

PRODUCT HIGHLIGHTS SHEET

PMB Shariah Index 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 Shariah Index Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorization of PMB Shariah Index Fund and lodgment of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends PMB Shariah Index 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 Shariah Index 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 June 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 SHARIAH INDEX FUND

Product Type	Unit Trust	Date Relaunch	15 th January 2013
Issuer/Manager	PMB Investment Berhad	Trustee	AmanahRaya Trustees Berhad
Shariah-compliant	Yes	Shariah Adviser	BIMB Securities Sdn Bhd
Capital Protected / Guaranteed	No	Dealing Frequency	Every Business Day
Financial Year End	31 th March	Distribution Policy	Annually, subject to the total returns of the Fund, availability of income for the financial period, cash flow of the distribution, and stability and sustainability of the distribution of returns.

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is suitable for investors who:

- have a moderate to high risk tolerance level;
- have a medium to long term investment horizon;
- prefer a fund that conforms to Shariah principles; and
- seek to have return close to the market performance.

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 the opportunity to gain reasonable return and capital growth in the medium to long term period by investing in Shariah-compliant securities whilst at the same time the Manager attempts to match closely its performance with the performance of the FTSE Bursa Malaysia EMAS Shariah Index (FBMSHA).
- The distribution is annual, subject to the total returns of the Fund, availability of income for the financial period, cash flow of the distribution, and stability and sustainability of the distribution of returns. The distribution of income, if any, will be made in the form of cash or additional units.

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

Investment Strategy

- The Fund will invest primarily in stocks constituent of the FBMSHA. The Fund is a passively managed fund whereby the Manager constructs the Fund's investment portfolio based on an index sampling approach by investing not less than 60% of the Fund's NAV in the top 15 constituent stocks of the FBMSHA that represent approximately 64% of the market capitalization of the index (as at 31 March 2018). The balance will be invested in the next remaining constituent stocks of FBMSHA and any other Shariah-compliant securities listed on Bursa Malaysia.
- The Fund shall invest a minimum 90% of its NAV in equities with a minimum 60% among the top 15 constituent stocks of the FBMSHA. However equity investment in the Fund shall not exceed 99.5% of its NAV. The balance will be placed Islamic money market instruments, Islamic deposit placements and/or other permitted investments.

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

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 primarily in the equity market, its NAV and hence your investment capital will be subject to the 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%

*Other things remain unchanged

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, 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.

1-year fund performance



1- Year Fund Performance Review

For the 1-year period ended 31 March 2018, PMB Shariah Index Fund (PMB SIF) outperformed its benchmark with its total return amounting to 5.80% against the return of 3.27% on the FTSE Bursa Malaysia EMAS Shariah Index (FBMSHA).

3-year fund performance



3-Year Fund Performance

For the 3-year period ended 31 March 2018, PMB SIF posted a return of 2.81% outperforming its benchmark return of 0.83%.

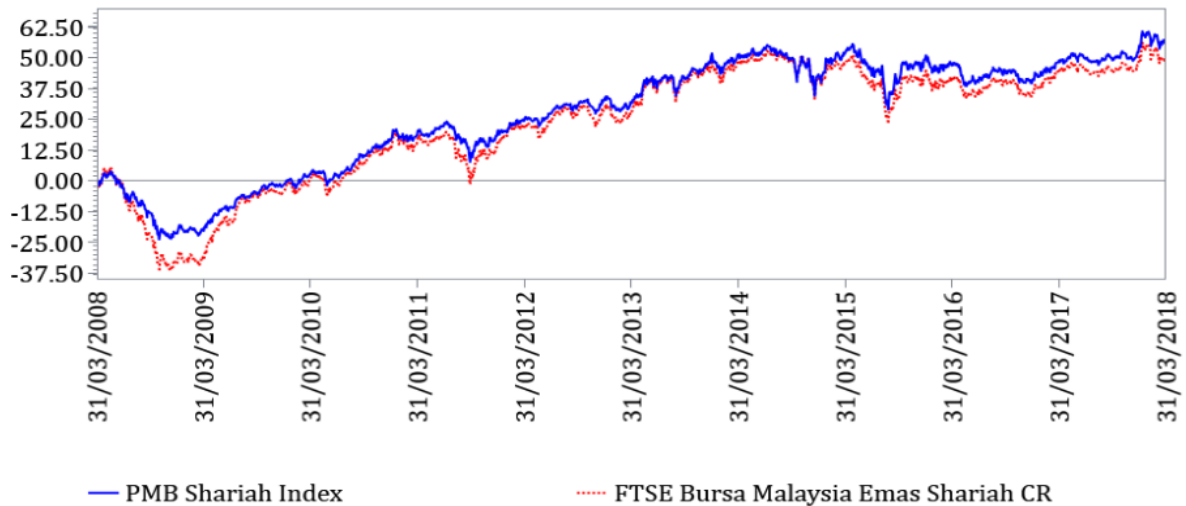
5-year fund performance



5-Year Fund Performance Review

For the 5-year period ended 31 March 2018, PMB SIF registered a return of 18.92% higher than the benchmark of 16.50%.

10-year fund performance



10-Year Fund Performance Review

For the 10-year period ended 31 March 2018, PMB SIF registered a return of 56.80% and outperformed the benchmark of 49.53%.

Note:

Change of benchmark:

- i. 15 January 2013 – FBMSHA (change of Fund's investment objective that invest in Shariah-compliant securities)
- ii. 6 July 2009 – FBM Top 100 Index (adoption by Bursa Malaysia of FTSE Bursa Malaysia Index Series.)
- iii. Prior to 6 July 2009 - KLCI

Average Total Return

Fund / Benchmark	For The Period Ended 31 March 2018			
	1 Year	3 Years	5 Years	10 Years
PMB SIF	5.80%	0.93%	3.52%	4.60%
FBMSHA	3.27%	0.27%	3.10%	4.10%

Source: Lipper

Annual Total Return

Annual Total Return for the Past 10 Financial Year-Ending 31 March

Year	PMB SIF	Benchmark
2018	5.80%	3.27%
2017	0.58%	2.50%
2016	(3.39%)	(4.75%)
2015	3.37%	2.40%
2014	13.72%	14.99%
2013	4.38%	3.33%
2012	6.75%	6.42%
2011	14.32%	14.19%
2010	29.83%	54.56%
2009	(19.37%)	(32.23%)

Distribution Highlight

Financial Year End	2018	2017	2016
Gross Distribution Per Unit - Cash (sen)	1.25	1.20	1.20
Net Distribution Per Unit - Cash (sen)	1.25	1.20	1.20

* Distribution is in the form of units.

Portfolio Turnover Ratio (PTR)

2018	2017	2016
0.21 times	0.16 times	0.43 times

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

Asset Allocation

Year	2018	2017	2016
Equities	90.16%	90.35%	93.00%
Islamic Real Estate Investment Trust (REIT)	0.88%	0.97%	0.99%
Collective Investment Scheme	0.01%	-	-
Deposit Placement & Others	8.95%	8.68%	6.01%

The Fund's exposure in equities was marginally decrease to 90.16% in 2018.

Historical Financial Highlights

Financial Year Ending 31 March

Extract of Audited Statement of Income and Expenditure

Financial Year End 31 March		2018	2017	2016
Total Investment Income/(loss)	(RM)	939,721	230,307	(319,788)
Total Expenses	(RM)	(139,098)	(135,414)	(171,716)
Net Income/(loss) before taxation	(RM)	800,623	94,893	(491,504)
Taxation	(RM)	-	-	(114)
Net Income/(loss) after taxation	(RM)	800,623	94,893	(491,618)

Extract of Audited Statement of Assets and Liabilities

Financial Year End 31 March		2018	2017	2016
Total Investment	(RM)	14,659,400	14,527,105	14,287,895
Other Asset	(RM)	99,558	422,189	667,946
Total Assets	(RM)	14,758,958	14,949,294	14,955,841
Total Liabilities	(RM)	368,295	(745,028)	(457,575)
Net Asset Value	(RM)	14,390,663	14,204,266	14,498,266
Unit Holders Funds	(RM)	14,390,663	14,204,266	14,498,266

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 (MER)	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
PMB SIF	86	0.60	7	0.06	24	0.16	117	0.82

Management Expenses Ratio (MER)

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

Fund/Financial Year End	2018	2017	2016
PMB SIF	0.82%	0.84%	0.88%

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.

Equity Market Risk

The performance of the Fund is subject to the volatility of the stock market which is influenced by the changes in the economic and political climate, profit rate, international stock market performance and regulatory policies. The movement of the value in the underlying investment portfolio will affect the NAV of the Fund. Any downward movement of the value will negatively impact the NAV of the Fund.

Please refer to **Section 3.5** of the Master Prospectus for further information on product specific risks.

Stock Specific Risk

Prices of a particular 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 stock will adversely affect the fund's NAV.

Please refer to **Section 3.5** of the Master Prospectus for further information on product specific risks.

Equity-related Securities Risk

The value of the equity-related securities depends on the value of the underlying equities that the securities are related to. Any upward movement in the value of the underlying equities may result an upward movement of the value of the respective equity-related securities, and vice versa. Hence, the movement of the value of the equity-related securities will affect the value of the Fund.

Please refer to **Section 3.5** of the Master Prospectus for further information on product specific risks.

Shariah Status Reclassification Risk

This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified as Shariah non-compliant in the periodic review of the equities by the SAC, the Shariah adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose such equities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. In such an event, the Fund should :-

- (a) dispose of the securities within one month if the value of the securities exceeds or is equal to the investment cost on the date of announcement of the List of Shariah-compliant securities by the SAC. The Fund is allowed to keep dividends received and capital gain from the disposal of the securities up to the date of announcement of the List of Shariah-compliant securities by the SAC. However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of announcement of the List of Shariah-compliant securities by the SAC should be channelled to baitulmal and/or approved charitable bodies;
- (b) hold the respective securities if the market price of the said securities is below the investment cost, until the total subsequent dividends received (if any) and the market price or value of the securities is equal to the cost of investment at which time disposal has to take place within a month of attaining investment cost; or
- (c) dispose of the securities at the price lower than the investment cost which will result the decrease in the Fund's value.

Please refer to **Section 3.5** of the Master Prospectus for further information on product specific risks.

Risk of Tracking Error

The Fund's performance may not reflect the performance of the FBMSHA as the weights of index stocks held by the Fund vs the respective stock's weightings in the FBMSHA does not fully replicate the FBMSHA constituents. As a result, there is no guarantee that the fund will exactly replicate or track the underlying benchmark's return. However the Fund will be rebalanced on a monthly basis to manage its tracking error versus the benchmark.

Please refer to **Section 3.5** of the Master Prospectus for further information on product specific risks.

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:

Sales Charge (imposed for every transaction performed)	6.0%	
Repurchase Charge	Nil	
Switching Fee	Up to RM25.00 per transaction	
Transfer Fee	Up to RM10.00 per transaction	
Other Charges (imposed for every transaction performed)	<ul style="list-style-type: none"> • Bank charges • Telegraphic Transfer charges 	Rate is determined by the appointed bankers
Distribution Channel(s)	<ul style="list-style-type: none"> • IUTA • UTC • Direct Purchase • Autodebit 	

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

Management Fee	0.6 % per annum
Trustee Fee	0.05% per annum
Other Fees Charged by the Fund	<ul style="list-style-type: none"> • Commissions/fees paid to brokers/dealers; • Auditor's fee; • Tax adviser's fee; • Valuation fee; • Taxes; • Custodial Charges; • Tax voucher/distribution warrants; and • Any other fees/expenses permitted by the Deed

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

Please refer to **Chapter 4** of the Master Prospectus for further information on product 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.

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 **Chapter 5** of the Master Prospectus for further determination of prices 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 or visit our appointed distributors as listed on 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 refer to **Section 12.5 – 12.7** of the Master Prospectus for further information on contact information.

- 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.
- 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
 - (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
 - (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.
- **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
 - (d) via online complaint form available at : www.fimm.com.my
 - (e) via letter : **Legal, Secretarial & 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 OF TERMS

- **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;
- **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 Shariah Index 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;
- **Medium term:** A period of between 3 and 5 years;
- **NAV:** Net Asset Value;
- **SAC:** Shariah Advisory Council;
- **SC:** Securities Commission Malaysia, established under the Securities Commission Act, 1993;
- **Securities:** Debentures, stocks or bonds issued or proposed to be issued by any government; shares in or debentures of, a body corporate or an unincorporated body; or units in a unit trust scheme or prescribed investments, and includes any right, option or interest in respect thereof;
- **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 ijihad of ulama' (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);
- **Shariah-compliant securities:** The investment portfolio of the Fund comprises securities that have been classified as Shariah-compliant by the SAC. For securities that have yet to be certified by the SAC, the Shariah Adviser of the Fund will determine whether or not the securities are Shariah-compliant for investment by the Fund
- **Short term:** A period of between 1 and 3 years.
- **SIDREC :** Securities Industries Dispute Resolution Corporation
- **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.