



**Maybank**  
Asset Management



# MAYBANK FINANCIAL INSTITUTIONS INCOME FUND

*(constituted on 5 November 2009 and launched on 17 December 2009)*

**Manager** : Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))

**Trustee** : PB Trustee Services Berhad (Registration No.: 196801000374 (7968-T))

This Information Memorandum dated 4 January 2021 replaces and supersedes the master information memorandum dated 4 November 2016 as modified by the first supplementary master information memorandum dated 17 March 2017, the second supplementary master information memorandum dated 17 July 2018, the third supplementary master information memorandum dated 1 April 2019 and the fourth supplementary master information memorandum dated 22 April 2020.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM AND IF NECESSARY, OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO UNITS OF THE FUND.

# FIRST SUPPLEMENTARY INFORMATION MEMORANDUM

This First Supplementary Information Memorandum dated 8 February 2024 must be read together with the Information Memorandum dated 4 January 2021 for:-

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FUND	DATE OF CONSTITUTION
Maybank Financial Institutions Income Fund	5 November 2009

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<b>Manager</b>	:	Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))
<b>Trustee</b>	:	PB Trustee Services Berhad (Registration No.: 196801000374 (7968-T))

INVESTORS ARE ADVISED TO READ THIS FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 8 FEBRUARY 2024 TOGETHER WITH THE INFORMATION MEMORANDUM DATED 4 JANUARY 2021 AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

UNITS OF THE MAYBANK FINANCIAL INSTITUTIONS INCOME FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.

## **Responsibility Statements**

This First Supplementary Information Memorandum has been seen and approved by the directors of Maybank Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

## **Statements of Disclaimer**

A copy of this First Supplementary Information Memorandum has been lodged with the Securities Commission Malaysia.

**The Securities Commission Malaysia has not authorised or recognised the Maybank Financial Institutions Income Fund and a copy of this First Supplementary Information Memorandum and the Information Memorandum dated 4 January 2021 (“Information Memorandum”) have not been registered with the Securities Commission Malaysia.**

**The lodgement of this First Supplementary Information Memorandum and the Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank Financial Institutions Income Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this First Supplementary Information Memorandum and the Information Memorandum.**

**The Securities Commission Malaysia is not liable for any non-disclosure on the part of Maybank Asset Management Sdn Bhd responsible for the Maybank Financial Institutions Income Fund and takes no responsibility for the contents in this First Supplementary Information Memorandum and the Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplementary Information Memorandum and the 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. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.**

## **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 First Supplementary 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 First Supplementary Information Memorandum or the conduct of any other person in relation to the Fund.

The Fund will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to any U.S. Person(s). Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

1. **Insertion of a new definition of “ex-distribution” in “Chapter 2 - Definitions” on page 2 of the Information Memorandum**

A new definition of “ex-distribution date” is hereby inserted after the definition of “Deed” as follows:

ex-distribution date means the next Business Day after the date on which income distribution of the Fund is declared.

2. **Amendment to the definition of “Sophisticated Investor” in “Chapter 2 - Definitions” on pages 3 - 4 of the Information Memorandum**

The definition of “Sophisticated Investor” is hereby deleted in its entirety and replaced with the following:

Sophisticated Investor means:

- (a) a unit trust scheme, private retirement scheme or prescribed investment scheme;
- (b) Bank Negara Malaysia;
- (c) a licensed person or a registered person;
- (d) an exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator;
- (e) a corporation that is licensed, registered or approved to carry on any regulated activity or capital market services by an authority in Labuan or outside Malaysia which exercises functions corresponding to the functions of the SC;
- (f) a bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;
- (g) an Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;
- (h) a chief executive officer or a director of any person referred to in paragraphs (c) to (g);
- (i) a closed-ended fund approved by the SC;
- (j) a company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding RM10 million or its equivalent in foreign currencies;
- (k) a corporation that -
  - (i) is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

- its management, exceeding RM10 million or its equivalent in foreign currencies; or
- (ii) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has assets under its management exceeding RM10 million or its equivalent in foreign currencies;
- (l) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
- (m) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- (n) a statutory body established under any laws unless otherwise determined by the SC;
- (o) a pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967;
- (p) an individual -
  - (i) whose total net personal assets, or total net joint assets with his or her spouse, exceeding RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
  - (ii) who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies in the preceding twelve months;
  - (iii) who jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding twelve months; or
  - (iv) whose total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding RM1 million or its equivalent in foreign currencies;
- (q) any person who acquires the unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or
- (r) any other category of investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

3. **Amendment to Mode of Distribution in “Chapter 3 - Fund’s Details” on pages 7 - 8 of the Information Memorandum**

The information on the mode of distribution is hereby deleted in its entirety and replaced with the following:

<b>Mode of Distribution</b>	<p>You may elect to either receive income payment via cash payment mode or reinvestment mode.</p> <p>If you did not elect the mode of distribution, all income distribution will be automatically reinvested into additional Units in the Fund.</p> <p>Unit Holders who elect to receive income payment via cash payment mode may receive the income payment by way of electronic payment into the Unit Holders’ bank account on the income payment date (which is within 7 Business Days from the ex-distribution date). All bank charges for the electronic payment will be borne by the Unit Holders. The transfer charges will be deducted directly from the transferred amount before being paid to the Unit Holders’ bank account.</p> <p><i>Notes:</i></p> <p>(1) <i>If the bank transfer remained unsuccessful and unclaimed for 6 months, the unclaimed income distribution will be reinvested into the Fund within 30 Business Days after the expiry of the 6 months period based on the prevailing NAV per Unit on the day of the reinvestment if the Unit Holders still hold Units of the Fund.</i></p> <p>(2) <i>If you are investing in the Fund through our distributors, you will be subject to the applicable mode of distribution (i.e., cash payment or reinvestment or both) which has been chosen by our distributors. Please check with the respective distributors for the mode of distribution available to you.</i></p>
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4. **Amendment to Transaction Details in “Chapter 5 - Transaction Details” on page 10 of the Information Memorandum**

The note to the minimum initial investment, minimum additional investment, minimum balance of Units and minimum redemption of Units and frequency of redemption is hereby deleted in its entirety and replaced with the following:

*^ or such other lower amount or number of Units (as the case may be) as may be decided by us from time to time.*

*Note: Our distributors may set a lower minimum initial and/or additional investments other than the above for investments made via our distributors subject to their terms and conditions for investment.*

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

5. **Amendment to Switching Facility in “Chapter 5 - Transaction Details” on page 10 of the Information Memorandum**

The information on the switching facility is hereby deleted in its entirety and replaced with the following:

<b>Switching Facility</b>	<p>Unit Holders are permitted to switch from and to other funds managed by us provided that both funds are denominated in the same currency. Switching is treated as a withdrawal from 1 fund and an investment into another fund. Switching will be made at the prevailing NAV per Unit to be switched from on a Business Day when the switching request is received and accepted by us, subject to the availability and any terms and conditions imposed by the intended fund to be switched to, if any.</p> <p>There is no restriction on the minimum number of Units for a switch or the frequency of switching. However, you must meet the minimum Unit holdings (after the switch) of the Fund that you intend to switch from unless you are redeeming all your investments from the Fund.</p> <p>If you switch from a fund with a lower sales charge to a fund with a higher sales charge, you need to pay the difference in sales charge between the sales charge of these 2 funds in addition to the switching fee. If you switch from a fund with higher sales charge to a fund with a lower sales charge, you do not need to pay the difference in sales charge between these funds.</p> <p>We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving applications in respect of switching of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
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6. **Amendment to Cooling-off Period in “Chapter 5 - Transaction Details” on page 10 of the Information Memorandum**

The information on the cooling-off period is hereby deleted in its entirety and replaced with the following:

<b>Cooling-off Right</b>	Cooling-off right is not applicable for this Fund.
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Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.

7. Amendment to Dealing Cut-Off Time for Purchase, Redemption and Switching of Units in “Chapter 5 - Transaction Details” on pages 10 - 11 of the Information Memorandum

The information on the dealing cut-off time for purchase, redemption and switching of Units is hereby deleted in its entirety and replaced with the following:

<b>Dealing Cut-Off Time for Purchase, Redemption and Switching of Units</b>	<p>The dealing cut-off time is <b>4.00 p.m.</b> on a Business Day.</p> <p>Any application received on or after the cut-off time on a Business Day will be treated as having been received on the next Business Day and will be processed on the next Business Day based on the next Forward Pricing of the Fund.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving applications in respect of any dealing in Units. Please check with the respective distributors for their respective cut-off time.</i></p>
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8. Amendment to Processing of Application in “Chapter 5 - Transaction Details” on page 11 of the Information Memorandum

The information on the processing of application is hereby deleted in its entirety and replaced with the following:

<b>Subscription of Units</b>	<p>Subscription request/application can be made on any <b>Business Day</b>. There is no restriction on the frequency of subscription.</p> <p>For any subscription request/application received via e-mail notification (or by fax, if e-mail is down) by us as well as cleared funds (unless any prior arrangement is made with us) received on or before the cut-off time of 4.00 p.m. on a Business Day, the Units will be created based on the NAV per Unit as at the next valuation point after the applicable subscription of Units is received and accepted by us. Any subscription request/application received or deemed to have been received by us after this cut-off time would be considered as being transacted on the next Business Day.</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of subscription of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
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Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.



9. Amendment to Redemption of Units and Payment of Redemption Proceeds in “Chapter 5 - Transaction Details” on page 11 of the Information Memorandum

The information on the redemption of Units and payment of redemption proceeds is hereby deleted in its entirety and replaced with the following:

<b>Redemption of Units and Payment of Redemption Proceeds</b>	<p>Redemption request/application can be made on any <b>Business Day</b>. There is no restriction on the frequency of redemption.</p> <p>For any redemption request/application received or deemed to have been received via e-mail notification (or by fax, if e-mail is don) by us on or before the cut-off time of 4.00 p.m. on any Business Day, the Units will be cancelled based on the NAV per Unit as at the next valuation point after the request for redemption of Units is received by us. We will pay the redemption proceeds to Unit Holders within 7 Business Days from the day the redemption request/application is received by us and provided that all documentations are complete and verifiable. Any redemption request/application received or deemed to have been received by us after the cut-off time would be considered as being transacted on the next Business Day.</p> <p>However, if the total redemption amount for that Business Day exceeds 50% of the Fund’s NAV, we reserve the right to pay the redemption proceeds to the Unit Holders within thirty (30) days after the redemption request/application is received by us.</p> <p>For partial redemption, the minimum balance of Units remaining in the Fund must always be maintained. If the remaining balance of Units is less than the minimum balance of Units after a redemption request, full redemption will be initiated.</p> <p>Transaction costs such as charges for electronic payments, if any, will be borne by the Unit Holders and set-off against the redemption proceeds.</p> <p>We shall remit the redemption proceeds to the bank account held in the name of the Unit Holder(s).</p> <p><i>Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of redemption of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
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Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.

10. Amendment to Selling Price in “Chapter 7 - Pricing Policy” on page 15 of the Information Memorandum

The information on the selling price is hereby deleted in its entirety and replaced with the following:

<b>Selling Price</b>	<p>The Selling Price of a Unit for the Fund is the NAV per Unit at the next valuation point after the request to purchase Units is received by us (Forward Pricing). The sales charge applicable to the Fund is payable by you in addition to the Selling Price for the Units purchased.</p> <p><u>Calculation of Selling Price</u>  <b>Illustration - Sale of Units</b>  <i>Example:</i>                      If you wish to invest RM1,000,000.00 in the Fund before 4.00 p.m. on a Business Day, and if the sales charge is 3.00% of the NAV per Unit, the total amount to be paid by you and the number of Units issued to you will be as follows:</p> <p>Assuming that the NAV per Unit at the end of a Business Day = RM1.0000.</p> $\begin{aligned} \text{Sales charge incurred} &= \frac{\text{Investment amount}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)} \\ &= \frac{\text{RM1,000,000}}{1 + 3.00\%} \times 3.00\% \\ &= \text{RM29,126.21} \end{aligned}$ <p>Net investment amount                      = Investment amount - sales charge                      = RM1,000,000 - RM29,126.21                      = RM970,873.79</p> <p>Units credited to investor                      = Net investment amount / NAV per Unit                      = RM970,873.79 / RM1.00                      = RM970,873.79 Units</p>
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11. Amendment to Redemption Price in “Chapter 7 - Pricing Policy” on pages 15 - 16 of the Information Memorandum

The information on the redemption price is hereby deleted in its entirety and replaced with the following:

<b>Redemption Price</b>	<p>The Redemption Price of a Unit for the Fund is the NAV per Unit at the next valuation point after the redemption request is received by us (Forward</p>
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Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.

	<p>Pricing). We do not impose any redemption charge on the redemption of Units by the Unit Holders.</p> <p><u>Calculation of Redemption Price</u>  <b>Illustration - Redemption of Units</b>  <b>Example:</b>  If you wish to redeem 250,000 Units from the Fund before 4.00 p.m. on a Business Day, and there is no redemption charge imposed, the total amount to be paid to you will be as follows:</p> <p>Assuming that the NAV per Unit at the end of a Business Day = RM1.0000.</p> <p>Amount redeemed would be: 250,000 Units x RM1.0000 = RM250,000.00</p> <p>Redemption charge would be: 0% x RM10,000 = RM0.00</p> <p>The total amount to be paid to you will be RM250,000.00 - RM0.00 = RM250,000.00</p> <p>Therefore, you will receive RM250,000.00 as redemption proceeds.</p>
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12. **Amendment to “Chapter 8 - Valuation Policy and Valuation Basis” on page 16 of the Information Memorandum**

The information on Computation of NAV and NAV per Unit is hereby inserted immediately after Valuation Point as follows:

<b>Computation of NAV and NAV per Unit</b>	<p>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.</p> <p>Please note that the example below is for illustration only:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">RM</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 40px;">Value of the Fund</td> <td style="text-align: right;">200,000,000.00</td> </tr> <tr> <td>Add: Other assets (including cash) &amp; income</td> <td style="text-align: right;">1,400,000.00</td> </tr> <tr> <td>Less: Liabilities</td> <td style="text-align: right; border-top: 1px solid black;">200,000.00</td> </tr> <tr> <td>NAV before deducting management fee and trustee fee for the day</td> <td style="text-align: right; border-top: 1px solid black;">201,200,000.00</td> </tr> <tr> <td>Less: Management fee for the day (at 0.60% per annum calculated based on the NAV)</td> <td style="text-align: right;">3307.40</td> </tr> </tbody> </table>		RM	Value of the Fund	200,000,000.00	Add: Other assets (including cash) & income	1,400,000.00	Less: Liabilities	200,000.00	NAV before deducting management fee and trustee fee for the day	201,200,000.00	Less: Management fee for the day (at 0.60% per annum calculated based on the NAV)	3307.40
	RM												
Value of the Fund	200,000,000.00												
Add: Other assets (including cash) & income	1,400,000.00												
Less: Liabilities	200,000.00												
NAV before deducting management fee and trustee fee for the day	201,200,000.00												
Less: Management fee for the day (at 0.60% per annum calculated based on the NAV)	3307.40												

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.

	<p>RM201,200,000.00 x 0.60% / 365 days</p> <p>Less: Trustee fee for the day 275.62 (at 0.05% per annum calculated based on the NAV)</p> <p>RM201,200,000.00 x 0.05% / 365 days</p> <p><b>Total NAV</b> <u>201,196,416.98</u></p> <p>The NAV per Unit of the Fund is calculated by dividing the NAV of the Fund by the number of Units in circulation at the end of each Business Day.</p> <p>Assuming there are 200,000,000 Units of the Fund in circulation at the point of valuation, the NAV per Unit shall therefore be calculated as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;"><b>RM</b></td> </tr> <tr> <td>NAV of the Fund</td> <td style="text-align: right;">201,196,416.98</td> </tr> <tr> <td>Divide: Units in circulation</td> <td style="text-align: right;"><u>200,000,000</u></td> </tr> <tr> <td><b>NAV per Unit of the Fund</b></td> <td style="text-align: right;"><u>1.006*</u></td> </tr> </table> <p><i>*The NAV per Unit will be rounded up to 4 decimal places for the purposes of publication of the NAV per Unit.</i></p>		<b>RM</b>	NAV of the Fund	201,196,416.98	Divide: Units in circulation	<u>200,000,000</u>	<b>NAV per Unit of the Fund</b>	<u>1.006*</u>
	<b>RM</b>								
NAV of the Fund	201,196,416.98								
Divide: Units in circulation	<u>200,000,000</u>								
<b>NAV per Unit of the Fund</b>	<u>1.006*</u>								

**13. Amendment to Valuation of Investment in “Chapter 8 - Valuation Policy and Valuation Basis” on page 17 of the Information Memorandum**

The information on the valuation basis in respect of money market instruments is hereby deleted in its entirety and replaced with the following:

- (d) Money market instruments  
Investments in commercial papers and treasury bills are valued each day based on the price quoted by a BPA registered with the SC. Where we are of the view that the price quoted by BPA differs from the market price by more than 20 basis points, we may use the market price provided that we:
- (i) record our basis for using non-BPA price;
  - (ii) obtain the necessary internal approvals to use the non-BPA price; and
  - (iii) keep an audit trail of all decisions and basis for adopting the market yield.

For investments in money market instruments with remaining term to maturity of not more than 90 days at the time of acquisition, such instruments are valued each day based on amortised cost. The risk of using amortised cost accounting is the mispricing of the money market instruments. We will monitor the valuation of such money market instruments using amortised cost method against the market value on a daily basis and will use the market value if the difference in valuation exceeds 3%.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

14. **Amendment to “Chapter 9 - Parties to the Fund” on page 17 of the Information Memorandum**

The information on the Manager is hereby deleted in its entirety and replaced with the following:

<b>The Manager</b>	Our corporate information, including our experience in operating unit trust funds is available on our website at <a href="https://www.maybank-am.com.my/corporate-profile">https://www.maybank-am.com.my/corporate-profile</a> .
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15. **Amendment to “Chapter 9 - Parties to the Fund” on page 18 of the Information Memorandum**

The information on the designated fund manager is hereby deleted in its entirety and replaced with the following:

<b>Designated Fund Manager</b>	Syhiful Zamri bin Abdul Azid  Syhiful is the Chief Investment Officer of the Manager and his profile is available on our website at <a href="https://maybank-am.com.my/key-people">https://maybank-am.com.my/key-people</a> .
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16. **Amendment to “Chapter 12 - Customer Information Service” on page 20 of the Information Memorandum**

The details of the Complaints Bureau, FIMM under sub-paragraph (i) is hereby deleted in its entirety and replaced with the following:

- (i) Complaints Bureau, FIMM via:
- Tel No: 03 - 7890 4242
  - email: [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - Online complaint form: [www.fimm.com.my](http://www.fimm.com.my)
  - Letter: Complaints Bureau  
Legal & 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.

17. **Insertion of a new “Chapter 13 - Conflict of Interests and Related Party Transactions” on page 21 of the Information Memorandum**

A new Chapter 13 - Conflict of Interests and Related Party Transactions is inserted immediately after Chapter 12 - Customer Information Service as follows:

As at 31 December 2023, we are not aware of any existing or potential conflict of interest situations which may arise.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

Save as disclosed below, there are no existing or proposed related party transactions involving the Fund, us as the manager, the Trustee and/or persons connected to them as at 31 December 2023:

Name of Party	Name of Related Party and Nature of Relationship	Existing / Potential Related Party Transaction
The Manager	<p>Maybank.</p> <p>The Manager is wholly-owned by Maybank Asset Management Group Berhad (“MAMG”). Maybank is a substantial shareholder of MAMG.</p>	<p>Distributor:</p> <p>Maybank has been appointed as one of the Manager’s institutional unit trust scheme advisers.</p> <p>Delegate:</p> <p>The Manager has delegated its back office functions (i.e. the fund accounting and valuation function and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank.</p>
	<p>MAMG.</p> <p>The Manager is wholly-owned by MAMG.</p>	<p>Delegate:</p> <p>The Manager has delegated its back office functions (i.e. finance performance attribution, administration, legal, compliance, corporate secretarial services, strategy and project management office and risk management) to MAMG.</p>
	<p>Maybank Shared Services Sdn Bhd.</p> <p>Maybank Shared Services Sdn Bhd is wholly-owned by Maybank.</p>	<p>Delegate:</p> <p>The Manager has delegated its back office function (i.e. information technology) to Maybank Shared Services Sdn Bhd.</p>

*[The remainder of this page is intentionally left blank]*

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.

18. **Insertion of a new “Chapter 14 - Tax Adviser’s Letter” on page 21 of the Information Memorandum**

A new Chapter 14 - Tax Adviser’s Letter is inserted immediately after Chapter 13 - Conflict of Interests and Related Party Transactions as follows:



Ernst & Young Tax Consultants Sdn. Bhd.  
1787233.K  
SST ID: W10-1808-31044478  
Level 23A Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000  
Fax: +603 2095 5332 (General line)  
+603 2095 7043  
ey.com

Taxation adviser’s letter in respect of the taxation  
of the unit trust fund and the unit holders  
(prepared for inclusion in this First Supplementary Information Memorandum)

Ernst & Young Tax Consultants Sdn Bhd  
Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur

5 January 2024

The Board of Directors  
Maybank Asset Management Sdn Bhd  
Level 12, Tower C  
Dataran Maybank  
No. 1, Jalan Maarof  
59000 Kuala Lumpur

Dear Sirs

**Taxation of the unit trust fund and unit holders**

This letter has been prepared for inclusion in this First Supplementary Information Memorandum in connection with the offer of units in the unit trust known as Maybank Financial Institutions Income Fund (hereinafter referred to as “the Fund”).

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

**Taxation of the Fund**

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as ‘permitted expenses’) not directly related to the production of income, as explained below.

A member firm of Ernst & Young Global Limited

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

“Permitted expenses” refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
  - B is gross income consisting of dividend<sup>1</sup>, interest and rent chargeable to tax for that basis period; and
  - C is the aggregate of the gross income consisting of dividend<sup>1</sup> and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

<sup>1</sup> Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**



### Exempt income

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.
- **Malaysian sourced interest**
  - a) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
  - b) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
  - c) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
  - d) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013<sup>2</sup>;
  - e) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002<sup>2</sup>;
  - f) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)<sup>3</sup>; and
  - g) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.
- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

<sup>2</sup> Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the MITA shall not apply to a wholesale fund which is a money market fund.

<sup>3</sup> Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

The Board of Directors  
Maybank Asset Management Sdn Bhd  
5 January 2024

#### Foreign-sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 (amended on 29 December 2022) define the term "received in Malaysia" to mean transferred or brought into Malaysia, either by way of cash<sup>4</sup> or electronic funds transfer<sup>5</sup>.

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a "qualifying person"<sup>6</sup> from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of "qualifying person" does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

#### Gains from the realisation of investments

Pursuant to the Finance (No. 2) Act 2023 ("Finance Act"), gains from the realisation of investments by a unit trust would no longer be exempt from tax. Pursuant to Section 61(1)(b) of the MITA, gains arising from the realisation of investments shall be treated as income of a unit trust under Section 4(aa) of MITA, provided that such gains are not related to real property as defined in the Real Property Gains Tax Act 1976. Section 4(aa) provides that gains or profits from the disposal of a capital asset<sup>7</sup> are to be treated as a class of income. Paragraph 38 of Schedule 6 of the MITA, introduced via the Finance Act, then provides an income tax exemption on gains or profits from the disposal of a capital asset situated in Malaysia, other than:

<sup>4</sup> "Cash" in this context is defined as banknotes, coins and cheques.

<sup>5</sup> "Electronic funds transfer" means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

<sup>6</sup> "Qualifying person" in this context means a person resident in Malaysia who is:

- (a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;
- (b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or
- (c) A company which is incorporated or registered under the Companies Act 2016.

<sup>7</sup> "Capital asset" means movable or immovable property including any rights or interest thereof.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

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- (i) Disposal of shares of a company incorporated in Malaysia not listed on the stock exchange<sup>8</sup>; and
- (ii) Disposal of shares under Section 15C of the MITA, which was introduced via the Finance Act, Section 15C deems gains or profits from the disposal of shares in a company incorporated outside Malaysia ("foreign company") to be derived from Malaysia and hence subject to Malaysian income tax, where the foreign company directly or indirectly owns real property in Malaysia exceeding certain thresholds, as determined based on the parameters of Section 15C

As such, capital assets that fall within the scope of charge of the MITA are as follows:

- a) Capital assets situated in Malaysia - Shares of a company incorporated in Malaysia not listed on the stock exchange and shares in foreign incorporated companies deriving value from real property in Malaysia.
- b) Capital assets situated outside Malaysia - All capital assets, not limited to shares.

Gains from disposal of capital assets situated outside Malaysia will only be subject to tax when the gains are received in Malaysia.

The Finance Act provides an effective date of 1 January 2024 for the above changes to the MITA. However, pursuant to the Income Tax (Exemption) (No. 7) Order 2023 [P.U.(A) 410], a trust body is exempted from the payment of income tax in respect of any gains or profits received from the disposal of shares of a company incorporated in Malaysia not listed on the stock exchange. This exemption applies for such disposals from 1 January to 29 February 2024.

The relevant tax rates of the gains of the disposal of capital assets are as below:

	Tax rates
A. Disposal of capital assets situated in Malaysia which was acquired before 1 January 2024	
▶ On chargeable income of the disposal	10%
▶ On gross disposal price	2%
B. Disposal of capital assets situated in Malaysia which was acquired after 1 January 2024	
▶ On chargeable income of the disposal	10%
C. Disposal of capital assets situated outside Malaysia	
▶ On chargeable income of the disposal	24% (prevailing tax rate of a unit trust)

<sup>8</sup> "stock exchange" has the meaning assigned to it in the Capital Markets and Services Act 2007

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**



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#### Implementation of Sales and Service Tax ("SST")

Sales and Service Tax ("SST") was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to service tax<sup>9</sup> provided they fall within the scope of service tax (i.e. are provided by a "taxable person", who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as "taxable services").

#### Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

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<sup>9</sup> Pursuant to Service Tax Regulations 2018, the service tax rate is at 6%. It was proposed in Budget 2024 that the service tax rate be increased from 6% to 8% effective from 1 March 2024.

**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**

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The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount. See however item 2 below on certain distributions which are not taxable to unit holders.

Such taxable distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holders.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the MITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

As stated above, with effect from 1 January 2024 (1 March 2024 for disposals of shares of a company incorporated in Malaysia not listed on the stock exchange), gains arising from the realisation of investments shall be treated as income of the Fund under Section 4(aa), pursuant to the proviso of Section 61(1)(b) of MITA. However, pursuant to Section 61(1A) of MITA, unit holders will still not be charged to tax on the gains referred to in the proviso to Section 61(1)(b).

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

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Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders (such as associations and societies)</li> <li>• Co-operatives<sup>10</sup></li> <li>• Trust bodies</li> <li>• Corporate unit holders               <ul style="list-style-type: none"> <li>(i) A company with paid-up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment<sup>11 12</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Progressive tax rates ranging from 0% to 30%</li> <li>• Progressive tax rates ranging from 0% to 24%</li> <li>• 24%</li> <li>• First RM150,000 of chargeable income @ 15%<sup>13</sup></li> <li>• Next RM450,000 of chargeable income @ 17%</li> <li>• Chargeable income in excess of RM600,000 @ 24%</li> </ul>

<sup>10</sup> Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—  
(a) in respect of a period of five years commencing from the date of registration of such co-operative society; and  
(b) thereafter where the members' funds (as defined in Paragraph 12(2)) of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.

<sup>11</sup> A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-  
(a) more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;  
(b) the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;  
(c) more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.  
(d) Pursuant to the Finance Act 2023, effective from the year of assessment 2024, in order for a company to qualify for the concessionary tax rates not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia.

<sup>12</sup> The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

<sup>13</sup> Pursuant to the Finance Act 2023, effective from the year of assessment 2023, the concessionary tax rate is reduced from 17% to 15% for the first RM150,000 of chargeable income.

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
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Unit holders	Malaysian income tax rates
(ii) Companies other than (i) above	• 24%
Non-Malaysian tax resident (Note 1):	
• Individual and non-corporate unit holders	• 30%
• Corporate unit holders and trust bodies	• 24%

**Note 1:**

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

**Gains from sale of units**

Gains arising from the sale of units will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

**Unit splits and reinvestment of distributions**

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits - new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions - unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

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The Board of Directors  
Maybank Asset Management Sdn Bhd  
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We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully  
Ernst & Young Tax Consultants Sdn Bhd



Bernard Yap  
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this First Supplementary Information Memorandum and has not withdrawn such consent before the date of issue of this First Supplementary Information Memorandum.

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**Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 4 January 2021.**



### **Responsibility Statements**

This Information Memorandum has been seen and approved by the directors of Maybank Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

### **Statements of Disclaimer**

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia will not be liable for any non-disclosure on the part of the Manager and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.**

### **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 Fund will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to any U.S. Person(s). Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

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## 1. CORPORATE DIRECTORY

<b>MANAGER</b>	Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))
<b>REGISTERED OFFICE</b>	5 <sup>th</sup> Floor, Tower A Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No: 03 - 2297 7870
<b>BUSINESS OFFICE</b>	Level 12, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No: 03 - 2297 7888 Fax No: 03 - 2715 0071
<b>TRUSTEE</b>	PB Trustee Services Berhad (Registration No.: 196801000374 (7968-T))
<b>REGISTERED OFFICE &amp; BUSINESS OFFICE</b>	17 <sup>th</sup> Floor, Menara Public Bank 146, Jalan Ampang 50450 Kuala Lumpur Tel No: 03 - 2177 3127 Fax No: 03 - 2164 6197

## 2. DEFINITIONS

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

Bank Negara Malaysia	means the central bank of Malaysia.
Bursa Malaysia	means the stock exchange managed and 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, including all amendments thereto and all regulations, rules and guidelines issued in connection therewith.
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.
Fixed Deposits	means money placements with financial institutions ranging from overnight placement to maximum tenure of one (1) year offered by the financial institutions.
Forward Pricing	means the NAV per Unit for the Fund calculated at the next valuation point after a purchase request or a redemption request, as the case may be, is received by us.
Fund	means the Maybank Financial Institutions Income Fund.
Guidelines	means the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework including all amendments and/or revisions thereto issued by the SC and any other relevant guidelines issued by the SC.
Information Memorandum	means this information memorandum of the Fund.
Long Term	means a period of more than five (5) years.
LPD	means the latest practicable date, i.e., 1 October 2020.
Manager/ we/ us/ our	means Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M)).
MARC	means Malaysian Rating Corporation Berhad.
NAV per Unit	means the NAV of the Fund divided by the total number of Units in circulation at the valuation point.
Net Asset Value or NAV	means the total value of the Fund's assets minus its liabilities at the valuation point.
RAM	means RAM Rating Services Berhad.
Redemption Price	means the price payable by us to a Unit Holder pursuant to a redemption request by the Unit Holder and will be the NAV per

	Unit of the Fund. The Redemption Price shall be exclusive of the redemption charge (if any).
RM	means Ringgit Malaysia, the lawful currency of Malaysia.
SC	means the Securities Commission Malaysia.
Selling Price	means the price payable by an investor or a Unit Holder for the purchase of a Unit of the Fund and will be the NAV per Unit of the Fund. The Selling Price shall be exclusive of the sales charge.
Sophisticated Investor	means: <ul style="list-style-type: none"> <li>(a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;</li> <li>(b) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(c) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(d) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(e) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(f) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(g) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under CMSA and has assets under management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(h) a pension fund approved by the Director General of Inland Revenue under Section 150 of the Income Tax Act 1967;</li> <li>(i) a statutory body established by an Act of Parliament or an enactment of any State;</li> <li>(j) Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009;</li> <li>(k) a holder of a capital markets services licence;</li> <li>(l) an executive director or chief executive officer of a holder of a capital markets services licence;</li> <li>(m) a unit trust scheme or a prescribed investment scheme;</li> <li>(n) a closed-end fund approved by the SC;</li> </ul>

- (o) a licensed bank as defined in the Financial Services Act 2013 or a licensed Islamic bank as defined in the Islamic Financial Services Act 2013;
- (p) a Labuan bank as defined in the Labuan Financial Services and Securities Act 2010;
- (q) a licensed insurer as defined in the Financial Services Act 2013;
- (r) an insurance licensee as defined in the Labuan Financial Services and Securities Act 2010;
- (s) a takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010;
- (t) a licensed takaful operator as defined in the Islamic Financial Services Act 2013;
- (u) a private retirement scheme as defined in CMSA; and
- (v) such other investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

Trustee means PB Trustee Services Berhad (Registration No.: 196801000374 (7968-T)).

Unit(s) means a measurement of the right or interest of a Unit Holder in the Fund.

Unit Holder(s) means the person registered as a holder of a Unit or Units including persons jointly registered for the Fund.

U.S. (United States) means:

Person(s)

- (a) a U.S. citizen (including those who hold dual citizenship or a greencard holder);
- (b) a U.S. resident alien for tax purposes;
- (c) a U.S. partnership;
- (d) a U.S. corporation;
- (e) any estate other than a non-U.S. estate;
- (f) any trust if:
  - (i) a court within the U.S. is able to exercise primary supervision over the administration of the trust; and
  - (ii) one or more U.S. Persons have the authority to control all substantial decisions of the trust;
- (g) any other person that is not a non-U.S. Person; or
- (h) any definition as may be prescribed under the Foreign Account Tax Compliance Act 2010, as may be amended from time to time.

### 3. FUND'S DETAILS

FUND'S DETAILS							
<b>Fund Name</b>	Maybank Financial Institutions Income Fund.						
<b>Fund Type</b>	Income.						
<b>Fund Category</b>	Fixed income.						
<b>Financial Year End</b>	31 January.						
<b>Deed</b>	The deed dated 5 November 2009 as amended by the first supplemental deed dated 8 October 2012 and the second supplemental deed dated 30 March 2015.						
<b>Investment Objective</b>	The objective of the Fund is to achieve regular income stream which is deriving from the portfolio.						
<b>Investor Profile</b>	<p>The Fund is suitable for Sophisticated Investors:</p> <ul style="list-style-type: none"> <li>a) who seek regular income stream*;</li> <li>b) with moderate risk tolerance; and</li> <li>c) with a Long Term investment horizon.</li> </ul> <p><i>Note:</i></p> <p><i>* Income could be in the form of cash or Units. For further details, please refer to "Income Distribution Policy" and "Mode of Distribution" below.</i></p>						
<b>Benchmark</b>	12-month Maybank Fixed Deposit rate. (Source: <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a> )						
<b>Asset Allocation</b>	<table border="1"> <thead> <tr> <th>Limits</th> <th>Investment instruments</th> </tr> </thead> <tbody> <tr> <td>Up to 95% of the NAV of the Fund</td> <td> <ul style="list-style-type: none"> <li>• Bonds issued by financial institutions and/or bank guaranteed bonds.</li> </ul> </td> </tr> <tr> <td>Minimum of 5% to 100% of the NAV of the Fund</td> <td> <ul style="list-style-type: none"> <li>• Fixed Deposits; and</li> <li>• Money market instruments.</li> </ul> </td> </tr> </tbody> </table>	Limits	Investment instruments	Up to 95% of the NAV of the Fund	<ul style="list-style-type: none"> <li>• Bonds issued by financial institutions and/or bank guaranteed bonds.</li> </ul>	Minimum of 5% to 100% of the NAV of the Fund	<ul style="list-style-type: none"> <li>• Fixed Deposits; and</li> <li>• Money market instruments.</li> </ul>
	Limits	Investment instruments					
Up to 95% of the NAV of the Fund	<ul style="list-style-type: none"> <li>• Bonds issued by financial institutions and/or bank guaranteed bonds.</li> </ul>						
Minimum of 5% to 100% of the NAV of the Fund	<ul style="list-style-type: none"> <li>• Fixed Deposits; and</li> <li>• Money market instruments.</li> </ul>						
<b>Investment Strategy</b>	The Fund will be actively managed by investing in a diversified portfolio of bonds issued by financial institutions and/or bank guaranteed bonds and/or money market instruments and Fixed Deposits. The active management of the Fund aims to provide steady returns.						
<b>Permitted Investments</b>	<p>The Fund is permitted to invest in the following:</p> <ul style="list-style-type: none"> <li>• Cash or cash equivalent;</li> <li>• Bonds issued by financial institutions and/or bank guaranteed bonds;</li> <li>• Malaysian deposits with commercial banks, finance companies, investment banks including negotiable</li> </ul>						

FUND'S DETAILS	
	<p>certificates of deposits, negotiable instruments of deposits, promissory notes and bankers acceptance; and</p> <ul style="list-style-type: none"> <li>Any kind of investments as may be agreed upon by us and the Trustee from time to time and permitted by the relevant authorities, if necessary.</li> </ul>
<b>Investment Restrictions and Limits</b>	<p>The Fund is subject to the following investment restrictions and limits:</p> <ul style="list-style-type: none"> <li>100% of the Fund's NAV will be invested in bonds issued by financial institutions and/or bank guaranteed bonds and/or money market instruments and Fixed Deposits.</li> <li>The value of the Fund's holding in bonds issued by financial institutions and/or bank guaranteed bonds with a minimum A3 rating by RAM or its equivalent rating by MARC must not exceed 95% of the Fund's NAV.</li> <li>The value of the Fund's holding in Fixed Deposits and money market instruments must not be less than 5% of the Fund's NAV.</li> <li>The limits for a single financial institution and single issue are as follows: <ul style="list-style-type: none"> <li>Single financial institution limit: <ol style="list-style-type: none"> <li>75% of the Fund's investment in one single financial institution with a rating of AAA by RAM or its equivalent rating by MARC;</li> <li>50% of the Fund's investment in one single financial institution with a rating of AA by RAM or its equivalent rating by MARC; and</li> <li>30% of the Fund's investment in one single financial institution with a rating of A by RAM or its equivalent rating by MARC.</li> </ol> </li> <li>Single issue limit: <ol style="list-style-type: none"> <li>75% of the Fund's investment in one single issue (bond) with a rating of AAA by RAM or its equivalent rating by MARC;</li> <li>50% of the Fund's investment in one single issue (bond) with a rating of AA by RAM or its equivalent rating by MARC; and</li> <li>30% of the Fund's investment in one single issue (bond) with a rating of A by RAM or its equivalent rating by MARC.</li> </ol> </li> </ul> </li> </ul> <p>This implies that the limit for a certain financial institution can be above the limit for an issue (for e.g., bonds).</p> <p><b>As an illustration:</b> If a financial institution rated AAA by RAM or its equivalent rating by MARC issues a AA rated bond, the limit for this</p>



<b>FUND'S DETAILS</b>	
	<p>bond is 50%, however the limit for the financial institution rated AAA remains at 75%.</p> <p>Thus, the financial institution limit can be used for the remaining 25% for another bond issued by the same financial institution, as long as the bond is rated A or AAA (from the illustration given in the 1<sup>st</sup> paragraph, the Fund has already maximized its holding in the AA rated bonds).</p> <p>The above limits and restrictions must be complied with at all times based on the most up-to-date NAV of the Fund and value of the investments. However, a 5% allowance in excess of any limit or restriction may be permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in the value of the investments, or as a result of repurchase of Units or payment made from the Fund). We will not make any further acquisitions to which the relevant limit is breached and we should within a reasonable period of not more than ninety (90) days from the date of the breach take all necessary steps and actions to rectify the breach.</p>
<b>Borrowings and Securities Lending</b>	<p>The Fund may not borrow cash or other assets in connection with its activities. However, the Fund may borrow cash on a temporary basis for the purpose of meeting redemption requests for Units and for short term bridging requirements subject to the following:</p> <ul style="list-style-type: none"> <li>(a) the Fund's cash borrowing is only on a temporary basis and that borrowings are not persistent;</li> <li>(b) the borrowing period shall not exceed one (1) month;</li> <li>(c) the aggregate borrowings of the Fund shall not exceed 10% of the Fund's NAV at the time the borrowing is incurred; and</li> <li>(d) the Fund may only borrow from financial institutions.</li> </ul> <p>The Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC.</p>
<b>Income Distribution Policy</b>	<p>The Fund intends to distribute income, if any, at least half-yearly on best effort basis. However, we reserve the right not to distribute income, at our absolute discretion.</p>
<b>Mode of Distribution</b>	<p>Distribution, if any, would be reinvested or paid to Unit Holders by way of direct debit into the Unit Holders' bank accounts. Unit Holders are required to indicate their preference in the unit application form upon purchase. In the event that there is no indication of Unit Holder's preference in the unit application form, we shall reinvest all the distributions received by the Unit Holders. There is no cost associated with the reinvestment.</p>

FUND'S DETAILS	
	<p>For the purpose of calculation, any amount invested by a Unit Holder at any time, shall be entitled for distribution whereby the difference in days and price will be calculated and accounted via distribution equalization.</p> <p>Distribution will be reinvested or paid to the Unit Holders within seven (7) Business Days from the income declaration date.</p> <p>The source of income, if any, for the purpose of distribution shall be derived from the realized income and/or gain.</p>
<b>Reinvestment Policy</b>	Reinvestment of Units will be based on the NAV per Unit on the income payment date (which is within seven (7) Business Days from the income declaration date).
<b>Communication with Unit Holders</b>	<p><b>Statement of Accounts</b></p> <p>A Unit Holder's statement showing details of the amount invested in the Fund shall be made available to the Unit Holders on a monthly basis, twenty-one (21) days after every month's end.</p> <p><b>Unit Price</b></p> <p>Unit Holders will be able to obtain the Unit prices of the Fund from <a href="http://www.maybank-am.com.my">www.maybank-am.com.my</a>.</p> <p><b>Financial Reports</b></p> <p>We will provide Unit Holders with a quarterly report and an audited annual report within two (2) months after the close of the quarterly period or financial year end.</p>

#### 4. FEES AND CHARGES

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund. We reserve the right to waive or reduce the fees and charges involved at our absolute discretion.

**Note:** All fees, charges and expenses stated herein are exclusive of any applicable tax which may be imposed by the government or the relevant authority. You and/or the Fund (as the case may be) are responsible to pay the applicable amount of tax, if any, in addition to the fees, charges and expenses stated herein.

FEES AND CHARGES	
<b>Sales Charge</b>	<p>Up to 3.00% of the NAV per Unit.</p> <p><i>Notes:</i></p> <p>(1) Investors may negotiate for a lower sales charge.</p> <p>(2) We reserve the right to waive or reduce the sales charge.</p>

FEES AND CHARGES	
	<i>(3) All sales charge will be rounded up to two (2) decimal places and will be retained by us.</i>
<b>Redemption Charge</b>	We will not impose a redemption charge.
<b>Switching Fee</b>	RM10.00 per switch.  <i>Notes: (1) We reserve the right to waive the switching fee. (2) In addition to the switching fee, the Unit Holder will have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.</i>
<b>Transfer Fee</b>	RM10.00 per transfer.  <i>Notes: (1) We reserve the right to waive the transfer fee. (2) We reserve the right to decline any transfer request if such transfer will expose us to any liability and/or will contravene any law or regulatory requirements, whether or not having the force of law.</i>
<b>Management Fee</b>	Up to 0.60% per annum of the NAV of the Fund, calculated and accrued daily, and is payable monthly to us.
<b>Trustee Fee</b>	Up to 0.05% per annum of the NAV of the Fund, subject to a minimum fee of RM18,000 per annum, calculated and accrued daily and is payable monthly to the Trustee.
<b>Fund Expenses</b>	Only fees and expenses that are directly related and necessary to the operation and administration of the Fund as provided in the Deed may be paid out of the Fund.

## 5. TRANSACTION DETAILS

TRANSACTION DETAILS	
<b>Minimum Initial Investment<sup>^</sup></b>	RM 250,000
<b>Minimum Additional Investment<sup>^</sup></b>	RM 250,000
<b>Minimum Balance of Units<sup>^</sup></b>	50,000 Units
<b>Minimum Redemption of Units and Frequency of Redemption</b>	There is no restriction on the number of times and Units a Unit Holder can redeem.

TRANSACTION DETAILS	
	If a Unit Holder's Unit holdings, after a redemption request, are below the minimum balance of Units, full redemption will be initiated.
<i>^ or such other lower amount or number of Units, as the case may be, as may be decided by us from time to time.</i>	
<b>Transfer Facility</b>	<p>Transfer of ownership of Units is allowed for the Fund.</p> <p>Transfer of ownership from the account of the deceased Unit Holder to his/her personal representative will only be undertaken through the process of estate administration and death claims procedures.</p>
<b>Switching Facility</b>	<p>Unit Holders are permitted to switch from and to other funds managed by us provided that both funds are denominated in the same currency.</p> <p>Switching will be made at the prevailing net asset value per unit of the fund to be switched from on a Business Day when the switching request is received by us, subject to availability and any terms and conditions imposed by the intended fund, if any.</p> <p>There are no restrictions on the frequency of switching.</p> <p>Switching is treated as a withdrawal from one (1) fund and an investment into another fund. If you switch from a fund with a lower sales charge to a fund with a higher sales charge, you need to pay the difference in sales charge between the sales charges of these two (2) funds in addition to the switching fee. If you switch from a fund with higher sales charge to a fund with a lower sales charge, you do not need to pay the difference in sales charge between these funds.</p> <p>We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing.</p> <p><i>Note: Our distributors may have an earlier cut-off time for receiving applications in respect of any switching of Units. Please check with the respective distributors for their respective cut-off time.</i></p>
<b>Cooling-off Period</b>	Six (6) Business Days commencing from the date the application for Units is received by us.
<b>Dealing Cut-Off Time for Purchase, Redemption and Switching of Units</b>	<p>The dealing cut-off time is <b>3.30 p.m.</b> on a Business Day.</p> <p>Any application received on or after the cut-off time on a Business Day will be treated as having been received on the next Business Day and will be processed on the next Business Day based on the next Forward Pricing of the Fund.</p> <p><i>Note: Our distributors may have an earlier cut-off time for receiving applications in respect of any dealing in Units.</i></p>

TRANSACTION DETAILS	
	<i>Please check with the respective distributors for their respective cut-off time.</i>
<b>Processing of Application</b>	<p>Purchase request/application can be made on any <b>Business Day</b>. There is no restriction on the frequency of purchase.</p> <p>For any purchase request/application received via fax or e-mail notification by us as well as cleared funds received on or before the cut-off time of 3.30p.m. on a Business Day, the Units would be created based on the NAV per Unit as at the next valuation point after the request for purchase of Units is received and accepted by us. Any request/application received or deemed to have been received by us after this cut-off time would be considered as being transacted on the next Business Day.</p> <p><i>Note: Our distributors may have an earlier cut-off time for receiving purchase request/application. Please check with the respective distributors for their respective cut-off time.</i></p>
<b>Redemption of Units and Payment of Redemption Proceeds</b>	<p>Redemption request/application can be made on any <b>Business Day</b>. There is no restriction on the frequency of redemption.</p> <p>For any redemption request/application received or deemed to have been received via fax or e-mail notification by us on/or before the cut-off time of 3.30 p.m. on any Business Day, the Units would be cancelled based on the NAV per Unit as at the next valuation point after the request for redemption of Units is received and accepted by us. Any redemption request/application received or deemed to have been received by us after this cut-off time would be considered as being transacted on the next Business Day.</p> <p>However, if the total redemption amount for that Business Day exceeds 50% of the Fund's NAV, we reserve the right to pay the redemption proceeds to the Unit Holders within thirty (30) days from the day the redemption request/application is received by us.</p> <p>We shall remit redemption proceeds to the bank account held in the name of the Unit Holder(s).</p> <p>We will pay the redemption proceeds to Unit Holders within ten (10) calendar days after the request to redeem is received by us.</p> <p>Transaction costs such as charges for direct debit, if any, will be borne by the Unit Holders and set-off against the redemption proceeds.</p> <p><i>Note: Our distributors may have an earlier cut-off time for receiving redemption request/application. Please check with the respective distributors for their respective cut-off time.</i></p>
For both creation and redemption of Units, we shall not be held responsible for any delay or loss incurred in the event of:	

TRANSACTION DETAILS	
•	Real Time Electronic Transfer of Funds and Securities (RENTAS) experiencing problems;
•	Any remittance of funds that does not correspond with the request promptly;
•	Inaccurate details (including but not limited to identity card number and account number) provided by Unit Holders; or
•	Circumstances beyond our control or the Trustee's control.

## 6. RISKS RELATING TO THE FUND

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investment against all risks. The various asset classes generally exhibit different levels of risks. Please note that the returns of the Fund are not guaranteed.

The investments of the Fund carry risks and we recommend that you read the entire Information Memorandum to assess the risks of the Fund.

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

### 6.1 General Risks of Investing in the Fund

GENERAL RISKS	
<b>Returns Are Not Guaranteed</b>	Unit Holders should be aware that there is no guarantee of any returns, i.e. income distribution, by investing in the Fund. Unlike fixed deposits placed directly by the Unit Holders in any financial institution which carry a specific rate of return, the Fund does not provide a fixed rate of return.
<b>Market Risk</b>	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV. We will monitor the financial markets closely and act on any adverse news accordingly.
<b>Inflation Risk</b>	This is the risk that investors' investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
<b>Liquidity Risk</b>	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. This risk is mitigated by diversifying the investment in a wide range of investments and avoiding investments with poor liquidity.
<b>Management Risk</b>	This risk refers to our day-to-day management of the Fund which will impact the performance of the Fund. For example,

GENERAL RISKS	
	investment decisions undertaken by us, 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, we have put in place the implementation of internal controls and a structured investment process and operational procedures.
<b>Non-Compliance Risk</b>	This risk refers to the possibility that we may not follow the provisions set out in this Information Memorandum or the Deed or the laws, rules, guidelines or internal operating policies which governs the Fund. Non-compliance may occur directly due to factors such as human error or system failure and can also occur indirectly due to amendment on the relevant regulatory frameworks, laws, rules, and other legal practices affecting the Fund. This risk may result in operational disruptions and potential losses to the Fund. We aim to reduce this risk by placing stringent internal policies and procedures and compliance monitoring processes to ensure that the Fund is in compliance with the relevant fund regulations or guidelines.
<b>Loan Financing Risk</b>	This risk occurs when Unit Holders take a loan or financing to finance their investment. The inherent risk of investing with borrowed money or financed money includes Unit Holders being unable to service the loan repayments or financing instalments. In the event Units are used as collateral, the Unit Holder may be required to top-up his or her existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan or financing.

## 6.2 Specific Risks of the Fund

SPECIFIC RISKS	
<b>Market Risk</b>	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.
<b>Interest Rate Risk</b>	Interest rate risk refers to the impact of interest rate changes on the valuation of bonds. When interest rates rise, bonds prices generally decline and this may lower the market value of the Fund's investment in bonds. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, we will need to manage the bonds taking into account the coupon rate and time to maturity of the bonds.
<b>Credit and Default Risk</b>	Credit risk relates to the creditworthiness of the issuers of the securities 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

SPECIFIC RISKS	
	securities. In the case of rated securities, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a security either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the securities. This could adversely affect the value of the Fund.
<b>Liquidity Risk</b>	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.

### 6.3 Risk Management Strategy

RISK MANAGEMENT STRATEGY	
<b>Risk Management Strategy and Technique</b>	<p>Risk management is an integral part of our investment management process. In order to ensure that the Fund is managed in accordance with the Deed and the Guidelines, proper procedures and parameters are in place to manage the risks that are applicable to the Fund. Regular monitoring, reviews and reporting are also undertaken by us to ensure that the Fund's investment objective is met.</p> <p>The credit risks assumed are limited to bonds invested by the Fund and are mitigated via fundamental credit research. Limits to each exposure and the credit worthiness of the company invested in will be regularly monitored. Furthermore, we will also monitor the yield and duration structure of the fixed income portion to manage interest rate risk.</p> <p>Fixed Deposits shall be placed in any financial institution with a minimum single A rating by RAM, MARC or its equivalent rating by other recognised rating agencies. In the event that such rating is not available to the financial institutions, we shall depend on the rating given by RAM, MARC or other recognised rating agencies, to the holding company of the respective financial institutions, subject always to a minimum rating of single A.</p>

## 7. PRICING POLICY

PRICING OF UNITS	
<b>Forward Pricing</b>	We adopt a single pricing regime in calculating a Unit Holder's purchase and redemption of Units. This means that all purchases and redemptions are transacted on a single price (i.e. NAV per Unit). Unit Holders would therefore purchase and redeem Units at NAV per Unit. The Selling Price and Redemption Price for each Unit are based on Forward Pricing.



## PRICING OF UNITS

### Selling Price

The Selling Price of a Unit for the Fund is the NAV per Unit of the Fund at the next valuation point after the request to purchase Units is received by us (Forward Pricing). Any applicable sales charge shall be payable separately from the Selling Price of the Fund.

#### Calculation of Selling Price

Illustration - Sale of Units

#### *Example:*

If an investor wishes to invest RM1,000,000.00 in the Fund before 3.30 p.m. on 1 October 2020 and if the sales charge is 3.00% of the NAV per Unit of the Fund, the total amount to be paid by the investor and the number of Units issued to an investor will be as follows:

Assuming that the NAV per Unit of the Fund on 1 October 2020 = RM1.0000

Sales charge incurred

$$\begin{aligned} &= \frac{\text{Investment Amount}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)} \\ &= \frac{\text{RM1,000,000}}{1 + 3.00\%} \times 3.00\% \\ &= \text{RM29,126.21} \end{aligned}$$

Net investment amount

$$\begin{aligned} &= \text{Investment Amount} - \text{sales charge} \\ &= \text{RM1,000,000} - \text{RM29,126.21} \\ &= \text{RM970,873.79} \end{aligned}$$

Units credited to investor

$$\begin{aligned} &= \text{Net investment amount} / \text{NAV per Unit} \\ &= \text{RM970,873.79} / \text{RM1.00} \\ &= 970,873.79 \text{ Units} \end{aligned}$$

### Redemption Price

The Redemption Price of a Unit of the Fund is the NAV per Unit of the Fund at the next valuation point after the redemption request is received by us (Forward Pricing). We do not impose any redemption charge on the redemption of Units by the Unit Holders.

#### Calculation of Redemption Price

Illustration - Redemption of Units

#### *Example:*

If a Unit Holder wishes to redeem 250,000 Units from the Fund before 3.30 p.m. on 1 October 2020 and there is no redemption charge imposed, the total amount to be paid to the Unit Holder will be as follows:

PRICING OF UNITS	
	<p>Assuming that the NAV per Unit of the Fund on 1 October 2020 = RM1.0000</p> <p>Amount redeemed would be: 250,000 Units x RM1.000 = RM250,000.00</p> <p>Redemption charge would be: 0% x RM10,000 = RM0.00</p> <p>The total amount to be paid to the Unit Holder will be RM250,000.00 - RM0.00 = RM250,000.00</p> <p>Therefore, the Unit Holder will receive RM250,000.00 as redemption proceeds.</p>
<b>Incorrect Pricing</b>	<p>We shall ensure that the Fund and the Units of the Fund are correctly valued and priced according to the Deed and all relevant laws. Where there is an error in the valuation and pricing of the Fund and/or Units, any incorrect valuation and pricing of the Fund and/or Units which is deemed to be significant will involve the reimbursement of money in the following manner:</p> <p>(i) by us to the Fund; or</p> <p>(ii) by the Fund to Unit Holders and/or the former Unit Holders.</p> <p>However, reimbursement of money shall only apply if the error is at or above the significant threshold of 0.5% of the NAV per Unit and the amount to be reimbursed is RM10.00 (or its equivalent in foreign currency) or more.</p>

## 8. VALUATION POLICY AND VALUATION BASIS

VALUATION POLICY AND VALUATION BASIS	
<b>Valuation Point</b>	<p>The Fund must be valued at least once every Business Day. The valuation of the Fund will be carried out in a fair and accurate manner. The valuation point for the Fund is 5.30 p.m. every Business Day.</p> <p>The daily price of the Fund for a particular Business Day will be published on the following Business Day.</p>
<b>Valuation of Investment</b>	<p>The valuation bases of the permitted investments of the Fund are as follows:</p> <p>(a) <b>Bonds</b> shall be valued daily based on the mark to market price quoted by Bond Pricing Agency (“BPA”). Where such prices are not available or where we are of the view that the price quoted by the BPA for a specific bond differs from the market price by more than twenty (20) basis points, we may use the market price by reference to the last available quote, provided such quote was obtained within thirty (30) days and we record our basis for using a non-BPA price. Additionally, we shall obtain necessary</p>

**VALUATION POLICY AND VALUATION BASIS**

	<p>internal approvals to use the non-BPA price and shall keep an audit trail of all decisions and basis for adopting the market price.</p> <p>(b) <b>Promissory notes and bankers acceptance</b> shall be valued daily based on accretion to maturity value of the securities. <b>Negotiable certificates of deposits and negotiable instruments of deposits</b> will be valued each day based on the yield to maturity rate on the remaining tenure of the instruments using the interest rate swap quoted by Bank Negara Malaysia. In the event that the interest rate swap quoted by Bank Negara Malaysia is not available, the average of the interest rate swaps quoted by three (3) local financial institutions shall be deemed to be the most appropriate valuation to be referred to by us.</p> <p>(c) <b>Fixed Deposits</b> placed with financial institutions are valued daily by reference to the principal value of such investments and the interests accrued thereon for the relevant period.</p> <p>(d) <b>Money market instruments</b> 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. Investments in commercial papers and treasury bills are valued each day based on the price quoted by bond pricing agency (“BPA”) registered with the SC.</p>
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**9. PARTIES TO THE FUND**

PARTIES TO THE FUND	
<b>The Manager</b>	<p>We are a member of Malayan Banking Berhad Group (“Maybank Group”). We were established on 5 March 1997 following the corporatization of the Investment Department of Maybank Investment Bank Berhad (“MIB”). MIB, which was incorporated on 28 September 1973, is the investment banking arm of the Maybank Group. We are a holder of a Capital Markets Services Licence under the CMSA.</p> <p>As at LPD, we have over 30 years of experience including the period prior to our corporatization at MIB in managing investments ranging from equities, fixed income securities, money market instruments to unit trust funds and wholesale funds mainly on behalf of corporations, institutions, insurance and takaful companies and individuals.</p>
<b>Our Role as the Manager</b>	<p>We are responsible for the day to day management of the Fund in accordance with, amongst others, the provisions of the Deed, the CMSA, the relevant SC’s guidelines and our internal policies and for the development and implementation of appropriate investment strategies. The main tasks performed by us include:</p>

<b>PARTIES TO THE FUND</b>	
	<ul style="list-style-type: none"> <li>(a) selecting and managing investments of the Fund;</li> <li>(b) executing, supervising and valuing investments of the Fund;</li> <li>(c) conducting the sale and redemption of Units in the Fund;</li> <li>(d) issuing reports on the Fund's performance;</li> <li>(e) distributing income to Unit Holders; and</li> <li>(f) keeping proper records of the Fund.</li> </ul>
<b>Our Investment Team</b>	Our investment team formulates, establishes and implements investment strategies and policies. The investment team will review and monitor the success of these strategies and policies towards achieving a proper performance for the Fund. The investment team will also ensure investment guidelines and regulations are complied with. The investment team will meet at least once a month or more should the need arise.
<b>Designated Fund Manager</b>	Eeh Chong Ban
<b>The Trustee</b>	PB Trustee Services Berhad was incorporated on 24 August 1968 and commenced its operations on 22 January 1969, with its registered and business office at 17 <sup>th</sup> Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. The Trustee has an authorised share capital of RM1,050,000 and a paid-up share capital of RM525,000.
<b>Experience in Trustee Business</b>	The Trustee's experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include corporate bonds, writing of wills, management of estates, trusteeship for golf clubs, recreational clubs and time sharing schemes. The Trustee is also acting as a custodian in its capacity.
<b>Duties and Responsibilities of the Trustee</b>	The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders. In carrying out these functions and duties, the Trustee has to exercise all due care, skills, diligence and vigilance and is required to act in accordance with the provisions of the Deed, all relevant laws and the Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, all relevant laws and the Guidelines.
<b>Trustee's Statement of Responsibility</b>	The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.
<b>Trustee's delegate</b>	PB Trustee Services Berhad has delegated its custodian function for the Fund to Maybank Securities Services ("MSS"), a unit within Malayan Banking Berhad. MSS has been offering custody services for more than 30 years to both domestic and foreign investors. The custodian provides custody services

<b>PARTIES TO THE FUND</b>	
	including safekeeping, clearing and settlement, assets servicing and reporting.
<b>Trustee's Material Litigation and Arbitration</b>	As at LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.

## **10. SALIENT TERMS OF THE DEED**

### **10.1 Rights of the Unit Holders**

A Unit Holder has the right, amongst others:

- (a) to receive distribution of income (if any);
- (b) to participate in any increase in the value of the Units;
- (c) to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution;
- (d) to receive annual and quarterly reports of the Fund; and
- (e) to enjoy such other rights and privileges as provided in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the investments or assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such investments and assets.

### **10.2 Liabilities of Unit Holders**

No Unit Holder shall by reason of any provision of the Deed and the relationship created hereby between the Manager, the Trustee and the Unit Holders, or in any event whatsoever, 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.

A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee pursuant to this clause shall be limited to recourse to the Fund.

### **10.3 Termination of the Fund**

The Fund may be terminated or wound up if a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

### **10.4 Power to call for a Meeting by Unit Holders**

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed and/or the Guidelines.

The Unit Holders may apply to the Manager to summon a meeting for any purpose including without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund; or
- (d) giving to the Trustee such directions as the meeting thinks proper,

provided always that the Manager shall not be obliged to summon such a meeting unless an application has been received from Unit Holders holding amongst them collectively more than fifty per centum (50%) of the Units as at the date of the application.

Every question arising at any Unit Holders' 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 voting by show of hands every Unit Holder who is present in person or by proxy shall have one vote. Upon a voting by poll, every Unit Holder present in person or by proxy shall have one vote for every Unit held by him.

The quorum required for a meeting of Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy, provided always that the quorum for a meeting of the Unit Holders convened for the purpose of removing the Manager and/or the Trustee shall be such number of Unit Holders as shall amongst them collectively hold more than seventy-five per centum (75%) of the Units of the Fund as at the date of the notice of the meeting.

## 11. TAX

Unit Holders and/or the Fund, as the case may be, will bear any tax which may be imposed by the government or other authorities from time to time in addition to the applicable fees, charges and expenses stated in this Information Memorandum.

## 12. CUSTOMER INFORMATION SERVICE

Unit Holders can seek assistance on any issue relating to the Fund from our client servicing personnel at our office at 03 - 2297 7888 from 8.45 a.m. to 5.45 p.m. from Monday to Thursday and from 8.45 a.m. to 4.45 p.m. on Friday. Alternatively, Unit Holders may e-mail their enquiries to [mamcs@maybank.com.my](mailto:mamcs@maybank.com.my).

Alternatively, Unit Holders can contact:

- (i) Complaints Bureau, FIMM via:
  - Tel No: 03 - 2092 3800
  - Fax No: 03 - 2093 2700
  - email: [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - Online complaint form: [www.fimm.com.my](http://www.fimm.com.my)
  - Letter: Complaints Bureau  
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.
- (ii) Securities Industry Dispute Resolution Center (SIDREC) via:
  - Tel No: 03 - 2282 2280
  - Fax No: 03 - 2282 3855

- email: [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - Letter: Securities Industry Dispute Resolution Center  
Unit A-9-1  
Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur.
- (iii) Consumer & Investor Office, SC via:
- Tel No: 03 - 6204 8999 (*Aduan hotline*)
  - Fax No: 03 - 6204 8991
  - email: [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - Online complaint form: [www.sc.com.my](http://www.sc.com.my)
  - Letter: Consumer & Investor Office  
Securities Commission Malaysia  
No. 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur.

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