

# **INFORMATION MEMORANDUM**

## **MIDF-TM TR FINITE FUND - 1**

(constituted on 16 November 2023 and launched on 21 November 2023)

This Information Memorandum is dated 16 February 2024.

### **MANAGER:**

MIDF Amanah Asset Management Berhad  
(Registration No.: 197201000162 (11804-D))

### **TRUSTEE:**

AmanahRaya Trustees Berhad  
(Registration No.: 200701008892 (766894-T))

**THE FUND IS NOT A CAPITAL GUARANTEED FUND OR A CAPITAL PROTECTED FUND.**

**UNITS OF THE FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.**

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 15.**

**THIS IS A REPLACEMENT INFORMATION MEMORANDUM WHICH REPLACES AND SUPERSEDES THE INFORMATION MEMORANDUM DATED 21 NOVEMBER 2023 IN RESPECT OF THE FUND.**

## **RESPONSIBILITY STATEMENT**

This Information Memorandum has been reviewed and approved by the directors of MIDF Amanah Asset 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 this Information Memorandum false or misleading.

## **STATEMENTS OF DISCLAIMER**

**THE SECURITIES COMMISSION MALAYSIA HAS NOT AUTHORISED OR RECOGNISED THE MIDF-TM TR FINITE FUND - 1 AND A COPY OF THIS INFORMATION MEMORANDUM HAS NOT BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA.**

**THE LODGEMENT OF THIS INFORMATION MEMORANDUM SHOULD NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION MALAYSIA RECOMMENDS THE SAID MIDF-TM TR FINITE FUND - 1 OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS INFORMATION MEMORANDUM.**

**THE SECURITIES COMMISSION MALAYSIA IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF MIDF AMANAH ASSET MANAGEMENT BERHAD, THE MANAGEMENT COMPANY RESPONSIBLE FOR THE SAID MIDF-TM TR FINITE FUND - 1 AND TAKES NO RESPONSIBILITY FOR THE CONTENTS IN THIS INFORMATION MEMORANDUM. THE SECURITIES COMMISSION MALAYSIA MAKES NO REPRESENTATION ON THE ACCURACY OR COMPLETENESS OF THIS INFORMATION MEMORANDUM, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF ITS CONTENTS.**

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

## **ADDITIONAL STATEMENTS**

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

The MIDF-TM TR Finite Fund - 1 has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

This Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the MIDF-TM TR Finite Fund - 1 to which this Information Memorandum relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

**The MIDF-TM TR Finite Fund - 1 is not a capital protected or capital guaranteed fund.**

**TABLE OF CONTENTS**

(1) DEFINITIONS..... 1

(2) CORPORATE DIRECTORY ..... 4

(3) INFORMATION ON THE FUND..... 6

(4) RISK FACTORS..... 15

(5) FEES, CHARGES AND EXPENSES ..... 17

(6) TRANSACTION INFORMATION ..... 20

(7) TRANSACTION DETAILS..... 23

(8) THE MANAGEMENT AND ADMINISTRATION OF THE FUND ..... 25

(9) THE TRUSTEE ..... 27

(10) THE SHARIAH ADVISER ..... 29

(11) SALIENT TERMS OF THE DEED ..... 31

(12) CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS..... 35

(13) LIST OF DISTRIBUTION CHANNELS..... 37

## (1) DEFINITIONS

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

BNM	means Bank Negara Malaysia.
Bursa Malaysia	means the stock exchange managed or operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).
Business Day	means a day on which Bursa Malaysia is open for trading.
CMSA	means the Capital Markets and Services Act 2007 as may be amended from time to time.
Commencement Date	means the next Business Day after the end of the Offer Period.
Deed	means the deed in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee and lodged with the SC.
Early Liquidation Date	means a date on which the Fund is terminated before the Maturity Date pursuant to the events as set out in this Information Memorandum.
Financial Institution(s)	means:  (a) if the institution is in Malaysia:  (i) licensed bank;  (ii) licensed investment bank;  (iii) licensed Islamic bank; or  (iv) development financial institution regulated under the Development Financial Institutions Act 2002; or  (b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Fund	means the MIDF-TM TR Finite Fund - 1.
Information Memorandum	means the information memorandum for this Fund.
Investment Advisor	means Tokio Marine Asset Management International Pte. Ltd. (Registration No.: 199704937Z).
Islamic deposit(s)	has the same meaning as ascribed to it in the Islamic Financial Services Act 2013.
IUTA(s)	means Institutional Unit Trust Scheme Adviser(s), a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
LPD	means latest practicable date as at 31 January 2024.
Manager / MIDF Amanah / we / us / our	means MIDF Amanah Asset Management Berhad (Registration No.: 197201000162 (11804-D)).

Maturity Date	means a date which is the third (3 <sup>rd</sup> ) anniversary from the Commencement Date or such earlier date as determined by the Manager in accordance with the provisions of the Deed; if that date is not a Business Day, the Maturity Date shall be the first Business Day following the date that is third (3 <sup>rd</sup> ) anniversary from the Commencement Date.
MIDF	means Malaysian Industrial Development Finance Berhad (Registration No.: 196001000082 (3755-M)).
Net Asset Value / NAV	means the total value of the Fund's assets minus its liabilities at the valuation point.
NAV per Unit	means the NAV of the Fund at the valuation point divided by the total number of Units in circulation at the same valuation point.
Offer Period	means the period during which the Fund is open for sale and Units will be sold at the fixed offer price of RM1.00 per Unit.
Offer Price	means RM1.00.
Repurchase Price	means the price payable by the Manager to a Unit Holder pursuant to a request of repurchase by the Unit Holder and will be the NAV per Unit. The Repurchase Price shall be exclusive of the incentive fee (if applicable) and exit fee.
RM	means Ringgit Malaysia.
SAC BNM	means Shariah Advisory Council of BNM.
SAC SC	means Shariah Advisory Council of SC.
SC / Securities Commission	means the Securities Commission Malaysia.
Shariah	means Islamic law, originating from the <i>Qur'an</i> (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (PBUH) and <i>ijtihad</i> of <i>ulama'</i> (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
Shariah Adviser	means MIDF Amanah Investment Bank Berhad (Registration No.: 197501002077 (23878-X)), which is backed by its Shariah Committee.
Sophisticated Investor(s)	means any person who: <ul style="list-style-type: none"> <li>(a) is determined to be a sophisticated investor under: <ul style="list-style-type: none"> <li>(i) the Guidelines on Categories of Sophisticated Investors;</li> <li>(ii) any relevant laws/guidelines for wholesale funds; or</li> </ul> </li> <li>(b) acquires any capital market product specified under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise.</li> </ul>
Trustee	means AmanahRaya Trustees Berhad (Registration No.: 200701008892 (766894-T)).

Unit	means a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund.
Unit Holders / you	means the person registered as the holder of a Unit or Units including persons jointly registered.
Valuation Day	means the last Business Day of the month.

## (2) CORPORATE DIRECTORY

<b>MANAGER</b>	MIDF Amanah Asset Management Berhad (Registration No.: 197201000162 (11804-D))
<b>REGISTERED OFFICE</b>	Level 25, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya Selangor Tel.: 03 – 2173 8888
<b>BUSINESS OFFICE</b>	Level 20, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya Selangor Tel.: 03 – 2173 8488 (Customer Service Line) Fax: 03 – 2173 8555 Email: midfamanah@midf.com.my Website: <a href="https://www.midf.com.my/fund-management">https://www.midf.com.my/fund-management</a>
<b>TRUSTEE</b>	AmanahRaya Trustees Berhad (Registration No.: 200701008892 (766894-T))
<b>REGISTERED OFFICE</b>	Tingkat 11, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur
<b>BUSINESS OFFICE</b>	Tingkat 14, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur Tel.: 03-2036 5129 Fax: 03-2072 0322 Email: art@artrustees.com.my Website: <a href="http://www.artrustees.com.my">www.artrustees.com.my</a>
	<b>TRUSTEE'S DELEGATE (CUSTODIAN)</b> <b>Citibank N.A Singapore Branch</b>
	Registered Address: 5 Changi Business Park Crescent Level 5, Singapore 486027
	Business Address: 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960 Tel: (65) 6657 2106 <a href="http://www.citibank.com.sg">http://www.citibank.com.sg</a>
<b>SHARIAH ADVISER</b>	MIDF Amanah Investment Bank Berhad (Registration No.: 197501002077 (23878-X))
<b>REGISTERED OFFICE</b>	Level 25, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya Selangor Tel.: 03 – 2173 8888

**BUSINESS  
OFFICE**

Level 20 & 21, Menara MBSB Bank, PJ Sentral  
Lot 12, Persiaran Barat, Seksyen 52  
46200 Petaling Jaya  
Selangor  
Tel.: 03 – 2173 8970 (Customer Service Line)  
Fax: 03 – 2173 8555  
Email: [GroupLegalSecretarial@midf.com.my](mailto:GroupLegalSecretarial@midf.com.my)  
Website: [www.midf.com.my](http://www.midf.com.my)



### (3) INFORMATION ON THE FUND

FUND	MIDF-TM TR Finite Fund - 1
<b>Fund Category</b>	Shariah-Compliant Equity
<b>Fund Type</b>	Growth
<b>Base Currency</b>	RM
<b>Offer Price</b>	RM1.00 per Unit.
<b>Offer Period</b>	<p style="text-align: center;">A period of not more than one hundred and twenty (120) days from 21 November 2023.</p> <p><i>Notes:</i></p> <p>(1) <i>Units are only available for purchase during the Offer Period.</i></p> <p>(2) <i>The Offer Period may be shortened if we determine that it is in the best interest of investors to commence investments for the Fund.</i></p>
<b>Commencement Date</b>	The next Business Day after the end of the Offer Period.
<b>Tenure and Maturity of the Fund</b>	<p>The tenure of the Fund is three (3) years.</p> <p>The Fund will mature on the third (3<sup>rd</sup>) year anniversary from the Commencement Date or such earlier date as determined by the Manager in accordance with the provisions of the Deed. If that date is not a Business Day, the Maturity Date will be the first Business Day following the date that is the third (3<sup>rd</sup>) year anniversary from the Commencement Date.</p> <p>Within a period of three (3) months prior to the Maturity Date, the Manager may commence liquidation of the assets of the Fund and hold cash. The Manager, however, has the discretion to liquidate any remaining assets of the Fund within twelve (12) months after the Maturity Date if it is in the interest of the Unit Holders to do so without any additional management fee charged within the 12-month period after the Maturity Date.</p> <p>After all the assets of the Fund have been fully liquidated, the Unit Holders will be notified of the following:</p> <p>(a) the NAV per Unit at which the maturity proceeds will be calculated; and</p> <p>(b) the date on which the maturity proceeds will be paid to the Unit Holders, which will not exceed fourteen (14) days from the date of full liquidation of assets of the Fund.</p> <p>No exit fee will be imposed on Unit Holders on the Maturity Date.</p>
<b>Early Liquidation</b>	The Fund has an early liquidation feature where the Manager may, at its sole discretion and without having to obtain the prior consent of the Unit Holders, terminate the Fund upon the occurrence of an early liquidation event before the Maturity Date.

FUND	MIDF-TM TR Finite Fund - 1
	<p>An early liquidation event may occur at any time during the tenure of the Fund and at the discretion of the Manager, if:</p> <ul style="list-style-type: none"> <li>(a) the Fund achieves an appreciation of at least 50% over and above the Offer Price; and/or</li> <li>(b) the Fund's assets comprise entirely of cash.</li> </ul> <p>After all the assets of the Fund have been fully liquidated, the Unit Holders will be notified of the following:</p> <ul style="list-style-type: none"> <li>(a) the NAV per Unit at which the proceeds will be calculated; and</li> <li>(b) the date on which the proceeds will be paid to the Unit Holders, which will not exceed fourteen (14) days from the date of full liquidation of assets of the Fund.</li> </ul> <p>No exit fee will be imposed on Unit Holders in the event of Early Liquidation.</p>
<p><b>Repurchase of Units and Payment of Redemption Proceeds</b></p>	<p>Repurchase requests/applications can be made on a monthly basis on or before the twenty-fifth (25<sup>th</sup>) calendar day of each month subject to the payment of incentive fee (if applicable) and exit fee.</p> <p>For any repurchase request/application received by the Manager on or before the cut-off time of 4:00 pm on the twenty-fifth (25<sup>th</sup>) calendar day of the month, Units would be repurchased based on the NAV per Unit on the Valuation Day after the request for repurchase of Units is received and accepted by the Manager. If the twenty-fifth (25<sup>th</sup>) calendar day of the month is not a Business Day, then 4:00 pm the next Business Day will be the cut-off time for that month. Any repurchase application received after this cut-off time would be considered as being transacted on the following month and the Units would be repurchased on the following month's Valuation Day.</p> <p>Redemption proceeds (net of incentive fee (if applicable) and exit fee) will be paid within ten (10) Business Days from the Valuation Day. The redemption proceeds will be transferred to the Unit Holder's banking account.</p> <p>However, in the case of the death of any jointholder, the surviving jointholder will be entitled to the Units in the jointholding account and if the surviving jointholder is not the first named jointholder, the surviving jointholder shall hold the Units until the Maturity Date or the Early Liquidation Date, as the case may be. For the avoidance of doubt, only the Unit Holder whose name appears first in the register of Unit Holders is allowed to redeem Units of the Fund.</p> <p>Repurchase of Units prior to the Maturity Date or the Early Liquidation Date, as the case may be, by the surviving jointholder is not allowed.</p> <p>Transaction costs such as charges for electronic transfers, if any, will be borne by the Unit Holders and set-off against the redemption proceeds.</p>
<p><b>Financial Year End</b></p>	<p>31 July</p>
<p><b>Deed</b></p>	<p>The Deed dated 16 November 2023.</p>
<p><b>Investment Objective</b></p>	<p>The Fund aims to provide Unit Holders with absolute returns and capital appreciation during the tenure of the Fund.</p>

FUND	MIDF-TM TR Finite Fund - 1
	<p><i>Note:</i> Any material change to the investment objective of the Fund would require Unit Holders' approval.</p>
<b>Investment Policy and Strategy</b>	<p>The Fund aims to achieve its objective by adopting a tactical asset allocation strategy where the Fund may invest up to 100% of its NAV in a range of global Shariah-compliant equities and Shariah-compliant equity related securities.</p> <p>As the Fund has an opportunistic objective, it will adopt an entirely flexible allocation strategy depending on market conditions, sentiment, valuations and news-flow with the intention of generating absolute returns.</p> <p>Equities are selected by analysing the fundamental valuations and the price technicals, both on the securities level as well as on a macro level. At the same time, understanding the market sentiment in relation to macro news-flow and economic data, coupled with the securities level risk assessment will ensure that downside risk is best mitigated. This overall screening process (top-down and bottom-up approach) to narrow down the target investments will enable the Manager to make better investment decisions after taking into account as many factors as possible that will/may affect future price performance of the investments.</p>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• Up to 100% of the Fund's NAV in Shariah-compliant equities and Shariah-compliant equity related securities; and/or</li> <li>• Up to 100% of the Fund's NAV in cash and cash equivalents.</li> </ul>

#### OTHER INFORMATION

FUND	MIDF-TM TR Finite Fund - 1
<b>Investor's Profile</b>	<p>The Fund is suitable for Sophisticated Investors who:</p> <ul style="list-style-type: none"> <li>• wish to gain exposure to global equity markets;</li> <li>• seek targeted capital growth via active investment strategies; and</li> <li>• have a medium-term investment horizon.</li> </ul>
<b>Distribution Policy</b>	<p>The Fund does not intend to distribute income.</p>
<b>Mode of Distribution</b>	<p>Not applicable, as the Fund does not intend to distribute income.</p>
<b>Performance Benchmark</b>	<p>Total return target of 50% before the end of the 3-year period from the Commencement Date.</p>
<b>Permitted Investments</b>	<p>The Fund is permitted to invest in the following:</p> <ol style="list-style-type: none"> <li>(a) Shariah-compliant equities;</li> <li>(b) Shariah-compliant equity related securities;</li> <li>(c) Shariah-compliant initial public offerings;</li> <li>(d) Islamic collective investment schemes;</li> <li>(e) Islamic money market instruments;</li> <li>(f) Islamic deposits; and</li> <li>(g) any other Shariah-compliant investment as may be advised by the Shariah Adviser and agreed upon between us and the Trustee from time to time that are in line with the Fund's objective.</li> </ol>

FUND	MIDF-TM TR Finite Fund - 1
<b>Shariah Investment Guidelines</b>	<p>The following are the Shariah Investment Guidelines for the Fund, which the Manager is to strictly adhere to on a continuous basis. At all times, the Fund shall invest in activities and instruments that are allowed under Shariah principles and shall not invest in activities and instruments that are prohibited by Shariah principles based on the applicable resolutions/parameters set by the applicable Shariah Advisory Council and/or the Shariah Adviser.</p> <p><b>Investments Outside Malaysia</b></p> <p>The Fund will invest in securities listed under a subscription-based service that provides a shariah equity screening and purification. The Manager will share the Shariah filtered list and Shariah resolutions (where applicable) for the Shariah Adviser's endorsement.</p> <p>The methodology of the filtered list is based on the following rulings:</p> <p><b>Sector Based Screening</b></p> <p>Investment is not allowed in companies deriving more than 5% of their total revenue (cumulatively) from any of the following activities ("prohibited activities"):</p> <ul style="list-style-type: none"> <li>• Alcohol</li> <li>• Tobacco</li> <li>• Pork related products</li> <li>• Conventional financial services</li> <li>• Defense / weapons</li> <li>• Gambling / casino</li> <li>• Music</li> <li>• Cinema</li> <li>• Adult entertainment</li> <li>• Advertising services in television, newspapers, and billboards</li> <li>• Gold &amp; silver hedging</li> <li>• Not slaughtering according to Islamic or Monotheistic principles</li> </ul> <p><b>Financial Screening</b></p> <p>Shariah investment principles do not allow investment in companies with financial ratios violating the following criteria:</p> <ul style="list-style-type: none"> <li>• Total conventional debt over average daily market cap for the prior 24 months exceeds 33%. If the average market cap of the company falls below the total asset value, total assets is then used in calculating the percentage above.</li> <li>• Sum of a company's cash and short-term interest-bearing securities over average daily market capitalisation for the prior 24 months exceeds 33%. If the average market capitalisation of the company falls below the total asset value, total assets is then used in calculating the percentage above.</li> <li>• The total non-permissible income generated from conventional interest income and any Shariah non-compliant activities should not exceed 5% of the total income generated by the company.</li> <li>• No investment in fixed income preferred shares is allowed.</li> <li>• No investment in trust units is allowed.</li> </ul> <p>The revenue that Islamic Financial Institutions derive from financial services will not be considered revenue from a prohibited activity. Islamic Financial Institutions will not be subject to the business or financial screening criteria above.</p>

FUND	MIDF-TM TR Finite Fund - 1
	<p data-bbox="448 264 756 293"><b>Investments in Malaysia</b></p> <p data-bbox="448 324 1406 443">At all times the Fund shall invest in investment instruments that are allowed under Shariah principles and shall not invest in investment instruments that are prohibited by Shariah principles based on the parameters of the SAC SC or SAC BNM and the Shariah Adviser.</p> <p data-bbox="448 477 708 506"><b>1. Local Securities:</b></p> <p data-bbox="496 508 1406 566">Reference for investment in local securities is based on the list of Shariah-compliant securities issued by the SAC SC twice a year.</p> <p data-bbox="448 600 1011 629"><b>2. Initial Public Offering of Local Securities</b></p> <p data-bbox="496 631 1406 719">For securities of an initial public offering, the Shariah Adviser adopts the following qualitative and quantitative analysis in determining its Shariah status<sup>1</sup>.</p> <p data-bbox="496 752 823 781">(A) <u>Quantitative Analysis</u></p> <p data-bbox="571 813 1406 873">(1) The Shariah Adviser excludes companies which main business activities involve the following:</p> <ul style="list-style-type: none"> <li data-bbox="647 904 1198 934">(a) financial services based on <i>riba</i> (interest);</li> <li data-bbox="647 936 986 965">(b) conventional insurance;</li> <li data-bbox="647 967 1406 1025">(c) stockbroking or share trading in Shariah non-compliant securities;</li> <li data-bbox="647 1028 967 1057">(d) gambling and gaming;</li> <li data-bbox="647 1059 1406 1120">(e) manufacture or sale of non-halal products or related products (e.g. pork and liquor);</li> <li data-bbox="647 1122 1406 1180">(f) manufacture or sale of tobacco-based products or related products;</li> <li data-bbox="647 1182 1406 1240">(g) entertainment activities that are not permitted by the Shariah; and</li> <li data-bbox="647 1243 1406 1301">(h) other activities deemed non-permissible according to the Shariah.</li> </ul> <p data-bbox="571 1332 1406 1482">(2) For companies with activities comprising both permissible and non-permissible elements, the Shariah Adviser adopts the following two-tier quantitative approach, which applies the business activity benchmarks and the financial ratio benchmarks as determined by the SAC SC:</p> <p data-bbox="647 1514 1115 1543"><b>(a) Business Activity Benchmarks</b></p> <p data-bbox="722 1545 1406 1664">The contribution of Shariah non-compliant activities to the overall revenue and profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:</p> <p data-bbox="722 1666 1129 1695">(i) The five per-cent benchmark:</p> <p data-bbox="778 1727 1401 1787">The 5% benchmark would be applicable to the following business activities:</p> <ul style="list-style-type: none"> <li data-bbox="778 1792 1241 1821">• conventional banking and lending;</li> <li data-bbox="778 1823 1118 1852">• conventional insurance;</li> <li data-bbox="778 1854 954 1883">• gambling;</li> <li data-bbox="778 1886 1235 1915">• liquor and liquor-related activities;</li> <li data-bbox="778 1917 1209 1946">• pork and pork-related activities;</li> </ul>

<sup>1</sup> This criterion is adopted by the Shariah Adviser as an interim measure until the SAC SC releases the Shariah status of the securities.

FUND	MIDF-TM TR Finite Fund - 1
	<ul style="list-style-type: none"> <li>• non-halal food and beverages;</li> <li>• Shariah non-compliant entertainment;</li> <li>• interest income from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator and dividends from Shariah non-compliant investment);</li> <li>• tobacco and tobacco-related activities; and</li> <li>• other activities deemed non-compliant according to Shariah principles as determined by the SAC SC.</li> </ul> <p>The contribution of Shariah non-compliant businesses/activities to the overall revenue or profit before taxation of the company must be less than 5%.</p> <p>(ii) The twenty per-cent benchmark:</p> <p>The 20% benchmark would be applicable to the following business activities:</p> <ul style="list-style-type: none"> <li>• share trading;</li> <li>• stockbroking business;</li> <li>• rental received from Shariah non-compliant activities; and</li> <li>• other activities deemed non-compliant according to Shariah principles as determined by the SAC SC.</li> </ul> <p>The contribution of Shariah non-compliant businesses activities to the overall revenue or profit before taxation of the company must be less than 20%.</p> <p><b>(b) Financial Ratio Benchmarks</b> The financial ratios applied are as follows:</p> <p>(i) Cash over total asset Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.</p> <p>(ii) Debt over total asset Debt will only include interest-bearing debt whereas Islamic financing or sukuk will be excluded from the calculation.</p> <p>The above ratios (or such other ratios as may be determined by the SAC SC), which are intended to measure <i>riba</i> and <i>riba</i>-based elements within a company's balance sheet, must be less than 33%.</p> <p>Should any of the above deductions fail to meet the above benchmarks (business activity and financial ratio), the Shariah Adviser will not accord a Shariah-compliant status for the companies.</p>

FUND	MIDF-TM TR Finite Fund - 1
	<p>(B) <u>Qualitative Analysis</u>  The Shariah Adviser will look into the aspects of general public perception of the companies' images, core businesses which are considered important and <i>maslahah</i> (beneficial) to the Muslim <i>ummah</i> and the country, the non-permissible elements are very small and involve matters like '<i>umum balwa</i> (common plight and difficult to avoid), '<i>uruf</i> (custom) and rights of the non-Muslim community which are accepted by the Shariah.</p> <p><b>Shariah-Compliant Equities</b>  The Fund will invest in Shariah-compliant equity-related securities as approved by the SAC SC, the Shariah Adviser and/or Shariah boards of the relevant Shariah indices recognized internationally.</p> <p><b>Islamic Collective Investment Schemes</b>  Islamic collective investment schemes include the following:</p> <ol style="list-style-type: none"> <li>a) A unit trust fund;</li> <li>b) An exchange-traded fund;</li> <li>c) A real estate investment trust;</li> <li>d) A wholesale fund; and</li> <li>e) A business trusts.</li> </ol> <p>Must be regulated and registered or authorized or approved by the relevant authority in its home jurisdiction.</p> <p><b>Islamic Money Market Instruments</b>  For investment in Islamic money market instruments, the Fund may acquire any Islamic money market instruments based on the data available at:</p> <ul style="list-style-type: none"> <li>• Bond info hub (<a href="https://financialmarkets.bnm.gov.my">https://financialmarkets.bnm.gov.my</a>)</li> <li>• Fully automated system for issuing/ tendering (<a href="https://fast.bnm.gov.my">https://fast.bnm.gov.my</a>)</li> </ul> <p>The Fund may also invest into any other Islamic money market instruments deemed Shariah-compliant by the SAC SC, SAC BNM or the Shariah Adviser. For foreign money market investments, it must be approved by the Shariah Adviser upon review of the relevant documents such as the shariah pronouncements or approval and the principal terms and conditions.</p> <p><b>Islamic Deposits</b>  The Fund is prohibited from investing in interest-bearing deposits and recognising any interest income.</p> <p><b>Any Other Shariah-Compliant Investments</b>  For avoidance of doubt, the documents relating to the Shariah liquidity management instrument should be submitted for prior approval by the Shariah Adviser. Where the Shariah Adviser request a change to the Shariah Investment Guidelines, it shall give the Manager a reasonable period of time to effect such change in the Information Memorandum in accordance with the requirements of any applicable law and regulation.</p> <p><b>Purification Process for the Fund</b></p> <p><u>Shariah Non-Compliant Investment</u>  This refers to Shariah non-compliant investment made by the Manager. The said investment will be disposed of or withdrawn within one (1) month. If the investment resulted in gain (through capital gain and/or profit), the gain is to be channeled to <i>baitulmal</i> or any other charitable bodies of the Manager's choice as approved by the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.</p>

FUND	MIDF-TM TR Finite Fund - 1
	<p><u>Reclassification of Shariah-Compliant Securities to Shariah Non-Compliant Securities</u></p> <p>In respect of Shariah-compliant securities which have been reclassified as Shariah non-compliant securities on the date of the announcement of the list of Shariah-compliant securities takes effect, the timing for the disposal of such securities are as follows:</p> <p>(i) If the market price of the said securities exceeds or is equal to the investment cost, the Fund holding such Shariah non-compliant securities must dispose the Shariah non-compliant securities. Any dividends received up to date of the announcement and capital gains arising from the disposal of Shariah non-compliant securities on the date of the announcement can be kept by the Fund. However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of the announcement should be channelled to <i>baitulmal</i> and/or charitable bodies; and</p> <p>(ii) If the market price of the Shariah non-compliant securities is below the investment cost, the Fund is allowed to hold its investments in the Shariah non-compliant securities until the Fund receives the investment cost. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equals the investment cost. At this stage, the Fund is advised to dispose the Shariah non-compliant securities.</p> <p>In addition, during the holding period of the Shariah non-compliant securities, the Fund is also allowed to subscribe to:</p> <p>(a) any issue of new securities by a company whose Shariah non-compliant securities are held by the Fund, for example the Fund subscribes to rights issues, bonus issues, special issues and warrants (excluding securities whose nature is Shariah non-compliant e.g. loan stocks); and</p> <p>(b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant securities are held by the Fund.</p> <p>If by taking the actions as specified in items (a) and (b) above the Fund manages to achieve the investment cost, it must expedite the disposal of the Shariah non-compliant securities held.</p> <p><b>Zakat (alms) for the Fund</b></p> <p>The Fund does not pay <i>zakat</i> on behalf of Muslim individuals and Islamic legal entities who are Unit Holders of the Fund. Thus, Unit Holders are advised to pay <i>zakat</i> on their own.</p>
Bases of Valuation of Investments	<p>(i) Listed Shariah-compliant securities (including listed Islamic collective investment schemes) – listed Shariah-compliant securities will be valued based on the official closing price or last known transacted price on the eligible market on which the investment is quoted.</p> <p>However, if:</p> <p>(a) a valuation based on such price does not represent the fair value of the listed Shariah-compliant securities, for example during abnormal market conditions; or</p>



FUND	MIDF-TM TR Finite Fund - 1
	<p>(b) no such price is available, including in the event of a suspension in the quotation of the listed Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee,</p> <p>then the listed Shariah-compliant securities would be valued at fair value, as determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> <p>(ii) Islamic money market instruments – investments in Islamic commercial papers and Islamic treasury bills are valued each day based on the price quoted by the bond pricing agency registered with the SC.</p> <p>For investments in Islamic money market instruments that are not quoted by the bond pricing agency registered with the SC, such instruments are valued each day at cost, adjusted for amortisation of premium or accretion of discount over their par value at the time of acquisition, less provision for any diminution in value.</p> <p>(iii) Cash in bank and/or Islamic deposits – cash in bank and/or Islamic deposits placed with Financial Institutions are determined each day by reference to the value of such investments and the accrued income or profit thereon for the relevant period.</p> <p>(iv) Unlisted Islamic collective investment schemes – investment in unlisted Islamic collective investment schemes will be valued based on the last published repurchase price.</p> <p>(v) Any other Shariah-compliant investments – fair value as determined in good faith by the Manager on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>

**Prospective investors should read and understand the contents of this Information Memorandum and, if necessary, should consult their adviser(s).**

**If you are interested in the Fund, have any queries or require further information, please contact our client servicing personnel at 03 – 2173 8488. Alternatively, you may e-mail your enquiries to [midfamanah@midf.com.my](mailto:midfamanah@midf.com.my)**

## **(4) RISK FACTORS**

Prior to making an investment, prospective investors should consider the following risk factors in addition to the other information set out in this Information Memorandum.

### **General Risks**

#### Market Risk

Market risk refers to potential losses that may arise from changes in the market prices of the Fund's investments. The prices of securities that the Fund invests in may fluctuate due to various factors, for example, events or news relating to the general market or economic conditions. Such movements in the prices of securities will cause the prices or NAV of the Units to fluctuate.

#### Manager's Risk

This risk refers to our day-to-day management of the Fund which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund. In order to mitigate this risk, the implementation of internal controls and a structured investment process and operational procedures has been put in place by us.

#### Inflation Risk

This risk refers to the likelihood of a unit holder's investments not growing proportionately to the inflation rate resulting in the unit holder's decreasing purchasing power even though the investment in monetary terms may have increased. This risk can be mitigated by investing in securities that can provide positive real rate of return.

#### Suspension of Repurchase Risk

The Fund may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the repurchase of Units under exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be reasonably determined. Upon suspension, the Fund will not be able to pay Unit Holders' redemption proceeds in a timely manner and Unit Holders will be compelled to remain invested in the Fund for a longer period of time than the stipulated repurchase timeline. Hence, Unit Holders' investments will continue to be subjected to the risk factors inherent to the Fund. Please refer to section 7(i) of this Information Memorandum for more information on suspension of dealing in Units.

### **Specific Risks**

#### Stock Specific Risk

Prices of a particular Shariah-compliant stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such Shariah-compliant stock will adversely affect the Fund's NAV.

#### Country Risk

Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the net asset value of the Fund or prices of units to fall.

#### Currency Risk

As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. Unit Holders should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the

base currency of the Fund and vice versa. Unit Holders should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

#### Liquidity Risk

This risk refers to the ease with which the Fund's investment can be sold at a favourable price. Should the Fund's investment become illiquid, it may be sold at an unfavourable price which may then lower the value of the Fund's investments and subsequently the value of Unit Holders' investments.

#### Reclassification of Shariah Status Risk

This risk refers to the risk that the currently held Shariah-compliant investments invested by the Fund may be reclassified to be Shariah non-compliant by the relevant authority or the Shariah Adviser. In the event the Shariah-compliant investments held by the Fund are reclassified as Shariah non-compliant by the relevant authority or the Shariah Adviser, the instruments will be disposed in accordance with rules and decision by the Shariah Adviser. Please refer to Section 3 of this Information Memorandum for the Fund's Shariah Investment Guidelines on the treatment of gains and losses as a result of the Shariah non-compliant investment.

#### Non-Compliance Risk

This is the risk of the Manager not complying with internal policies, the Deed, securities law, and guidelines, whether by oversight or by omission, or if the Manager acts fraudulently or dishonestly. Non-compliance risk may adversely affect the investment of the Unit Holders if the Manager is forced to sell the investments of the Fund at a discount to restore the non-compliance. In order to mitigate this risk, we have imposed stringent internal compliance controls.

#### Collective Investment Scheme Risk

Investing in collective investment schemes may be more costly to the Fund than if the Fund had invested in the underlying investments directly as the Fund will indirectly be paying the fees and expenses of the collective investment schemes. Additionally, the Fund's investments in real estate investment trusts ("REITs") will involve many of the same risks associated with direct ownership of real estate, including but not limited to possible declines in real estate's value, increase in interest rates and real estate borrowing costs, changes in property taxes, higher operating expenses, and damages from natural or man-made disasters and fall in market rental rates. The Fund's investments in exchange-traded funds ("ETFs") may subject the Fund to additional risks (such as risks related to the changes in the constituent securities of the index that the ETF is tracking which may result in the rise or fall of the price of the ETF or cessation of the index that the ETF is tracking which may result in the termination of the ETF) than if the Fund would have invested directly in the constituent securities of the index. Any adverse price movements of such REITs and ETFs will adversely affect the Fund's NAV.

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

#### **Risk Management Strategies**

The Manager will utilise asset allocation to mitigate the overall investment risk to the Fund. Asset allocation allows for strategic switching of assets to protect the overall value of the Fund when necessary. Sector selection on the other hand provides the opportunity to diversify investment risk within an asset class.

## (5) FEES, CHARGES AND EXPENSES

### Charges

The following describes the charges that investors may **directly** incur when buying or redeeming Units:

#### (a) Sales Charge

A sales charge may be imposed on the purchase of Units of the Fund and may be utilised by us to pay the marketing, advertising and distribution expenses of the Fund.

The sales charge shall be a percentage of the Offer Price and is disclosed as follows to enable investors to understand, compare and to make an informed decision on the preferred distribution channel:

Direct Sales	IUTA	Tied Agents
Up to 5.00% of the Offer Price	Up to 5.00% of the Offer Price	Up to 5.00% of the Offer Price

*\*The Manager reserves the right to waive or reduce the sales charge from time to time at its absolute discretion. Investors may also negotiate for a lower sales charge with their preferred distributor, subject to the respective channel's qualifying criterion. All sales charge will be rounded up to two (2) decimal places and will be retained by the Manager.*

*Differing sales charge may be levied depending on the distribution channels and the distributor within each distribution channel, subject to the sales charge stipulated above. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.*

#### (b) Exit Fee

Return at Repurchase of Units Prior to Maturity Date or Early Liquidation Date (based on the Offer Price)	Exit Fee (based on the NAV per Unit) <sup>^</sup>	Incentive Fee (based on excess return above the amount of net capital injected at subscription) <sup>#</sup>
If < 20.00%	5.00%.	Nil
If 20.00% to 29.99%	Nil	10.00%
If 30.00% to 39.99%	Nil	15.00%
If 40.00% and above	Nil	20.00%

<sup>^</sup> *The Manager reserves the right to waive or reduce the exit fee from time to time at its absolute discretion. The exit fee will be rounded up to two (2) decimal places and will be retained by the Fund for the benefit of the remaining Unit Holders.*

<sup>#</sup> *The Manager is entitled to an incentive fee based on the excess return above the amount of net capital injected at subscription. Such amount of incentive fee will be calculated upon repurchase of Units.*

#### (c) Transfer Fee

RM50.00 per transfer.

#### (d) Switching Fee

Not applicable.

### Fees and Expenses

The fees and expenses **indirectly** incurred by you when investing in the Fund are as follows

**(a) Management Fee**

The Manager is entitled to an annual management fee of up to 1.80% per annum of the NAV of the Fund, before deducting annual management fee and trustee fee for the day, calculated and accrued on a daily basis.

**(b) Incentive Fee**

The Manager is entitled to an incentive fee based on the excess return above the amount of net capital injected at subscription:

<b>Return at Maturity Date, Early Liquidation Date or Repurchase of Units (based on the Offer Price)</b>	<b>Incentive Fee (based on excess return above the amount of net capital injected at subscription)</b>
If < 20.00%	Nil
If 20.00% to 29.99%	10.00%
If 30.00% to 39.99%	15.00%
If 40.00% and above	20.00%

Such amount of incentive fee will be calculated at the Maturity Date, the Early Liquidation Date or upon repurchase of Units.

**(c) Trustee Fee**

The Trustee is entitled to an annual trustee fee of 0.06% per annum of the NAV of the Fund, before deducting annual management fee and annual trustee fee for the day, calculated and accrued on a daily basis.

**(d) Fund Expenses**

In administering the Fund, only fees and expenses that are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These include (but not limited to) the following:

- (i) commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;
- (ii) taxes and other duties charged on the Fund by the government and/or other authorities;
- (iii) costs, fees and expenses properly incurred by the auditors appointed for the Fund;
- (iv) fees for the valuation of any Shariah-compliant investment of the Fund;
- (v) 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;
- (vi) 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;
- (vii) costs, commissions, fees and expenses of the sale, purchase, *takaful* and any other dealing of any asset of the Fund;
- (viii) 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;
- (ix) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (x) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;

- (xi) costs, fees and expenses incurred in the termination of the Fund or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;
- (xii) 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 ordered by the court not to be reimbursed by the Fund);
- (xiii) costs, fees and expenses deemed by the Manager and the Trustee 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;
- (xiv) (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;
- (xv) expenses and charges incurred in connection with the printing and postage for the annual and quarterly reports, tax certificates and other services associated with the administration of the Fund;
- (xvi) all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- (xvii) fees in relation to fund accounting; and
- (xviii) 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 (i) to (xvii) above.

Expenses related to the issuance of this Information Memorandum will be borne by the Manager.

**(e) Policy on Stockbroking Rebates and Soft Commissions**

The Manager or any delegate thereof will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund.

However, soft commissions may be retained by the Manager and its delegates provided always that:

- (i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (iii) 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 you are advised to consider the fees and charges before investing in the Fund. The fees, charges and expenses quoted in this Information Memorandum are exclusive of any 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) TRANSACTION INFORMATION

### (a) Valuation Point

Valuation point refers to such time on a Valuation Day wherein the NAV of the Fund is calculated.

The Fund is valued once every month on the Valuation Day and the price of the Units will be published on a monthly basis on the Manager's website.

### (b) Computation of NAV and NAV per Unit

The NAV of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets, at a valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the annual management fee and the annual trustee fee for the relevant Valuation Day.

Please note that the example below is for illustration only:

		RM
	Investment	100,000,000.00
Add:	Other assets (including cash) & income	1,400,000.00
Less:	Liabilities	<u>200,000.00</u>
	NAV before deducting annual management fee and annual trustee fee for the relevant Valuation Day	101,200,000.00
Less:	Annual management fee for the relevant Valuation Day (at 1.80% per annum calculated based on NAV) $101,200,000 \times 1.80\% / 365 \text{ days}$	4,990.68
Less:	Annual trustee fee for the relevant Valuation Day (at 0.06% per annum calculated based on the NAV) $101,200,000 \times 0.06\% / 365 \text{ days}$	166.36
	NAV	<u><u>101,194,843</u></u>

The NAV per Unit of the Fund is calculated by dividing the total NAV of the Fund by the number of Units in circulation at the same valuation point of the relevant Valuation Day.

In the event that there are 200,000,000 Units of the Fund in circulation at the point of valuation, the NAV per Unit of the Fund shall therefore be calculated as follows:

		RM
	NAV	101,194,843
Divide	Units in circulation	<u>200,000,000</u>
	NAV per Unit	<u><u>0.5060*</u></u>

*\*NAV per Unit will be rounded up to four (4) decimal places for the purposes of publication of the NAV per Unit.*

### (c) Pricing of Units

#### Selling Price of Units

Units will only be sold at the Offer Price during the Offer Period. The Manager and its distributors will impose a maximum sales charge of 5.00% of the Offer Price on top of the amount an investor pays to the Manager to purchase Units.

### Calculation of Selling Price

#### **Illustration – Sale of Units with sales charge**

##### ***Example:***

If an investor wishes to invest RM100,000.00 in the Fund during the Offer Period, and if the sales charge is 5.00% of the Offer Price, the total amount to be paid by the investor and the number of Units issued to an investor will be as follows:

Sales charge payable by an investor = 5.00% x RM100,000.00 = **RM5,000.00**

The total amount to be paid by an investor for his or her investment will therefore be:  
RM100,000.00 + RM5,000.00  
= **RM105,000.00** (inclusive of sales charge)

The number of Units that will be issued to the investor will be:  
RM100,000.00 divided by RM1.00 (Offer Price)  
= **100,000.00** Units

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

### Repurchase Price of Units

The Repurchase Price of a Unit is the NAV per Unit of the Fund on a Valuation Day after the request to repurchase Units is received by the Manager.

### Calculation of Repurchase Price

#### **Illustration – Repurchase of Units with exit fee**

##### ***Example:***

If an investor wishes to redeem 100,000.00 Units on a Business Day before the Maturity Date or Early Liquidation Date, the total amount to be paid to the investor and the number of Units redeemed by investor will be as follows:

In the event that the NAV per Unit of the Fund at the end of that Valuation Day = RM1.1500

Exit fee payable by an investor = 5.00% x RM115,000.00 = **RM5,750.00**

The number of Units that will be redeemed by an investor will be:  
RM115,000.00 divided by RM1.1500 (the NAV per Unit)  
= **100,000.00** Units

The total amount to be paid to an investor will be:  
RM115,000.00 – RM5,750.00  
= **RM109,250.00**

#### **Illustration – Repurchase of Units with incentive fee**

##### ***Example:***

If an investor wishes to redeem 100,000.00 Units on a Business Day before the Maturity Date or Early Liquidation Date, the total amount to be paid to the investor and the number of Units redeemed by investor will be as follows:

In the event that the NAV per Unit of the Fund at the end of that Valuation Day = RM1.2500

Incentive fee payable by an investor = 10.00% x RM25,000.00 = **RM2,500.00**



The number of Units that will be redeemed by an investor will be:  
RM125,000.00 divided by RM1.2500 (the NAV per Unit)  
= **100,000.00 Units**

The total amount to be paid to an investor will be:  
RM125,000.00 – RM2,500.00  
= **RM122,500.00**

**(d) Incorrect Pricing**

The Manager shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Fund or Units of the Fund. Where such error has occurred, monies shall be reimbursed in the following manner: -

- (a) in the event of over valuation or pricing, by the Manager to the Fund (if there is a repurchase of Units) and/or to the Unit Holders who purchase Units at a higher price; or
- (b) in the event of under valuation or pricing, by the Manager to the Fund (if there is a sale of Units) and/or to the Unit Holders or former Unit Holders who redeem at a lower price.

Notwithstanding the foregoing, unless the Trustee otherwise directs, no reimbursement shall be made save and except where an incorrect pricing: -

- (i) is equal to or more than zero point five per centum (0.5%) of the NAV per Unit; and
- (ii) results in a sum total of Ringgit Malaysia Ten (RM10.00) or more to be reimbursed to a Unit Holder for each repurchase transaction.

Subject to any regulatory requirements, the Manager shall have the right to amend, vary or revise the abovesaid limits or threshold from time to time and disclose such amendment, variation or revision in this Information Memorandum.

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

## **(7) TRANSACTION DETAILS**

### **(a) How and where to Purchase and Repurchase Units of the Fund**

You may contact our Customer Service Department for general inquiries or specific information with regard to investment in Units of the Fund on your account details. For Fund application, an applicant is required to complete the Account Opening & Investment Form, which is readily available together with this Information Memorandum from the following outlets or persons:

- (i) Customer Service Line at 03 – 2173 8488;
- (ii) Registered distributors;
- (iii) IUTAs; and
- (iv) Any other distribution channel, including but not limited to online platforms as may be determined by the Manager from time to time.

Please refer to Section 13 of this Information Memorandum for the list of distribution channels.

### **(b) Investment**

The minimum initial investment is RM50,000\*. Investors are recognised as Unit Holders only after they have been registered in the Unit Holders' register. The registration takes effect from the date the Manager receives and accepts the application to purchase Units from investors together with the payment thereof.

*\*or such other lower amount as may be determined by the Manager from time to time.*

### **(c) Repurchase of Units**

Repurchase requests/applications can be made on a monthly basis on or before the twenty-fifth (25<sup>th</sup>) calendar day of each month subject to payment of incentive fee (if applicable) and exit fee.

You may redeem part or all of your Units by simply completing the Transaction Form and returning it to the Manager. The minimum Unit for repurchase is 10,000\* Units. You shall be paid within ten (10) Business Days from the Valuation Day.

For partial repurchase, the Unit holdings after the repurchase must not be less than 1,000\* Units. If the holdings of an investor are, after a repurchase request, below the minimum Unit holdings, a request for full redemption is deemed to have been made.

Other than the above conditions, there is no restriction in terms of the frequency of redemption for the Fund.

*\*or such other lower number of Units as may be determined by the Manager from time to time.*

### **(d) Transfer of Units**

Units may be transferred from one (1) Unit Holder to another Sophisticated Investor subject to the Manager's sole discretion and to the provisions of the Deed.

### **(e) Switching between Funds**

Not applicable.

**(f) Cooling-off Right**

Not applicable.

**(g) Dealing Cut-Off Time for Purchase and Repurchase of Units**

The dealing cut-off time shall be at **4:00 pm** on a Business Day.

Purchase requests/applications can be made on any Business Day during the Offer Period only. No Units will be available for purchase after the expiry of the Offer Period.

For any purchase request/application received by the Manager as well as cleared funds received on or before the cut-off time of 4:00 pm on the last day of the Offer Period, the Units would be created based on the Offer Price after the request for purchase of Units is received and accepted by the Manager.

No application will be accepted by the Manager after the cut-off time on the last day of the Offer Period.

Repurchase requests/applications can be made on a monthly basis on or before the twenty-fifth (25<sup>th</sup>) calendar day of each month subject to payment of incentive fee (if applicable) and exit fee.

For any repurchase request/application received by the Manager on or before the cut-off time of 4:00 pm on the twenty-fifth (25<sup>th</sup>) calendar day of the month, Units would be repurchased based on the NAV per Unit on the Valuation Day after the request for repurchase of Units is received and accepted by the Manager. If the twenty-fifth (25<sup>th</sup>) calendar day of the month is not a Business Day, then 4:00 pm the next Business Day will be the cut-off time for that month.

Any repurchase application received after this cut-off time would be considered as being transacted on the following month and the Units would be repurchased on the following month's Valuation Day.

For pricing of Units, please refer to pages 20 – 22.

**(h) Distribution of Income**

The Fund does not intend to distribute income.

**(i) Liquidity Risk Management Policy**

In managing the liquidity of the Fund to meet repurchase requests from the Unit Holders as well as to safeguard the interests of the remaining Unit Holders, the Manager has put in place the following procedures:

- (a) liquidity risk dashboard, a periodic review of portfolio to ascertain the duration of time needed to liquidate investments of the Fund;
- (b) liquidity stress test;
- (c) investor concentration threshold, whereby non-individual Unit Holders who wishes to make large redemptions (more than 10% of the Fund's assets under management) are required to give ten (10) calendar days prior written notice to the Manager.

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, resort to suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so (e.g. where the market value or fair value of a material portion of the Fund's assets cannot be determined), provided always that the abovementioned procedures have been exhausted.

**UNIT PRICES MAY GO DOWN AS WELL AS UP.**

## **(8) THE MANAGEMENT AND ADMINISTRATION OF THE FUND**

### **(a) Background Information**

MIDF Amanah was incorporated in Malaysia under the Companies Act, 1965 (now known as Companies Act, 2016) on 29 February 1972. Its issued share capital as at LPD is RM37,000,000 comprising 25,000,000 ordinary shares in cash, 5,000,000 preference shares in cash and 7,000,000 preference shares in otherwise than cash. Its registered office is at Level 25, Menara MBSB Bank, PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52, 46200 Petaling Jaya, Selangor. It is a wholly owned subsidiary of Malaysian Industrial Development Finance Berhad, which is in turn a wholly owned subsidiary of Malaysian Building Society Berhad (“MBSB”), a listed entity. As at 2 October 2023, the Employees Provident Fund holds 57.5%, Permodalan Nasional Berhad holds 12.8% while the remaining balance of 29.7% are held by public shareholders.

MIDF Amanah is a fund manager licensed under the CMSA. It has more than 10 years’ experience in providing fund management and investment advisory services.

### **(b) Functions, Duties and Responsibilities of the Manager**

The Manager of the Fund pools together the collective investments of Unit Holders and professionally invests the monies within prescribed limits, restrictions and guidelines to meet the objective of the Fund. The Manager is under a fiduciary duty to act in good faith and to avoid advancing a conflicting interest and to exercise due care and diligence when managing the monies of a Unit Holder and when making any investments for the Fund.

The general functions, duties and responsibilities of the Manager include, but are not limited to, the following:

- (i) to ensure that the Fund is managed within the ambit of the Deed, the CMSA and the relevant guidelines at all time;
- (ii) the success in the launch and sales of any fund, and to provide customer support and distribution agency network to best serve the Unit Holders of the Fund;
- (iii) to keep the Unit Holders informed of the Manager and performance of the Fund through the quarterly and annual reports; and
- (iv) to ensure that the interest of the Unit Holders is best served and protected at all times.

### **(c) The Philosophy of the Management Company**

The Manager is dedicated to building investment management solutions for its clients through an array of quality unit trusts funds and related investment products and services for investors. With in-depth investment and research process, and wealth of extensive experience, the Manager seeks to: -

- develop customised solutions for institutional investors;
- offer the comfort of the financial strength and stability of an established parent company;
- identify undervalued companies with winning business models with superior earning growth potential; and
- consistently deliver superior performance.

### **(d) Board of Directors of the Manager**

Please refer to <https://www.midf.com.my/board-directors> for information on our board of directors.

**(e) Material Litigation**

As at the LPD, MIDF Amanah is not engaged in any material litigation and arbitration, including those pending or threatened, and there are no facts likely to give rise to any proceedings which might materially affect the business or financial position of MIDF Amanah.

**(f) Manager's Delegate**

The Manager has delegated certain functions to Malaysian Industrial Development Finance Berhad and MIDF Amanah Investment Bank Berhad, an institution licensed by BNM and SC.

The functions delegated by the Manager are as follows:

**Malaysian Industrial Development Finance Berhad**

- Finance
- Human Resource
- Administration
- Secretarial and Legal
- Internal Audit
- Information Technology
- Quality Management
- Corporate Communications
- Group Shariah

**MIDF Amanah Investment Bank Berhad**

- Compliance
- Risk Management

**MIDF Amanah Investment Bank Berhad** (“**MIDF Investment Bank**”) commenced operations in January 2007. It is a wholly-owned subsidiary of Malaysian Industrial Development Finance, which is in turn a wholly-owned subsidiary of Malaysian Building Society Berhad (“**MBSB**”), a listed entity.

Please refer to <https://www.midf.com.my/> for more information.

**(g) Designated fund manager responsible for the fund management function of the Fund**

Nor Aishah Saad is the designated person responsible for the fund management of the Fund. Please refer to <https://www.midf.com.my/fund-managers> for her profile.

**(h) Investment Advisor of the Fund**

Tokio Marine Asset Management International Pte. Ltd. (TMAMI) was established in July 1997 in Singapore and is owned by Tokio Marine Asset Management Co., Ltd, (TMAM), a leading Japanese asset management firm.

TMAMI provides investment management and advisory services to institutional investors, accredited investors and corporate pension funds. TMAMI is a Capital Markets Services (CMS) licence holder with the Monetary Authority of Singapore, and is a member of the Investment Management Association of Singapore (IMAS).

**Further information on the Manager, Shariah Adviser and the Manager's delegate is provided in the Manager's website.**

## **(9) THE TRUSTEE**

### **Profile of AmanahRaya Trustees Berhad**

AmanahRaya Trustees Berhad (ART) was incorporated under the Companies Act 1965 (now known as Companies Act 2016) on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949. ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the Government of Malaysia. ART took over the corporate trusteeship functions of ARB and acquired ARB's experience of more than fifty (50) years in trustee business. ART has been registered and approved by the SC to act as trustee to unit trust funds.

### **Disclosure of Material Litigation and Arbitration**

As at the LPD, there is no litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee.

From time to time, Citigroup Inc. (Citigroup) and/or certain of its affiliates and subsidiaries includes Citibank N.A., Singapore branch are the subject of inquiries and investigations conducted by federal or state regulatory agencies. Citigroup routinely cooperates with such investigations. In addition, in the ordinary course of business, Citigroup and/or certain of its affiliates and subsidiaries are involved in a number of civil legal proceedings and arbitration proceedings. As a public company, Citigroup files periodic reports with the SEC, as required by the Securities Exchange Act of 1934, which include current descriptions of material regulatory proceedings, investigations, and litigations, if any, concerning Citigroup and/or certain of its affiliates and subsidiaries. Please refer to the periodic reports describing such material events at <http://www.citigroup.com/citi/investor/sec.htm>.

### **Duties and Obligations**

The Trustee's duties and responsibilities are set out in the Deed. The general duties and responsibilities of the Trustee include, but are not limited to, the following:

- (i) acting as trustee of the Fund and therefore, safeguarding the rights and interests of the Unit Holders;
- (ii) exercising due diligence and vigilance in carrying out its duties and responsibilities for the Unit Holders;
- (iii) ensuring that the Manager does not make improper use of the Manager's position in managing the Fund to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interests of the Unit Holders;
- (iv) ensure that it is fully informed of the investment policies of the Fund as set by the Manager, and of any changes made thereto;
- (v) notify the SC immediately of any irregularity, any breach of the provisions of the CMSA, the Deed, the relevant guidelines or securities laws and any other matter properly regarded by the Trustee as not being in the interests of the Unit Holders;
- (vi) ensure that the systems, procedures and processes employed by the Manager to value and/or price the Fund or the Units of the Fund are adequate, and that such valuation/pricing is carried out in accordance with the CMSA, the Deed, the relevant guidelines and securities laws;
- (vii) ensure that the sale, repurchase, creation and cancellation of Units of the Fund are carried out in accordance with the CMSA, the Deed, the relevant guidelines and securities laws;

- (viii) submit or make available any statements, documents, books, records and other information relating to the Fund and the business of the Trustee or such periodical returns, as may be required by the SC from time to time;
- (ix) take all steps to effect any instructions properly given by the Manager as to the acquisition or disposal of, or the exercise of the rights attaching to, the assets of the Fund; and
- (x) maintain and ensure that the Manager maintains proper accounting records and other records as are necessary to enable a complete and accurate view of the Fund to be formed.

#### **Trustee's Delegate**

ART has delegated its custodian function for the foreign investment of the Fund, if any to Citibank N.A., Singapore branch. Citibank N.A. in Singapore began providing securities services in the mid-1970's and a fully operational global custody product was launched in the early 1990's. Today their securities service business claims a global client base of premier banks, fund managers, brokers dealers and insurance companies.

The roles and duties of the Trustee's delegate are as follows:

- To act as sub-custodian for the selected cross-border investment of the Fund, if any, including the opening of cash custody accounts to hold in safe keeping the assets of the Fund.
- To act as paying agent for the selected cross-border investment which include trade settlement and fund transfer services.
- To provide corporate action information or entitlements arising from the underlying assets.

## (10) THE SHARIAH ADVISER

The Manager had appointed MIDF Amanah Investment Bank Berhad (“**MIDF Investment Bank**”) backed by its Shariah Committee comprising 3 individual members, as the Shariah adviser for the Fund. In addition to the Fund, the Shariah Adviser also reviews and supervise Islamic wholesale funds and Shariah-compliant mandated accounts by corporate clients that are managed by MIDF Amanah.

MIDF Investment Bank commenced operations in January 2007. It is a wholly owned subsidiary of Malaysian Industrial Development Finance Berhad, which is in turn a wholly owned subsidiary of Malaysian Building Society Berhad (“MBSB”), a listed entity. As at 2 October 2023, the Employees Provident Fund holds 57.5%, Permodalan Nasional Berhad holds 12.8% while the remaining balance of 29.7% are held by public shareholders

### **Roles and Responsibilities of the Shariah Adviser**

In line with the relevant guidelines issued by the SC, the roles of the Shariah Adviser are as follows:

1. to ensure that the Fund is managed and administered in accordance with Shariah principles;
2. to provide expertise and guidance for the Fund in all matters relating to Shariah principles, including the Deed and Information Memorandum, its structure and investment process, and other operational and administrative matters;
3. to consult the SC who may consult the SAC SC whenever there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. to scrutinise the Fund’s Shariah-compliance report as provided by the Shariah compliance officer, transaction report provided by or duly approved by the Trustee and any other report deemed necessary for the purpose of ensuring that the Fund’s investments are in line with Shariah;
5. to prepare a report for inclusion in the Fund’s quarterly and annual report certifying that the Fund has been managed and administered in accordance with Shariah;
6. to ensure that the Fund complies, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
7. to vet and advise on the promotional materials of the Fund;
8. to assist and attend any ad-hoc meeting called by the SC and/or any other relevant authority.

The Shariah Adviser is responsible for advising the fund managers and/or the committee undertaking the oversight function of the Fund on the selection of investment tools to be adopted, as well as on the mechanism of operations of the Fund’s activities, in order to ensure that the operations of the Fund comply with Shariah principles at all times.

The Shariah Adviser will review the Fund’s investments on a monthly basis through the Shariah compliance reports as to ensure compliance with Shariah at all times and meet with the fund managers on quarterly basis to review and advise on the Fund’s compliance with Shariah requirements. The final responsibility for ensuring Shariah compliance of the Fund in all relevant aspects rests solely with the Manager. All the members of the Shariah Committee will be responsible for Shariah matters of the Fund.



**Profiles of the Members of MIDF Amanah Investment Bank Berhad Shariah Committee**

Please refer to <https://www.midf.com.my/shariah-committee-profiles> for profiles of the members of MIDF Investment's Shariah Committee.

# (11) SALIENT TERMS OF THE DEED

## UNIT HOLDERS' RIGHTS AND LIABILITIES

### Unit Holders' Rights

A Unit Holder has the right, amongst others:

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

A Unit Holder would not, however, have the right to require the transfer to the Unit Holder of any of the Fund's assets. Neither would a Unit Holder have the right to interfere with or to question the exercise by the Trustee (or the Manager on the Trustee's behalf) of the rights of the Trustee as registered owner of the Fund's assets.

### Unit Holders' Liabilities

1. No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.
2. A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund's assets, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

## MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

Maximum Sales Charge	Maximum Exit Fee	Maximum Management Fee	Maximum Trustee Fee
5.00% of the Offer Price	5.00% of the NAV per Unit	3.00% per annum of the NAV of the Fund	0.06% per annum of the NAV of the Fund

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Unit Holders' approval.

## PROCEDURES TO INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES

### Sales Charge

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

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge; and
- (b) a supplemental Information Memorandum or replacement Information Memorandum in respect of the Fund setting out the higher charge is lodged and issued.

### Exit Fee

The Manager may not charge an exit fee at a rate higher than that disclosed in this Information Memorandum unless:

- (a) the Manager has notified the Trustee in writing of and the effective date for the higher charge; and
- (b) a supplemental Information Memorandum or replacement Information Memorandum in respect of the Fund setting out the higher charge is lodged and issued.

### **Management Fee**

The Manager may not charge a management fee at a rate higher than that disclosed in this Information Memorandum 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; and
- (c) a supplemental Information Memorandum or replacement Information Memorandum stating the higher rate is lodged and issued thereafter.

### **Trustee Fee**

The Trustee may not charge a trustee fee at a rate higher than that disclosed in this Information Memorandum 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; and
- (c) a supplemental Information Memorandum or replacement Information Memorandum stating the higher rate is registered, lodged and issued thereafter.

### **EXPENSES PERMITTED BY THE DEED**

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

- (i) commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;
- (ii) taxes and other duties charged on the Fund by the government and/or other authorities;
- (iii) costs, fees and expenses properly incurred by the auditors appointed for the Fund;
- (iv) fees for the valuation of any Shariah-compliant investment of the Fund;
- (v) 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;
- (vi) 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;
- (vii) costs, commissions, fees and expenses of the sale, purchase, *takaful* and any other dealing of any asset of the Fund;
- (viii) 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;
- (ix) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (x) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (xi) costs, fees and expenses incurred in the termination of the Fund or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;
- (xii) 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 ordered by the court not to be reimbursed by the Fund);

- (xiii) costs, fees and expenses deemed by the Manager and the Trustee 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;
- (xiv) (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;
- (xv) expenses and charges incurred in connection with the printing and postage for the annual and quarterly reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund;
- (xvi) all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- (xvii) fees in relation to fund accounting; and
- (xviii) 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 (i) to (xvii) above.

#### **RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER**

The Manager shall have the power to retire in favour of some other corporation and as necessary under any written law upon giving to the Trustee three (3) months' notice in writing of its desire so to do, or such other shorter period as the Manager and the Trustee may agree upon, and subject to fulfilment of the conditions as stated in the Deed.

Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:

- (a) if the Manager 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 interest of the Unit Holders for the Trustee 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;
- (b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- (c) the Manager has gone into liquidation except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

If any of the events set out above occurs, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, in writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

#### **RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE**

The Trustee may retire upon giving three (3) months' notice to the Manager of its desire so to do (or such other shorter period as the Manager and the Trustee shall agree) and may by deed appoint in its stead a new trustee approved by the relevant authorities and under any relevant law.

The Trustee may be removed and another trustee may be appointed by special resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed or as stipulated in the CMSA.

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 is 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 the appointment, or a petition is 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 to be insolvent); or
- (f) 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.

#### **TERMINATION OF THE FUND**

The Fund may be terminated or wound up should a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund. Notwithstanding the aforesaid, if the Fund is left with no Unit Holders, the Manager shall be entitled to terminate the Fund.

The Fund may be terminated by the Manager in its sole discretion and without first obtaining the approval of the Unit Holders, terminate the trust hereby created and wind up the Fund

- (a) on the Early Liquidation Date; or
- (b) if the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

#### **UNIT HOLDERS' MEETING**

A Unit Holders' meeting may be called by the Manager, Trustee or Unit Holders. Any such meeting must be convened in accordance with the Deed. The Unit Holders may participate in such meeting by video-conference, web-based communication, electronic or such other communication facilities or technologies available from time to time.

Every question arising at any meeting shall be decided in the first instance by a show of hands unless a poll is demanded or, if it be a question which under the Deed requires a special resolution, a poll shall be taken. On a show of hands every Unit Holder who is present in person or by proxy shall have one (1) vote.

#### Quorum

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; 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 25% of the Units in circulation at the time of the meeting. If the Fund 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.

## (12) CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

### The Manager

Save as disclosed below, as at the LPD, the Manager is not aware of any existing or potential related party transactions involving the Fund, the Manager, 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	<ol style="list-style-type: none"> <li>1. Malaysian Industrial Development Finance Berhad (“MIDF”)</li> <li>2. MIDF Amanah Investment Bank Berhad (“MIDF Investment Bank”)</li> </ol>	<p>Delegate:</p> <p>MIDF is the Manager’s appointed delegate for its finance, human resource, administration, secretarial and legal, internal audit, information technology, quality management and corporate communications functions.</p> <p>MIDF Investment Bank is the Manager’s appointed delegate for its compliance and risk management functions.</p> <p>MIDF Investment Bank (backed by MIDF Amanah Investment Bank Shariah Committee) is the Manager’s appointed Shariah adviser for the Fund/</p>

It is the Manager’s policy that all transactions with any related parties are entered into 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 dealings with the related parties are transacted at arm’s length basis.

The Manager has in place policies and procedures to prevent and deal with any conflict of interest situations that may arise such as the regular disclosure of securities dealing by all employees, directors and members of the committee undertaking the oversight function of the Fund to the compliance department for verification. In addition, there are adequate segregation of duties to ensure proper checks and balances are in place in the areas of fund management, sales administration and marketing. Policies and procedures are also in place to deal with any potential conflict of interest where members of the committee undertaking the oversight function of the Fund are also directors of other asset management companies. Where conflicts of interest arise, members of the committee undertaking the oversight function of the Fund will abstain from making a decision.

Subject to any legal requirement, the Manager, or any related corporation of the Manager, or any officers or directors or any of them, may invest in the Fund. The directors of the Manager will receive no payments from the Fund other than distributions that they may receive as a result of investment in the Fund. No fees other than the ones set out in this Information Memorandum have been paid to any promoter of the Fund or the Manager for any purpose.

The Manager has also internal policies which regulates its employees’ securities dealings.

## The Trustee

- (a) The Trustee shall not place itself in a position where there is an actual conflict of interest or where such conflict may potentially exist. In this respect, the Trustee shall ensure that there is no actual or potential conflict of interest between the Trustee and the following persons:
- the Fund's management company ("MC");
  - the delegates of the MC;
  - any associated or related company of the MC;
  - the issuer of private debt securities; and
  - any associated or related company of the issuer.
- (b) In addition to the above, the Trustee shall ensure that there is no actual or potential conflict of interest between its appointed delegate and any of the persons listed above.
- (c) Notwithstanding the above, actual or potential conflict of interest is permitted only in a situation where the Fund is not disadvantaged by the situation of conflict.
- (d) The Trustee and the MC shall not enter into "self-dealing" transactions.
- (e) The Trustee shall not allow a financing to the MC, issuer or any members of the committee, bodies or association whatsoever that is related to the management of the Fund.
- (f) The Trustee shall refuse to use the Fund to buy shares of the MC.
- (g) The Trustee shall refuse to use the Fund to buy share of a related company of the MC which is a takeover agent, where the motive of the direction from the MC is solely to assist the related company's defence of the takeover bid.
- (h) The Trustee shall not engage itself in any of the churning activities. Churning is the abuse where a fiduciary, without regard to the interest of its beneficiary, encourages or deliberately leads it to trade excessively and thereby gains from the excessive trading activities.

## **(13) LIST OF DISTRIBUTION CHANNELS**

**MIDF Amanah Asset Management Berhad (Registration No.: 197201000162 (11804-D))**

**REGISTERED OFFICE** Level 25, Menara MBSB Bank, PJ Sentral  
Lot 12, Persiaran Barat, Seksyen 52  
46200 Petaling Jaya  
Selangor  
Tel.: 03 – 2173 8888

**BUSINESS OFFICE** Level 20, Menara MBSB Bank, PJ Sentral  
Lot 12, Persiaran Barat, Seksyen 52  
46200 Petaling Jaya  
Selangor  
Tel.: 03 – 2173 8488 (Customer Service Line)  
Fax: 03 – 2173 8555  
Email: [midfamanah@midf.com.my](mailto:midfamanah@midf.com.my)  
Website: <https://www.midf.com.my/fund-management>

### **IUTAs & DISTRIBUTORS**

Please contact us for the list of IUTAs & distributors.