of the Fund. Investors are advised to consider the charges and fees before investing in the Fund.

6.1 Charges Directly Incurred

This table describes the charges that you may directly incur when you purchase or redeem Units.

Sales Charge	Up to 5.50% of the NAV per Unit The sales charge is applicable to all Classes of Units. The Manager may at its discretion charge a lower sale charge based on the size of investment and/or other criterion as may be determined from time to time. Please refer to Section 7.2 for illustration on computation of sales charge.				
Redemption Charge	The Manager will NOT impose any redemption charge on any redemption.				
Transfer Fee	Nil.				
Switching Fee	A switching fee may be imposed by the Manager as follows:- <table><tr><td>a. 1st Time</td><td>: Nil</td></tr><tr><td>b. 2nd Time onwards</td><td>: RM 25 per transaction</td></tr></table> The switching fee is applicable within the same type of asset class and same currency within funds managed by the Manager. Cross currency switching is not allowed. Please refer to Section 7.4 for details.	a. 1st Time	: Nil	b. 2nd Time onwards	: RM 25 per transaction
a. 1st Time	: Nil				
b. 2nd Time onwards	: RM 25 per transaction				

***Note: The above fees and charges are exclusive of taxes and/or duties imposed by law or required to be paid in connection with the products or services provided by the Manager and/or the Trustee.**

6.2 Fees Indirectly Incurred

The following are fees that you may indirectly incur when you invest in the Fund.

6.2.1 Annual Management Fee

The annual management fee is up to 1.80% per annum of the NAV of the Fund. The management fee is calculated and accrued on a daily basis, payable monthly to the Manager.

Please note that management fee will only be charged once at the Fund level. The fund management fee charged by the Target Fund will be paid out of the annual management fee charged by the Manager at the Fund level. There is no double charging of management fee.

Note: The amount of management fee is applicable to all Classes of Units based on the multi-class ratio. For illustration, please refer to a table disclosed in **Section 7.1**.

6.2.2 Annual Trustee Fee

The trustee fee is up to 0.035% per annum of the NAV of the Fund per annum subject to a minimum fee of RM15,000 per annum or its equivalent in the Base Currency (excluding foreign custodian fees and charges).

In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties.

The trustee fee is accrued daily and payable monthly.

*Note: The amount of trustee fee is applicable to all Classes of Units based on the multi-class ratio. For illustration, please refer to a table disclosed in **Section 7.1**.*

6.2.3 Administrative Fees

These include (but are not limited to) the following:

- i. cost of printing of semi-annual and annual reports for the Fund;
- ii. commissions or fees paid to brokers or dealers in effecting dealings in the Assets of the Fund, shown on the contract notes or confirmation notes;
- iii. where the custodian function is delegated by the Trustee, charges and fees paid to foreign sub-custodians taking into custody any foreign assets of the Fund;
- iv. taxes and other duties charged on the Fund by the government and other authorities;
- v. costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- vi. fees for the valuation of any investment of the Fund;
- vii. costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- viii. costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- ix. costs, commissions, fees and expenses of the sale, purchase and any other dealing of any asset of the Fund;
- x. costs, fees and expenses incurred in the preparation of tax returns of the Fund; and
- xi. any tax and/or other indirect 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
- xii. other related Fund's administrative expenses as permitted by the Deed.

*Note: Any administrative expenses are applicable to all Classes of Units based on the multi-class ratio. For illustration, please refer to a table disclosed in **Section 7.1**.*

6.2.4 Other Fee

Any applicable bank charges incurred as a result of purchasing or withdrawal of Units will be borne by the Unit Holder.

6.3 Policy on Rebates and Soft Commission

Any rebate or soft commission shall be directed to the Fund concerned. Soft commissions may be retained by the Manager or the fund manager if:

- (a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;

- (b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

There are fees and charges involved and investors are advised to consider the fees and charges before investing in the Fund.

The fees, charges and expenses quoted in this Prospectus are exclusive of taxes and/or duties imposed by law or required to be paid in connection with the products or services provided by the Manager and/or the Trustee. The fees and charges are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund. Unit prices and distributions payable, if any, may go down as well as up. Investors should read and understand the contents of this Prospectus and, if necessary, should consult their adviser(s).

7. TRANSACTION INFORMATION

7.1 Determination of Prices

7.1.1 Computation of NAV and NAV per Unit

The base currency of the Fund is USD.

Units are offered in USD Class, AUD Class, SGD Class, RM Class and RM Hedged Class but the underlying assets of each Unit of the different Classes of Units will have the same value as they have the same investment portfolio of securities and share the same investment objective.

Under this section, please note the following definition:

- Multi class ratio or "MCR" is apportioned based on the size of the Class relative to the Fund. This means the MCR is calculated by taking the value of a Class before income and expenses for a particular day and dividing it with the value of the Fund before income and expenses for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

Example:

$$\frac{\text{NAV of the Class}}{\text{Total NAV before income \& expenses for the Day}} \times 100$$

For illustration purposes, following are examples of the computation of NAV and NAV per unit for a particular day:-

	Fund (USD)	RM Class (USD)	RM Hedged Class (USD)	USD Class (USD)	SGD Class (USD)	AUD Class (USD)
Initial Offer Price		RM0.25	RM0.25	USD0.25	SGD0.25	AUD0.25
Assumption of exchange rate		4.0590	4.0590	1.0000	1.3465	1.4546
Initial investment		RM50,000	RM50,000	USD50,000	SGD50,000	AUD50,000
Opening NAV	146,143.64	12,318.31	12,318.31	50,000.00	37,133.31	34,373.71
Add: Creation	-	-	-	-	-	-
	146,143.64	12,318.31	12,318.31	50,000.00	37,133.31	34,373.71
Opening UIC (Units)		200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
Multi-class ratio	100.00%	8.43%	8.43%	34.21%	25.41%	23.52%
Add: Income	3,000.00	252.87	252.87	1,026.39	762.27	705.60
Less: Fund expenses	(1,500.00)	(126.44)	(126.44)	(513.20)	(381.14)	(352.80)
NAV of the Fund	147,643.64	12,444.75	12,444.75	50,513.20	37,514.45	34,726.51
(before deduction of management fee and trustee fee)						
Less:						
Management fee (1.80%)	(7.28)	(0.61)	(0.61)	(2.50)	(1.85)	(1.71)
Trustee fee (0.035%)	(0.14)	(0.01)	(0.01)	(0.05)	(0.04)	(0.03)
NAV of the Fund	147,636.22	12,444.13	12,444.13	50,510.65	37,512.56	34,724.77
Closing UIC (Units)		200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
NAV per unit * (in USD)		0.0622	0.0622	0.2526	0.1876	0.1736
NAV per unit * (in respective classes currency)		0.2526	0.2526	0.2526	0.2526	0.2526

7.1.2 Policy on Rounding Adjustment

The NAV per Unit of the Fund is rounded to four (4) decimal places. When you invest in the Fund, the investment amount payable by you will be rounded to two (2) decimal places. The Manager will allocate Units in your account in two (2) decimal places. Your redemption value will also be in two (2) decimal places.

7.1.3 Pricing of Units

The purchase and redemption transactions will be executed on a Forward Pricing basis which is based on NAV per Unit offered by each Class of Units. Under the Forward Pricing basis:

- i. the sale of Units by the Manager to an investor will be executed based on the NAV per Unit at the end of the Business Day which will be computed on the following day (T+1) by 5.00 p.m.; and
- ii. the redemption of Units by the Manager from an investor will be executed based on the NAV per Unit at the end of the Business Day which will be computed on the following day (T+1) by 5.00 p.m.

A transaction of Units of the Fund by an investor is considered as carried out on a particular Business Day only if the payment together with completed application form and relevant supporting documents are received by the Manager not later than 4.00 p.m. (or such other time as the Manager may deem fit in its discretion) on that same Business Day. In the event the same is only received by Manager after 4.00 p.m. (or such other time as the Manager may deem fit in its discretion), the transaction is considered as carried out on the following Business Day. Any payment made on a non-Business Day shall be treated as payment made in the following Business Day.

7.1.4 Manager's Single Pricing Regime

All applications will be based on NAV per Unit offered by the respective Class of Units.

7.2 Purchase of Units

- Units are offered in currencies as per the following Class of Units. As the base currency of the Fund is in USD, all purchases of Units received other than USD will be converted to USD for investment purposes.

Class of Units	RM Class	RM Hedged Class	USD Class	SGD Class	AUD Class
Minimum Initial Investment	RM500	RM500	USD500	SGD500	AUD500
Minimum Additional Investment	RM100	RM100	USD100	SGD100	AUD100

Note:

The Manager may waive or vary the minimum amount stipulated above at its sole and absolute discretion.

- Investors may submit the purchase application by completing the application forms, which are available at the office of BIMB Investment, at our authorised unit trust consultant (UTC), any sales offices as listed in **Section 19 - Directory of Sales Offices**, or offices of our authorised distributors. Investors may also obtain the application form and other related forms from our website at <https://bimbinvestment.com.my>. Alternatively, investors may invest via our BEST Invest App. You may download the application from the Apple App Store or Google Play Store and start your investment journey with us.
- Application for Units must be received by us before the cut-off time of 4.00 p.m. on any Business Day. Any purchase application received after 4.00 p.m. on any Business Day will be treated as an application made on the next Business Day.
- Investors are required to provide us with the following completed forms and documents. We reserve the right to request for additional documentations when deem necessary before we process the purchase application.

Individual Investors	Corporate Investor
<ul style="list-style-type: none"> • Master Application Form. • Certified true copy of identity card, birth certificate (if joint applicant is a minor) or passport. • Details of a foreign currency account for investments in currencies other than RM. • Proof of payment such as letter of bank / fund transfer or bank-in slip. • For investment through distribution channels, kindly refer to the respective distribution channel for registration and payment procedures. 	<ul style="list-style-type: none"> • Master Application Form. • A certified true copy of <ul style="list-style-type: none"> ✓ the business registration certificate, memorandum & articles of association or constitution; ✓ form 49 or notice under section 58 of the Companies Act 2016; ✓ form 24 or return of the allotment under section 78 of the Companies Act 2016; ✓ form 44 or notice under section 46 of the Companies Act 2016; ✓ board resolution approving the investment in the Fund; ✓ list of authorised signatories and their specimen signatures; and ✓ in the case of foreign companies, trusts, cooperatives and foundations, please contact the Manager or the relevant distribution channel for information on additional documents needed (if any). • Details of a foreign currency account for investments in currencies other than RM. • Proof of payment such as letter of bank / fund transfer or bank-in slip. • For investment through distribution channels, kindly refer to the respective distribution channel for registration and payment procedures.

- Payment for purchase of Units can be made via:
 - a. Online through interbank GIRO (IBG) or Telegraphic Transfer to the respective Class of Units accounts. Details of the accounts can be obtained from <https://bimbinvestment.com.my>.
 - b. Regular investment via banks through direct debit facilities (Terms and conditions apply).

Investors are required to complete the necessary application form and other related documents required by the Manager. A bank validated fund transfer form must be presented to the Manager as evidence of payment.

Any certified document required must be at least certified by authorised unit trust consultant, authorised IUTAs and/or marketing staff of the Manager.

Below is the illustration for Units allotted to the Unit Holders for a Purchase of Units:-

		Investor A	Investor B	Investor C	Investor D	Investor E
		RM Class	RM Hedged Class	USD Class	SGD Class	AUD Class
Amount Invested	=	RM50,000.00	RM50,000.00	USD50,000.00	SGD50,000.00	AUD50,000.00
NAV per Unit	=	RM0.2526	RM0.2526	USD0.2526	SGD0.2526	AUD0.2526
Sales Charge rate	=	5%	5%	5%	5%	5%
Investment Amount	=	$\frac{RM50,000.00}{[(1.0000 + \text{sales charge rate})]}$	$\frac{RM50,000.00}{[(1.0000 + \text{sales charge rate})]}$	$\frac{USD50,000.00}{[(1.0000 + \text{sales charge rate})]}$	$\frac{SGD50,000.00}{[(1.0000 + \text{sales charge rate})]}$	$\frac{AUD50,000.00}{[(1.0000 + \text{sales charge rate})]}$
Net Investment	=	$\frac{RM50,000.00}{(1.0000 + 5\%)}$ = RM47,619.05	$\frac{RM50,000.00}{(1.0000 + 5\%)}$ = RM47,619.05	$\frac{USD50,000.00}{(1.0000 + 5\%)}$ = USD47,619.05	$\frac{SGD50,000.00}{(1.0000 + 5\%)}$ = SGD47,619.05	$\frac{AUD50,000.00}{(1.0000 + 5\%)}$ = AUD47,619.05
Sales Charge amount	=	RM2,380.95	RM2,380.95	USD2,380.95	SGD2,380.95	AUD2,380.95
Units allotted to Investor	=	$\frac{RM47,619.05/\text{NAV per Unit}}{RM47,619.05/RM0.2526}$ = 188,515.64 Units	$\frac{RM47,619.05/\text{NAV per Unit}}{RM47,619.05/RM0.2526}$ = 188,515.64 Units	$\frac{USD47,619.05/\text{NAV per Unit}}{USD47,619.05/USD0.2526}$ = 188,515.64 Units	$\frac{SGD47,619.05/\text{NAV per Unit}}{SGD47,619.05/SGD0.2526}$ = 188,515.64 Units	$\frac{AUD47,619.05/\text{NAV per Unit}}{AUD47,619.05/AUD0.2526}$ = 188,515.64 Units

- ! INVESTORS ARE ADVISED NOT TO MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS. PURCHASE OF UNITS WILL BE PROCESSED UPON CLEARANCE OF AMOUNT INVESTED AND COMPLETE DOCUMENTATION RECEIVED BY THE MANAGER.**
- ! THE MANAGER MAY AT ITS ABSOLUTE DISCRETION DEFER ANY APPLICATION IF SUCH APPLICATION IS INCOMPLETE.**
- ! PLEASE BE ADVISED THAT IF THE INVESTOR INVESTS IN UNITS THROUGH AN IUTA WHICH ADOPTS THE NOMINEE SYSTEM OF OWNERSHIP, THE INVESTOR WOULD NOT BE CONSIDERED TO BE A UNIT HOLDER UNDER THE DEED AS THE INVESTOR'S NAME WILL NOT APPEAR IN THE REGISTER OF UNIT HOLDERS. THE INVESTOR MAY CONSEQUENTLY NOT HAVE ALL THE RIGHTS ORDINARILY EXERCISABLE BY A UNIT HOLDER (FOR EXAMPLE, THE RIGHT TO CALL FOR A UNIT HOLDERS' MEETING AND TO VOTE THEREAT).**

7.3 Redemption of Units

- Unit Holders may redeem their investments in the Fund on any Business Day by completing the redemption form or such other manners as we may accept and returning it to us on any Business Day. The redemption form is available at our head office and also offices of the authorised distributors. Investors who invest via our BEST Invest App may redeem their investments in the Fund via our BEST Invest App.
- Minimum Redemption**

Class of Units	RM Class	RM Hedged Class	USD Class	SGD Class	AUD Class
Minimum Units Redeemed (unit)	100	100	100	100	100

Note: The Manager may waive or vary the minimum amount stipulated above at its sole and absolute discretion.

- **Cut-off time**

Redemption request must reach the Manager before the cut-off time of 4.00 p.m. on any Business Day (or "T Day". The Manager will process the redemption request based on the NAV per Unit of a Class for that Business Day. Any redemption request received by the Manager at or after 4.00 p.m., the Manager will process the redemption request based on the NAV per Unit computed on T+1.

- **Period of Payment of Redemption Proceeds**

As the Fund is a feeder fund which invest substantially in the Target Fund and offer Classes of Units in currencies that are different from the Base Currency, the redemption amount received by the Fund may be subject to currency conversion before the redemption proceeds are paid. In any event, Unit Holders will be paid within five (5) Business Days from the Fund's receipt of the redemption proceeds from the Target Fund, which would be within ten (10) Business Days after the redemption application is received and processed by the Manager.

- **Redemption Options**

Unit Holders may opt for redemption amount to be paid either in the Base Currency (USD) or dealing currency (RM/AUD/SGD). For request to be paid in other than RM, Unit Holders must have the respective Foreign Current Account ("FCA") accounts by default, the redemption amount will be paid in the currency according to the Class of Units of the Fund where the Unit Holders have invested in.

- **Foreign Currency Account (FCA)**

For investment relating to foreign currencies, investors are required to have a foreign currency account with any registered financial institutions. Any payment due to you will be made via telegraphic transfer to your FCA.

- **Mode of Payment**

The redemption payment can only be made via online bank transfer.

- You may give us instructions in writing to transfer your redemption amount to your nominated bank account held in your own name or the first named Unit Holder (principal Unit Holder) if it is a joint account.
- All bank charges for the transfer will be borne by the Unit Holder. The charges will be deducted/debited from the redemption amount.
- Under normal circumstances, a bank transfer will take less than two (2) days to reach your nominated bank account. The Manager will not be responsible for any delay in the bank transfer.
- For redemption amount other than RM, the redemption payment will be paid via telegraphic transfer to the Unit Holder's FCA current/savings account.
- You are also required to comply with requirements of the Islamic Financial Services Act 2013.
- No redemptions will be paid in cash under any circumstances.

Note: The Manager in consultation with the Trustee reserves the right to defer any redemption requests if such request would adversely affect the interest of existing Unit Holders.

Other information

The following illustrations demonstrate the two (2) computation methods of redemption of Units:
Computation no.1 = Redemption request by giving absolute value instruction:

		RM Class	RM Hedged Class	USD Class	SGD Class	AUD Class
Redemption amount request	=	RM5,000.00	RM5,000.00	USD10,000.00	SGD10,000.00	AUD10,000.00
Redemption charge	=	Nil	Nil	Nil	Nil	Nil
NAV per Unit	=	RM0.2526	RM0.2526	USD0.2526	SGD0.2526	AUD0.2526
Total redemption of Units by Unit Holder	=	19,794.14 units	19,794.14 units	39,588.28 units	39,588.28 units	39,588.28 units

Computation no.2 = Redemption request by giving total number of Units instruction:

		RM Class	RM Hedged Class	USD Class	SGD Class	AUD Class
Redemption Units request	=	19,794.14 units	19,794.14 units	39,588.28 units	39,588.28 units	39,588.28 units
Redemption charge	=	Nil	Nil	Nil	Nil	Nil
NAV per Unit	=	0.2526	0.2526	0.2526	0.2526	0.2526
Total redemption amount payable to Unit Holder	=	Units repurchase X NAV per Unit	Units repurchase X NAV per Unit	Units repurchase X NAV per Unit	Units repurchase X NAV per Unit	Units repurchase X NAV per Unit
	=	19,794.14 Units X RM0.2526	19,794.14 Units X RM0.2526	39,588.28 Units X USD0.2526	39,588.28 Units X SGD0.2526	39,588.28 Units X AUD0.2526
	=	RM5000	RM5000	RM10000	RM10000	RM10000

7.4 Switching of Units

Switching is available for switching from a Class of Units to other fund (or its classes) managed by the Manager, provided that the currency denomination is the same and subject to the Manager's discretion. Cross currency switching is not allowed. Investor may redeem from each Class of Units and apply for a purchase of Units to another Class of Units.

The minimum switching amount is 500 Units and amount switched must meet the minimum initial investment amount of the intended Class or a particular fund (or its classes) that the Unit holder intends to switch into. However, if the switching request leaves a Unit Holder with less than 500 units (minimum holdings), the Manager will automatically switch the balance of the Units held in the Unit Holder's account.

Unit Holders please take note that the Manager reserves the right to reject any switching requests if the Manager in the view that the switching transaction is contrary with the best interest of the Fund or the existing Unit Holders of a particular class.

Investor must complete a switching transaction form and submit it to the Manager at or before the cut-off time of 4.00 p.m. on a Business Day (or "T Day") together with the relevant supporting documents, if any.

The switching transaction is subject to the conditions set out below:-

Please refer to the table below for an illustration on how the switching facility works. The original fund refers to the fund the Unit holder original purchased while the intended fund refers to the fund that the units to switch into.

Original Fund	Intended Fund	Condition of Switching
No sales Charge	No sales charge	The switch will be based on the NAV per unit of the intended fund
No sales charge	With sales charge	Investor is required to pay the sales charge imposed by the intended fund
With sales Charge	With Higher sales charge	Investor is required to pay the differential sales charge between the original fund and the intended fund on the amount switched
With sales Charge	With Lower sales charge	The switch will be based on the NAV per unit of the intended fund

- **Switching Fee**

The switching fee may be imposed as follows:-

- First time: Nil
- 2nd time and onwards: RM25 per transaction (Switching fee is exempted for investor who have a total investment of RM100,000 and above with the Manager).

7.5 Cooling-off Transaction

Cooling-off right refers to the right of a Unit Holder to obtain a refund of his/her investment if he/she so requests within the cooling-off period- within six (6) Business Days from the date of receipt of application to purchase Units by the Manager.

Investors have the right to reverse his investment decisions that could have unduly influenced by any external elements or factors.

The cooling-off right is applicable to individual investor, other than those listed below, who is investing for the first time in any unit trust funds managed by the Manager.

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

The refund to the Unit Holder apply for every unit held by the Unit Holder shall be as follows:-

- if the original price of a Unit is higher than the price of a Unit at the point of exercise of the cooling-off right ("market price"), the market price at the point of cooling-off; or
- if the market price is higher than the original price, the original price at the point of cooling-off; and
- the sales charge originally imposed on the day the Units were purchased.

The Manager shall refund to Unit Holder within seven (7) Business Days from the date of receipt of the cooling-off application from the Unit Holder is received by the Manager.

7.6 Minimum Holdings

Class of Units	RM Class	RM Hedged Class	USD Class	AUD Class	SGD Class
Minimum Units Held (units)	500	500	500	500	500

Note: The Manager may waive or vary the minimum amount stipulated above at its sole and absolute discretion.

7.7 Transfer of Units

Units in the Fund are transferable fully or partially. There is no minimum amount of Units required to apply for transfer except that the Units transferred must meet the minimum holdings requirement. Transfer of Units for Class of Units other than RM can only be performed subject to the availability of FCA of the transferee.

A copy of the “Transfer Form” can be obtained from our head office and also offices of the authorised distributors.

The Manager may, at its absolute discretion, allow or reject Unit Holder’s request for transfer of Units subject to such terms and conditions as may be stipulated by the Manager from time to time.

7.8 Incorrect Pricing

Subject to any relevant law, if there is an error in the pricing of the NAV per Unit of the Fund, the Manager will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.5% of the NAV per Unit attributable to a Class of Units:

- i. if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Unit Holder;
- ii. if there is an over valuation and/or pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;
- iii. if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- iv. if there is an under valuation and/or pricing in relation to the redemption of Units, the Manager shall reimburse the Unit Holder or former Unit Holder.

By investing in the Fund, investors agree that the Manager retains the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit attributable to a Class of Units or where the total impact on an individual account is less than RM10.00 or an equivalent denomination in the currency that a particular class of Units is denominated, if applicable. This is because the reprocessing cost may be greater than the amount of the adjustment.

7.9 Distribution Channel

Units can be purchased and redeemed during normal business hours at the business office of BIMB Investment, at the nearest Bank Islam branches or any of our authorized IUTAs and/or unit trust consultants. Please refer to **Section 19: “Directory of Sales Offices”**. Alternatively, investors may invest via our BEST Invest App.

For further information, please call our help-desk at a Toll-Free- number: 1-800-88-1196 at any time during our office hours: Mondays to Fridays from 9.00 a.m. to 5.00 p.m. or email your enquiries to marketing.bimbinvest@bankislam.com.my or visit our website at <https://bimbinvestment.com.my>.

7.10 Unclaimed Monies Policy

Redemption proceeds payable to Unit Holders who have requested for full or partial redemption of their investments in the Fund that remain unclaimed after twelve (12) months shall be lodged with the Registrar of Unclaimed Moneys in accordance with the provisions of the Unclaimed Moneys Act, 1965 (as may be amended from time to time).

7.11 Customer Identification Program

Pursuant to the relevant laws of Malaysia on money laundering, the Manager have an obligation to prevent the use of the Fund for money laundering purposes. As such, the Manager and/or its authorised distributors have put in place a “Know Your Customer” (“KYC”) policy where procedures are in place to identify and verify the investor’s identification through documents such as identity card, passport, constituent documents or any other official documents.

The Manager and/or its authorised distributors reserve the right to request such information, either at the time an application is made or thereafter, as is necessary to verify the identity of an investor (or each of the investors in the case of joint investors) and/or to periodically update our records. You are required to provide us with your information and information of beneficial owner such as name, date of birth, national registration card number, residential and business address, (and mailing address if different), name of beneficial owner, address of beneficial owner, national registration card number of beneficial owner, date of birth of beneficial owner or other information and official identification.

For corporate clients, you are required to provide us the name of the company, principal place of business, source of income/asset, identification documents of the directors/shareholders/partners, board resolution pertaining to the investment and the person authorised to operate the account, all of which as per requirements under regulation when you open or re-open an account.

The Manager and/or its appointed distributors also reserve the right to request additional information including the source of the funds, source of wealth, net worth, annual income and identity of any beneficial owners as may be required to support the verification information and to allow us to complete adequate due diligence. In the event of delay or failure by the investor to produce any information required for verification purpose, we and/or our authorised distributors may refuse to accept an application request. In relation to a subscription application, any monies received will be returned without interest/profit to the account from which the monies were originally debited, and in relation to redemption application, no units will be redeemed to the investor. The Manager and/or its authorised distributors also reserve the right to place restrictions on transactions or redemptions on your account until your identity is verified.

In the event of any breaches to the applicable laws on money laundering, the Manager and its appointed distributors have a duty to notify the relevant authority of the said breaches.

7.12 Anti-Money Laundering (“AML”)/KYC Obligation on Our Authorised Distributor

If you have invested in the Fund via an authorised distributor, there may be additional information that the authorised distributor may need to provide to us, which may include the release of your particulars and details of ultimate beneficiaries / ultimate beneficial owners investing in the Fund to us. Without such information being provided, we reserve the discretion to reject your subscription or redemption request until such information is provided by the authorised distributor to the Manager.

7.13 Suspension of Sale and Redemption of Units

The Manager may, in consultation with the Trustee and having considered the interests of Unit Holders, suspend the dealing in Units of the Fund due to exceptional circumstances, where there is good and sufficient reason to do so, considering the interest of Unit Holders. If we have exhausted all possible avenues to avoid a suspension of the Fund, we may as a last resort, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale (if applicable) and redemption of Units where it is impractical for us to calculate the NAV of the Fund due to but not limited to the following:

- (i) the suspension of the calculation of net asset value of the Target Fund; or
- (ii) an emergency or other state of affairs (such as natural disaster, state of war, etc); or
- (iii) for the purpose of conversion of any currency, a closure or restriction on trading in the relevant foreign exchange market; or
- (iv) the realisation of the material portion of the assets of the Fund not being able to be effected at

prices which would be realised if such material portion of the assets of the Fund were realised in an orderly fashion over a reasonable period in a stable market.

In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.

Please note that during the suspension period, there will be no NAV per Unit available and hence, we will not accept any transactions for the applications, redemptions, switching and/or transfers of Units. If we have earlier accepted your request for redemptions and switching of Units, please note that the requests will only be processed on the next Business Day after the cessation of suspension of the Fund. You will be notified of the suspension and when the suspension is lifted.

8. ABOUT THE TARGET FUND

Name of the Target Fund	Arabesque Q3.17 SICAV – Global ESG Momentum Equity
Base Currency	USD
Type of Class	Institutional
Inception Date of the Target Fund	1 January 2020
Name of Regulator	Commission de Surveillance du Secteur Financier (“CSSF”)
Jurisdiction	Grand Duchy of Luxembourg
Domicile	Luxembourg
Target Fund Manager	Arabesque (Deutschland) GmbH
Management Company of the Target Fund	FundPartner Solutions (Europe) S.A.
Depository	Pictet & Cie (Europe) S.A.

8.1 Profile of the Target Fund Manager, Management Company of the Target Fund and Depository of the Target Fund

Arabesque (Deutschland) GmbH

Arabesque (Deutschland) GmbH is responsible for the independent day-to-day implementation of the investment policy of the Target Fund and for managing the assets of the Target Fund on a day-to-day basis, as well as providing other associated services under the supervision, responsibility and control of the Management Company of the Target Fund. The Target Fund Manager is required to execute these tasks while adhering to the principles of the investment policy and investment restrictions of the Target Fund, as described in the Target Fund's prospectus.

FundPartner Solutions (Europe) S.A.

FundPartner Solutions (Europe) S.A. is the Management Company of the Target Fund. The Management Company of the Target Fund is responsible for the management and administration of the Target Fund. The Management Company of the Target Fund will provide, subject to the overall control of the board of directors, and without limitation: (i) asset management services; (ii) central administration, registrar and transfer agency services; and (iii) distribution services to the Target Fund.

Pictet & Cie (Europe) S.A.

Pictet & Cie (Europe) S.A. is the sole depository for the Target Fund. It is commissioned with the safe custody of assets of the Target Fund. It is responsible inter alia for settlement activities, monitoring of cash flow and monitoring execution of share transactions.

8.2 Target Fund Structure

The Target Fund is an open-ended sub-fund of Arabesque Q3.17 SICAV. The Target Fund is constituted under the laws in the Grand Duchy of Luxembourg. The legislation governing the establishment of the Target Fund is the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment in Transferable Securities (the “Law of 17 December 2010”).

8.3 Investment Objective of Target Fund

The objective of the investment policy of the Target Fund is long-term capital appreciation through investments into a sustainable Shariah-compliant equity universe (Arabesque Investment Universe) and cash instruments. Asset allocation and stock selection are determined by a quantitative approach.

8.4 Investment Strategy of Target Fund

The Target Fund's assets will be at least 51%* invested in Shariah-compliant shares issued by companies worldwide that are contained in the Arabesque Investment Universe.

Note: The Target Fund Manager has confirmed that the Target Fund will invest at least 75% of its net assets in Shariah-compliant shares issued by companies worldwide that are contained in the Arabesque Investment Universe.*

The Arabesque Investment Universe contains Shariah-compliant equities and Shariah-compliant equity-related securities (equity securities) from companies worldwide that have passed a systematic selection process which considers:

Liquidity parameters such as market capitalization, daily turnover and free float;

- i. Companies' sustainability performance through S-Ray®, a proprietary tool developed by ESG Book which assesses non-financial risk factors such as:
 - o assessment of companies' performance on topics related to human rights, labour, the environment and anti-corruption based on the principles of the United Nations Global Compact;
 - o Environmental, Social and Governance performance assessment of companies; and
 - o Financial and business activity screening in accordance with the Shariah standards set by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI Standards").

AAOIFI Standards state that non-permissible income or income generated from the following prohibited activities must not exceed 5% of the total income of the company represented by the equity invested in: interest income, income from Shariah non-compliant or conventional interest-based banking, financial services, real estate, insurance, mortgage and lease and any other conventional operational or non-operational interest-related activity, income generated from the production and sale of alcohol, tobacco or pork products, entertainment (hotels, casino/gambling, pornography/adult entertainment, cinema and music), arms manufacturing (weapons and defence) and trading and hedging of gold and silver on a deferred basis. In addition, companies in the coal sector are excluded.

In addition, stock selection shall observe the following quantitative financial screening criteria:

- i. that the sum of interest-bearing investments (whether short, medium or long term) divided by trailing 12 months market capitalization of the company is less than 30%;
- ii. that total interest-bearing debt (whether short, medium or long term) divided by trailing 12 months market capitalization of the company is less than 30%; and
- iii. that the liquidity ratio represented by the sum of cash, cash equivalents and receivables divided by total assets of the company is less than 67%.

In addition AAOIFI Standards prohibit investing in preference shares.

The Arabesque Investment Universe is determined on a quarterly basis.

Under normal conditions, the maximum position size of any single Shariah-compliant stock will be 1% of the market value of the Target Fund. To allow for the impact of market appreciation, this maximum position size could rise to as much as 1.25% of the market value of the Target Fund before the position size is reduced. If for any reason the portfolio deviates from the above-mentioned guideline, position sizes will be adjusted to bring the Target Fund back into compliance.

A maximum of 49%* of the net assets of the Target Fund may be invested in Shariah-compliant or non-interest bearing ancillary liquid funds**. For the avoidance of doubt, the Target Fund aims to be fully invested into Shariah-compliant equities from the Arabesque Investment Universe at all times. A minor cash position will be held at all times to be able to pay out fund outflows as and when they arise.

Note: The Target Fund Manager has confirmed that the Target Fund will invest at least 75% of its net assets in Shariah-compliant shares issued by companies worldwide that are contained in the Arabesque Investment Universe.*

*Note**:* ancillary liquid funds are not subject to sustainability considerations.

The Target Fund will not invest in Collective Investment Schemes (CIS) even though this is technically allowed by the Target Fund's prospectus.

Status under the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR")

The Target Fund promotes certain environmental and social characteristics within the meaning of article 8 of SFDR but does not have a sustainable investment objective.

The Target Fund Manager integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes. The Target Fund is managed to promote, among other characteristics, a combination of environmental and social characteristics (as provided under article 8 of SFDR), but does not have as its objective sustainable investments.

8.5 Permitted Investments of the Target Fund

Only the following categories of Shariah-compliant transferable securities and Islamic money market instruments may be purchased by the Target Fund:

- i. those that have been admitted to a regulated market* as defined in Directive 2004/39/EC or are traded on it;
- ii. Shariah-compliant transferable securities and Islamic money market instruments that are traded on another regulated market in an EU Member State ("Member State") which is recognised, open to the public and whose manner of operation is in accordance with the regulations;
- iii. those that are officially quoted on a stock exchange in a non-Member State of the European Union or on another regulated market* of a non-Member State of the European Union which is recognised, open to the public and whose manner of operation is in accordance with the regulations;
- iv. Shariah-compliant transferable securities and Islamic money market instruments from new issues, insofar as the issue conditions contain the obligation that admission to official listing on a stock exchange or on another regulated market* which is recognised, open to the public and whose manner of operation is in accordance with the regulations be applied for and that this will take place no later than one year from the date of issue.
- v. The Shariah-compliant transferable securities and Islamic money market instruments referred to in item iii. and iv. shall be officially quoted or traded in North America, South America, Australia (including Oceania), Africa, Asia and/or Europe;
- vi. units in undertakings for collective investment in Shariah-compliant transferable securities ("UCITS"), which have been admitted in accordance with Directive 2009/65/EC, and/or other undertakings for collective investment ("UCI") in the sense of Article 1(2) a) and b) of Directive 2009/65/EC, irrespective of whether their registered office is in a Member State or a non-Member State, purchased insofar as:
 - a. these UCIs have been admitted in accordance with such legal provisions which subject them to supervision that, in the opinion of the Luxembourg supervisory authorities, is equivalent to supervision in keeping with the law of 21 December 2012 transposing Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010 ("EU law") and that there are sufficient guarantees for cooperation between the authorities;
 - b. the degree of protection of the shareholders of these UCI is equivalent to that of the shareholders of a UCITS, and particularly the provisions concerning the separated custody

of assets, borrowing, granting credit and short sales of Shariah-compliant transferable securities and Islamic money market instruments are equivalent to the requirements of Directive 2009/65/EC;

- c. the business activities of the UCIs are the subject of semi-annual and annual reports which permit a judgement to be made concerning the assets and the liabilities, income and transactions in the reporting period;
 - d. the UCITS or other UCIs whose shares are to be acquired can, in accordance with its terms of agreement or its Articles of Association, invest a maximum of 10% of its assets in shares of other Shariah-compliant UCITS or UCIs;
- vii. Islamic or non-interest bearing sight deposits or other Islamic or non-interest bearing callable deposits with a maturity period of 12 months at the most, transacted at credit institutions, provided the institution concerned has its registered office in a Member State of the EU, the Organisation for Economic Co-operation and Development ("OECD") or the Financial Action Task Force ("FATF") or, if the registered office is in a third country, it is subject to supervisory provisions which are, in the opinion of the Luxembourg supervisory authorities, equivalent to those of EU law;
- viii. Islamic money market instruments which are not traded on a regulated market* and which come under the definition of Article 1 of the Law of 17. December 2010, if the issue or the issuer of those instruments is already subject to provisions governing the protection of deposits and investors, and provided they are:
- a. issued or guaranteed by a central, regional or local corporation or the central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-member state or, insofar as a Federal state, a constituent state of the federation, or by an international sales agency under by public law, to which at least one Member State belongs, or
 - b. negotiated by a company whose securities are traded on the regulated markets indicated in item i., ii. or iii., or
 - c. issued or guaranteed by an institute which is, in accordance with the criteria set out in EU law, subordinated to a supervisory authority, or an institute which, in the opinion of the Luxembourg supervisory authority, is subject to supervisory provisions which are at least as rigorous as those of EU law and which complies with them, or
 - d. issued by other issuers which belong to a category that has been approved by the Luxembourg supervisory authorities, insofar as, for investments in such instruments, regulations for investor protection are in force that are equivalent to those of the sub-item a, b or c above, and insofar as this involves an issuer which is either a company with equity of at least EUR 10 million, which provides and publishes its annual financial statements in keeping with Directive 78/660/EEC, or a legal entity which is, within a group encompassing one or more companies quoted on the stock exchange, responsible for financing that group, or else a legal entity whose task is to collateralize liabilities through the provision of a credit line granted by a bank.

Note:

* "regulated market" means a regulated market as defined in the Parliament and Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments as amended ("Directive 2004/39/EC") namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of Directive 2004/39/EC.

8.6 Investment Restrictions and Prohibitions of Target Fund

- i. A maximum of 10% of the Target Fund's assets may be invested in Shariah-compliant transferable securities or Islamic money market instruments of a single issuer. The Target Fund may not invest more than 20% of its assets in Shariah-compliant transferable securities, Islamic money market instruments and Islamic deposits issued by or placed with, as the case may be, any single/financial institution.
- ii. The total value of the Shariah-compliant transferable securities and Islamic money market instruments of issuers in whose Shariah-compliant transferable securities and Islamic money market instruments more than 5% of the net assets of the Target Fund are invested must not exceed 40% of the Target Fund's assets.
- iii. Irrespective of the individual upper limits in item i, a maximum of 20% of the Target Fund's assets may be invested in a single institution in a combination of:
 - Shariah-compliant transferable securities or Islamic money-market instruments issued by such establishment and/or;
 - Islamic deposits in that financial institution.
- iv. The investment limit of 10% of the Target Fund's assets referred to in the first sentence of item i above, shall be increased to 15% of the net assets of the Target Fund in cases where the Shariah-compliant transferable securities or Islamic money market instruments to be purchased are issued or guaranteed by a member state, its local authorities, a non-member state or other international organisations under public law, to which one or more member states belong.
- v. The restriction of the total value to 40% of the Target Fund's assets set out in the first sentence of item ii above, does not apply in the cases referred to in item iv.
- vi. The investment limit of 10% or 15% of the Target Fund's assets, as set out in item i to iv above, must not be regarded cumulatively but rather in total a maximum of 15% of the Target Fund's assets may be invested in Shariah-compliant transferable securities and Islamic money market instruments of the same issuer.
- vii. Companies which, with respect to the preparation of consolidated financial statements, within the meaning of Directive 83/349/EEC of the European Council of 13 June 1983, on the basis of Article 54(3) g) of the Agreement on Consolidated Financial Statements (OJ L 193 of 18 July 1983, p.1) or recognised international accounting rules, belong to the same group of companies are to be regarded as a single issuer when calculating the investment limits stated in items i to vi.
- viii. The Target Fund is permitted to invest 20% of its net assets in Shariah-compliant transferable securities and Islamic money market instruments of one and the same company group.
- ix. The Target Fund does not intend to engage in securities lending and borrowing activities.
- x. The Target Fund does not intend to enter into any derivatives transactions, including for the purposes of hedging.
- xi. The Target Fund may acquire not more than:
 - 10% of non-voting shares of one and the same issuer,
 - 25% of shares issued of one and the same UCITS and/or UCI and
 - 10% of the money market instruments of a single issuer.
- xii. The investment limits stated in item xi above, does not apply in the case of:
 - Shariah-compliant transferable securities and Islamic money market instruments which are negotiated or guaranteed by an EU Member State or its local authorities, or by a state which is not a member of the European Union;
 - Shariah-compliant transferable securities and Islamic money market instruments issued by an international authority under public law, to which one or more EU Member States belong.

- shares which the Target Fund owns in the capital of a company from a non-member state which fundamentally invests its assets in securities of issuers having their registered office in that country, if, due to the legal conditions of that country, such a shareholding is the only way for the Target Fund to invest in securities of issuers from that country. However, this exception shall only apply under the prerequisite that the company of the country outside the EU observes in its investment policy the limits laid out in Articles 43, 46 and 48 (1) and (2) of the Law of 17. December 2010. In the event that the limits set out in Articles 43 and 46 of the Law of 17 December 2010 are exceeded, Article 49 of the Law of 17 December 2010 shall apply accordingly.
 - shares held by an investment company or investment companies in the capital of subsidiary companies pursuing, in the country where the subsidiary is established, administration, advisory or sales activities in regard to the redemption of units at investors' request exclusively on its or their behalf.
- xiii. In the case where there is a breach of investment restrictions, the Target Fund Manager must take all necessary steps and actions to rectify the breach. The time period available for remedying a breach varies depending on the type of breach but shall never exceed three months.

8.7 Fees and Charges of the Target Fund

The Target Fund charges a fund management fee of up to 0.72% p.a. of the net asset value. The Target Fund may also charge a custodian, an administration fee and other fees from range of 0.01% to 0.30% per annum of the Target Fund's net asset value.

The management fee of 0.72% for the Target Fund is classified as rebate management fee in the daily valuation. Below is the illustration of the valuation:-

	USD
Gross asset value	197,002,000
Daily management fee	(9,728)
Daily trustee fee	(325)
Management fee of target fund (0.72%)	4,000
Net asset value	196,995,947
Unit in circulation	1,500,000,000
NAV/unit	0.131330631
Exchange rate	4.163
NAV/unit in fund currency (RM)	0.5467

Note: Investors may be subjected to higher fees arising from the layered investment structure of a feeder fund.

8.8 Redemption Policy of the Target Fund

- The shareholders of the Target Fund are entitled at all times to apply for the redemption of their shares at the net asset value per share.

The Management Company of the Target Fund may buy back shares unilaterally against payment of the redemption price, insofar as this is in the interests of or in order to protect the shareholders of the Target Fund, the Investment Company or the Target Fund.

- ii. The net asset value applicable to any redemption order received by the relevant agent of the Target Fund before 2.00 p.m. Central European Time/Central European Summer Time ("CET/CEST") on a Valuation Day will be the net asset value of such Valuation Day as calculated on the following business day of the Target Fund, less any applicable redemption fees. Where the term 'Valuation Day' means each full business day of the Target Fund as at which the net asset value per share is determined for each share class of the Target Fund. For any redemption order arriving at the relevant agent after 2.00 p.m. CET/CEST on a Valuation Day, the net asset value applicable will be the net asset value of the following Valuation Day, as calculated on the next following business day of the Target Fund, less any applicable redemption fees. The Management Company of the Target Fund shall ensure in all cases that shares will be redeemed on the basis of a net asset value per share that is previously unknown to the shareholder.
- iii. The redemption price is payable in the Target Fund's currency within two (2) business days following the relevant calculation date of the Target Fund.
- iv. The Management Company of the Target Fund is obliged to temporarily suspend the redemption of shares due to the suspension of the calculation of the net asset value.
- v. Subject to the prior approval by the depositary of the Target Fund and while preserving the interests of the shareholders of the Target Fund, the Management Company of the Target Fund is entitled to defer significant volumes of redemptions until corresponding assets of the Target Fund are sold without delay. In this case, the redemption shall occur at the redemption price then valid. The Management Company shall, however, ensure that the Target Fund's assets have sufficient liquid funds so that the redemption of shares may take place immediately upon application from investors under normal circumstances.

8.9 Suspension of the Calculation of the Target Fund's Net Asset Value

1. The Management Company of the Target Fund is authorised to temporarily suspend calculation of the net asset value per share of the Target Fund if and as long as circumstances exist necessitating the suspension of calculations and if the suspension is in the interests of the shareholders of the Target Fund, in particular:
 - a) when a stock exchange or another regulated market on which a significant number of the assets of the Target Fund are quoted or traded is closed for reasons other than a normal statutory or bank holiday or when trading on this stock exchange or regulated market is suspended or restricted;
 - b) in emergency situations in which the Investment Company cannot freely access of the assets of the Target Fund or in which it is impossible to transfer the transaction value of investment purchases or sales freely or when the net asset value per share of the Target Fund cannot be properly calculated;
 - c) if disruptions in the communications network, or any other reason, make it impossible to calculate the value of a considerable part of the net assets either quickly or sufficiently. The issue, redemption and exchange of shares of the Target Fund shall also be suspended whilst the calculation of the net asset value per share of the Target Fund is temporarily suspended.
2. Shareholders of the Target Fund (such as the Fund) who have placed a subscription, redemption or exchange order shall be immediately informed of the discontinuation of the calculation of the net asset value per share of the Target Fund.
3. Subscription, redemption and exchange orders shall be automatically forfeited if the calculation of the net asset value of the Target Fund is suspended. The shareholders or potential

shareholders of the Target Fund (such as the Fund) will be informed that after the resumption of the calculation of the net asset value of the Target Fund the subscription, redemption or exchange orders must be resubmitted.

9. CLIENT COMMUNICATION

9.1 Avenue for Advice Available to Prospective Investors

Unit Holders can seek assistance from our customer service personnel on queries relating to the Fund at our toll-free number 1-800-88-1196 during business hours, Monday to Friday from 9.00 a.m. to 5.00 p.m.

Enquiries can also be made at the nearest Bank Islam branches or from our authorised IUTAs/unit trust consultants.

9.2 Website

Unit Holders may obtain the daily Fund price from our website at <https://bimbinvestment.com.my>.

9.3 Statement of Investment and Fund's Financial Reports

Statements to Confirm and Record Transaction	The Manager will send computer-generated statements to Unit Holders on each transaction made confirming their transactions relating to the Fund.
Statement of Account	In addition, the interim and annual statement of account of the Fund's investment will be made available to the Unit Holders.
Semi-Annual and Annual Reports	<p>The Manager will provide the Unit Holders with semi-annual and annual report of the Fund within two (2) months after the end of financial period/year of the Fund.</p> <p>The Manager practices digital fund reporting hence the Fund's reports are made available on its website https://bimbinvestment.com.my Investors may view, store and download from the website.</p> <p>The Fund's printed annual/semi-annual report is available upon request.</p>

10. THE MANAGEMENT COMPANY

10.1 Corporate Profile of the Manager

BIMB Investment is a wholly-owned subsidiary of Bank Islam Malaysia Berhad. BIMB Investment, a licensed Islamic fund management company, was incorporated on 14 September 1993 and commenced its operations on 20 June 1994.

10.2 Organisational Structure of the Manager

The main roles and responsibilities of the Manager are managing the investment portfolio of the Fund, arranging sales and redemption of Units, keeping proper records of the Fund and Unit Holders, issuing reports on the Fund's performance to Unit Holders, arranging distribution of income and/or Units to Unit Holders and marketing the Units of the Fund to investors.

The overall responsibility for the operation of BIMB Investment is vested with the chief executive officer who is accountable to the board of directors. While the board of directors primarily decides on policy matters, the investment committee assumes responsibility for assuming and monitoring the Fund's investment strategies. In ensuring the decisions of the board of directors and investment committee adhere strictly to the requirements of Shariah, all investment and activities of the Fund will be supervised by the Shariah Adviser. The board of directors meets at least six (6) times a year to provide advice on matters relating to the Manager's operation and Fund's policies

10.3 Board of Directors

The list of our board of directors are available on our website at <https://bimbinvestment.com.my/ourleadership/>.

10.4 Investment Team

The investment team meets frequently to discuss investment related matters.

Name	ABD RAZAK SALIMIN (Designated Fund Manager)
Position	Head of Investment
Experience	He joined BIMB Investment Management Berhad in May 2019 and was formerly an equity fund manager with Permodalan Nasional Berhad. He has more than ten (10) years of experience in investment management and research. He is responsible for leading and managing the Investment Department, overseeing domestic and global equities, sukuk and Islamic money market investments.
Qualifications	<ul style="list-style-type: none">• Chartered Financial Analyst (CFA)• Financial Risk Manager (FRM)• Bachelor of Mathematics, Operational Research, Statistics and Economics (MORSE), University of Warwick, United Kingdom• Holder of SC's CMSRL.

Name	THONG YONG LING, STANLEY
Position	Senior Fund Manager
Experience	He joined BIMB Investment as a Fund Manager in 2012. He has more than ten (10) years of working experience in equity research and investment. He was previously attached with UOB-OSK Asset Management Berhad and Hong Leong Assurance Berhad. As a fund manager at UOB-OSK Asset Management, he was in charge of managing various unit trust and investment link insurance funds for clients.
Qualifications	<ul style="list-style-type: none">• Master of Commerce, Macquarie University, Australia• Bachelor of Business Administration, National Cheng Chi University, Taiwan• Holder of SC's Capital Markets Services Representative's License (CMSRL)

Name	AHMAD RIZAL UJANG
Position	Fund Manager
Experience	He joined BIMB Investment in January 2017 and previously worked in BIMB Investment from 2011 to 2014. He has more than ten (10) years of working experience in Islamic money market and fixed income investment. He was previously attached to i-VCAP Management Sdn Bhd, MNRB Holdings Berhad and Syarikat Takaful Malaysia Berhad.
Qualifications	<ul style="list-style-type: none"> • Master of Finance, Curtin University of Technology, Australia • Holder of SC's CMSRL

Further information on the Manager and key management is available on the Manager's website: <https://bimbinvestment.com.my>

10.5 Material Litigation and Arbitration

As at the LPD, save for the suit mentioned herein below, the Manager is not engaged in any material litigation and arbitration either as plaintiff nor as defendant, and the Manager is not aware of any proceedings, pending or threatened or of any other facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Perbadanan Harta Intelek Malaysia ("MyIPO"), has initiated a suit against BIMB Investment in October 2021. MyIPO, vide its solicitors, had issued a Writ and Statement of Claim dated 18 October 2021, alleging BIMB Investment for fraudulent misrepresentation, negligent misrepresentation, breach of duty of care and negligence against MyIPO. BIMB Investment had categorically denied all the allegations and set out the actual factual matrix by filing a Statement of Defence dated 8 December 2021. The present status of the legal proceedings is as follows:

- (a) On 24 May 2022, BIMB Investment has filed and served its Statement of Claim against Dato Ahmad Azwan as the Third Party;
- (b) On 8 June 2022, Dato Ahmad Azwan as the Third Party has filed and served his Statement of Defence against BIMB Investment's Statement of Claim;
- (c) On 21 June 2022, BIMB Investment has filed and served its Reply to the Third Party's Statement of Defence;
- (d) On 14 October 2022, BIMB Investment filed its Notice of Application seeking discovery of the original copies of the forged or falsified documents as pleaded in the Statement of Claim (documents in question) for the purpose of Forensic Examination and to obtain an expert opinion so as to prove the assertions made by BIMB Investment in its Statement of Defence;
- (e) The said application was filed in the Kuala Lumpur Sessions Court seeking discovery of the documents in question, as some of the impugned documents had already been adduced in the ongoing criminal trial against the Third Party whilst the other documents are in the possession of MACC. The order in terms of the application was obtained before the Sessions Court on 23 November 2022;
- (f) The full trial of this suit has been scheduled on 27th, 28th and 29th of May 2024;
- (g) The next case management is fixed on 26 April 2024 and the parties are required to comply with all pretrial getting ups, under Order 34. The High Court has made an Unless Order wherein the Parties, well before 26 April 2024 must have complied with the pre-trial requirements including filing of statement of agreed facts, statement of issues to be tried and common bundle of documents.
- (h) The Parties are also been directed to exhaust all interlocutory applications well before the next case management date.

10.6 Exemptions or Variations

There have been no exemptions or variations from any relevant securities laws or Guidelines granted to the Manager by the SC.

11. THE SHARIAH ADVISER – BIMB SECURITIES SDN BHD

BIMB Securities Sdn Bhd (“BIMB Securities”) has been appointed as the Shariah Adviser for the Fund. BIMB Securities will provide Shariah advisory services on the management and operations of the Fund to ensure the operations of the Fund comply with Shariah requirements.

About BIMB Securities Sdn Bhd

BIMB Securities is a stockbroking subsidiary of Bank Islam Malaysia Berhad incorporated on 21 February 1994 and is licensed by the SC. The corporate mission of BIMB Securities is to be an active participant in a modern, innovative and dynamic Islamic capital market in Malaysia, catering for the needs of all investors, Muslims and non-Muslims, looking for Shariah-compliant investment products and services.

Experience in Shariah Advisory Services

BIMB Securities is registered with the SC to act as a Shariah Adviser for Islamic products and services regulated by the SC, which include Islamic collective investment schemes. BIMB Securities is independent from the Manager and does not hold office as a member of the committee undertaking the oversight function of the Fund or any other funds managed and administered by the Manager. As at 28 April 2023, BIMB Securities is a corporate Shariah Adviser to 83 Islamic funds including two (2) Islamic real estate investment trusts.

Roles and Responsibilities of BIMB Securities Sdn Bhd as a Shariah Adviser

As the Shariah Adviser for the Fund, the role of BIMB Securities is to ensure that the investment operations and processes of the Fund are in compliance with Shariah requirements. BIMB Securities will review the Fund's investments on a monthly basis to ensure Shariah compliance and it also review the semi-annual and annual reports of the Fund.

Notwithstanding the role played by the Shariah Adviser, the ultimate responsibility for ensuring Shariah compliance of the Fund in all aspects of operations and processes rests solely with the Manager.

In line with the SC Guidelines on Islamic Capital Market Products and Services, the roles of BIMB Securities as the Shariah Adviser are:

- (a) to advise on the Shariah aspects of the Fund and Fund's operations and processes to ensure they are in accordance with Shariah requirements;
- (b) to provide Shariah expertise and guidance in all matters relating to the Fund, particularly on the documentation i.e., the Fund's deed and prospectus, structure, investments and related operational matters;
- (c) to ensure that the Fund is managed and operated in accordance with Shariah requirements and the applicable Shariah rulings, principles and concepts endorsed by the SAC of the SC as well as the advice given by the Shariah Adviser are complied with;
- (d) to review the Fund's compliance reports as provided by the Manager's compliance officer and investment transaction reports provided or duly approved by the Trustee to ensure that the Fund's investments are in line with Shariah;
- (e) to prepare a report to be included in the semi-annual and annual reports of the Fund stating the Shariah Adviser's opinion whether the Fund has been operated and managed in compliance with Shariah requirements in its investment, operations and processes for the financial period concerned;
- (f) to apply *Ijtihad* (intellectual reasoning) to ensure all aspects relating to the Fund are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SAC of the SC;
- (g) to consult the SC where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process; and
- (h) to meet with the Manager on a quarterly basis (or as and when required by the Manager and/or the Shariah Adviser) for the review of the Fund's operations and processes.

Profiles of the Shariah Personnel

Ir. Dr. Muhamad Fuad bin Abdullah (“Dr. Muhamad Fuad”)

Dr. Muhamad Fuad is the designated person in-charge of all Shariah matters in BIMB Securities.

He graduated with a Bachelor of Science Degree in Electrical Engineering in 1977 and a Master of Philosophy Degree in Electrical Engineering in 1982, both from the University of Southampton, England. He also obtained a Bachelor of Arts (Jayyid) Degree in Shariah from the University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from the University of Aberdeen, Scotland in 1996.

He is a registered individual Shariah adviser with the SC. He is the chairman of the Shariah Advisory Committee of BIMB Securities and the Shariah Supervisory Council of Bank Islam Malaysia Berhad. He sits on the Shariah committee of AIA-Public Takaful Berhad.

He is also the non-executive chairman of Gagasan Nadi Cergas Berhad and a board member of Universiti Tun Abd Razak Sdn Bhd (UniRAZAK).

Nurussaádah binti Nasarudin (“Nurussaádah”)

Nurussaádah joined BIMB Securities in June 2015 as the Shariah executive and has been promoted as the head of Shariah section effective 1 May 2021. She is also the Designated Shariah Officer registered under the BIMB Securities’ Shariah adviser registration, responsible for the Shariah advisory services offered by BIMB Securities.

Nurussaádah graduated with a Bachelor of Shariah majoring in Islamic Banking and Economics from the University of Yarmouk, Jordan.

Currently, she is responsible in providing Shariah inputs on the advisory, consultancy and research functions with regards to Islamic capital market and Islamic collective investment schemes, including but not limited to, conducting surveillance on the non-financial institution activities.

She is experienced in product development and review for Islamic capital market products specifically on Islamic stockbroking services.

12. THE TRUSTEE

About Deutsche Trustees Malaysia Berhad

Deutsche Trustees Malaysia Berhad (“DTMB”), Company No. 200701005591 (763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The Company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

Experience in Trustee Business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 227 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

Duties and Responsibilities of the Trustee

DTMB’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 and is required to act in accordance with the relevant provisions of the Deed, the Capital Markets & Services Act 2007 and all relevant laws.

Trustee’s Disclosure of Material Litigation

As at LPD, the Trustee has not (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the trustee.

Trustee’s Delegate

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB’s roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

Disclosure on Related-Party Transactions/ Conflict of Interests

As the Trustee for the Fund and the Manager’s delegate for the fund accounting and valuation services (where applicable), there may be related party transactions involving or in connection with the Fund in 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 Securities Commission's guidelines and other applicable laws;
- (3) Where the Manager appoints DTMB to perform its back office functions (e.g. fund accounting and valuation, where applicable), and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB 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 DTMB 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. DTMB'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.

13. SALIENT TERMS OF DEED

13.1 Unit Holder's Rights

- i. Unit Holder shall have the right to receive distributions of income (if any), participate in any increase in the value of the Units and such other rights and privileges as provided in the Deed.
- ii. No Unit Holder shall be entitled to require the transfer to him of any of the Assets of the Fund or been entitled to interfere with or question the exercise by the Trustee, or the Manager on his behalf of the rights of the Trustee as the registered owner of such assets.
- iii. Unit Holder shall have the right to call for Unit Holder's meeting and to vote for the removal of the Trustee or the Manager through a Special Resolution.
- iv. Unit Holder shall have the right to receive annual and semi-annual reports.

Note: If your investments are made through the distributor (i.e. the institutional unit trust adviser ("IUTA") via a nominee system of ownership), you would not be deemed to be a Unit Holder under the Deed and as a result, you may not exercise all the rights ordinarily conferred to a Unit Holder (e.g. the right to call for Unit Holders' meetings and the right to vote at a Unit Holders' meeting).

13.2 Unit Holder's Liabilities

No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased. 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 Assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

13.3 Maximum Fees and Charges Permitted by the Deed

The maximum rate of direct fees and charges permitted by the Deed are as follows:

Charges	% of the NAV per Unit
Sales charge	6.00%
Redemption charge	Nil

The maximum rate of indirect fees and charges permitted by the Deed are as follows:

Charges	% of the NAV per Unit
Annual Management fee	2.00% p.a. of the NAV of the Fund
Annual trustee fee	0.06% subject to a minimum fee of RM15,000 per annum or its equivalent in the Base Currency (excluding foreign custodian fees and charges)

13.4 Procedures to Increase the Direct and Indirect Fees and Charges Disclosed in this Prospectus

- **Sales Charge**

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

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

- **Redemption Charge**

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

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

- **Annual Management Fee**

The Manager may not charge an annual management fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective, such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued thereafter; and
- (d) such time as may be prescribed by any relevant law has elapsed since the date of the supplemental prospectus or replacement prospectus.

- **Annual Trustee Fee**

The Trustee may not charge an annual Trustee fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective, such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental prospectus or replacement prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law has elapsed since the date of the supplemental prospectus or replacement prospectus.

13.5 Procedures to Increase the Maximum Rate of the Direct and Indirect Fees and Charges in the Deed

The maximum sales charge, redemption charge, annual management fee or annual trustee fee set out

in the Deed may not allowed to be increased unless a Unit Holders meeting has been held in accordance with the Deed. A supplemental deed proposing a modification to the Deed to increase such fees and charges is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders at the Unit Holders meeting sanctioning the proposed modification to the Deed.

13.6 Permitted Expenses Payable by the Fund

Only the expenses (or part thereof) which is directly related and necessary in operating and administering the Fund may be charged to the Fund. These would include (but are not limited) to the following:

- (a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor;
- (d) fees for the valuation of any Shariah-compliant investment of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed Shariah-compliant investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) costs and expenses incurred in relation to the distribution of income (if any);
- (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign Assets of the Fund;

- (q) fees, charges, costs and expenses relating to the preparation, printing, posting, registration and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and
- (r) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

13.7 Removal, Replacement and Retirement of the Manager and Trustee

- **Removal or Replacement of the Manager**

The Trustee shall take all reasonable steps to remove the Manager, if the Manager:-

- (a) has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution; or
- (b) is in breach of any of its obligations or duties under the Deed or the relevant laws; or
- (c) has ceased to be eligible to be a management company under the relevant laws; or
- (d) has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose; or
- (e) has had a receiver appointed; or
- (f) has ceased to carry on business.

- **Retirement of the Manager**

The Manager shall have the power to retire in favour of some other corporation by giving to the Trustee six (6) months (or such other period as the Manager and the Trustee may agree upon) notice in writing of its desire so to do, provided such retirement is in accordance with the provisions of the Deed.

- **Removal or Replacement of the Trustee**

The Trustee may be removed and such corporation may be appointed as trustee of the Fund by Special Resolution of the Unit Holders at a duly convened meeting. The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- (a) the Trustee has ceased to exist;
- (b) the Trustee has not been validly appointed;
- (c) the Trustee was not eligible to be appointed or to act as Trustee under any relevant law;
- (d) the Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment;
- (f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or

- (g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

- **Retirement of the Trustee**

The Trustee may retire upon giving six (6) months (or such other period as the Manager and the Trustee may agree upon) notice in writing to the Manager of its desire so to do, provided such retirement is in accordance with the provisions of the Deed.

13.8 Termination of the Fund

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

- i. a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund, following occurrence of events stipulated under Section 301(1) of the Act and the court has confirmed the Special Resolution, as required under Section 301(2) of the Act; and
- ii. a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

The Manager may, in consultation with the Trustee, terminate and wind up the Fund if the termination of the Fund is in the best interest of the Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

The Manager shall also be entitled to terminate the Fund if the Fund is left with no Unit Holders.

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:
 - (1) 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
 - (2) 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 or its foreign currency equivalent, if applicable 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 of the Fund being terminated:

- (a) 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;
- (b) the Manager and the Trustee shall notify the relevant authorities in such manner as may be prescribed by any relevant law; and

- (c) the Manager or the Trustee shall notify the Unit Holders in such manner as may be prescribed by any relevant law.

13.9 Termination of a Class of Units

The Manager may only terminate a particular Class of Units if the termination of that Class of Units does not prejudice the interests of Unit Holders of any other Class of Units. For the avoidance of doubt, the termination of a Class of Units shall not affect the continuity of any other Class of Units of the Fund.

If at a meeting of Unit Holders to terminate a Class of Units, a Special Resolution to terminate a particular Class Units is passed by the Unit Holders:

- i. the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the Special Resolution; and
- ii. the Trustee or the Manager shall as soon as practicable inform all Unit Holders of the Fund of the termination of that Class of Units.

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that Class of Units by the auditor of the Fund. Upon the completion of the termination of that Class of Units, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that Class of Units.

The Manager may also, in consultation with the Trustee, terminate any Class of Units if the termination of the Class of Units is in the best interest of Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Class of Units.

The Manager shall be entitled to terminate a Class of Units if that particular Class of Units is left with no Unit Holders.

13.10 Meeting of Unit Holders

- **Quorum required for a Unit Holders' Meeting**

- (a) The quorum required for a meeting of Unit Holders of the Fund or a Class of Units, 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 of Units, as the case may be, has five (5) or less Unit Holders, the quorum required for a meeting of Unit Holders of the Fund or a Class of Units, 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 of Units, as the case may be, at the time of the meeting.
- (c) If the Fund or a Class of Units, 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 of Units, as the case may be.

- **Meeting convened by the Unit Holders**

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), whichever is less, of all the Unit Holders of the Fund or all the Unit Holders of a particular Class of Units.

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 of the Fund or of a particular Class of Units, as the case may be, summon a meeting of Unit Holders of the Fund or of that Class of Units by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the relevant Unit Holders;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

- **Meeting convened by the Manager**

The Manager may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days written notice of the meeting to 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.

- **Meeting convened by the Trustee**

Where:

- (a) the Manager is in liquidation,
- (b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act,

the Trustee shall summon a Unit Holders' meeting by:

- (a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and
- (b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

The Trustee may also summon a Unit Holders' meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and redemption of Units; and
- (e) deciding on the reasonableness of the annual management fee charged to the Fund.

Investors should read and understand the contents of this Prospectus and, if necessary, should consult their adviser(s).

14. APPROVAL AND CONDITION

On 3 February 2021, the Fund has been qualified as a sustainable and responsible investment (“SRI”) fund, pursuant to the Guidelines on Sustainable and Responsible Investment Funds, subject to the condition that the target fund, i.e. the collective investment scheme the Fund invests in (or in the event the target fund is replaced, the replacement target fund) continues to comply with the Guidelines on Sustainable and Responsible Investment Funds. If the target fund no longer complies with the Guidelines on Sustainable and Responsible Investment Funds, the Fund’s SRI fund status will be revoked. BIMB Investment must disclose in the Fund’s prospectus that in the event there is a change in the target fund, the replacement target fund must comply with the Guidelines on Sustainable and Responsible Investment Funds.

15. CONFLICT OF INTEREST/RELATED PARTY TRANSACTIONS

Save as disclosed below, as at the LPD, there are no existing or potential related-party transactions involving the Fund, the Manager, the Trustee, promoters, vendors and/or persons connected to them.

Name of party	Name of related party and nature of relationship	Existing / potential related party transaction
The Manager	Bank Islam. The Manager is a wholly owned subsidiary of Bank Islam.	Distributor: Bank Islam is one of the Manager's authorized distributors.
The Fund	Bank Islam. The Manager is a wholly owned subsidiary of Bank Islam.	Distributor: Bank Islam is one of the Manager's authorized distributors.

It is BIMB Investment's policy that all transactions with any related parties are entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties and that dealing with the related parties are transacted at arm's length basis.

BIMB Investment has in place policies and procedures to regulate its employees' securities dealings. Periodic declaration of securities trading to the compliance officer of the Manager is required of all employees to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the Manager and the customers of the Manager.

Any transaction conducted by the board member or any other representative must be done for the best interest of the Unit Holders. In the event that any of the directors or Investment Committee members are directly or indirectly involved in such transactions, he should abstain from being involved with any decision making process of the said transaction.

As the Trustee for the Fund and the Manager's delegate for the fund accounting and valuation services (where applicable), there may be related party transaction involving or in connection with the Fund in the following events:-

- (i) Where the Fund invests in instruments offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc);
- (ii) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the Securities Commission's guidelines and other applicable laws;
- (iii) Where the Manager appoints DTMB to perform its back office functions (e.g. fund accounting and valuation); and
- (iv) Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB 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 DTMB 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. DTMB'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.

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

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

16. TAX ADVISER'S LETTER



KPMG Tax Services Sdn. Bhd.
(Co. No. 96860-M)
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
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Website www.kpmg.com.my

Private and Confidential
The Board of Directors
BIMB Investment Management Berhad
Level 19, Menara Bank Islam
No. 22 Jalan Perak
50450 Kuala Lumpur

Our Ref NBG/ALC/JUYL/
NUAD/X2

Contact Ext. 7284 / 7466

22 May 2023

Dear Sirs/Madams

Re: Taxation of the Fund and Unit Holders

This letter has been prepared for inclusion in this Prospectus of BIMB-Arabesque Global Shariah Sustainable Equity Fund in connection with the offer of units in the BIMB-Arabesque Global Shariah Sustainable Equity Fund ("the Fund").

Taxation of the Fund

Income Tax

The Fund is a unit trust for Malaysian tax purposes. The taxation of the Fund is therefore governed principally by Sections 61 and 63B of the Income Tax Act, 1967 ("the Act").

Subject to certain exemptions, the income of the Fund in respect of investment income derived from or accruing in Malaysia is liable to income tax at the rate of 24% effective Year of Assessment ("YA") 2016.

The Fund may receive dividends, interest and other income from investments outside Malaysia. Income derived from sources outside Malaysia and received in Malaysia was previously exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

Based on the Finance Act 2021, income derived by a resident unit trust from foreign sources and received in Malaysia from 1 January 2022 onwards will be subject to Malaysian income tax. A transitional tax rate of 3% is accorded on the gross amount of the foreign income received in Malaysia from 1 January 2022 to 30 June 2022. From 1 July 2022, the prevailing tax rate of 24% will apply to the chargeable income computed in respect of the foreign source income remitted into Malaysia by the Fund.

Where the same foreign income has been taxed in both Malaysia and the foreign country, a tax credit in the form of bilateral relief under a Double Tax Agreement ("DTA") or unilateral relief under the domestic law (if there is no available DTA or a limited DTA which does not provide such relief) may be given in respect of such income, subject to conditions.

KPMG Tax Services Sdn. Bhd., a company incorporated under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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Gains from the realisation of investments by the Fund will not be subject to income tax in Malaysia. However, such gains may be subject to tax in the country from which it is derived.

Interest income earned by the Fund from the following are exempt from tax:-

- any savings certificates issued by the Government; or
- securities or bonds issued or guaranteed by the Government; or
- debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia; or
- a bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013^{N1}; or
- any development financial institution regulated under the Development Financial Institutions Act 2002^{N1}; or
- sukuk originating from Malaysia, other than convertible loan stocks, 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^{N2}.

Discounts earned by the Fund from the following are also exempt from tax: -

- securities or bonds issued or guaranteed by the Government; or
- debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

Tax deductions in respect of the Fund's expenses such as manager's remuneration, expenses on maintenance of register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage ("permitted expenses") are allowed based on a prescribed formula subject to a minimum of 10% and a maximum of 25% of the total permitted expenses.

Single tier Malaysian dividends received by the Fund are exempt from tax and expenses in relation to such dividend income are disregarded.

Real Property Gains Tax ("RPGT")

Gains on disposal of investments by the Fund will not be subject to income tax in Malaysia. However, such gains may be subject to RPGT in Malaysia, if the gains are derived from sale of Malaysian real properties and shares in Malaysian real property companies (as defined). Such gains would be subject to RPGT at the applicable rate depending on the holding period of the chargeable assets.

^{N1} Effective from 1 January 2019, the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.

^{N2} Effective from YA 2017, income tax exemption shall not apply to interest paid or credited to a company in the same group, licensed banks and prescribed development financial institutions. Based on the Finance Act 2021, income tax exemption shall also not apply to interest paid or credited by a special purpose vehicle to a company pursuant to the issuance of asset-backed securities lodged with the Securities Commission or approved by the Labuan Financial Services Authority from 1 January 2022 where the company and the person who established the special purpose vehicle solely for the issuance of the asset-backed securities are in the same group.



Sales Tax and Service Tax

The Goods and Services Tax ("GST") has been replaced by Sales Tax and Service Tax effective from 1 September 2018.

Under the Sales Tax Act 2018, Service Tax Act 2018 and subsidiary legislation, the sales tax rate for taxable goods is 5% or 10% while the service tax rate for taxable services is generally 6%. There are certain goods which are exempted from sales tax.

The issue, holding or redemption of any unit under a trust fund does not fall within the list of taxable services under the First Schedule of the Service Tax Regulations 2018 and hence, is not subject to service tax. The investment activities of the Fund such as buying and selling of securities and deposits in financial institutions are also not subject to service tax. As such, if the Fund is only deriving income from such activities, the Fund is not liable to be registered for service tax.

However, certain expenses incurred by the Fund such as legal fees, consultancy fees and management fees may be subject to service tax at 6%. For management fees, this specifically excludes fees charged by any person who is licensed or registered with the Securities Commission for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007. The service tax incurred by the Fund is a cost to the Fund and is not recoverable, unlike the GST input tax which was claimable under the GST regime.

Based on the Finance Act 2018, the imposition and scope of service tax has been widened to include any imported taxable service. This is effective from 1 January 2019.

Taxation of Unit Holders

Income Tax

Unit holders are taxed on an amount equivalent to their share of the total taxable income of the Fund, to the extent that this is distributed to them. The income distribution from the Fund may carry with it applicable tax credits proportionate to each unit holder's share of the total taxable income in respect of the tax paid by the Fund. Unit holders will be entitled to utilise the tax credit as a set off against the tax payable by them. Any excess over their tax liability will be refunded to the unit holders.

Corporate unit holders, resident or non-resident in Malaysia, would be taxed at the corporate tax rate of 24% (effective from YA 2016), on distributions of income from the Fund to the extent of an amount equivalent to their share of the total taxable income of the Fund. Corporate unit holders in Malaysia with paid-up capital in the form of ordinary shares of RM2.5 million and below will be subject to a tax rate of 17% on chargeable income of up to RM600,000, effective from YA 2020. This concessionary income tax rate is given only to corporate unit holders having gross business income for the relevant year of assessment of not more than RM50 million, in addition to the share capital requirement. For chargeable income in excess of RM600,000, the tax rate of 24% is still applicable.

However, the said tax rate of 17% on chargeable income of up to RM600,000 would not apply if more than 50% of the paid up capital in respect of ordinary shares of that corporate unit holder is directly or indirectly owned by a related company which has a paid up capital exceeding RM2.5 million in respect of ordinary shares, or vice versa, or more than 50% of the paid up capital in respect of ordinary shares of both companies are directly or indirectly owned by another company.

Based on the Finance Bill 2023, the tax rate for chargeable income of up to RM150,000 has been reduced from 17% to 15%. While the tax rate for chargeable income from RM150,001 up to RM600,000 is remain unchanged at 17%. For chargeable income in excess of RM600,000, the tax rate is 24%. This is effective from YA 2023.



In addition to the current conditions as mentioned above, the preferential tax rate would not apply if more than 20% of the paid-up capital in respect of ordinary shares of the company at the beginning of the basis period for a YA is directly or indirectly owned by a company or companies incorporated outside Malaysia or an individual or individuals who are not Malaysian citizens. The amendments will be effective from YA 2024.

Based on the Finance Act 2021, a corporate tax rate of 33% ("Cukai Makmur") will be levied on corporate unit holders with chargeable income exceeding RM100 million. Corporate unit holders with chargeable income below RM100 million will still be taxed at tax rate of 24%. However, the chargeable income in respect of foreign source income received in Malaysia from 1 July 2022 is exempted from the application of Cukai Makmur, computed based on a prescribed formula. The Cukai Makmur is effective for YA 2022 only.

The tax rate of 33% on chargeable income exceeding RM100 million would not apply to corporate unit holders in Malaysia that qualify for the preferential tax rate of 17% on chargeable income of up to RM600,000.

Individuals and other non-corporate unit holders who are resident in Malaysia will be subject to income tax at scale rates. The scale tax rates range from 0% to 30% with effect from YA 2020.

Individuals and other non-corporate unit holders who are not resident in Malaysia, for tax purposes, are subject to Malaysian income tax at the rate of 30% with effect from YA 2020. Non-resident unit holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdiction.

The distribution of single-tier Malaysian dividends and tax exempt income by the Fund will not be subject to tax in the hands of the unit holders in Malaysia. Units split by the Fund will also be exempt from tax in Malaysia in the hands of the unit holders.

However, based on the Finance Act 2021, the income distributed to a unit holder other than an individual, out of the interest income exempt from tax of a unit trust that is a retail money market fund which is paid or credited by a bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013, or any development financial institution regulated under the Development Financial Institutions Act 2002, will be subjected to tax. This is effective from 1 January 2022. Further, a new withholding tax mechanism is applicable on the above distribution. The income distributed to the unit holder other than an individual will be subject to withholding tax at the rate of 24% and the tax deducted can be utilised to set off against the tax payable by a tax resident unit holder. Withholding tax deducted on the income distributed to a non-individual unit holder who is not a tax resident in Malaysia will be regarded as a final tax. This is effective from 1 January 2022.

Any gains realised by the unit holders (other than financial institutions, insurance companies and those dealing in securities) from the transfer or redemption of the units are generally treated as capital gains which are not subject to income tax in Malaysia. However, certain unit holders may be subject to income tax in Malaysia on such gains, due to specific circumstances of the unit holders.

Service Tax

Only taxable services listed in the First Schedule of the Service Tax Regulations 2018 are subject to service tax, which exclude investment income or gains.

However, certain expenses such as legal fees, consultancy fees and management fees may be subject to service tax at 6%. For management fees, this specifically excludes fees charged by any person who is licensed or registered with the Securities Commission for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007.



Based on the Finance Act 2018, the imposition and scope of service tax has been widened to include any imported taxable service. This is effective from 1 January 2019.

The tax position is based on our understanding and interpretation of the Malaysian tax legislations and proposals as they stand at present. All prospective investors should not treat the contents of this letter as advice relating to taxation matters and are advised to consult their own professional advisers concerning their respective investments.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Neoh Beng Guan', written in a cursive style.

Neoh Beng Guan
Executive Director

KPMG Tax Services Sdn Bhd

17. ADDITIONAL INFORMATION

17.1 The Deed

Copies of the Deed may be obtained from us at RM20.00 each. Alternatively, the Deed may be viewed free of charge at our head office during normal business hours.

Details	Date
i. Principal Deed	13 July 2020
ii. First Supplemental Deed	29 November 2022

17.2 Consent

The Trustee, the Shariah Adviser, the Target Fund Manager, Management Company of the Target Fund, depositary of the Target Fund and the Tax Advisers have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names and/or statements and/or reports in this Prospectus in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names and/or statements and/or reports in the form and context in which it appears in this Prospectus.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Unit Holders may inspect without charge, at the registered office of the Manager or such other place as the SC may determine, the following documents or copies thereof, where applicable:

- a. the Deed and supplemental deeds, if any;
- b. this Prospectus and supplemental or replacement prospectus, if any;
- c. the latest annual and semi-annual reports of the Fund;
- d. each material contract disclosed in this Prospectus (if any) and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contract;
- e. the audited financial statements of the Manager and the Fund for the current financial year (where applicable) and for the last three financial years or if less than three (3) years, from the date of incorporation or commencement;
- f. all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus. Where a summary expert's report is included in this Prospectus, the corresponding full expert's report shall be made available for inspection;
- g. writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
- h. all consents given by experts disclosed in this Prospectus.

19. DIRECTORY OF SALES OFFICES

Branches of BIMB Investment Management Berhad

<u>JOHOR BAHRU</u> No 33B, Jalan Indah 15/2, 2 nd Floor, Taman Bukit Indah, 79100 Nusajaya, Johor. Tel : +607-239 5608 Fax : +607-239 5609	<u>KELANTAN</u> PT 433 & 434 Tingkat 2 Jalan Padang Garong, 15000 Kota Bharu Kelantan. Tel : +609-740 6118 / +6012-908 7785
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Please refer to BIMB Investment's website at <https://bimbinvestment.com.my>. for the list of licensed consultants.

Please refer to BANK ISLAM MALAYSIA BERHAD website at www.bankislam.com.my for the list of its branches nationwide.