

# PRODUCT HIGHLIGHTS SHEET

## PMB Sukuk Fund

### RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of Directors of PMB Investment Berhad and they 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, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlight Sheet false or misleading.

### STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorized the issuance of PMB Sukuk Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorization of PMB Sukuk Fund and lodgment of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends PMB Sukuk Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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

This document is dated 28 February 2018.

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

# PMB SUKUK FUND

(Formerly known as PMB Shariah Balanced Fund)

<b>Product Type</b>	Unit Trust	<b>Date Relaunch</b>	16 <sup>th</sup> January 2017
<b>Issuer/Manager</b>	PMB Investment Berhad	<b>Trustee</b>	AmanahRaya Trustees Berhad
<b>Shariah-compliant</b>	Yes	<b>Shariah Adviser</b>	BIMB Securities Sdn Bhd
<b>Capital Protected/ Guaranteed</b>	No	<b>Dealing Frequency</b>	Every Business Day
<b>Financial Year End</b>	30 <sup>th</sup> November	<b>Distribution Policy</b>	Annually, subject to the availability of income for the financial period

## PRODUCT SUITABILITY

### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is suitable for investors who:

- have a low to moderate risk tolerance level;
- have medium to long term investment horizon;
- prefer a fund that conforms to Shariah principles; and
- seek a consistent income and steady capital appreciation in the medium to long term from a Shariah-complaint fund.

**Investors should consult their financial advisers if in doubt whether this product is suitable for them.**

Investor is required to undergo a suitability assessment process in order to determine the range of products that suit their risk profile and needs.

## KEY PRODUCT FEATURES

### WHAT UNIT TRUST FUND ARE YOU INVESTING IN?

- You are investing in a unit trust fund constituted in Malaysia that aims to provide investors with consistent income stream and a steady capital appreciation in the medium to long term through investments in sukuk.
- You may receive distribution annually (if any) from the Fund, subject to the availability of income for the financial period. The distribution may be in the form of cash or additional units.

Please refer to Master Prospectus **Chapter 3** for further information on product features.

### Investment Strategy

The Fund seeks to achieve its objective by investing between 70% and 99.5% of its NAV in RM-denominated sukuk in Malaysia issued by the Government of Malaysia, BNM, quasi-government institutions and Malaysian corporations.

The Manager will conduct fundamental and technical analysis when implementing the investment strategy. The fundamental analysis will look into, among others, the global and domestic economic outlook, domestic fiscal and monetary policy, profit/ interest rate outlook, industry and company's growth outlook. The technical analysis will look into, among others, the price, trading volume, trends and yields, of sukuk.

For investments in sukuk issued by the Malaysian corporations, the minimum credit ratings of sukuk or the issuer of sukuk at the point of purchase are as follows:

- Long Term Ratings  
AA by RAM or A by MARC or an equivalent rating by any other recognized credit rating agencies; and/or

Please refer to **Chapter 3** of the Master Prospectus for further information on investment strategy.

b) Short Term Ratings  
P2 by RAM or MARC-2 by MARC or an equivalent rating by any other recognized credit rating agencies.

**Notes:**

i) The details of the assigned rating are as below –

Tenure	Agency	Symbol	Definition
Long Term	RAM	AA	An issue rated AA has high safety for payment of financial obligations. The issuer is resilient against adverse changes in circumstances, economic conditions and/or operating environments.
	MARC	A	Indicates that the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
Short term	RAM	P2	An issue rated P2 has adequate safety for payment of financial obligations in the short term. The issuer is more susceptible to the effects of deteriorating circumstances than those in the highest-rated category.
	MARC	MARC-2	While the degree of safety regarding timely repayment of principal and payment of interest is strong, the relative degree of safety is not as high as issues rated MARC-1.

ii) MARC-1 refers to 'the highest category; indicates a very high likelihood that principal and interest will be paid on a timely basis.

iii) For sukuk issued by the Government of Malaysia, BNM or Malaysian quasi-government institutions, or guaranteed by the Government of Malaysia, the requirement for the minimum credit rating may not apply.

The Fund Manager will actively manage the Fund. However, the trading frequency of sukuk is dependent on market opportunities and the assessment of the Manager.

Should the credit rating of the sukuk or the issuer of sukuk falls below the minimum credit rating, the Manager may dispose of those investments in the best interest of Unit Holders. Any balance not invested in sukuk will be invested in Islamic money market instruments, Islamic deposit placements and/or other permitted investments.

The Fund invests between 70% and 99.5% of its NAV in sukuk. The balance will be invested in Islamic money market instruments, Islamic deposit placements and/or other permitted investments.

### Performance Benchmark

BPAM 3Y-7Y All Sukuk Index.

BPAM is a registered bond pricing agency (BPA) by the Securities Commission. It provides fair valuations for all Ringgit bonds and sukuk to enable investors to ascertain the value of their investments.

You may obtain more information pertaining to the rate from the [www.bpam.com.my](http://www.bpam.com.my).

Note: The risk profile of the Fund is not similar to the risk profile of the performance benchmark.

Please refer to **Section 3.3** of the Master Prospectus for further information.

### Shariah Principles Applicable

- Investor appoints PMB Investment to manage and invest the Fund under the Islamic contract of 'Wakalah' or Agency.
- PMB Investment is appointed to undertake the investment activities on behalf of the investors for 'Ujrah' or fee.

### Parties Involved

- PMB Investment Berhad: the Manager of the Fund
- AmanahRaya Trustees Berhad: the Trustee of the Fund
- BIMB Securities Sdn Bhd: the Shariah Adviser of the Fund

Please refer to **Chapter 6 & 7** of the Master Prospectus for details on the Manager, Trustee and Shariah Adviser.

### Possible Outcomes

As the Fund will invest between 70% and 99.5% in sukuk market, its NAV and hence your investment capital will be subject to a moderate market fluctuation.

\*Assuming as a result of the market movement, the Fund and your investment may possibly end with the following outcomes:

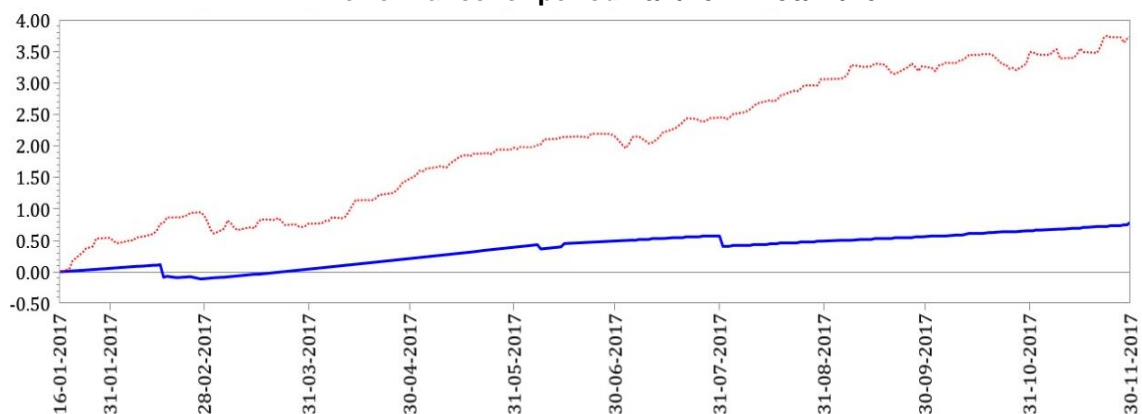
Movement of the Fund's NAV	Outcome of your investment capital
Increase by 10%	Increase by 10%
Decrease by 10%	Decrease by 10%

### Fund Performance

#### Basis Of Fund Performance Computation

The calculation for Average Total Return and Annual Total Return of the Funds is based on computation methods of Lipper and sourced from Lipper for Investment Management (Lipper IM). The basis of computation is on NAV-to-NAV or, income re-invested, over a specified period. Lipper IM is an application that provides comprehensive fund information and performance, fund ratings, analytic tools and charting. Information about Lipper IM can be obtained from [www.lipperweb.com](http://www.lipperweb.com).

#### Performance for period 16/1/2017 – 30/11/2017



— PMB Sukuk

..... Thomson Reuters BPA Malaysia 3Y-7Y All Sukuk Index

Source: Lipper

#### Performance For The Period Review

For the period ended 30 November 2017, PMB SF posted a return of 0.79% against the return of 3.74% on the benchmark.

#### Note:

Change of benchmark:

16 January 2017 – BPAM 3y -7y All Sukuk Index (change of Fund's investment objective that invest in RM-denominated Sukuk)

### Average Total Return

Fund / Benchmark	For The Period Ended 30 November 2017			
	(16/01/2017 - 30/11/2017)	#3 Years	#5 Years	#10 Years
PMB SF	0.90%	-	-	-
SUKUK BPAM	4.31%	-	-	-

Source: Lipper

# **Note:** No comparative figure as the Fund has changes the benchmark to BPAM 3y -7y All Sukuk Index effective 16 January 2017.

### Annual Total Return

Annual Total Return for the Past 10 Financial Year-Ending 30 November

Year	PMB SF (Formerly known as PMB Shariah Balanced Fund)	Benchmark
2017	0.79%	3.74%
2016	(0.45%)	(1.12%)
2015	3.06%	(0.26%)
2014	2.35%	2.96%
2013	10.33%	9.80%
2012	4.24%	6.54%
2011	(2.74%)	1.41%
2010	(3.77%)	12.80%
2009	19.89%	25.46%
2008	(24.21%)	(25.95%)

**Note:**

Change of benchmark

- i) 16 January 2017 – BPAM 3y -7y All Sukuk Index (change of Fund's investment objective that invest in RM-denominated Sukuk)
- ii) 15 January 2013 – 50% FBMSHA + 50% 1 year KLIRR (change of Fund's investment objective that invest in Shariah-compliant securities)
- iii) 6 July 2009 – 60% FBM Top 100 Index + 40% Maybank's 12 month Fixed Deposit Rate (adoption by Bursa Malaysia of FTSE Bursa Malaysia Index Series)
- iv) Prior to 6 July 2009 – 60% KLCI + 40% Maybank's 12 month Fixed Deposit Rate.

### Distribution Highlight

Financial Year End	30 November		
	2017	2016	2015
Gross Distribution Per Unit - Cash (sen)	2.00	2.50	2.50
Net Distribution Per Unit - Cash (sen)	*2.00	*2.50	*2.50

\* Distribution is in the form of units

### Portfolio Turnover Ratio (PTR)

2017	2016	2015
0.16 times	0.26 times	0.31 times

The PTR was lower than the previous year as a result of a decrease in trading activities undertaken by the Fund during the financial year.

### Asset Allocation

Year	2017	2016	2015
Equities	-	29.04%	39.00%
Islamic Real Estate Investment Trust (REIT)	-	1.81%	2.85%
Collective Investment Scheme	-	-	14.29%
Deposit Placement & Others	100.00%	69.15%	43.86%

The equity exposure was reduced to 0.00%, reflecting the change in strategy adopted by the Fund.

### Historical Financial Highlights

Financial Year Ending 30 November

Extract of Audited Statement of Income and Expenditure

Financial Year End 30 November		2017	2016	2015
Total Investment Income	(RM)	46,218	21,334	81,518
Total Expenses	(RM)	(23,621)	(30,368)	(25,030)
Net Income/(loss) before taxation	(RM)	22,597	(9,034)	56,488
Taxation	(RM)	-	-	-
Net Income/(loss) after taxation	(RM)	22,597	(9,034)	56,488

Audited Statement of Assets and Liabilities

Financial Year End 30 November		2017	2016	2015
Total Investment	(RM)	986,434	1,450,673	1,374,854
Other Asset	(RM)	431,531	77,918	145,770
Total Assets	(RM)	1,417,965	1,528,591	1,520,624
Total Liabilities	(RM)	(42,467)	(56,040)	(53,346)
Net Asset Value	(RM)	1,375,498	1,472,551	1,467,278
Unit Holders Funds	(RM)	1,375,498	1,472,551	1,467,278

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

### Total Annual Expenses

The table below shows the total annual expenses incurred by the Fund in its respective preceding financial year-end. The percentage was calculated based on the Average NAV.

Fund	Mgt Fee		Trustee Fee		Fund Expenses		Total Expenses	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
PMB SF (Formerly known as PMB Shariah Balanced Fund)	11.18	0.78	0.59	0.04	10.12	0.71	21.88	1.53

### Management Expenses Ratio (MER)

The MERs of the Fund for the respective latest financial year are as follows:

Fund/Financial Year End	2017	2016	2015
PMB SF (Formerly known as PMB Shariah Balanced Fund)	1.53%	1.66%	1.63%

### KEY RISKS

#### You should be aware that –

- The value of your investment, and the distribution payable, may go down as well as up.
- The return of the Fund is not guaranteed.

#### Profit/Interest Rate Risk

Movements in interest rate will have an impact on a management of a fund. This risk refers to the effect of profit/interest rate changes on the market value of Islamic money market instruments, Islamic deposit placements and sukuk. Any downward movement of the profit/interest rate may result in a loss of the expected return from the Fund's investments in Islamic money market instrument and Islamic deposit placement. The value of the sukuk has a tendency to move inversely with the movement of the profit/interest whereby the prices of the sukuk may fall when profit/interest rates rise, and vice versa.

The interest rate is a general indicator. Although the Fund does not invest in interest bearing instruments, the movement of the interest rate will have an impact on the profit rate of the Islamic money market instruments and Islamic deposit placement, and consequently affect the expected return of the Fund's investments.

Please refer to Master Prospectus [Section 3.5](#) for further information on the risk factors.

#### Credit/Default Risk

Credit risk relates to the creditworthiness of the issuers of the sukuk and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the sukuk. In the case of rated sukuk, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the sukuk. This could adversely affect the value of the fund.

Please refer to Master Prospectus [Section 3.5](#) for further information on the risk factors.

#### Liquidity Risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

Please refer to Master Prospectus [Section 3.5](#) for further information on the risk factors.

## FEES AND CHARGES

### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

- Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

<b>Sales Charge (imposed for every transaction performed)</b>	IUTA, UTC and direct purchase	2.0%
	EPF Members' Investment Scheme	3.0%
<b>Repurchase Charge</b>	Nil	
<b>Switching Fee</b>	Up to RM25.00 per transaction	
<b>Transfer Fee</b>	Up to RM10.00 per transaction	
<b>Other Charges (imposed for every transaction performed)</b>	<ul style="list-style-type: none"> <li>Bank charges</li> <li>Telegraphic Transfer charges</li> </ul>	Rate is determined by the appointed bankers
<b>Distribution Channel(s)</b>	<ul style="list-style-type: none"> <li>IUTA</li> <li>UTC</li> <li>Direct Purchase</li> <li>Autodebit</li> </ul>	

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

- Payable indirectly by you

<b>Management Fee</b>	0.75% per annum
<b>Trustee Fee</b>	0.04% per annum
<b>Other Fees Charged by the Fund</b>	<ul style="list-style-type: none"> <li>Commissions/fees paid to brokers/dealers;</li> <li>Auditor's fee;</li> <li>Tax adviser's fee;</li> <li>Valuation fee;</li> <li>Taxes;</li> <li>Custodial Charges;</li> <li>Tax voucher/distribution warrants; and</li> <li>Any other fees/expenses permitted by the Deed</li> </ul>

\*Note: In addition, the above fees and charges are subject to the GST at the prevailing rate.

Please refer to Master Prospectus **Chapter 4** for further information on Fund's fees and charges.



## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

- It is our policy that the Fund is valued on a daily basis at the end of a Business day.
- You may obtain our latest information on the Fund's price at our website, [pmbinvestment.com.my](http://pmbinvestment.com.my).

### HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

- **Cooling-off Period**

If you are a first time individual investor, you have the right to withdraw your application for investment within six (6) business days, beginning from the day the completed application is received and accepted by us. You are entitled to receive a full refund of the money initially invested i.e. the NAV per unit on the day the Units were first purchased and the sales charge per unit originally imposed on the day the Units were purchased.

Investor may exit from this investment on any business day by completing a Transaction Form together with a photocopy of NRIC. The money payable out of this transaction must be refunded to the investor within 10 days of receipt of cooling-off.

- **Redemption / Repurchase**

- You may exit from this investment on any business day by completing a Transaction Form together with a photocopy of your NRIC.
- For a request to redeem units received or deemed to have been received by us before 3.00 p.m. on any business day, Units will be redeemed at the NAV per unit calculated at the end of business day on which the request was received ("forward pricing").
- Payment will be made within 10 days of the receipt of redemption request.
- Where the repurchase request is received after the cut-off time, i.e. after 3.00 p.m., the request will be deemed to have been received on the next business day. We reserve the right to vary the terms and conditions of repurchase/redemption mode from time to time, which shall be communicated to you in writing.
- If the units are held in the names of more than one unit holders, where mode of holding is specified as "Joints Application", redemption request will have to be signed by all the joints holders unless the joints applicant is a minor.
- No redemption charge is imposed when you redeem your investment. However, any applicable bank charges and other bank fee incurred as a result of a withdrawal by way of telegraphic transfer, bankers cheque or other special payment method will be borne by you.

Please refer to Master Prospectus **Chapter 5** for further information on valuations and redemption details.

## CONTACT INFORMATION

### WHO SHOULD I CONTACT FOR FURTHER INFORMATION OR TO LODGE A COMPLAINT?

- You can call us, PMB Investment Berhad, at (03) 2785 9900, email us at [investorrelation@pelaburanmara.com.my](mailto:investorrelation@pelaburanmara.com.my) or visit our appointed distributors as listed on [pmbinvestment.com.my](http://pmbinvestment.com.my). Our business address is at Level 20, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
- For any complaint or internal dispute resolution, please contact :
  - Investor Relation Unit**  
PMB Investment Berhad  
Level 20, 1 Sentral  
Jalan Rakyat, Kuala Lumpur Sentral  
50470 Kuala Lumpur.
- Please state the date, time, place of occurrence, person involved and nature of your complaint or dispute. You may also lodge your complaint through telephone calls.

Please refer to **Section 12.5 – 12.7** of the Master Prospectus for further information on contact information.

- If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
  - (a) via phone to : (03) 2282 2280
  - (b) via fax to : (03) 2282 3855
  - (c) via email to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - (d) via letter to : **Securities Industry Dispute Resolution Center (SIDREC)**  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur
  
- 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 the Aduan Hotline at: (03) 6204 8999
  - (b) via fax to: (03) 6204 8991
  - (c) via e-mail to: [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - (d) via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
  - (e) via letter to: **Consumer & Investor Office**  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur.
  
- **Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau :**
  - (a) via phone to : (03) 2092 3800
  - (b) via fax to : (03) 2093 2700
  - (c) via e-mail : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - (d) via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)
  - (e) via letter : **Legal, Secretarial & Regulatory Affairs**  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur.

## APPENDIX: GLOSSARY OF TERMS

- **BNM:** Bank Negara Malaysia;
- **BPAM;** Bond Pricing Agency Malaysia Sdn Bhd;
- **Bursa Malaysia:** Malaysia's stock exchange managed by Bursa Malaysia Berhad;
- **Business day:** A day on which the Bursa Malaysia is open for dealings;
- **Cut-off time:** The time by which requests for unit purchases or redemptions by investors are accepted each day up to the unit trust fund's dealing cut-off time and are processed using the same day-end's NAV prices;
- **Deed:** The principal and the supplemental deeds of the relevant Fund made between the Manager and the Trustee;
- **EPF:** Employees Provident Fund;
- **FIMM:** Federation of Investment Managers Malaysia;
- **Forward pricing:** The determination of the unit price based on the NAV per unit of the Fund as at the next valuation point after a request for sale or repurchase of Units is received;
- **Fund:** PMB Sukuk Fund;
- **GST:** Goods and Services Tax;
- **IUTA:** 'Institutional Unit Trust Adviser', which is an institution, a corporation or an organization registered with the FIMM in accordance with FIMM's Guidelines for Registration of Institutional Unit Trust Adviser for the marketing and distribution of unit trusts;
- **Long term:** A period of more than 5 years;
- **MARC:** Malaysian Rating Corporation Berhad;
- **Medium term:** A period of between 3 and 5 years;
- **NAV:** Net Asset Value;
- **quasi-government:** established and supported by the government but managed privately;
- **RAM:** RAM Rating Services Berhad;
- **SC:** Securities Commission Malaysia, established under the Securities Commission Act, 1993;
- **Shariah:** Islamic laws, originating from the Qur'an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (peace be upon him) and ijtihad of ulama' (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);
- **Short term:** A period of between 1 and 3 years;
- **SIDREC:** Securities Industries Dispute Resolution Corporation
- **Yields:** income return on investments in securities such as profit, interest and/or dividend;
- **UTC or Unit Trust Consultant:** an individual unit trust adviser registered with FIMM.

Please refer to **Chapter 1** of the Master Prospectus for further information on Glossary of Terms.