

MIDF AMANAH LR SUKUK FUND

Date of Issuance: 12 September 2024

Responsibility Statements

This Product Highlights Sheet (“PHS”) has been reviewed and approved by the directors of MIDF Amanah Asset Management Berhad (“the Manager”) and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the PHS false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorised the issuance of MIDF Amanah LR Sukuk Fund (“the Fund”) and a copy of this PHS has been lodged with the Securities Commission Malaysia (“SC”).

The authorisation of the Fund and lodgement of this PHS, should not be taken to indicate that the SC recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this PHS.

The SC is not liable for any non-disclosure on the part of the Manager responsible for the Fund and takes no responsibility for the contents in this PHS. The SC makes no representation on the accuracy or completeness of this PHS, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This PHS only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the prospectus of the Fund before deciding to invest.

PRODUCT HIGHLIGHTS SHEET
for
MIDF AMANAH LR SUKUK FUND

BRIEF INFORMATION ON THE PRODUCT

MIDF Amanah LR Sukuk Fund (“the Fund”) is a Sukuk fund issued by MIDF Amanah Asset Management Berhad, seeks to achieve capital growth by investing in Sukuk, Islamic money market instruments and Islamic deposits.

This is neither a capital protected nor capital guaranteed fund.

PRODUCT SUITABILITY

The Fund is suitable for investors who:

- are conservative and seek investment that provide capital growth;
- have a low to moderate risk tolerance; and
- want a portfolio of investments that adhere to Shariah principles.

KEY PRODUCT FEATURES

a) What am I investing in?

Fund Category / Type	Sukuk / Low Risk Growth
Fund Inception	15 December 2023
Investment Policy and Strategy	<p>The Fund seeks to achieve its investment objective by investing at least 70% of its NAV in Sukuk. The Fund may also invest up to 30% of its NAV in Islamic money market instruments and/or Islamic deposits.</p> <p>For the Fund’s investment in Sukuk issued by corporations in Malaysia, the minimum rating will be at least “AA3” by RAM or its equivalent rating by MARC. For Islamic money market instruments, the minimum short-term rating will be at least “P2” as rated by RAM or its equivalent rating by MARC. However, in the event any of the invested Sukuk or Islamic money market instruments is downgraded below the above ratings, we shall review the said Sukuk or Islamic money market instruments and determine if there is a need to sell the Sukuk or Islamic money market instruments or to hold the said Sukuk or Islamic money market instruments to maturity in order to safeguard the interest of the Unit Holders.</p> <p>In selecting the Financial Institutions for placement of Islamic deposits, we will adopt a prudent selection process and rigorous credit assessment prior to the placements. We will only make placements of Islamic deposits with Financial Institutions with a minimum long-term rating of “A3” as rated by RAM or its equivalent rating by MARC. In the event the Financial Institution is downgraded below the above rating, we shall on a best effort basis dispose of investments with that particular Financial Institution in order to safeguard the interest of the Unit Holders. However, we reserve the right to maintain the investment if we are of the view that the downgrade is a temporary event.</p>
Asset Allocation	Sukuk: At least 70% Islamic money market instruments and/or Islamic deposits: Up to 30%
Benchmark	Maybank 1-month Islamic Fixed Deposit-i + 50bps <i>Source: www.maybank2u.com.my</i>
Financial Year End	30 th November
Distribution Policy	The Fund intends to distribute income, if any, at least annually. However, the Manager reserves the right not to distribute income at its sole and absolute discretion if it is not in the best interests of the Unit Holders.

b) Who am I investing with?

Manager	MIDF Amanah Asset Management Berhad
Trustee	Maybank Trustees Berhad
Solicitors	Wei Chien & Partners
Shariah Adviser	MBSB Bank Berhad

KEY RISKS

Specific risks associated with this product:

Credit and Default Risk	<p>Credit risk relates to the creditworthiness of the issuers of Sukuk, Islamic money market instruments and/or the Financial Institutions where the Islamic deposits are placed and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer of the Sukuk, Islamic money market instruments and/or the Financial Institutions where the Islamic deposits are placed may impact the value as well as liquidity of the Sukuk, Islamic money market instruments and/or Islamic deposits. In the case of rated Sukuk, Islamic money market instruments and Financial Institutions, this may lead to a credit downgrade.</p> <p>Default risk relates to the risk that an issuer of a Sukuk, Islamic money market instrument or a Financial Institution where the Islamic deposits are placed either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Sukuk, Islamic money market instruments and Islamic deposits. This could adversely affect the NAV of the Fund.</p>
Profit Rate Risk	<p>Profit rate risk refers to the impact of profit rate changes on the valuation of Sukuk and/or Islamic money market instruments. When profit rates rise, Sukuk and/or Islamic money market instruments prices generally decline and this may lower the market value of the Fund's investment in Sukuk and/or Islamic money market instruments. The reverse may apply when profit rates fall. Meanwhile, Sukuk and/or Islamic money market instruments with longer maturities and lower profit rates are more sensitive to profit rate changes.</p> <p>In addition, the Fund's placement in Islamic deposits will also be affected by profit rate changes. In the event of a decreasing profit rate environment, banks may offer Islamic deposits with lower profit rates, effectively reducing the potential returns of Islamic deposits. Profit rates offered by the Financial Institutions will fluctuate according to the overnight policy rate ("OPR") determined by Bank Negara Malaysia and this has direct correlation with the Fund's placement in Islamic deposits. The Fund will enjoy higher profit income when profit rates rise and vice versa. Upon the revision of the OPR, rates for pre-existing Islamic deposit placements will remain unchanged. The change in the OPR will only affect new placements made after such change.</p> <p>The above profit rate is a general indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that an Islamic unit trust fund will invest in conventional financial instruments.</p>
Liquidity Risk	<p>Liquidity risk refers to the ease of liquidating an investment depending on the investment's volume traded in the market. If the Fund holds Sukuk that are illiquid, or are difficult to dispose of, the value of the Fund may be negatively affected when it has to sell such Sukuk at an unfavourable price.</p>
Income Distribution Risk	<p>It should be noted that the distribution of income is not guaranteed. Circumstances preventing the distribution of income include, among others, unavailability of sufficient realised returns to enable income distribution as distribution of income may only be made from realised gains or realised income.</p>
Reclassification of Shariah Status Risk	<p>This risk refers to the risk that the currently held Shariah-compliant investments invested by the Fund may be reclassified as Shariah non-compliant by the relevant authority. 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 of the Fund, the instruments will be disposed in accordance with rules and decision by the Shariah Adviser and/or the rules of the SAC of the SC. Please refer to Section 3 of the prospectus on the Fund's Shariah methodology on the treatment of gains and losses as a result of the Shariah non-compliant investment.</p>
Shariah Non-Compliance Risk	<p>This risk refers to the risk that the Fund not conforming to the Shariah investment guidelines. The Manager (as advised by the Shariah Adviser) would be responsible for ensuring that the Fund is managed and administered in accordance with the Shariah investment guidelines.</p> <p>Any Shariah non-compliant investment made by the Fund due to error of the administration shall be disposed of or withdrawn as soon as possible. If the investment resulted in gain (through capital gain and/or profit), the gain is to be channeled to <i>baitulmal</i> and/or any charitable bodies of the Manager's choice as advised by the Shariah Adviser. The Fund has a right to retain only the investment cost. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.</p>

Note: If your investments are made through a distributor (i.e. the institutional unit trusts advisers via a nominee system of ownership), you would not be deemed to be a Unit Holder under the deed and as a result, your rights as an investor may be limited if you are investing through a distributor. Accordingly, we will only recognize the distributor as a unit holder of the Fund and the said distributor shall be entitled to all the rights conferred to it under the deed.

FEES AND CHARGES

Sales Charge	Up to 5.00% of the NAV per Unit.
Repurchase Charge	Nil

Switching Charge	Two (2) free switching for each Unit Holder in a calendar year. Subsequent switching will be charged RM25 per switch.
Transfer Fee	RM50 per transfer.
Management Fee	Up to 0.80% per annum of the Fund's NAV.
Trustee Fee	Up to 0.035% per annum of the Fund's NAV.

Note: The Manager reserves the right to waive or reduce the amount of any fees or other charges from time to time at its absolute discretion.

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

VALUATIONS AND EXITING FROM INVESTMENT

Valuations	The Fund is valued once at the end of every Business Day.
Cooling-off Period	<p>A cooling-off right is only given to an individual investor, other than those listed below, who is investing in any of the Manager's funds for the first time:</p> <ul style="list-style-type: none"> (i) a staff of the Manager; and (ii) persons registered with a body approved by the SC to deal in unit trusts. <p>The cooling-off period shall be for a total of six (6) Business Days commencing from the date the application for Units is received by the Manager.</p> <p>The refund for every Unit held by the investor pursuant to the exercise of his cooling-off right shall be as follows:</p> <ul style="list-style-type: none"> (a) if the NAV per Unit on the day the Units were first purchased is higher than the NAV per Unit at the point of exercise of the cooling-off right ("Market Price") the Market Price at the point of cooling-off; or (b) if the Market Price is higher than the NAV per Unit on the day the Units were first purchased, the NAV per Unit on the day the Units were first purchased; and (c) the sales charge per Unit originally imposed on the day the Units were purchased. <p>The refund amount shall be paid to the Unit Holder within seven (7) Business Days from the date of cooling-off request is received.</p>
Repurchase of Units	<p>Investors may redeem part or all of his Units by simply completing the transaction form and returning it to the Manager. The minimum Unit for redemption is 200 Units or such other lower number of Units as may be determined by the manager from time to time. Investors shall be paid within seven (7) Business Days from the date the request to repurchase is received by the Manager.</p> <p>For partial repurchase, the Unit holdings after the redemption must not be less than two thousand (2,000) Units or such other lower number of Units as may be determined by the Manager from time to time. If the Unit holdings of a Unit Holder are, after a repurchase request, below the minimum Unit holdings of the Fund, a request for full redemption is deemed to have been made.</p> <p>Other than the above conditions, there are no restrictions in terms of frequency and minimum Units to be repurchased.</p>

CONTACT INFORMATION

- 1) For internal dispute resolution, you may contact:

Our Customer Service Line at 03 – 2173 8488, which is available Mondays to Fridays (except public holidays), from 8.45 a.m. to 5.45 p.m. or you may email us at midfamanah@midf.com.my

- 2) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Centre (SIDREC):

- (a) via phone to : 03-2282 2280
- (b) via fax to : 03-2282 3855
- (c) via email to : info@sidrec.com.my
- (d) via letter to : Securities Industry Dispute Resolution Centre (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5 Jalan Bangsar Utama 1
59000 Kuala Lumpur

- 3) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- (a) via phone to Aduan Hotline at : 03-6204 8999
 (b) via fax to : 03-6204 8991
 (c) via email to : aduan@seccom.com.my
 (d) via online complaint form available at www.sc.com.my
 (e) via letter to : Consumer & Investor Office
 Securities Commission Malaysia
 No 3 Persiaran Bukit Kiara
 Bukit Kiara 50490 Kuala Lumpur
- 4) Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau
 (a) via phone to : 03-7890 4242
 (b) via e-mail to : complaints@fimm.com.my
 (c) via online complaint form available at : www.fimm.com.my
 (d) via letter to : Legal & Regulatory Affairs
 Federation of Investment Managers Malaysia
 19-06-1, 6th Floor, Wisma Tune,
 No.19, Lorong Dungun,
 Damansara Heights,
 50490 Kuala Lumpur.

APPENDIX: GLOSSARY

Bursa Malaysia	: the stock exchange managed or operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Business Day	: a day on which the Bursa Malaysia is open for trading
Deed	: the deed in respect of the Fund and any supplemental deed that may be entered into between the Manager and the Trustee and registered with the SC
Financial Institution(S)	: (a) if the institution is in Malaysia, (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank (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	: MIDF Amanah LR Sukuk Fund
The Manager / we / us / our	: MIDF Amanah Asset Management Berhad
MARC	: Malaysian Rating Corporation Berhad
NAV	: the total value of the Fund's assets minus its liabilities at the valuation point
NAV per Unit	: the NAV of the Fund at the valuation point divided by the total number of Units in circulation at the same valuation point
PHS	: Product Highlights Sheet
RAM	: RAM Rating Services Berhad.
RM	: Ringgit Malaysia
SC	: Securities Commission Malaysia
Sukuk	: certificate of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the Shariah Advisory Council of the SC
Unit or Units	: a measurement of the right or interest of a Unit Holder in the Fund and means a Unit (including a fraction of a Unit) of the Fund
Unit Holders / investors / you	: the person registered as the holder of a Unit or Units including persons jointly registered for a particular Fund

Note: Unless the context otherwise requires, words importing the singular number should include the plural number and vice versa