

# PROSPECTUS

## MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

(a unit trust constituted on 23 December 2013 in Malaysia)

PROSPECTUS ON MyETF MSCI MALAYSIA ISLAMIC DIVIDEND, AN EXCHANGE-TRADED FUND,  
PURSUANT TO THE LISTING OF ITS UNITS AT THE INITIAL ISSUE PRICE OF RM1.00 EACH  
ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

### Manager



i-VCAP Management Sdn Bhd  
(Company No. 792968-D)

### Trustee

**Deutsche Bank Group** 

Deutsche Trustees Malaysia Berhad  
(Company No. 763590-H)

### Principal Adviser and Placement Agent



CIMB Investment Bank Berhad  
(Company No. 18417-M)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

### Shariah Adviser



CIMB Islamic Bank Berhad  
(Company No. 671380-H)

### Participating Dealers



CIMB Bank Berhad  
(Company No. 13491-P)



**RHB Investment Bank Berhad**  
(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

### Selling Agents



CIMB Investment Bank Berhad  
(Company No. 18417-M)  
(A Participating Organisation of Bursa  
Malaysia Securities Berhad)



**KENANGA INVESTMENT BANK BERHAD**  
(Company No. 15678-H)  
(A Participating Organisation of Bursa  
Malaysia Securities Berhad)



**RHB Investment Bank Berhad**  
(Company No. 19663-P)  
(A Participating Organisation of Bursa  
Malaysia Securities Berhad)

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED  
BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 35.

This Prospectus is dated 27 February 2014

## **RESPONSIBILITY STATEMENTS**

This Prospectus has been reviewed and approved by the directors of *i*-VCAP Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading.

CIMB Investment Bank Berhad being the Principal Adviser, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering.

## **STATEMENTS OF DISCLAIMER**

The Securities Commission Malaysia has approved the issue of, offer for subscription or purchase, or issue an invitation to subscribe for or purchase Units in respect of the public offering and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The approval, and registration of this Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager responsible for the Fund and takes no responsibility for the contents in this Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Prospectus, 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 ANY DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

Admission to the Official List of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the invitation, the Fund or of its Units.

## **ADDITIONAL STATEMENTS**

Investors are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 248, 249 and 357 of the *Capital Markets and Services Act 2007*.

Securities listed on Bursa Malaysia Securities Berhad are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any person set out in Section 236 of the *Capital Markets and Services Act 2007*, e.g. directors and advisers, are responsible.

## **SHARIAH FUND STATEMENT**

The Fund offered in this Prospectus has been certified as being Shariah-compliant by the Shariah Adviser appointed for the Fund.

## LICENSING DISCLOSURE STATEMENT

The following is a statement required to be disclosed in this Prospectus under the Index Licence Agreement entered into between MSCI Inc. (the Index Licensor) and the Manager which became effective on 1 August 2012:

This Fund is not sponsored, endorsed, sold or promoted by MSCI Inc. (“**MSCI**”), any of its affiliates, any of its information providers or any other third party involved in or related to compiling, computing or creating any MSCI index (collectively, the “**MSCI Parties**”). The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by iVCAP Management Sdn Bhd. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of this Fund or any other person or entity regarding the advisability of investing in funds generally or in this Fund particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to this Fund or the issuer or the owners of this Fund or any other person or entity. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of this Fund or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this Fund to be issued or in the determination or calculation of the equation by or the consideration into which this Fund is redeemable. Further, none of the MSCI Parties has any obligation or liability to the issuer or owners of this Fund or any other person or entity in connection with the administration, marketing or offering of this Fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indexes from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or completeness or any MSCI index or any data included therein. None of the MSCI Parties makes any warranty, express or implied, as to results to be obtained by the issuer of the fund, owners of the fund, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI Index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties or merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Please refer to Section 4.3 on “RISK FACTORS” and Section 3.6.6 of this Prospectus for further information on the licensing conditions in relation to the Benchmark Index contained in the Index Licence Agreement.

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## TENTATIVE LISTING TIMETABLE

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The indicative timing of events leading up to the listing of the Units is set out below:

<b>Tentative Dates</b>	<b>Event</b>
27 February 2014	: Issuance/Publication of this Prospectus
27 February 2014, 10.00 a.m.	: Opening date and time for the Placement Subscription
12 March 2014, 5.00 p.m.	: Closing date and time for the Placement Subscription
18 March 2014	: Date of allotment to Placement Agent / Selling Agents
21 March 2014	: Tentative listing date

Units subscribed for under the Placement Subscription will be created by the third (3<sup>rd</sup>) Dealing Day from the closing date of the Placement Subscription Period. All Units created under the Placement Subscription will be deposited with Bursa Depository and transferred to and registered in the names of the Placement Agent and/or the Selling Agents. These Units will subsequently be credited into the CDS Accounts of the successful applicants by the Placement Agent and/or the Selling Agents prior to the listing date.

Investors are encouraged to apply early. Subject to the availability of Units, allocation of Units will be made to the investors prior to the Listing of the Fund, with due consideration given to the level of demand from the investors and the total number of Units seeded by the seeder. The Manager and Placement Agent reserve the right of final decision on the allocation of Units.

Subsequent to the Listing of the Fund on Bursa Malaysia Securities Berhad, the Participating Dealers may request for the creation of additional Units in accordance with the terms of the Participating Dealer Agreements.

**THE INDICATIVE TIMING SET OUT ABOVE IS SUBJECT TO CHANGE, WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE BOARD OF DIRECTORS OF THE MANAGER, i-VCAP MANAGEMENT SDN BHD, TOGETHER WITH THE PRINCIPAL ADVISER AND PLACEMENT AGENT, CIMB INVESTMENT BANK BERHAD, MAY IN THEIR ABSOLUTE DISCRETION, EXTEND THE CLOSING DATE FOR THE PLACEMENT SUBSCRIPTION.**

**IF THE CLOSING DATE FOR THE PLACEMENT SUBSCRIPTION IS EXTENDED, THE MANAGER TOGETHER WITH THE PRINCIPAL ADVISER WILL INFORM INVESTORS VIA THE FUND'S WEBSITE AT [www.myetf.com.my](http://www.myetf.com.my).**

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## DEFINITIONS

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In this Prospectus, the following words and expressions shall have the following meanings except where the context otherwise requires:

Act	:	Companies Act, 1965
Application	:	A Creation Application and/or Redemption Application, as the case may be
Application Cancellation Fee	:	The fee which may, at the discretion of the Manager, be charged to each Participating Dealer upon the cancellation of each Application as set out in Section 5.3 of this Prospectus
Authorised Securities	:	Any or all of the following: <ul style="list-style-type: none"><li>(i) Index Securities;</li><li>(ii) non-Index Securities which in the opinion of the Manager has a high correlation (i.e. positive correlation coefficient of at least 0.7) to one or more of the Index Securities that it is substituting; and</li><li>(iii) if the Manager is of the opinion there exists liquidity constraints with the Index Securities and/or non-Index Securities, one or more collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Fund as determined by the Manager</li></ul>
Benchmark Index	:	The MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index (or such other name by which the index may be known) provided by the Index Licensor or such replacement index as may be determined by the Manager in accordance with the Deed and as set out in Section 3.6.5 of this Prospectus
Board	:	Board of Directors of the Manager
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Cash Component	:	(i) The amount of cash to be paid per Creation Unit Block which forms part of the In-Kind Creation Basket; or  (ii) the amount of cash to be received per Redemption Unit Block which forms part of the In-Kind Redemption Basket,  as the case may be
Cash Subscription	:	The amount of cash to be paid by an applicant which shall be the Initial Issue Price, multiplied by the number of Units applied for in a Subscription Application made under the Placement Subscription
CDS Account	:	The central depository system account established at Bursa Depository for the recording of deposit of securities and dealing in such securities by the depositor
Central Depositories Act	:	Securities Industry (Central Depositories) Act, 1991



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## DEFINITIONS (cont'd)

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CIMB	:	CIMB Investment Bank Berhad (18417-M)
CIMB Islamic	:	CIMB Islamic Bank Berhad (671380-H)
CIS Prospectus Guidelines	:	Prospectus Guidelines for Collective Investment Schemes issued by the SC
Clearing House	:	Bursa Malaysia Securities Clearing Sdn Bhd (109716-D)
CMSA	:	Capital Markets and Services Act, 2007
Consideration	:	The price payable for Units applied for pursuant to:  (i) Subscription Application which shall be the Initial Issue Price multiplied by the number of Units applied for; or  (ii) Creation Application which shall be the Issue Price multiplied by the number of Units applied for,  as the case may be
Creation Application	:	An application by a Participating Dealer to the Manager for the creation of new Units in a Creation Unit Block (or whole multiples thereof) in exchange for the In-Kind Creation Basket
Creation Application Fee	:	The fee which may be charged by the Manager to the Participating Dealers on each Creation Application in addition to the Consideration and Transaction Costs, as set out in Section 5.1(i) of this Prospectus
Creation Securities	:	The Authorised Securities comprised in an In-Kind Creation Basket
Creation Unit Block	:	The quantity of Units which will be issued upon a successful Creation Application in respect of one (1) whole In-Kind Creation Basket. The size of a Creation Unit Block may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealers
Custodian	:	DBMB, being the custodian of the Fund Assets
DBMB	:	Deutsche Bank (Malaysia) Berhad (312552-W)
Dealing Day	:	Each Market Day during the continuance of the Fund, commencing on the closing date of the Placement Subscription Period, on which Bursa Securities is open for trading and/or such other day as the Manager may, in consultation with the Trustee, from time to time determine but shall not include a Market Day on which a force majeure event occurs or is continuing
Dealing Deadline	:	For the purposes of Creation Application(s) and/or Redemption Application(s), 2.00 p.m. on any particular Dealing Day or such other time as the Manager (in consultation with the Trustee) may from time to time determine and notified to the Participating Dealers

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## DEFINITIONS (cont'd)

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Deed	: The deed constituting the Fund dated 23 December 2013 as from time to time altered, modified or added to in accordance with the provisions therein contained and shall include any supplemental thereto executed in accordance with the provisions thereof entered into between the Manager and the Trustee
Distributable Income	: The Income available for distribution to Unit holders, after the income purification process and the deduction of all fees, costs and expenses incurred and chargeable to the Fund but shall exclude any realised capital gains or losses on the sale or disposal of the Fund Assets
DTMB	: Deutsche Trustees Malaysia Berhad (763590-H)
eDividend	: The service which was set up to allow the Manager and/or Trustee to electronically pay cash distributions directly into a Unit holder's bank account
ETF	: Exchange-traded fund
ETF Guidelines	: Exchange-Traded Funds Guidelines issued by the SC
Financial Institution	: (i) if the institution is in Malaysia: (a) institutions authorised to carry on banking business or investment banking business under the Financial Services Act 2013; or (b) institutions authorised to carry on Islamic banking business under the Islamic Financial Services Act 2013; or  (ii) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorised to provide financial services by the relevant banking regulator
Fund	: MyETF MSCI Malaysia Islamic Dividend
Fund Assets	: All the assets (including cash) held or deemed to be held upon trust by the Trustee pursuant to the Deed including Income but excluding any amount which has been allocated for distribution to Unit holders
GICS	: Global Industry Classification Standard
i-VCAP	: i-VCAP Management Sdn Bhd (792968-D)
In-Kind Creation	: The creation of new Units in Creation Unit Block(s) in exchange for In-Kind Creation Basket(s) delivered by a Participating Dealer
In-Kind Creation Basket	: The portfolio of Creation Securities and Cash Component (if any) determined by the Manager in respect of each Dealing Day, that must be delivered by a Participating Dealer pursuant to a Creation Application in exchange for one (1) Creation Unit Block
In-Kind Redemption	: The redemption of existing Units in Redemption Unit Block(s) delivered by a Participating Dealer in exchange for In-Kind Redemption Basket(s)
In-Kind Redemption Basket	: The portfolio of Redemption Securities and Cash Component (if any) determined by the Manager in respect of each Dealing Day, that will be received by a Participating Dealer pursuant to a Redemption Application in exchange for one

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## DEFINITIONS (cont'd)

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	(1) Redemption Unit Block
Income	: The net realised income of the Fund, comprising all profits, dividends and other distributions or income accrued in respect of the Fund Assets taking into account all or any part of the capital gains and losses realised on the sale or disposal of the Fund Assets as the Manager with the consent of the Trustee may, from time to time, determine to be treated as income of the Fund
Index Licence Agreement	: The index licence agreement dated 1 August 2012 entered into between the Index Licensor and the Manager
Index Licensor	: MSCI, the licensor of the Benchmark Index, who has the right to grant the Manager usage of the Benchmark Index
Index Securities	: The securities or interests issued by the companies that are included in the Benchmark Index from time to time or depository receipts that may be issued against such securities or interests
Indicative Optimum Portfolio Value per Unit or IOPV per Unit	: The estimated NAV per Unit of the Fund, calculated by the Manager in the manner as set forth in Section 6.6 of this Prospectus
Initial Issue Price	: The price at which Units are issued under the Placement Subscription which is fixed at RM1.00
Investment Committee	: Investment committee of the Fund
Islamic ETF	: An ETF which complies with Shariah
Issue Date	: In relation to Units applied for other than through the Placement Subscription, means the Trade Date on which a Creation Application for such Units is received or deemed received or such other day as may be agreed upon between the Manager and Trustee (on a general or case to case basis) and notified to the Participating Dealers and Trustee on which Units are to be issued/created
Issue Price	: The price per Unit at which Units are issued from time to time, based on the NAV per Unit, which shall be ascertained in accordance with the provisions set out in Section 6.6 of this Prospectus
Khazanah	: Khazanah Nasional Berhad (275505-K)
KWAP	: Kumpulan Wang Persaraan (Diperbadankan)
Latest Practicable Date	: 31 January 2014, being the latest practicable date prior to the registration of this Prospectus whereby the information disclosed shall remain relevant and current as at such date
Liabilities	: The outstanding liabilities, costs and expenses of the Fund including without limitation:  (i) unpaid administrative fees and expenses including the Management Fee and the Trustee Fee;

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**DEFINITIONS (cont'd)**

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- (ii) all fees and expenses and all duties, taxes, governmental charges, brokerage fees, transfer fees, or other charges or expenses incurred by the Manager and/or the Trustee in relation to or in connection with any transaction, dealing or instrument or as a consequence of such transaction, dealing or instrument;
- (iii) accrued charges in respect of or owing in relation to any Permitted Investments;
- (iv) any provision for tax which in the opinion of the Manager should be taken into account and such sum (if any) as estimated by the Manager to be paid or reclaimed in respect of taxation related to income and transactions prior to the relevant date;
- (v) the amount outstanding in respect of any financing permitted by applicable laws and the amount of any unpaid profit and expenses in respect thereof;
- (vi) any other cost or expenses payable but not paid which are expressly authorised by any of the provisions of the Deed to be payable out of the Fund Assets; and
- (vii) any other amounts required to meet liabilities or other expenditure which in the opinion of the Manager, with the approval of the Trustee, should be taken into account and which have not otherwise been taken into account in determining the amount of the liabilities in any of the preceding paragraphs of this definition.

Liabilities shall be treated as accruing from day to day where appropriate

- Listing : Admission to the Official List and the listing of and quotation for the Units on the Main Market of Bursa Securities
- Listing Requirements : The Main Market Listing Requirements issued by Bursa Securities
- Main Market : The Main Market of Bursa Securities
- Manager : i-VCAP, being the management company for the Fund
- Market Day : A day on which Bursa Securities is open for trading
- Management Fee : A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund as set out in Section 5.2 of this Prospectus
- MER : Management expense ratio which is the ratio of the sum of fees and the recovered expenses of the Fund to the average daily NAV of the Fund as set out below:

$$\frac{\text{Fees of the Fund} + \text{Recovered expenses of the Fund}}{\text{Average daily NAV of the Fund}} \times 100$$

where:

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**DEFINITIONS (cont'd)**

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	Fees of the Fund	=	All ongoing fees deducted or deductible directly from the Fund in respect of the period covered by the management expense ratio, expressed as a fixed amount, calculated on a daily basis. This would include the annual Management Fee, the annual Trustee Fee and any other fees deducted or deductible directly from the Fund;
	Recovered expenses of the Fund	=	All expenses recovered from or charged to the Fund, as a result of the expenses incurred by the operation of the Fund, expressed as a fixed amount. This should not include expenses that would otherwise be incurred by an individual investor (e.g. brokerage, tax and levies); and
	Average daily NAV of the Fund	=	The NAV of the Fund in respect of the period covered by the management expense ratio, calculated on a daily basis
MSCI	:		MSCI Inc.
MyETF MSCI Malaysia Islamic Dividend	:		The ETF as established by the Deed known as “MyETF MSCI Malaysia Islamic Dividend” or other name as the Manager may determine, subject to the approval of the relevant authority(ies)
NAV	:		Net asset value
NAV of the Fund	:		The value of all the Fund Assets less the value of all the Liabilities, at the Valuation Point. For the purpose of computing the annual Management Fee and annual Trustee Fee, the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day
NAV per Unit	:		The NAV of the Fund divided by the number of Units in issue, at the Valuation Point
Parent Index	:		MSCI Malaysia IMI Islamic Index, an index provided by MSCI, comprising the universe of securities from which the Benchmark Index is derived
Participating Dealers	:		CIMB Bank Berhad (13491-P), RHB Investment Bank Berhad (Company No. 19663-P) and/or any other person who has entered into a Participating Dealer Agreement in the form and substance acceptable to the Manager and Trustee
Participating Dealer Agreements	:		The agreements entered into between the Participating Dealers, the Manager and Trustee setting out, amongst others:  (i) the arrangements in respect of the creation and issue of Units and the redemption and cancellation of Units; and/or  (ii) the obligations of the Participating Dealers as liquidity providers
Perfect Basket	:		The portfolio of Index Securities in substantially the same composition and weighting as the Benchmark Index
Permitted Investments	:		The assets and instruments that the Fund is authorised to invest in as set out in Section 3.5.4(i) of this Prospectus

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## DEFINITIONS (cont'd)

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Placement Agent	:	Placement agent as appointed by the Manager
Placement Subscription	:	In-Kind Creation of Units via an offer for subscription through the Placement Agent or Selling Agents during the Placement Subscription Period
Placement Subscription Period	:	The period commencing at 10.00 a.m. on 27 February 2014 and ending at 5.00 p.m. on the closing date of the Placement Subscription, tentatively on 12 March 2014 provided that the closing date of the Placement Subscription Period must be a Dealing Day
PNB	:	Permodalan Nasional Berhad (38218-X)
PWC Taxation	:	PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M)
Redemption Application	:	An application by a Participating Dealer to the Manager for the redemption of existing Units in a Redemption Unit Block (or whole multiples thereof) in exchange for the In-Kind Redemption Basket
Redemption Application Fee	:	The fee which may be charged by the Manager to the Participating Dealers on each Redemption Application in addition to the Transaction Costs, as set out in Section 5.1(i) of this Prospectus
Redemption Date	:	In relation to Units applied for, means the Trade Date on which a Redemption Application for such Units is received or deemed received or such other day as may be agreed between the Manager and Trustee (on either a general or case by case basis) and notified to the Participating Dealers on which Units are to be redeemed/cancelled
Redemption Price	:	The price per Unit at which Units are redeemed from time to time, based on the NAV per Unit, which shall be ascertained in accordance with the provisions set out in Section 6.6 of this Prospectus
Redemption Securities	:	The Authorised Securities comprised in an In-Kind Redemption Basket
Redemption Unit Block	:	The quantity of Units which are required to be delivered to the Trustee upon a successful Redemption Application in respect of one (1) whole In-Kind Redemption Basket. The size of a Redemption Unit Block may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealers
Register	:	The register of Unit holders kept and maintained by the Manager or its appointed agent on the following basis:  (i) Units issued to the Unit holders;  (ii) Units redeemed by the Unit holders; and  (iii) records obtained from Bursa Depository annually, or on such other dates as may be determined by the Manager
Registrar	:	Symphony

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**DEFINITIONS (cont'd)**

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Ringgit Malaysia or RM	:	The lawful currency of Malaysia
SC	:	Securities Commission Malaysia
SC SAC	:	Shariah Advisory Council established by the SC under Section 18 of the Securities Commission Act, 1993
Selling Agents	:	Please refer to the details of Selling Agents as set forth in Section 17 of this Prospectus
Share Registry Services Agreement	:	The agreement entered into between the Manager and the Registrar dated 13 January 2009 in relation to the outsourcing of the registrar function
Shariah	:	The Islamic law, originating from the Qur`an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit)
Shariah Adviser	:	CIMB Islamic, being the Shariah adviser for the Fund
Shariah Investment Guidelines	:	Shariah investment guidelines established for the Fund and endorsed by the Shariah Adviser
Special Resolution	:	A resolution passed by a majority of not less than three-fourths (3/4) of the Unit holders voting at the meeting of Unit holders, provided that for the purposes of terminating or winding up the Fund, a special resolution is passed by a majority in number representing at least three-fourths (3/4) of the value of Units held by the Unit holders voting at the meeting of Unit holders
Subscription Application	:	An application for Units under the Placement Subscription through the Placement Agent or Selling Agents
Symphony	:	Symphony Share Registrars Sdn Bhd (378993-D)
Tax Adviser	:	PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M)
Trade Date	:	The Dealing Day on which the Manager receives a valid Application in accordance with the Deed and the Participating Dealer Agreements provided that if such valid Application is received after the Dealing Deadline, the next Dealing Day shall be the Trade Date
Transaction Costs	:	In relation to any particular transaction or dealing, means all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Fund Assets or the increase or decrease of the Fund Assets or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Fund Assets or otherwise which may have become or may be payable in respect of (whether prior to, upon or after the occasion of) any transaction or dealing
Trustee	:	DTMB, being the trustee for the Fund

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## DEFINITIONS (cont'd)

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Trustee Fee	:	A percentage of the NAV of the Fund that is paid to the Trustee, as set out in Section 5.2 of this Prospectus
Unit	:	An undivided interest in the Fund
Unit holder	:	Any person registered as holding a Unit in accordance with the provisions of the Deed
Valuation Point	:	At the official close of trading on Bursa Securities on each Dealing Day
Valuecap	:	Valuecap Sdn Bhd, the parent company of <i>i</i> -VCAP

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include companies and corporations, and a reference to a section is a reference to the relevant section of this Prospectus.

Any reference in this Prospectus to an enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted.

Any reference to a time or day in this Prospectus shall be reference to Malaysian time or day, unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to one or two decimal places, where appropriate. Percentage changes in this Prospectus have been calculated on the basis of relevant figures disclosed in the Prospectus, where applicable, which may be after rounding.

All the information set out in this Prospectus is presented as at the Latest Practicable Date, unless otherwise stated.

The information on the Fund's, the Manager's and the Index Licensor's websites or any website directly or indirectly linked to such websites is not incorporated by reference into this Prospectus and should not be relied on.



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## CORPORATE DIRECTORY

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<b>MANAGER</b>	:	i-VCAP Management Sdn Bhd (792968-D)
Registered/Business address	:	Level 9, Block B, HP Towers No. 12, Jalan Gelenggang Bukit Damansara 50490 Kuala Lumpur Malaysia  Tel. no.: (+603) 2093 7119 Fax no.: (+603) 2094 7119  E-mail: <a href="mailto:info@myetf.com.my">info@myetf.com.my</a> Website: <a href="http://www.myetf.com.my">www.myetf.com.my</a>
Board of Directors of the Manager <i>(Please refer to pages 58, 61 to 63 for profile of the Directors)</i>	:	Wan Kamaruzaman Bin Wan Ahmad <i>Chairman/Non-Independent Non-Executive Director</i>  Sharifatu Laila Binti Syed Ali <i>Non-Independent Non-Executive Director</i>  Hassan Bin Ibrahim <i>Independent Non-Executive Director</i>  Tunku Afwida Binti Tunku A. Malek <i>Independent Non-Executive Director</i>  Rosli Bin Abdullah <i>Independent Non-Executive Director</i>  Mahdzir Bin Othman <i>Chief Executive Officer/Non-Independent Executive Director</i>
Investment Committee <i>(Please refer to pages 62 and 64 for profile of the Investment Committee Members)</i>	:	Tunku Afwida Binti Tunku A. Malek <i>Chairman/Independent Member</i>  Hassan Bin Ibrahim <i>Independent Member</i>  Nik Amlizan Binti Mohamed <i>Non-Independent Member</i>  Shaharin Bin Md. Hashim <i>Non-Independent Member</i>
Board Audit and Risk Management Committee <i>(Please refer to pages 62 and 63 for profile of the Board Audit and Risk Management Committee Members)</i>	:	Rosli Bin Abdullah <i>Chairman/Independent Member</i>  Tunku Afwida Binti Tunku A. Malek <i>Independent Member</i>  Hassan Bin Ibrahim <i>Independent Member</i>

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**CORPORATE DIRECTORY (cont'd)**

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Company Secretary : Faten Hasmahah Khalid (MAICSA No. 7046180)  
Level 9, Block B, HP Towers  
No. 12, Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
Malaysia

Tel. no.: (+603) 2095 2813

**REGISTRAR** : Symphony Share Registrars Sdn Bhd (378993-D)  
Registered/Business address : Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor  
Malaysia

Tel. no.: (+603) 7841 8000  
Fax no.: (+603) 7841 8151 / 8152  
Helpdesk no.: (+603) 7849 0777

**TRUSTEE** : Deutsche Trustees Malaysia Berhad (763590-H)  
Registered/Business address : Level 20, Menara IMC  
8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

Tel no.: (+603) 2053 7522  
Email: [cisops.dtmb@db.com](mailto:cisops.dtmb@db.com)

**CUSTODIAN** : Deutsche Bank (Malaysia) Berhad (312552-W)  
(Trustee's Delegate)  
Registered address : Level 18, Menara IMC  
8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

Business address : Level 18-20, Menara IMC  
8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

Tel no.: (+603) 2053 6788  
Email: [dbmb-dcs.cs@db.com](mailto:dbmb-dcs.cs@db.com)  
Website: [www.db.com](http://www.db.com)

**SHARIAH ADVISER** : CIMB Islamic Bank Berhad (671380-H)  
Registered address : 13th Floor, Menara CIMB  
Jalan Stesen Sentral 2,  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Tel no.: (+603) 2261 8888

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**CORPORATE DIRECTORY (cont'd)**

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Business address : Level 34, Menara Bumiputra-Commerce  
11, Jalan Raja Laut  
50350 Kuala Lumpur  
Malaysia

Tel no.: (+603) 2619 1188

Fax no.: (+603) 2691 3513

**AUDITOR OF THE MANAGER AND THE FUND** : PricewaterhouseCoopers (AF1146)

Registered address : Level 15, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
PO Box 10192  
50706 Kuala Lumpur  
Malaysia

Business address : Level 10, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
PO Box 10192  
50706 Kuala Lumpur  
Malaysia

**TAX ADVISER** : PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M)

Registered address : Level 10, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
PO Box 10192  
50706 Kuala Lumpur  
Malaysia

Business address : Level 15, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
PO Box 10192  
50706 Kuala Lumpur  
Malaysia

**SOLICITOR** : Kadir Andri & Partners

Registered/Business address : Level 10, Menara BRDB  
285 Jalan Maarof  
Bukit Bandaraya  
59000 Kuala Lumpur  
Malaysia

**PRINCIPAL BANKER** : CIMB Islamic Bank Berhad (671380-H)

Registered address : 13th Floor, Menara CIMB  
Jalan Stesen Sentral 2,  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

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**CORPORATE DIRECTORY (cont'd)**

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Business address : Menara Bumiputra-Commerce  
11, Jalan Raja Laut  
50350 Kuala Lumpur  
Malaysia

**PRINCIPAL ADVISER /** : CIMB Investment Bank Berhad (18417-M)  
**PLACEMENT AGENT**

Registered address : 13th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Business address : 17th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

**SELLING AGENTS** : CIMB Investment Bank Berhad (18417-M)

Registered address : 13th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Business address : 17th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Registered/Business address : Kenanga Investment Bank Berhad (15678-H)  
8th Floor, Kenanga International  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Registered address : RHB Investment Bank Berhad (19663-P)  
Level 10, Tower One,  
RHB Centre  
Jalan Tun Razak,  
50400 Kuala Lumpur  
Malaysia

Business address : 21st Floor, Plaza OSK  
Jalan Ampang  
50450 Kuala Lumpur  
Malaysia

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**CORPORATE DIRECTORY (cont'd)**

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<b>PARTICIPATING DEALERS</b>	:	CIMB Bank Berhad (13491-P)
Registered address	:	13th Floor, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia
Business address	:	Menara Bumiputra-Commerce 11, Jalan Raja Laut 50350 Kuala Lumpur Malaysia
Registered address	:	RHB Investment Bank Berhad (19663-P) Level 10, Tower One, RHB Centre Jalan Tun Razak, 50400 Kuala Lumpur Malaysia
Business address	:	21st Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Malaysia
<b>INDEX LICENSOR</b>	:	MSCI Inc.
Registered/Business address	:	7 World Trade Center 250 Greenwich Street 49th Floor, New York NY 10007, USA
<b>LISTING SOUGHT</b>	:	Main Market of Bursa Securities

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## 1. INFORMATION SUMMARY

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This section is only a summary of salient information about the Fund. Investors should read and understand the whole Prospectus prior to making investment decisions and if necessary, consult their professional adviser(s).

### 1.1 Summary of the Fund

Item	Brief Description	Sections	Page number
Name of Fund	: MyETF MSCI Malaysia Islamic Dividend	Definitions and 3	ix,18
Category of Fund	: Shariah-compliant equity exchange-traded fund	3.1	18
Type of Fund	: Index tracking fund	3.1	18
Investment objective	: The Fund aims to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance.	3.4	19
Benchmark Index	: The MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index or such replacement index as may be determined by the Manager in accordance with the Deed and as set out in Section 3.6.5 of this Prospectus.	3.6	24
Investment policy and strategy	: The Fund is a passively managed fund. The Manager will generally adopt a replication strategy to manage the Fund.	3.5	19
Risk factors	: <b>Unit prices and distributions payable, if any, may go down as well as up.</b>	4	35

**For information concerning certain risk factors which should be considered by prospective investors, see "RISK FACTORS" in Section 4 of this Prospectus.**

The following is a non-exhaustive list of risks of investing in the Fund:

(a) General risks of investing in the Fund	4.1	35
(i) Returns and capital are not guaranteed		
(ii) Market risk		
(iii) Passive investment		
(iv) Tracking error risk		

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**1. INFORMATION SUMMARY (cont'd)**

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(v)	Concentration in a particular group of securities, industry or group of industries		
(vi)	Reliance on Participating Dealers		
(vii)	Price and liquidity risks		
(viii)	Units may trade at prices other than at the NAV per Unit of the Fund		
(ix)	Income distributions are contingent on dividends from the Fund Assets		
(x)	Trading in Units on Bursa Securities may be suspended or de-listed		
(xi)	Timing between pricing, issue and trading		
(xii)	Market disruption events and settlement disruption events		
(xiii)	Minimum creation and redemption size		
(xiv)	Legal and regulatory risk		
(xv)	Registration or cross-listing of the Fund in other markets		
(b)	Risk factors specific to the investment portfolio of the Fund	4.2	39
(i)	Concentration risk		
(ii)	Reclassification of Shariah-compliant securities		
(c)	Risk factors related to the Benchmark Index	4.3	39
(i)	Errors or inaccuracies in the Benchmark Index		
(ii)	Benchmark Index is subject to fluctuations		
(iii)	Composition of and weightings in the Benchmark Index may change		
(iv)	Licence to use the Benchmark Index may not be renewed		
(v)	Compilation of the Benchmark Index		

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**1. INFORMATION SUMMARY (cont'd)**

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Investor profile	: The Fund is designed for investors who wish to invest in a liquid financial instrument with an index-tracking feature that focuses on high dividend yielding Shariah-compliant companies listed on Bursa Securities. The Units may be used by investors seeking a medium-term (three (3) to five (5) years) to long-term (more than five (5) years) investment as well as those looking for short-term arbitrage opportunities.	3.1	18
Initial approved fund size	: 500 million Units	3.3	18
Initial Issue Price per Unit	: RM1.00	6.1	46
Offering of the Units prior to Listing	: During the Placement Subscription Period, interested investors may apply for Units by delivering the Cash Subscription to the Placement Agent or the Selling Agents. The minimum size of a Subscription Application under the Placement Subscription is 1,000 Units (or whole multiples thereof). Units will be issued at the Initial Issue Price to investors.	6.1	46
Purchase and sale of the Units upon Listing	: Investors may choose to: (a) apply through the Participating Dealers, for In-Kind Creation in a Creation Unit Block (or whole multiples thereof) or for In-Kind Redemption in a Redemption Unit Block (or whole multiples thereof). The fees and charges for creation and redemption of Units are as set out in Section 1.2(i)(a) of this Prospectus; or (b) purchase or sell Units in the secondary market on the Main Market of Bursa Securities. The fees and charges which may be incurred for trading of Units on Bursa Securities are as set out in Section 1.2(i)(b) of this Prospectus.	6.2	47
Creation/Redemption of Units	: (l) Creation of Units  Participating Dealers (either for their own accounts or for the accounts of their clients) can apply for creation of new Units via the delivery of In-Kind Creation Basket(s) in exchange for Units.	6.3 and 6.4	47,48



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**1. INFORMATION SUMMARY (cont'd)**

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	(II) Redemption of Units	6.3 and 6.5	47,51
	Participating Dealers (either for their own accounts or for the accounts of their clients) can apply for redemption of Units via the delivery of existing Units in exchange for In-Kind Redemption Basket(s).		
Creation/Redemption Unit Block	: Currently, 400,000 Units. This quantity may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealers.  Creation/Redemption of Units must be in a Creation/Redemption Unit Block (or whole multiples thereof).	6.4 and 6.5	48,51
Trading of Units on Bursa Securities	: Investors may trade (buy and sell) Units on the Main Market.	6.2 and 6.8	47,55
Trading board lot size	: 100 Units	6.2 and 6.8	47,55
Trading currency	: Ringgit Malaysia		
Financial year end of the Fund	: 31 December First financial year end of the Fund is 31 December 2014.		
Income distribution policy	: Annually, subject to the discretion of the Manager	3.8	32
Manager	: i-VCAP Management Sdn Bhd	7	57
Trustee	: Deutsche Trustees Malaysia Berhad	8	68
Shariah Adviser	: CIMB Islamic Bank Berhad	9	70

**Please refer to the relevant sections and pages of this Prospectus as set out above for additional information specific to the respective items on the Fund.**

Latest information and other important news on the Benchmark Index will be published on MSCI's website at [www.msci.com](http://www.msci.com) (on index ground rules and methodology) and the Fund's website at [www.myetf.com.my](http://www.myetf.com.my) (on end of day index values).

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**1. INFORMATION SUMMARY (cont'd)**

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**1.2 Fees, charges and expenses**

**There are fees involved and investors are advised to consider them before investing in the Fund. Please refer to Section 5 for further details on the fees, charges and expenses related to investing in the Fund.**

**(i) Direct fees and charges payable by an investor****(a) For creation and redemption of Units through the Participating Dealers**

All Creation Applications and Redemption Applications must be submitted to the Manager through a Participating Dealer and the creation and redemption of Units must be implemented in accordance with the terms and conditions set out in the Participating Dealer Agreements.

The fees and charges (excluding out-of-pocket expenses) to be paid by the Participating Dealers to the Manager and/or Trustee (which may be charged to the investor by the Participating Dealers) as set out in the Participating Dealer Agreements are as follows:

<b>Fees and charges</b>		<b>Description</b>
(a)	Creation/Redemption Application Fee	Currently RM100 per Creation/Redemption Unit Block (and subject to a maximum of RM1,000) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(b)	Creation/Redemption Application Cancellation Fee	Currently RM50 per Creation/Redemption Unit Block (and subject to a maximum of RM500) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(c)	Transaction Costs	The Manager may charge Transaction Costs (incurred by the Fund). This is to prevent the NAV of the Fund from being diluted by the Transaction Costs.
(d)	Other fees	The amount (other than Transaction Costs described above) that may be incurred by the Manager and/or the Trustee from time to time in relation to the Applications submitted by the Participating Dealers, which is charged by Bursa Depository.

## 1. INFORMATION SUMMARY (cont'd)

### (b) For trading of Units on Bursa Securities

This table describes the charges that a typical investor may incur (based on the charges set out by Bursa Securities as at the Latest Practicable Date, which may be varied from time to time) when an investor buys or sells Units on Bursa Securities:

Fees and charges	%/RM
Brokerage fee	A percentage of the transaction value prescribed by or negotiated with the authorised depository agents, subject to a minimum of RM40 per transaction.
Bursa Securities clearing fee	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction.
Stamp duty	RM1 for every RM1,000 or a fractional part of the transaction value (payable by both buyer and seller), subject to a maximum of RM200 per transaction.

Further information on the charges that an investor may incur from trading the Units on Bursa Securities can be found at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### (ii) Indirect fees and expenses payable by an investor

This table describes the fees and expenses that an investor may indirectly incur when an investor invests in the Fund:

Fees and expenses	%
Annual Management Fee	0.4% <sup>(1)</sup> per annum
Annual Trustee Fee	0.045% <sup>(1)</sup> per annum, subject to a minimum of RM12,000 per annum
Annual Index Licence fee	0.06% <sup>(1)</sup> per annum

**Note:**

<sup>(1)</sup> Calculated based on the NAV of the Fund, accrued daily. This fee is the current fee and is subject to such increase/variation as provided in Section 10.3 for Management Fee and Trustee Fee and Section 3.6.6(v) for index licence fee.

In addition, there will be other fees and/or expenses incurred by the Fund as described in Section 5.3.3 of this Prospectus.

All of the abovementioned fees and expenses shall be deducted from the Fund Assets.

The cost of establishment and listing of the Fund which include the following expenses will be borne by the Fund:

- (a) cost of preparation and publishing of this Prospectus;
- (b) professional and advisory fees; and

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## 1. INFORMATION SUMMARY (cont'd)

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(c) regulatory fees.

(collectively the "**Cost of Establishment of the Fund**").

The Cost of Establishment of the Fund shall be funded by the Manager upfront as and when they are incurred. Pursuant to the Deed, the Manager is allowed to charge this Cost of Establishment back to the Fund over a period of up to two (2) financial years from the date of this Prospectus, which shall not exceed RM500,000.

### 1.3 Minimum size for Subscription Applications

The minimum size of a Subscription Application submitted under the Placement Subscription during the Placement Subscription Period is 1,000 Units or whole multiples thereof. Units will be issued at the Initial Issue Price to investors.

### 1.4 Use of proceeds

The proceeds from the Placement Subscription will be utilised to acquire Perfect Baskets from the seeder as set out in Section 3.2 and Section 6.1 of this Prospectus.

### 1.5 Other information

The Deed is dated 23 December 2013 and has been entered into between the Manager and the Trustee.

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**2.1 What is an ETF?**

ETFs are essentially unit trust funds that are listed and traded on a stock exchange. They are open-ended with a unique in-kind creation and redemption mechanism supported by a system of participating dealers and liquidity providers. The main difference between ETFs and unit trust funds is the manner in which their units are bought and sold. ETFs are listed and therefore their units can be bought and sold anytime during stock exchange trading hours. Investors buy and sell ETF units through their stockbrokers rather than through unit trust agents or financial planners.

Unlike unit trust funds which are purchased or sold for cash, ETF units are generally issued via in-kind creation or redeemed via in-kind redemption through participating dealers. To effect an in-kind creation, the investor will contribute a basket of securities of the same type and proportion held by the ETF in return for new ETF units. Conversely, a redeeming investor will tender his ETF units in return for a basket of securities of the same type and proportion held by the ETF pursuant to an in-kind redemption. However, some ETFs may permit cash creation or redemption where a portion of or the entire basket of securities may be substituted with cash. Participating dealers, who act as intermediary between investors and the ETF for creation and redemption of units, may also function as, or work with, appointed liquidity providers to supply new units to investors or buy up excess supply from investors on the stock exchange.

Similar to unit trust funds in many countries, the assets of an ETF are required by regulations to be placed under the custody of an approved trustee.

There are 2 types of ETFs i.e. passively managed index funds and actively managed funds. For passively managed index funds, fund management companies do not pick securities based on fundamental analysis or aim to outperform the market by timing the purchase or disposal of securities. Instead, such management companies aim to track the performance of a benchmark index to ensure a high correlation and low tracking error between the benchmark index and the fund. In return, the management fees for passively managed index funds are usually lower than the management fees charged by actively managed funds.

**2.2 What are the differences between an Islamic ETF and a conventional ETF?**

An Islamic ETF tracks a benchmark index comprising of Shariah-compliant securities as opposed to a conventional ETF which may track any benchmark index. Islamic ETFs are also required to appoint a Shariah adviser and comply with the Shariah investment guidelines established and endorsed by the Shariah adviser. Regular review and audit of an Islamic ETF is also carried out by the Shariah adviser to ensure strict compliance with Shariah.

**2.3 Who are the parties to an Islamic ETF?**

The following are the parties to an Islamic ETF and their respective duties and responsibilities:

**(i) The management company**

The management company is obliged under the deed, the CMSA, the ETF Guidelines and other applicable laws to administer an Islamic ETF in an efficient and effective manner, as well as to ensure the fund is managed in accordance with Shariah under the guidance of a duly appointed Shariah adviser. In addition, the management company must ensure a high standard of integrity and fair dealing in managing the fund in the interests of the holders and employ the resources and procedures necessary for the proper performance of the fund. It must also take all necessary steps to ensure that the assets of the fund are adequately protected and properly segregated. The management company is independent of the trustee and is required to observe high standards of corporate governance.

The management company must ensure that the management of the fund is consistent with the fund's investment objective, the deed, the ETF Guidelines and other applicable laws, internal investment restrictions and policies, and acceptable and efficacious investment management practices within the unit trust industry. This is normally administered through the investment committee set up by the management company for the fund. Nevertheless, the investment management function (or part thereof) may be delegated to an external fund management company, subject to the prior approval of the SC and in accordance with the provisions of the ETF Guidelines.

**(ii) The investment committee**

The powers and duties of the investment committee include formulating and monitoring the implementation by the management company of appropriate investment management strategies for the fund and the measurement and evaluation of the performance of the management company.

**(iii) The Shariah adviser**

The Shariah adviser, being experts in Shariah matters, is appointed by the management company to provide expertise and guidance to the fund in respect of its structure, investment process and in all matters pertaining to Shariah. In addition, the Shariah adviser must ensure that the fund is administered and managed in strict compliance with Shariah. A report to certify the Islamic ETF's compliance with Shariah will be prepared by the Shariah adviser and included in the fund's annual and interim reports.

**(iv) The trustee**

The trustee is obliged under the deed, the CMSA and the ETF Guidelines to act as the custodian for all the assets owned by the fund and safeguard the interests of the unit holders. In performing these functions, the trustee must exercise due care and vigilance in ensuring that the management company administers the

fund in accordance with the objectives of the fund and adheres strictly to the provisions of the deed, the CMSA, the ETF Guidelines and other relevant laws.

**(v) The participating dealer**

A participating dealer's role is to perform or facilitate in-kind creation and redemption. This is done by assembling the in-kind creation basket and tendering it to the management company and trustee for creation of new ETF units or by accumulating the redemption aggregate number of ETF units and tendering it to the management company and trustee for in-kind redemption. A participating dealer may perform this function for itself or at the request and on behalf of third parties (usually their clients).

Participating dealers are usually financial market intermediaries that are participants of settlement and clearing systems for the underlying securities and the ETF units.

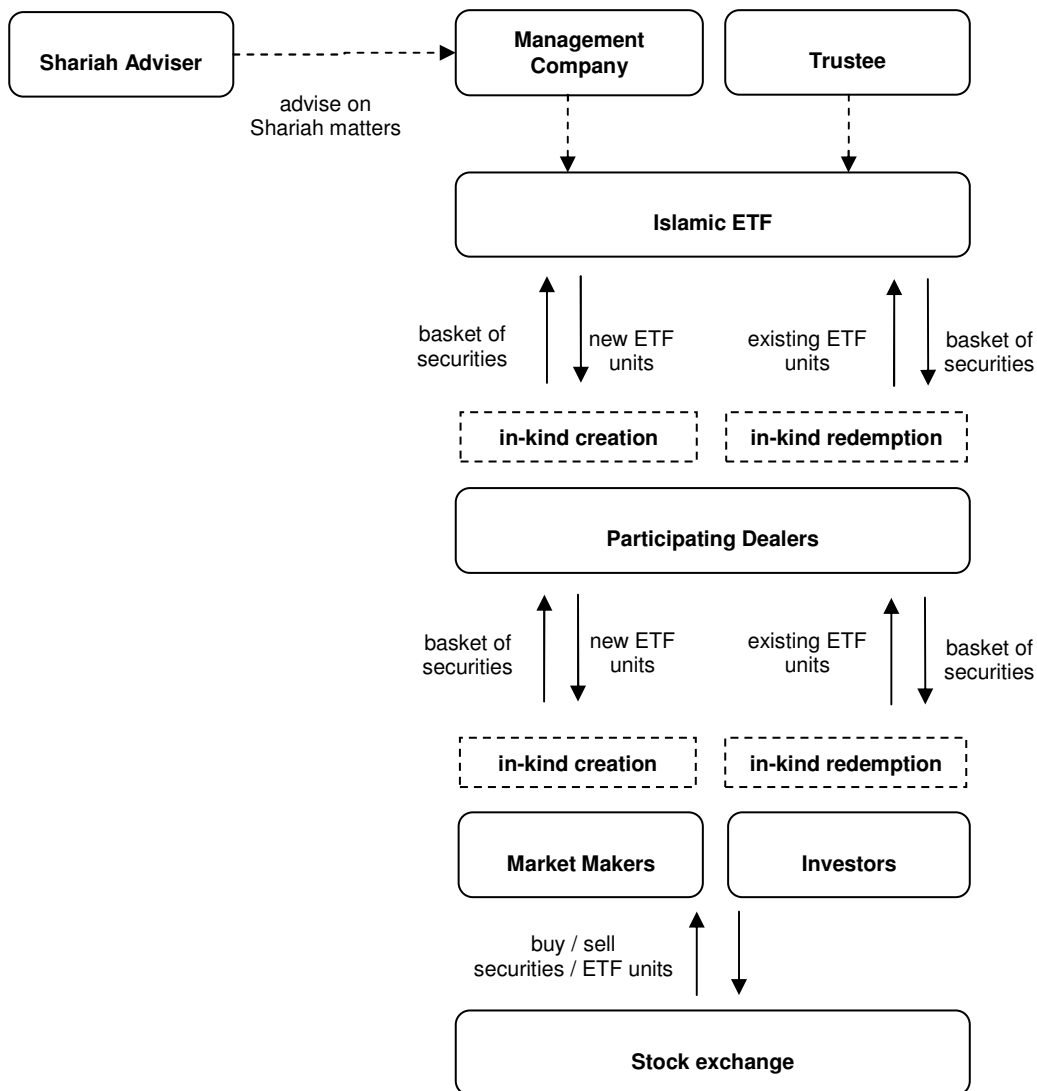
**(vi) The market maker/liquidity provider**

A liquidity provider's role is to provide trading liquidity for the listed ETF units. They are appointed by the management company and are normally required to be present in the market for a specified percentage of market trading hours and to quote a bid-ask price within a certain spread in at least the specified minimum sizes. Obligations of a liquidity provider may be lifted under a varied number of circumstances ranging from unusual market volatility to political turmoil.

Liquidity providers are usually financial market intermediaries that are already actively trading and dealing in the underlying securities market.

2.4 How does an Islamic ETF work?

The following diagram depicts the basic structure of an Islamic ETF:



Investors buy and sell the ETF units on the stock exchange.

Liquidity providers are appointed to provide liquidity for the ETF units. They do this by buying up excess supply and offering new units to fulfill demand on the market. Where market demand exceeds natural market supply, liquidity providers assemble in-kind creation baskets by buying the underlying securities from the stock exchange, forwarding the basket of securities to participating dealers and onwards to the management company or trustee for in-kind creation and issue of the new ETF units. These new units are then offered to the market to fulfill demand.

When there is excess supply of the ETF units on the market as in cases of a general “bear sentiment”, liquidity providers will buy up the excess supply and tender redemption unit blocks in exchange for the in-kind redemption basket of securities. These securities are then sold on the stock exchange to recoup the cost of buying up the excess supply of ETF units.

In many cases, participating dealers also serve as liquidity providers or market makers.



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## 2. AN INTRODUCTION TO ISLAMIC ETFs (cont'd)

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Investors may also assemble the in-kind creation basket but must make creation applications through participating dealers. Such creation applications must be in creation unit block sizes.

These activities regulate the supply of the ETF units in the market, which in turn helps to regulate the trading price. With this, ETF units are expected to trade near their NAV most of the time.

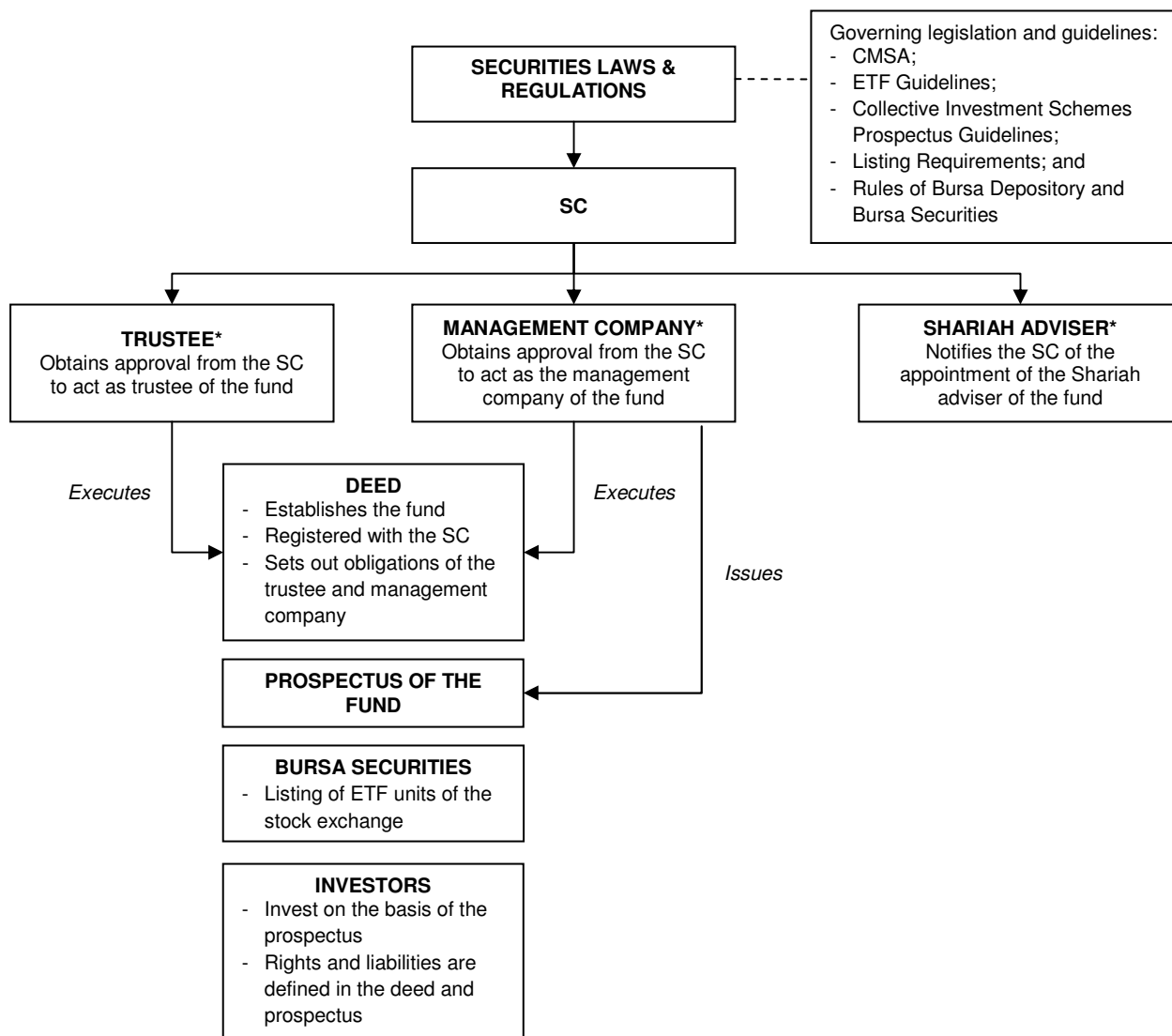
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**2. AN INTRODUCTION TO ISLAMIC ETFs (cont'd)**

**2.5 How is an Islamic ETF regulated in Malaysia?**

The establishment, operation and listing of Islamic ETFs in Malaysia are subject to the provisions and requirements of the CMSA, ETF Guidelines, CIS Prospectus Guidelines, Listing Requirements, and rules of Bursa Depository and Bursa Securities. The management company and trustee appointed in relation to an Islamic ETF are required by regulations to execute a deed which is registered with the SC. In addition, the appointment of the management company and trustee, are subject to the prior approval of the SC.

The Malaysian regulatory environment for an Islamic ETF is depicted below:



\* Management company, trustee and Shariah adviser must be independent of each other, unless otherwise approved by the SC

**2.6 What are the benefits and risks?****(i) The benefits of investing in an ETF include the following:****(a) Diversification**

Each ETF unit replicates the performance of a benchmark index. It is intended to provide investors with similar diversification benefits to holding the benchmark index's many constituent securities without having to invest in each of the securities directly.

**(b) Lower expense ratio**

As a passively managed fund, an ETF typically incurs lower management fees and lower transaction costs as compared to an actively managed fund, which generally result in lower all-in expenses charged to investors.

**(c) Tradability**

ETF units can be bought and sold at anytime during trading hours of the stock exchange. They are traded through a regular brokerage account and settled like ordinary shares. This gives investors more flexibility than conventional unit trust funds.

**(d) Lower transaction cost**

ETF units are bought and sold at the same transaction costs as those charged for trading shares on Bursa Securities. In comparison, the buying and selling of conventional unit trusts are subject to transaction costs which are generally higher due to the management company's pricing spread which includes the distributor's commission.

**(e) Transparency**

ETF prices are disseminated throughout trading hours on the stock exchange. Also, the constituent securities of the index which the ETF tracks are normally published on the fund or index provider's websites.

**(ii) The general risks of investing in an ETF include, but are not limited to, the following:****(a) Market risk**

An ETF is exposed to the economic, political, currency, legal and other risks of the specific sector or market related to the index that the ETF tracks. As a result, the price of ETF units may go up or down and the income of the ETF may be affected. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise.

**(b) Tracking error**

Although the main objective of an ETF is to track the performance of its benchmark index, the ETF's performance may deviate from the performance of the benchmark index. This may be due to factors which include deviation of returns between the ETF's portfolio holdings and those of the benchmark index and the fees and expenses incurred by the ETF.

**(c) ETF units may trade at a discount or premium to NAV per unit of the ETF**

The trading price of the units on Bursa Securities may be lower or higher than the NAV per unit of the ETF. Whilst the NAV per unit of the ETF reflects the market value of the deposited property of the funds, the trading price of the ETF units will be dependent upon, without limitation, the level of supply and demand for the ETF units, economic conditions in Malaysia and investors' confidence in the Malaysian stock market. In mitigation, creations or redemptions by participating dealers are expected to reduce any significant discount or premium of the ETF units' traded price to the NAV per unit of the ETF.

**(d) Passive investment**

The main objective of an ETF is to track the performance of its benchmark index. In this passive management strategy, the management company does not try to outperform the benchmark index and does not seek temporary defensive positions when markets decline. Accordingly, a fall in the benchmark index would result in a corresponding fall in the NAV of the ETF. The movement of the overall equity market may not necessarily affect the movement of the benchmark index and the NAV of the ETF.

**(e) Liquidity risk**

The listing of an ETF does not guarantee that there will be an active trading market for it. There is no certain basis for predicting the volume in or actual prices at which the ETF units will trade. However, participating dealers/liquidity providers appointed for the ETF are expected to provide liquidity for the ETF units.

**(iii) Investing in an Islamic ETF is subject to the following additional benefit and risk:**

The benefit of an Islamic ETF is its conformity to Shariah, which is important to Muslim investors. As for other investors, an Islamic ETF provides them with an avenue to invest in an ethical fund.

However, an Islamic ETF only invests in accordance with the Shariah investment guidelines established by the Shariah adviser of the fund which must comply with the SC SAC's Shariah criteria. If any of the constituent securities of the benchmark index subsequently do not comply with the Shariah investment guidelines of the fund, the management company will dispose these securities, and the fund may potentially suffer losses as a result. Furthermore, constituent

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## 2. AN INTRODUCTION TO ISLAMIC ETFs (cont'd)

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securities which do not comply with the Shariah investment guidelines of the fund may be added to the benchmark index by the index provider during its review. As a result, the fund may not be able to closely track the benchmark index as it would not be able to invest in these constituent securities.

### 2.7 Comparison between investing in an Islamic ETF and other parallel Islamic investment funds

Parallel Islamic investment funds include unlisted Islamic unit trust funds and listed Islamic closed-end funds. The returns and risk profiles of these funds should not differ significantly to an Islamic ETF if their investment objectives are similar.

### 2.8 For whom are Islamic ETFs most suitable?

Islamic ETFs are suitable for investors who are searching for a low cost passive approach to investing in an equity portfolio which comprises Shariah-compliant companies. Islamic ETFs can either be used for long-term investment, as an asset allocation tool, or as a flexible intra-day trading instrument. An Islamic ETF is an easy way for investors to gain diversified exposure to a portfolio of Islamic securities through one instrument.

### 2.9 Fees and charges

The fees and charges in relation to investing in an Islamic ETF include, but are not limited to, the following:

- (i) Direct fees and charges to an investor : Brokerage fee, clearing fee and stamp duty
- (ii) Indirect fees and charges to an investor : Management fee, trustee fee, index license fee and other fund expenses

Creation and redemption of ETF units must be made through participating dealers. When making a creation/redemption, participating dealers are charged creation/redemption application fees, creation/redemption application cancellation fees and other transaction costs, which may be passed back to the investors.

### 2.10 Management expense ratio

The management expense ratio or simply known as the MER is a ratio of the inherent costs incurred in operating an Islamic ETF such as the management fee, trustee fee, index license fee and other fund expenses, to an Islamic ETF's average daily NAV calculated based on the following formula:

$$\text{MER} = \frac{\text{Fees of the ETF} + \text{recoverable expenses of the ETF}}{\text{Average daily NAV of the ETF}} \times 100$$

Generally, the larger the size of an Islamic ETF, the lower the MER would be due to economies of scale. This ratio is useful in comparing this type of investments with other similar investments in terms of costs.

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## 2. AN INTRODUCTION TO ISLAMIC ETFs (cont'd)

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### 2.11 Performance measures and benchmarks

As set out in Section 2.1 above, ETFs may be passively managed index funds or actively managed funds.

In assessing the performance of actively managed funds, traditional measures of performance such as percentage returns, whether rolling or for a fixed period, are appropriate measures to indicate investment gains or losses and to compare relative performance amongst funds with similar investment objective, strategy, risk profile, etc.

Unlike actively managed funds, fund management companies of passively managed index funds such as the Fund do not judge the merits of their investments via economic, financial or market analysis and do not take defensive positions in times of market decline. As a result, percentage returns and volatility measures may not be suitable indicators of the performance of passively managed index funds. Instead, more appropriate performance indicators such as correlation which measures the strength of relationship between the movement of the fund and the benchmark index, and tracking error which measures the deviation of the movement of the fund from the benchmark index are used to evaluate the performance of passively managed index funds.

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### **3. DETAILED INFORMATION OF THE FUND**

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#### **3.1 Introduction to the Fund**

MyETF MSCI Malaysia Islamic Dividend is a unit trust constituted under Malaysian laws and established under the Deed. The Units of MyETF MSCI Malaysia Islamic Dividend will be listed on the Main Market of Bursa Securities and traded like shares of a listed company. The parties to the Deed are the Trustee and the Manager. A copy of the Deed is available for inspection by Unit holders and potential investors at the registered office of the Manager.

MyETF MSCI Malaysia Islamic Dividend aims to provide investment results that closely correspond to the performance of the Benchmark Index, which is a price return index comprising 16 to 30 Shariah-compliant securities listed on Bursa Securities, with higher than average dividend yield that are deemed both sustainable and persistent by MSCI.

The Manager will seek to track the performance of the Benchmark Index by investing all or a substantial portion of the Fund Assets in the constituents of the Benchmark Index in substantially the same weightings as they appear in the Benchmark Index.

The Fund is designed for investors who wish to invest in a liquid financial instrument with an index-tracking feature that focuses on high dividend yielding Shariah-compliant companies listed on Bursa Securities. The Units may be used by investors seeking a medium-term (three (3) to five (5) years) to long-term investment (more than five (5) years) in the constituent companies of the Benchmark Index as well as those looking for short-term arbitrage opportunities arising from the discrepancy between the NAV per Unit and the trading prices of the Units.

MyETF MSCI Malaysia Islamic Dividend is not like other typical unit trust funds offered to the public in Malaysia. Only Participating Dealers may create or redeem Units directly from the Fund at the NAV of the Fund in Creation or Redemption Unit Blocks (or whole multiples thereof). All other investors may purchase and sell Units on Bursa Securities or create and redeem Units through a Participating Dealer, subject to such terms and conditions as may be imposed by the Participating Dealers.

#### **3.2 Commitment to subscribe**

iVCAP has obtained the commitment of Valuecap (referred to as the “**Seeder**”) to undertake the initial in-kind creation of the Units for the Fund by contributing the Index Securities comprised in a Perfect Basket.

The Seeder has committed to contribute the Perfect Baskets for the in-kind creation of up to RM20 million. A portion of these Perfect Baskets will be set aside for the creation of Units and made available to the public during the Placement Subscription Period. Further details of the Placement Subscription during the Placement Subscription Period are set out in Section 6.1 of this Prospectus.

#### **3.3 Listing of the Fund**

Bursa Securities’ approval for the admission to the Official List of Bursa Securities and the listing of and quotation for up to 500 million Units on the Main Market was obtained on 9 January 2014.

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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The admission to the Official List of Bursa Securities and the listing of and quotation for the Units on the Main Market of Bursa Securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Units issued have been duly credited into the CDS Accounts of and notices of allotment have been dispatched to the Selling Agents/Placement Agent. Upon Listing, the Units will trade in board lots of 100 Units. Admission to the Official List of the Main Market shall not be taken as an indication of the merits of the Fund, the Units or the Placement Subscription.

**Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Units as prescribed securities. In consequence thereof, the Units will be deposited directly with Bursa Depository and any dealings in the Units will be carried out in accordance with the Central Depositories Act and the rules of Bursa Depository.**

#### 3.4 Investment objective of the Fund

MyETF MSCI Malaysia Islamic Dividend aims to provide investment results that closely correspond to the performance of the Benchmark Index regardless of its performance.

The Manager attempts to achieve an absolute value of tracking error of less than 3% between the NAV of the Fund and the Benchmark Index.

**Any material amendments to be made to the investment objective of the Fund would require a resolution passed by not less than two-thirds of all the Unit holders at a Unit holders' meeting held in accordance with the Deed.**

**There is no guarantee or assurance that the performance of the Fund will be an exact or identical replication of the performance of the Benchmark Index at any time.**

#### 3.5 Investment policy of the Fund

##### 3.5.1 Investment approach

The Fund is not an actively managed investment fund where considerable discretion is involved in the buying and selling of securities based on the Manager's economic, financial and market analysis and investment judgment. Instead, the role of the Manager is essentially passive. The responsibility of the Manager is to deliver an investment performance which reflects the performance of the Benchmark Index.



**3.5.2 Investment strategy**

The Manager will generally adopt a replication strategy to manage the Fund. The Manager may use techniques including indexing via full or partial replication in seeking to achieve the investment objective of the Fund, subject to conformity with Shariah.

**(i) Full replication technique**

Under the full replication technique, the Manager will ensure (insofar as practicable and in accordance with the provisions of the Deed) that the Fund Assets comprise only, or substantially only of interest in the Index Securities in substantially the same weightings as they appear in the Benchmark Index.

However, a partial replication technique may be adopted if the Manager believes that the full replication technique is not the most efficient method to track the Benchmark Index.

**(ii) Partial replication technique**

Under the partial replication technique, the Manager will invest in a representative sample of securities selected by the Manager using amongst others, a quantitative analytical model in a technique known as "portfolio sampling". Non-Index Securities may be held by the Fund when using the partial replication technique. However, such non-Index Securities will be expected to have a high level of correlation (i.e. positive correlation coefficient of at least 0.7) with the Index Securities they are substituting and must be constituents of the Parent Index, ensuring that they have passed the necessary Shariah and liquidity screenings.

If the Manager is of the opinion that there is liquidity constraints with the Index Securities and/or non-Index Securities, the Fund may invest in one or more collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Fund, as determined by the Manager.

**3.5.3 Compliance with Shariah Investment Guidelines**

As the Fund is designed as an Islamic ETF, it will comply strictly with the Shariah Investment Guidelines that has been established and endorsed by the Shariah Adviser. The Shariah Investment Guidelines covers the Fund's investments as well as its operational and administrative matters in relation to Shariah.

The Shariah Investment Guidelines is formulated based on the MSCI Islamic Index Series Methodology adopted by the MSCI Shariah Supervisory Committee and rulings issued by the SC SAC.

Further details of the Shariah Investment Guidelines are set out in Section 3.7 of this Prospectus.

**3.5.4 Investment scope****(i) Permitted investments**

The Manager is authorised to invest in the following types of assets and instruments subject to the investment restrictions set out in Section 3.5.5 below. Notwithstanding that, the Manager is only allowed to invest in securities which comply with the Shariah Investment Guidelines which have been established and endorsed by the Shariah Adviser. As such, the Fund's investment portfolio will only comprise securities which have been classified as Shariah-compliant by the SC SAC.

- (a) Authorised Securities which includes any or all of the following:
  - i. Index Securities;
  - ii. non-Index Securities which in the opinion of the Manager has a high correlation (i.e. positive correlation coefficient of at least 0.7) to one or more of the Index Securities that it is substituting;
  - iii. if the Manager is of the opinion there exists liquidity constraints with the Index Securities and/or non-Index Securities, one or more collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Fund as determined by the Manager;
- (b) liquid assets (i.e. cash and cash equivalents); and
- (c) any other investments permitted by the SC from time to time.

If any of the Index Securities do not comply with the Shariah Investment Guidelines, the Manager may:

- (a) rebalance the Fund's portfolio by investing in the remaining Index Securities which comply with the Shariah Investment Guidelines;
- (b) replace the relevant Index Securities by investing in non-Index Securities that comply with the Shariah Investment Guidelines and have high correlations to the Index Securities that they are substituting; or
- (c) invest in liquid assets (i.e. cash and cash equivalents),

subject always to the investment scope and restrictions of the Fund.

**(ii) Asset allocation**

As a general rule, the Fund will adhere to the following asset allocation:

- (a) at least 90% in Authorised Securities; and

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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- (b) not more than 10% in liquid assets (i.e. cash and cash equivalents).

The Fund's investment scope may include securities and investments other than Authorised Securities in order to facilitate the Fund's portfolio rebalancing activities.

The securities and investments other than Authorised Securities may include:

- (a) securities received by or distributed to the Fund by way of dividend-in-specie, capital distribution or any other distribution; and
- (b) former Index Securities i.e. securities which were formerly but have ceased to be Index Securities. Such former Index Securities will only be held for such period after they cease to be Index Securities as the Manager, in consultation with the Trustee, determines necessary to dispose of and replace or substitute such former Index Securities.

#### 3.5.5 Investment restrictions

The investment restrictions imposed upon the Manager are as follows:

- (i) the Fund may invest in units/shares in other collective investment schemes ("**Target Fund**") provided that the investment must not exceed 20% of the NAV of the Fund based on the most up-to-date value of the Fund Assets and such Target Fund must:
  - (a) be regulated by a regulatory authority;
  - (b) where the Target Fund is constituted in Malaysia, be approved by the SC;
  - (c) where the Target Fund is constituted outside of Malaysia, be registered, authorised or approved by the relevant regulatory authority in its home jurisdiction; and
  - (d) operate on the principle of prudent spread of risk and its investments do not diverse from the general investment principles of the ETF Guidelines.

Where the Fund invests in Target Funds operated by the Manager or its related corporation, the Manager must ensure that:

- (a) there is no cross-holding between the Fund and the Target Fund;
- (b) all initial charges on the Target Fund are waived; and

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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- (c) the management fee must only be charged once, either at the Fund or the Target Fund.
- (ii) The Fund may not invest in derivatives.
- (iii) The Fund may not make investments in foreign markets.
- (iv) The Fund may not borrow cash or other assets (including borrowing of securities within the meaning of the Guidelines of Securities Borrowing and Lending issued by the SC) in connection with its activities.
- (v) Subject to the Shariah Adviser's approval, the Fund may participate in the lending of securities within the meaning of the SC's Guidelines on Securities Borrowing and Lending but subject to the following conditions:
  - (a) the Manager shall have appropriate policies and practices for the lending of securities of the Fund;
  - (b) the terms of the securities lending agreement, including the fees receivable and the treatment of any dividend or profit due to the securities on loan, shall be acceptable to the Trustee on the advice of the Manager;
  - (c) the counterparty to the agreement, in terms of risks and exposure and credit standing, shall be acceptable to the Trustee on the advice of the Manager; and
  - (d) the collateral for the loan shall be:
    - acceptable to the Trustee on the advice of the Manager;
    - maintained at a level equal to at least the minimum stipulated by the SC's Guidelines on Securities Borrowing and Lending on the value of the securities lent "marked-to-market" at least on a daily basis; and
    - received before, or at the time of, the securities loan.

Further, the Fund is governed by the Shariah Investment Guidelines which are established and endorsed by the Shariah Adviser for the Fund and is set out in Section 3.7 of this Prospectus.

#### 3.5.6 Breach of investment restrictions

In respect of any restrictions and limits on investments stipulated in Section 3.5.5 above, there is an allowance of 5% where such restrictions and limits are breached through appreciation of the investments or depreciation of the NAV of the Fund (whether as a result of depreciation in value of the Fund Assets, or as a result of redemption of Units or payments made out of the Fund).

The Manager may not make any further acquisition in relation to the relevant limit that is breached, and the Manager should, within a reasonable period of not

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

#### 3.6 The Benchmark Index

##### 3.6.1 Introduction to the Benchmark Index

The Benchmark Index, namely the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index is a free-float adjusted, market capitalisation weighted, price return index calculated, maintained and published by MSCI.

The Benchmark Index is designed as a performance benchmark for the high dividend-yielding segment of its Parent Index, the MSCI Malaysia IMI Islamic Index. The Benchmark Index may consist between 16 to 30 Shariah-compliant companies listed on Bursa Securities with higher than average dividend yield that are deemed both sustainable and persistent by MSCI.

The Parent Index is a free-float adjusted market capitalisation weighted index that is designed to measure the equity market performance of Malaysia.

The weight of any single group or entity in the Benchmark Index is capped at 10% of a fund's total assets and the sum of the weights of all groups or entities representing more than 5% of the fund is capped at 40% of the fund's total assets.

The Benchmark Index is calculated and published in Ringgit Malaysia and the end of the day index values are available through Bloomberg (MIMYDY40 Index) and the Fund's website at [www.myetf.com.my](http://www.myetf.com.my).

The Parent Index and Benchmark Index consist only of Shariah-compliant securities which are approved by the MSCI Shariah Supervisory Committee based on the MSCI Islamic Index Series Methodology. The MSCI Shariah Supervisory Committee will review and audit the Benchmark Index, the Parent Index as well as the MSCI Islamic Index Series Methodology on a regular basis to ensure compliance with Shariah.

##### 3.6.2 Construction of the Benchmark Index

Constituents of the Benchmark Index must be selected from the universe of securities which constitute the Parent Index. As the Parent Index is an Islamic index, its constituents will be screened using the MSCI Islamic Index Series Methodology.

###### (i) Islamic Index Screens

In accordance with the MSCI Islamic Index Series Methodology, MSCI will screen the constituents of the Parent Index as well as the Benchmark Index based on the following criteria:

###### (a) Business activity screen

Companies must not be directly active in or derive more than 5% of their revenue (cumulatively) from the following prohibited activities:

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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- alcohol;
- tobacco;
- pork related products;
- conventional financial services;
- defense/weapons;
- gambling/casino;
- music;
- hotels;
- cinema; and
- adult entertainment.

#### (b) Financial screen

Companies must not derive a significant portion of their income from interest or companies must not have excessive leverage. Only companies whose percentage ratios in the following three financial ratios are less than 33.33% are considered Shariah-compliant:

- total debt over total assets<sup>(1)</sup>;
- sum of cash and interest-bearing securities over total assets<sup>(1)</sup>; and
- sum of account receivables and cash over total assets.

**Note:**

<sup>(1)</sup> Shariah-compliant debt and Shariah-compliant instruments are excluded from the numerator when calculating the ratio.

A lower threshold of 30% for all three financial ratios will be used to determine new inclusions to the Parent Index.

Islamic Financial Institutions are not subject to the financial screen while revenue derived from their provision of financial services activities will not be considered as revenue from prohibited activity.

#### (ii) Screening criteria for the Benchmark Index

A constituent of the Parent Index must then meet the following screening criteria to be eligible for inclusion in the Benchmark Index:

##### (a) Sustainability and persistence

The security must offer a high dividend yield that meets the following sustainability and persistence screening criteria:

- securities with zero or negative dividend payout ratios are not considered for inclusion in the Benchmark Index as they either do not pay dividends or have negative earnings which may put their future dividend payments at risk. Additionally, securities with extremely high dividend payout ratio (within the top 5% of securities by number within the universe of companies with positive dividend payout) are not considered for inclusion in the

### 3. DETAILED INFORMATION OF THE FUND (cont'd)

Benchmark Index. Securities with an extremely high payout ratio, which occurs when earnings are low relative to dividends, may indicate that the dividend payment of the securities might not be sustainable in the future; and

- securities with a negative 5-year dividend per share are also excluded from the Benchmark Index as shrinking dividend growth could be a precursor to lower dividends.

#### (b) Price performance

Securities ranked in the bottom 5% of securities (of the Parent Index) with negative 1-year price performance (measured as the change in price of a security in the preceding 12 months) will not qualify to be included in the Benchmark Index. Any existing constituents of the Benchmark Index which fails the screening criteria at any rebalancing period will also be excluded from the Benchmark Index. The aim of the screening criteria is to exclude securities with potentially deteriorating fundamentals which may force the company to cut or reduce dividends. In addition, this screening exercise will result in exclusions of securities that offer high dividend yields which are due to lower share price instead of higher dividend payout.

#### (c) Dividend yield

Companies that have passed the sustainability and persistence screening criteria are then filtered for their dividend yield performance. Only companies which record a dividend yield that is higher than the average dividend yield of the Parent Index are eligible for inclusion in the Benchmark Index.

#### 3.6.3 Constituents of the Benchmark Index

As at the Latest Practicable Date, the top 10 constituents of the Benchmark Index and their respective weightings are as follows:

No.	Company Name	Weightings (%)
1.	DIGI.COM BHD	8.99%
2.	AXIATA GROUP BERHAD	8.97%
3.	MAXIS BERHAD	8.96%
4.	KUALA LUMPUR KEPONG BHD	8.73%
5.	HAP SENG PLANTATIONS HOLDINGS	4.69%
6.	TA ANN HOLDINGS BHD	4.67%
7.	TELEKOM MALAYSIA BHD	4.62%
8.	UMW HOLDINGS BHD	4.56%
9.	WCT HOLDINGS BERHAD	4.45%
10.	MAH SING GROUP BHD	4.41%

Source: MSCI

**Composition of the Benchmark Index may change and securities may be de-listed.**

**3.6.4 Review of constituents**

**(i) Review and rebalancing**

The Benchmark Index is reviewed and rebalanced semi-annually. Any changes to the Benchmark Index will be implemented at the close of the last business day of May and November. Before each rebalancing exercise, the Index Licensor will provide the pro-forma index nine (9) business days before the effective date of the rebalancing exercise. Between the semi-annual index reviews, the Benchmark Index follows the event maintenance of the Parent Index.

The Parent Index is reviewed quarterly and will not result in any change in the Benchmark Index except for deletion of companies from the Parent Index due to corporate events. There will be no early inclusion of new companies into the Benchmark Index, even if they qualify for early inclusion in the Parent Index, except when the new company is the result of an event affecting an existing constituent including but not limited to spin-offs and merger exercises. The listing of significantly large companies may also be included subject to the discretion of the Index Licensor after the close of the company's tenth (10<sup>th</sup>) day of trading.

The Benchmark Index has a base date of 30 November 2006.

For further information on ground rules for the Benchmark Index, please refer to the following links:

For MSCI Global Investible Market Indices Methodology:

[http://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_Nov13\\_GIMIMethod.pdf](http://www.msci.com/eqb/methodology/meth_docs/MSCI_Nov13_GIMIMethod.pdf)

For MSCI Islamic Index Series Methodology:

[http://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_May11\\_IslamicMethod.pdf](http://www.msci.com/eqb/methodology/meth_docs/MSCI_May11_IslamicMethod.pdf)

For MSCI High Dividend Yield Indices Methodology:

[http://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_May13\\_HDYMMethod.pdf](http://www.msci.com/eqb/methodology/meth_docs/MSCI_May13_HDYMMethod.pdf)

For MSCI 10/40 Indexes Methodology:

[http://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_10\\_40\\_Indexes\\_Methodology\\_Feb2013.pdf](http://www.msci.com/eqb/methodology/meth_docs/MSCI_10_40_Indexes_Methodology_Feb2013.pdf)



**(ii) Shariah assessment**

A complete reassessment of the constituents in the Benchmark Index based on the business activity and financial screens as set out in Section 3.6.2(i) above is conducted annually at the May semi-annual index review. However, reassessment based on the financial screen is done on a quarterly basis whereby securities that fail the financial screen will be excluded immediately from the Benchmark Index.

**(iii) Corporate Events**

A current constituent deleted from the Parent Index following a corporate event will be simultaneously deleted from the Benchmark Index.

There will be no early inclusion of new securities to the Benchmark Index following an event affecting non-index constituents such as initial public offering (“**IPO**”) or newly listed securities. These types of securities will only be considered for inclusion at the nearest semi-annual review which could be either in May or November. For example, an inclusion of a security to the Parent Index following an IPO in September would only be considered for inclusion to the Benchmark Index at the nearest upcoming semi-annual index review in November. Whereas, inclusion of new securities resulting from an event affecting an existing index constituent such as spin off or merger is generally reflected in both the Parent Index and Benchmark Index at the time of event.

Current constituents of the Benchmark Index that are impacted by a corporate event will be reviewed on a quarterly basis (please refer to Section 3.6.4(ii) above with regards to the Shariah assessment) for compliance with the MSCI Islamic Index Series Methodology. However, under circumstances where a corporate event causes a constituent in the Benchmark Index to be non Shariah-compliant, the deletion of the constituent from the Benchmark Index will be considered at the nearest upcoming quarterly index review.

**(iv) GICS Changes**

Regular monthly and annual GICS changes may trigger Shariah non-compliance of the Benchmark Index constituent. A change in a company's existing GICS code to a GICS code that is not compliant will result in deletion of the company from the Benchmark Index at the effective date of the GICS code change.

**3.6.5 Replacement of the Benchmark Index**

**The Benchmark Index may be replaced in the event of cessation of the availability of the Benchmark Index.**

- (a) As provided under the Deed, the Manager may, after taking into account the interests of the Unit holders and subject to the approval of the SC, replace the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index with another index in the event any of the following occurs:

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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- (i) the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index ceases to exist;
- (ii) a major change is made in the formula or method used to calculate the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index (other than a change in accordance with the operating rules of the Benchmark Index, such as a change in constituents);
- (iii) a new index replacing the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index is released;
- (iv) in the opinion of the Board of the Manager, a new index permitting better valuation of the investments made by the Unit holders is released. This decision will be based on objective financial criteria including better liquidity, lower costs and a more efficient secondary market;
- (v) it becomes difficult to invest in the securities forming the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index or if part of the securities forming the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index have limited liquidity;
- (vi) the Index Licensor increases its licence fee to a level considered too high by the Manager;
- (vii) in the opinion of the Manager, the quality (including the precision and availability of data) of the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index has deteriorated; or
- (viii) a major change in the Shariah screening methodology which may impact the ability of the Manager to implement the investment policy of the Fund.

The Manager may change the name of the Fund if the Benchmark Index is replaced. Any replacement of the Benchmark Index must first be approved by the SC and/or any other relevant authorities, as the case may be.

- (b) Notwithstanding the above, the Manager shall not replace the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index with a new index without the approval of the Unit holders if the objective of the new index differs from that of the Benchmark Index. The objective of the Benchmark Index is set out in Section 3.6.1 of this Prospectus.

#### 3.6.6 Licensing conditions of the Index Licence Agreement

Some of the licensing conditions of the Index Licence Agreement are as follows:

- (i) The Index Licensor shall compile, calculate, maintain and publish the Benchmark Index drawing upon judgment experience and expertise, and from time to time amend the Benchmark Index.
- (iii) The Index Licensor shall grant the Manager a non-exclusive and specifically limited licence to use the Benchmark Index and Benchmark

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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Index trade marks in connection with the issue, the operation, the marketing and the promotion of the Fund to the extent necessary to indicate the source of the Benchmark Index and in connection with making such disclosure as required by the relevant authorities.

- (iii) The Index Licensor or the Manager may terminate the Index Licence Agreement which termination shall be effective at the end of the then-current term by giving not less than ninety (90) days' written notice to the other party prior to the end of such then-current term.
- (iv) The Index Licence Agreement will commence on the date of the Index Licence Agreement and will continue for a period of three (3) years and thereafter be automatically renewed for successive terms of one (1) year until terminated in accordance with the terms of the Index Licence Agreement.
- (v) The Manager agrees and acknowledges that the Index Licensor reserves the right to review and increase the charges (where the proposed increase shall be limited to five per cent (5%) per year) under the Index Licence Agreement after the initial three (3) years period and prior to the expiry of the then-current term of the Index Licensing Agreement upon written notice to the Manager at least sixty (60) days prior to the end of such then-current term and that any variation relating to the charges will take effect in the subsequent contract year.

#### 3.6.7 Further Information on the Benchmark Index

Latest information and other important news on the Benchmark Index will be published on MSCI's website at [www.msci.com](http://www.msci.com) (for index ground rules and methodology) and the Fund's website at [www.myetf.com.my](http://www.myetf.com.my) (for end of day index values).

### 3.7 Shariah Investment Guidelines

As an Islamic ETF, the Fund must comply with the Shariah Investment Guidelines which have been established and endorsed by the Shariah Adviser. As a general rule, the Fund can only invest in securities and financial instruments that comply with Shariah. Key features of the Shariah Investment Guidelines are highlighted below.

#### 3.7.1 Security screening criteria

The security screening methodology of the Shariah Investment Guidelines is based on the Islamic index screens of MSCI Shariah Supervisory Committee as provided in Section 3.6.2(i) of this Prospectus. In addition to that, it has to comply with the SC SAC's Shariah security screening criteria.

**3.7.2 Rules on divestment of non Shariah-compliant securities**

The Manager must comply with the divestment rules under the following circumstances:

(i) **“Shariah-compliant securities” which are subsequently considered “non Shariah-compliant”**

This refers to securities which were earlier classified as Shariah-compliant but due to certain reasons, such as changes in the companies' operations, are subsequently considered non Shariah-compliant. In this regard, if on the date the securities turned non Shariah-compliant and the value of the securities held exceeds their original investment cost, the Fund must liquidate its holdings of those non Shariah-compliant securities. Any capital gains arising from the disposal of the non Shariah-compliant securities made on the day of the announcement of the reclassification of the securities (**“Announcement Date”**) can be kept by the Fund. However, any excess capital gains derived from the disposal after the Announcement Date at a market price that is higher than the closing price on the Announcement Day should be channelled to charitable bodies which are endorsed by the Shariah Adviser and approved by the Trustee.

On the other hand, the Fund is allowed to hold on to its investments in the non Shariah-compliant securities if the market price of the said securities is below the Fund's original investment costs. It is also permissible for the Fund to keep the dividends received from those securities during the holding period until such a time when the total amount of dividends received and the market value of those non Shariah-compliant securities equal the Fund's original investment cost. At this stage, the Fund will be advised to dispose of its holding.

In addition, during the holding period the Fund will be allowed to subscribe to:

- (a) any issue of new securities by a company whose non Shariah-compliant securities are held by the Fund. For example, rights issues, bonus issues, special issues and warrants excluding securities whose nature is non Shariah-compliant such as irredeemable convertible unsecured loan stock; and
- (b) Shariah-compliant securities of other companies offered by the company whose non Shariah-compliant securities are held by the Fund, on condition that they expedite the disposal of the non Shariah-compliant securities.

(ii) **Non Shariah-compliant securities**

If the Manager mistakenly invests in non Shariah-compliant securities, the Manager needs to dispose of those non Shariah-compliant securities, within one (1) month of being aware of the status of the securities. Any gain, whether made in the form of capital gain or dividend, received by the Fund during or after the disposal of the securities has to be channelled to charitable bodies which are endorsed

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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by the Shariah Adviser and approved by the Trustee. The Fund has a right to retain only the original investment cost which may include brokerage cost or other related transaction cost.

#### 3.7.3 Income purification

Any income from non Shariah-compliant investments such as interest income, excess capital gain from disposal of non Shariah-compliant securities or dividend distribution received by the Fund from its investment portfolio which relates to fortuitous activities are considered impure income. This impure income is subject to an income purification process as determined by the Shariah Adviser from time to time and without limitation. The impure income has to be channelled to charitable bodies as endorsed by the Shariah Adviser and approved by the Trustee.

For dividend purification process, the level of impure income will be determined by the Index Licensor and provided to the Manager and Shariah Adviser annually.

#### 3.7.4 Periodic Review

At the end of each quarter, the Shariah Adviser will review the Fund to ensure that the Fund's operating procedures and investments comply with Shariah. Upon completion of each review, the Shariah Adviser will deliver its opinion on the Fund's compliance with Shariah. Further, a report on the Fund's compliance status for the financial period concerned will be prepared by the Shariah Adviser and included in the Fund's annual report.

### 3.8 Income distribution policy

The Fund may distribute to the Unit holders all or a substantial portion of the Fund's Distributable Income, pro-rated based on the number of Units held by each Unit holder as at the entitlement date of the income distribution. The exact amount to be distributed will be at the absolute discretion of the Manager.

Income distributions (if any) are expected to be made annually subject to the discretion of the Manager. Details of the entitlement date, distribution amount, ex-entitlement dates and payment date for the distributions will be published on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and the Fund's website at [www.myetf.com.my](http://www.myetf.com.my).

An income distribution to the Unit holders shall be made in the following manner:

- (i) by way of eDividend;
- (ii) by way of a cheque sent to the Unit holders' postal address; or
- (iii) such other method to be determined by the Manager and the Trustee, and allowed under the relevant rules and regulations in Malaysia.

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### **3. DETAILED INFORMATION OF THE FUND (cont'd)**

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#### **3.9 Correlation and rebalancing**

Correlation, in this context, is the measure of how the NAV of the Fund's portfolio moves in relation to the Benchmark Index. If the NAV of the Fund's portfolio moves exactly as the Benchmark Index, they have perfectly positive correlation or 100% correlation. If the NAV of the Fund's portfolio does not move exactly as the Benchmark Index, the correlation is less than 100%.

The Benchmark Index is a theoretical calculation while the Fund's portfolio is an actual holding of securities. The performance of the two may vary due to Transaction Costs, fees, expenses and taxes.

In managing the Fund, the Manager attempts to achieve a high positive correlation and an absolute tracking error of less than 3% between the NAV of the Fund and the Benchmark Index. The Manager will be responsible for monitoring the correlation and if in the Manager's belief, the current portfolio is not tracking the Benchmark Index closely and that it will lead to a lower correlation, then the Manager may judiciously rebalance the portfolio to improve the correlation or to rectify the divergence.

Except for rebalancing of the Fund's portfolio in the event of changes to the Benchmark Index and when there is a creation and/or redemption of Units, the rebalancing of the Fund's portfolio of investments will be performed no more than once a month, to reflect any changes to the composition of or weighting of securities in the Benchmark Index.

#### **3.10 Risk management strategies and techniques**

The risk management strategies and techniques employed by the Manager include the use of a replication strategy either via full or partial replication to achieve the investment objective of the Fund as well as to minimise its tracking error. As set out in Section 3.9 above, the Fund's investment portfolio may be rebalanced no more than once a month to reflect the composition and weightings of the Benchmark Index.

For information concerning certain risk factors which should be considered by prospective investors, see "RISK FACTORS" in Section 4 of this Prospectus.

#### **3.11 Valuation of the Fund Assets**

The calculation of the NAV of the Fund shall be carried out by the Manager or its agent at the Valuation Point (or at such other time as the Manager and the Trustee may determine) by valuing the assets of the Fund and deducting the liabilities of the Fund, in accordance with the terms of the Deed on each Dealing Day. The valuation of the Fund shall be done in a fair manner in accordance with the approved Malaysian accounting standards and applicable Malaysian laws and guidelines.

The valuation basis for the Fund Assets is as follows:

##### **(i) Listed securities**

The value of investment in securities shall be calculated by reference to the closing price on Bursa Securities unless there is conclusive evidence to show that value of that security has gone below the closing price or where the quotation of the securities has been suspended for a period exceeding fourteen (14) days, their fair value will be determined in good faith by the Manager based

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### 3. DETAILED INFORMATION OF THE FUND (cont'd)

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on the methods or basis approved by the Trustee after appropriate technical consultation.

**(ii) Unlisted securities**

As per the ETF Guidelines, the value of unlisted securities shall be determined on the basis of fair value as determined in good faith by the Manager based on methods or basis which have been verified by the Fund's auditors and approved by the Trustee.

**(iii) Collective investment schemes**

The value of investment in collective investment schemes which are quoted on an approved exchange shall be calculated in the same manner as other listed securities described in Section 3.11(i) above. When investing in unlisted collective investment schemes, the value shall be determined by reference to the last published repurchase price per unit for that collective investment scheme.

**(iv) Deposits**

The value of any deposits placed with Financial Institutions shall be determined each day by reference to the nominal value of such investments and the accrued income thereon for the relevant period.

If the investment valuations referred to above are not available or if the value of the investments determined in the manner described above, in the opinion of the Manager, does not represent a fair value of such investments, then the value shall be any fair value as may be determined in good faith by the Manager. This valuation method shall be verified by the auditors of the Fund and approved by the Trustee.

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## **4. RISK FACTORS**

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### **4.1 General risks of investing in the Fund**

The Fund is subject to the following principal risks. Some or all of the following risks may adversely affect the Fund's NAV, yield, total return and/or its ability to achieve its investment objective. Investors should note the following risk factors associated with investing in the Fund. The following statements are intended to be summaries of some of those risks. They are by no means exhaustive and they do not offer advice on the suitability of investing in the Fund. Investors should carefully consider the risk factors described below together with all of the other information included in this Prospectus before deciding to invest in the Units.

**(i) Returns and capital are not guaranteed**

Investors should be aware that by investing in the Fund, there is no guarantee of any income distribution or returns. There is also no guarantee that investors will enjoy any capital appreciation or will not experience any loss of capital invested in the Fund.

**(ii) Market risk**

The NAV of the Fund will change with changes in the market value of the securities it holds. The price of Units and the Income of the Fund may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. Investors in the Fund are exposed to similar market risks as investors who invest directly in the underlying securities. These risks include market fluctuations caused by factors such as economic and political developments, changes in interest rates and foreign exchange. A significant decline in the value of the Benchmark Index can therefore be expected to result in a similar decline in the NAV of the Fund.

**(iii) Passive investment**

As the objective of the Fund is to track the performance of the Benchmark Index, the Fund is not actively managed and invests all or a substantial portion of the Fund Assets in the Index Securities regardless of their investment merit. Investors should take note that the Manager does not attempt to select securities individually or take defensive positions in declining markets. Therefore, a decline in the Benchmark Index will result in a corresponding fall in the value of the Fund irrespective of the performance of the overall equity market. The movement of the overall equity market may not necessarily affect the movement of the Benchmark Index and the NAV of the Fund.

**(iv) Tracking error risk**

Factors such as the fees and expenses incurred by the Fund, imperfect correlation between the Fund Assets and the Index Securities, rounding of share prices, changes to the Benchmark Index and regulatory policies may affect the Manager's ability to achieve close correlation with the performance of the Benchmark Index. The Fund's returns may therefore deviate from the Benchmark Index and there is no assurance that the Fund will be able to fully track the performance of the Benchmark Index.



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#### 4. RISK FACTORS (cont'd)

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A replication strategy is adopted to minimise tracking error, by investing the Fund Assets in substantially the same composition and weightings as the Benchmark Index. Re-investment of cash dividends received by the Fund from its investment portfolio may also be done to keep the Fund's cash holdings to a low level that is operationally optimal while minimising tracking error.

**(v) Concentration in a particular group of securities, industry or group of industries**

If the Benchmark Index comprises Index Securities that are concentrated in a particular group of securities, industry or group of industries, the Fund may be adversely affected by the performance of those securities and be subject to price volatility. Further, the Fund may also be more susceptible to any single economic, market, political or regulatory occurrence.

**(vi) Reliance on Participating Dealers**

The creation and redemption of Units may only be effected through Participating Dealers. A Participating Dealer may, in its absolute discretion, refuse to accept a creation or redemption order from an investor and can charge such fees as it may determine. A Participating Dealer will not be able to apply to create or redeem Units during any period when, amongst other things, dealing on Bursa Securities is restricted or suspended, settlement or clearing of securities through Bursa Depository is disrupted or the Benchmark Index is not compiled or published. In addition, the Participating Dealers will not be able to apply to create or redeem Units if some other events occur which impedes the calculation of the NAV of the Fund or disposal of the Fund's portfolio securities cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Units freely.

**(vii) Price and liquidity risks**

Although the Units will be listed on Bursa Securities, investors should be aware that there can be no assurance that an active trading market for the Units will be developed or be maintained. There is no certain basis for predicting the actual price levels at, or volume in, which the Units may trade. Further, there can be no assurance that investors in the Units will experience trading or pricing patterns similar to those of market-traded securities which are issued by investment companies in other jurisdictions or which are based upon indices other than the Benchmark Index.

Furthermore, it is unlikely that the Units will be widely held during the initial period following its listing on Bursa Securities. Consequently, investors may not be able to trade their Units on Bursa Securities due to the lack of liquidity. In order to address such liquidity risk, a market maker has been appointed for the Fund.

**(viii) Units may trade at prices other than at the NAV per Unit of the Fund**

The NAV per Unit of the Fund represents the fair price for buying or selling Units. As with any listed fund, the secondary market price of Units may sometimes trade above or below this NAV per Unit of the Fund. There is a risk, therefore, that Unit holders may not be able to buy or sell at a price close to this NAV per Unit of the Fund. The deviation from NAV per Unit of the Fund is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Units on the Main Market.

However, given that Participating Dealers can apply to create and redeem Units in Creation and Redemption Unit Blocks, it is not anticipated that the market prices of Units will have large deviations from the NAV per Unit of the Fund or even if there is, that such deviations will be sustained. However, if the creation and redemption of Units is temporarily suspended due to market events, the trading price of the Units may be adversely affected and differ from the NAV per Unit of the Fund.

**(ix) Income distributions are contingent on dividends from the Fund Assets**

The ability of the Fund to make distributions to the Unit holders depends principally on the dividends declared and paid by the companies whose securities are held by the Fund and the level of fees and expenses payable by the Fund. The payment of dividend by companies can vary based on numerous factors, including their current financial condition and dividend policies as well as the general economic condition. There can be no assurance that companies will declare dividends or make other distributions. In addition, changes to the composition of the Benchmark Index (for example, the substitution of one constituent security in the Benchmark Index with another paying higher or lower dividend) will affect the level of dividends received by the Fund.

To the extent possible, the Fund may distribute all or a substantial portion of the Fund's Distributable Income to the Unit holders, pro-rated based on the number of Units held by each Unit holder as at the entitlement date of the income distribution. The exact amount to be distributed will be at the discretion of the Manager.

**(x) Trading in Units on Bursa Securities may be suspended or de-listed**

Investors will not be able to purchase or sell Units on Bursa Securities during any period that Bursa Securities suspends trading in the Units. Bursa Securities may suspend the trading of Units whenever it determines as appropriate in the interests of a fair and orderly market to protect investors. The creation and redemption of Units will also be suspended in the event that the trading of Units on Bursa Securities is suspended.

Further, Bursa Securities imposes certain requirements for the continued listing of securities, including the Units, on Bursa Securities. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain the listing of the Units on the Main Market or that Bursa Securities will not change the Listing Requirements. The Fund may be terminated if its Units are de-listed from Bursa Securities.

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#### **4. RISK FACTORS (cont'd)**

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**(xi) Timing between pricing, issue and trading**

The Initial Issue Price is fixed at RM1.00.

The Placement Subscription is expected to close on 12 March 2014 and the Units are only expected to commence trading on the Main Market within 7 Dealing Days after the closing date of the Placement Subscription Period. Investors should note that they will not be able to buy or sell Units on the Main Market until the Units are listed on the Main Market. Accordingly, Unit holders are at risk if the Benchmark Index falls before trading of the Units on Bursa Securities begins.

**(xii) Market disruption events and settlement disruption events**

There may be a suspension of the determination of the NAV of the Fund, suspension of trading in Units on Bursa Securities and/or suspension in Creation Application and/or Redemption Application if there is a market disruption event or a settlement disruption event.

Market disruption events may include without limitation, any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Bursa Securities) in the constituents of the Benchmark Index, the closure of Bursa Securities prior to its scheduled closing time on any Market Day and any general moratorium declared in respect of banking activities in the Federal Territory of Kuala Lumpur, which may result in the inability to perform settlement activities related to constituents of the Fund.

Settlement disruption events may include without limitation, any technical difficulties experienced by the Manager, which are out of the control of the Manager, in processing a valid Creation Application and/or Redemption Application.

**(xiii) Minimum creation and redemption size**

Units will only be issued and redeemed in a Creation and Redemption Unit Block(s) (currently 400,000 Units). Investors who do not hold Redemption Unit Blocks will only be able to realise the value of their Units by selling their Units on Bursa Securities at the trading market prices. As set out in Section 4.1(viii) of this Prospectus, the market prices of Units as traded on Bursa Securities may deviate from the NAV per Unit of the Fund.

**(xiv) Legal and regulatory risk**

The Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by the Fund. Furthermore, such changes in the laws may have an impact on the market sentiment which may in turn affect the performance of the Benchmark Index and as a result, the performance of the Fund. It is impossible to predict whether such an impact caused by any change in the law will be positive or negative for the Fund. In the worst case scenario, a Unit holder may lose all his investments in the Fund.

**(xv) Registration or cross-listing of the Fund in other markets**

The Fund may in the future be registered on other markets, or cross-listed on other exchanges, or otherwise offered in other jurisdictions. As this is expected to improve the liquidity for existing Unit holders and may result in more efficient secondary market pricing due to increased scope for arbitrage, the Manager may be permitted by the Trustee to charge the related costs to the Fund, which increases the MER of the Fund and may result in a larger tracking error between the Fund and the Benchmark Index.

**4.2 Risk factors specific to the investment portfolio of the Fund****(i) Concentration risk**

The Fund Assets are invested mainly in constituents of the Benchmark Index, comprising securities of major companies listed on Bursa Securities. As most of these companies' business activities are based predominantly in Malaysia, the performance of the Benchmark Index and consequently the Fund, would be susceptible to any major economic, market, political or regulatory changes in Malaysia.

**(ii) Reclassification of Shariah-compliant securities**

The Fund only invests in accordance with the Shariah Investment Guidelines established and endorsed by the Shariah Adviser for the Fund which must comply with the security screening methodology of the MSCI Shariah Supervisory Committee and SC SAC's Shariah security screening criteria. If any of the Index Securities do not comply with the Shariah Investment Guidelines, the Manager will then dispose these Index Securities and the Fund may potentially suffer losses as a result. Furthermore, securities which do not comply with the Shariah Investment Guidelines may be added to the Benchmark Index by the Index Licensor during its review. As a result, the Fund may not be able to closely track the Benchmark Index as it would not be able to invest in these Index Securities.

**4.3 Risk factors related to the Benchmark Index****(i) Errors or inaccuracies in the Benchmark Index**

Factors such as technical glitch in MSCI's or the exchange's system and inconsistency of information provided by multiple data vendors to the Index Licensor may affect the accuracy and completeness in the calculation of the Benchmark Index. These inaccuracies, errors, omissions or mistakes in the compilation or calculation of the Benchmark Index may result in significant deviations between the NAV of the Fund and the Benchmark Index. The Manager and Trustee are not responsible or involved in the compilation or calculation of the Benchmark Index, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

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#### **4. RISK FACTORS (cont'd)**

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**(ii) The Benchmark Index is subject to fluctuations**

The investment objective of the Fund is to ensure that the NAV of the Fund corresponds closely with the performance of the Benchmark Index. As the Benchmark Index may experience periods of volatility or decline in the future, this may result in the NAV of the Fund and the price of the Units experiencing similar volatility or decline.

**(iii) Composition of and weightings in the Benchmark Index may change**

The constituents in the Benchmark Index can be changed by the Index Licensor from time to time and may not necessarily comprise the same set of constituents at the time of the investment in the Units. The price of the Units may rise or fall as a result of such changes. The composition of the Benchmark Index may also change if one of the constituent companies were to de-list its securities or if a company is added to the Benchmark Index. If this happens, the weighting and composition of the Index Securities invested by the Fund would be rebalanced as considered appropriate by the Manager in order to achieve the Fund's investment objectives. Further, the weighting and/or composition of the Index Securities invested by the Fund may also change during the rebalancing of the Fund's portfolio of investments which may be undertaken not more than once a month.

**(iv) Licence to use the Benchmark Index may not be renewed**

The Manager has been granted a licence by the Index Licensor to use the Benchmark Index in connection with the operation, marketing and promotion of the Fund. The Fund may be terminated if the Index Licence Agreement is not renewed or is terminated and the Manager is unable to identify or agree with the Index Licensor or any other index provider's terms for the use of a suitable replacement index that uses, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as the Benchmark Index. Any such replacement index will be subject to the approval of the Unit holders (if the objective of the replacement index differs from the Benchmark Index) or the approval of the SC and notified to Unit holders (if the objective of the replacement index does not differ from the Benchmark Index). Accordingly prospective investors should note that the ability of the Fund to track the Benchmark Index depends on the continuation in force of the Index Licence Agreement in respect of the Benchmark Index or a suitable replacement.

**(v) Compilation of the Benchmark Index**

No warranty, representation or guarantee is given as to the accuracy or completeness of the Benchmark Index and its computation or any information related thereto. The process and the basis of computing and compiling the Benchmark Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Licensor without notice.

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## 5. FEES, CHARGES AND EXPENSES

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There are fees and charges involved to invest in the Fund and investors are advised to consider them before investing in the Fund.

### 5.1 Direct fees and charges payable by an investor

#### (i) For creation and redemption of Units through the Participating Dealers

All Creation Applications and Redemption Applications must be submitted to the Manager through a Participating Dealer and the creation and redemption of Units must be implemented in accordance with the terms and conditions set out in the Participating Dealer Agreement.

The fees and charges (excluding out-of-pocket expenses) to be paid by the Participating Dealers to the Manager and/or Trustee (which may be charged to the investor by the Participating Dealers) as set out in the Participating Dealer Agreements are as follows:

Fees and charges		Description
(a)	Creation/Redemption Application Fee	Currently RM100 per Creation/Redemption Unit Block (and subject to a maximum of RM1,000) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(b)	Creation/Redemption Application Cancellation Fee	Currently RM50 per Creation/Redemption Unit Block (and subject to a maximum of RM500) payable to the Manager or such amount as may be determined by the Manager from time to time, in consultation with the Trustee.
(c)	Transaction Costs	The Manager may charge Transaction Costs (incurred by the Fund). This is to prevent the NAV of the Fund from being diluted by the Transaction Costs.
(d)	Other fees	The amount (other than Transaction Costs described above) that may be incurred by the Manager and/or the Trustee from time to time in relation to the Applications submitted by the Participating Dealers, which is charged by Bursa Depository.

#### (ii) For trading of Units on Bursa Securities

This table describes the charges that an investor may incur (based on the charges set out by Bursa Securities as at the Latest Practicable Date which may be varied from time to time) when an investor buys or sells Units on Bursa Securities.

## 5. FEES, CHARGES AND EXPENSES (cont'd)

Fees and charges	%/RM
Brokerage fee	A percentage of the transaction value prescribed by or negotiated with the authorised depository agents, subject to a minimum of RM40 per transaction.
Bursa Securities clearing fee	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction.
Stamp duty	RM1 for every RM1,000 or a fractional part of the transaction value (payable by both buyer and seller), subject to a maximum of RM200 per transaction.

Further information on the charges that an investor may incur from trading the Units on Bursa Securities can be found at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### 5.2 Indirect fees and expenses payable by an investor

This table describes the fees and expenses that an investor may indirectly incur when an investor invests in the Fund:

Fees and expenses	%
Annual Management Fee	0.4% <sup>(1)</sup> per annum
Annual Trustee Fee	0.045% <sup>(1)</sup> per annum, subject to a minimum of RM12,000 per annum
Annual Index Licence fee	0.06% <sup>(1)</sup> per annum

**Note:**

<sup>(1)</sup> Calculated based on the NAV of the Fund, accrued daily. This fee is the current fee and is subject to such increase/variation as provided in Section 10.3 for Management Fee and Trustee Fee and Section 3.6.6(v) for index licence fee.

In addition, there will be other fees or expenses incurred by the Fund as described in Section 5.3.3 of this Prospectus.

All of the abovementioned fees and expenses shall be deducted from the Fund Assets.

The cost of establishment and listing of the Fund which includes the following expenses will be borne by the Fund:

- (i) cost of preparation and publishing of this Prospectus;
- (ii) professional and advisory fees; and
- (iii) regulatory fees.

(collectively the "**Cost of Establishment of the Fund**").

The Cost of Establishment of the Fund shall be funded by the Manager upfront as and when they are incurred. Pursuant to the Deed, the Manager is allowed to charge the

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## 5. FEES, CHARGES AND EXPENSES (cont'd)

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Cost of Establishment back to the Fund over a period of up to 2 financial years from the date of this Prospectus, which shall not exceed RM500,000.

### 5.3 Other fees, charges and expenses

5.3.1 The Manager (including its officers) will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Fund. All dealings with brokers are executed on best available terms.

5.3.2 The aforementioned fees may be expressed in the form of a ratio i.e. the MER.

The MER is the ratio of all incidental costs incurred in operating the Fund to the average daily NAV of the Fund. These incidental costs are paid directly from the Fund and include the following:

- (i) Management Fee;
- (ii) Trustee Fee; and
- (iii) other fund expenses.

5.3.3 The Trustee and/or the Manager shall be entitled to pay the following fees, costs and expenses out of the Fund Assets to the extent they have been incurred in relation to the Fund:

- (i) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the Index Licensor entered into by the Manager in respect of the Fund;
- (ii) the processing or handling fees levied by any person for rendering services to effect any acquisition, disposal or any other dealings whatsoever in the Fund Assets and any expenses in relation thereto including commissions or fees paid to brokers and/or dealers in effecting dealings in the Permitted Investments of the Fund;
- (iii) all fees, charges, expenses and disbursements of any Shariah Adviser, legal adviser or counsel, accountant, auditor, valuer, broker, banker, tax adviser or other professional advisers employed or engaged by the Trustee or the Manager in the establishment of the Fund, in maintaining, preserving and protecting the Fund Assets and in the ongoing performance of their respective duties and obligations under the Deed or otherwise in connection with the Fund;
- (iv) all fees, charges, expenses and disbursements incurred in relation to the acquisition, registration, realisation of or other dealing with any Fund Assets and all transactional fees as may be agreed from time to time between the Manager and Trustee in relation to all transactions involving the whole or any part of the Fund Assets;
- (v) all charges and expenses incurred for any meeting of Unit holders other than convened by and for the benefit of the Manager and the Trustee;



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## 5. FEES, CHARGES AND EXPENSES (cont'd)

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- (vi) the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of and quotation for the Units on Bursa Securities, and/or the authorisation or other official approval or sanction of the Fund under the CMSA or any other applicable law or regulation;
- (vii) the fees and expenses incurred in connection with depositing and holding Units with Bursa Depository and the Clearing House (and in any other securities depository or clearing system);
- (viii) Cost of Establishment of the Fund as described in Section 5.2 above;
- (ix) all charges, costs and expenses incurred by the Manager and/or the Trustee in respect of and/or in connection with the maintenance of a website or web pages (as the case may be) dedicated entirely to the Fund and communications with and/or notification to the Unit holders, the Registrar and/or any relevant authorities including notifications made in relation to the Fund in Bursa Securities, newspaper(s) in Malaysia and such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine;
- (x) all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Deed and in respect of preparing any agreement in connection with the Fund other than those for the benefit of the Manager or the Trustee;
- (xi) all costs incurred in respect of the preparation, publication and distribution of the annual reports and interim reports (if any) and of all cheques, statements, notices and other documents relating to the Fund;
- (xii) all fees and expenses incurred in connection with the removal of the Manager, the Trustee or the auditor or the appointment of a new management company, a new trustee or new auditor;
- (xiii) all expenses incurred in the collection of Income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities) or the determination of taxation;
- (xiv) all expenses associated with the distributions declared pursuant to the Deed including without limitation, fees for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- (xv) all fees and expenses incurred by the Manager and the Trustee in winding-up and terminating the Fund;
- (xvi) fees for the valuation of the Fund by independent valuers for the benefit of the Fund;
- (xvii) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the maintenance of calculation of IOPV per Unit; and

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**5. FEES, CHARGES AND EXPENSES (cont'd)**

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- (xviii) such other charges, costs, expenses and disbursements (including but not limited to any tax and other duties imposed by any government and other authorities, e.g. goods and services tax payable by the Manager or the Trustee for the Fund pursuant to the Deed) as permitted or required (as the case may be) under the applicable laws which the Manager or Trustee is entitled to charge to the Fund.

**5.4 Additional remuneration**

Save as disclosed in Sections 5.1, 5.2 and 5.3, there are no other additional form of remuneration which the Manager and/or any related party/corporation or person may derive from the Fund.

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## 6. UNITS OF THE FUND

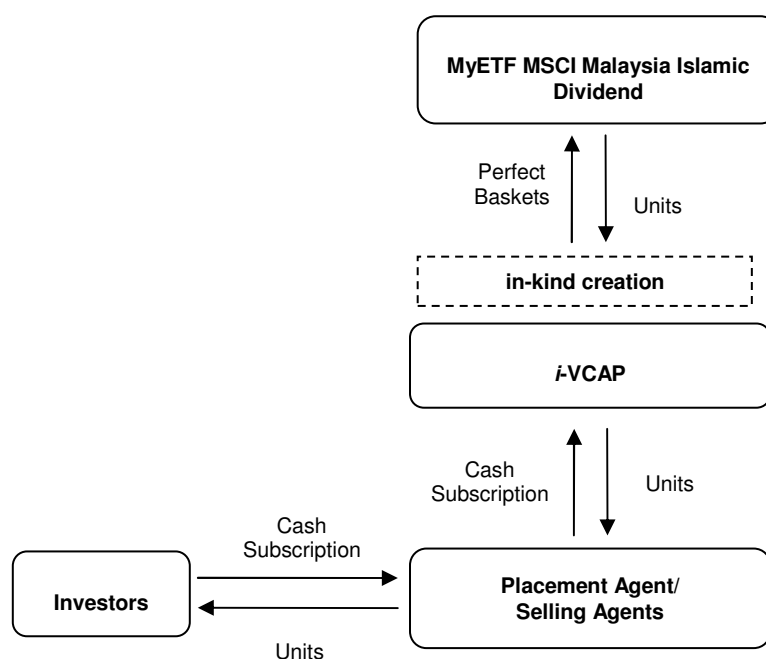
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### 6.1 Offering of the Units prior to Listing

Interested investors may apply to subscribe for the Units through the Placement Agent or Selling Agents (appointed by the Placement Agent) during the Placement Subscription Period by delivering the Cash Subscription to the Placement Agent or Selling Agents. All Cash Subscription received by the Selling Agents during the Placement Subscription Period will be forwarded to and be consolidated by the Placement Agent.

Units subscribed for under the Placement Subscription will be created by the third (3<sup>rd</sup>) Dealing Day from the closing date of the Placement Subscription Period. All Units created under the Placement Subscription will be deposited with Bursa Depository and transferred to and registered in the names of the Placement Agent and/or Selling Agents. These Units will subsequently be credited into the CDS Accounts of the successful applicants by the Placement Agent and/or Selling Agents.

The Placement Subscription process is illustrated in the diagram below.



Investors should note that there is no guarantee that the entire number of Units applied for will be fulfilled. Investors are encouraged to apply early. Subject to availability of Units, allocation of Units will be made to the investors prior to the listing date, with due consideration given to the level of demand from the investors. The Manager and Placement Agent reserve the right of final decision on the allocation of Units.

The Initial Issue Price is fixed at RM1.00 per Unit during the Placement Subscription Period. The minimum size of an application made to the Placement Agent or Selling Agents during the Placement Subscription Period is 1,000 Units (or whole multiples thereof).

Investments can be made by banker's draft, money order, cashier's order or such other mode and made payable as advised by the Placement Agent or Selling Agents, as the case may be. Interested investors are advised to contact the Placement Agent or Selling Agents for further information on the application procedures under the Placement Subscription. Contact details of the Placement Agent and Selling Agents are set out in Section 17 of this Prospectus.

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## 6. UNITS OF THE FUND (cont'd)

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The following table summarises the key events and the Manager's expected timeline prior to the Listing:

Events Before Listing	Tentative Dates	Tentative times
Commencement of the Placement Subscription Period	27 February 2014	10.00 a.m.
Latest date and time for receipt of Subscription Application under the Placement Subscription	12 March 2014	5.00 p.m.

The indicative timing above is subject to change. The Board of the Manager together with the Principal Adviser and Placement Agent may in their absolute discretion, extend the closing date for the Placement Subscription. Any change to the closing date for the Placement Subscription will be announced to investors via the Fund's website at [www.myetf.com.my](http://www.myetf.com.my).

### 6.2 Purchase and Sale of the Units upon Listing

Upon Listing, investors can purchase and sell Units by any of the two following options:

- (i) apply for an In-Kind Creation of Units in a Creation Unit Block (or whole multiples thereof) or apply for an In-Kind Redemption of Units in a Redemption Unit Block (or whole multiples thereof), through a Participating Dealer. The procedures are set out in Sections 6.3, 6.4 and 6.5 of this Prospectus; or
- (ii) trade their Units in the secondary market on Bursa Securities like ordinary listed shares through a licensed intermediary such as a stockbroker or any of the share dealing services offered by banks or other financial advisers. Further details are set out in Section 6.8 of this Prospectus.

Investors should note that transactions in the secondary market on Bursa Securities as set out in Section 6.2(ii) above will occur at quoted market prices, which may differ from the NAV per Unit due to market demand and supply, liquidity and scale of trading spread for the Units.

An illustration of how investors can apply for a creation or redemption of Units or trade in the Units on Bursa Securities upon Listing is set out in Section 2.4 of this Prospectus.

### 6.3 Creation and redemption of Units

Applications from a Participating Dealer for the creation and redemption of Units in accordance with the Participating Dealer Agreement are expected under the following circumstances:

- (i) to facilitate the Participating Dealer's clients' requests for creation and/or redemption of Units; and
- (ii) to create liquidity in the market as part of the Participating Dealer or market maker's market making function.

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## 6. UNITS OF THE FUND (cont'd)

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Investors should note that the Fund is not like a typical unit trust fund offered to the public. Investors can acquire or dispose Units by trading Units on Bursa Securities. New Units are only issued to the Participating Dealers. Hence, investors may only apply through the Participating Dealers for creation of Units via Creation Applications or redemption of Units via Redemption Applications, subject to the terms and conditions of the Deed and based on the procedures set out in the Participating Dealer Agreement.

The prices at which creations and redemptions occur are based on the NAV per Unit of the Fund at the Valuation Point on the Trade Date.

### 6.4 Procedures for In-Kind Creation

- 6.4.1 Creation of new Units can only be made on a Dealing Day by a Participating Dealer who will submit a Creation Application to exchange In-Kind Creation Basket(s) for Units in a Creation Unit Block (or whole multiples thereof).
- 6.4.2 The In-Kind Creation Basket will be determined by the Manager on each Dealing Day and published on the Fund's website at [www.myetf.com.my](http://www.myetf.com.my) and Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) prior to the opening of the market on that Dealing Day.
- 6.4.3 Creation Applications received from the Participating Dealers on a day which is not a Dealing Day or is received after the Dealing Deadline of a Dealing Day shall be treated as having been received on the following Dealing Day.
- 6.4.4 Once a Creation Application is submitted, it cannot be revoked or withdrawn without the consent of the Manager, unless a suspension period has been declared by the Manager in accordance with the Deed.
- 6.4.5 For a Creation Application to be valid, it must:
- (i) be submitted by a Participating Dealer in accordance with the Participating Dealer Agreement;
  - (ii) include the certifications required under the Participating Dealer Agreement, and such other certificates and opinion of counsel as the Trustee and Manager may consider necessary to ensure compliance with applicable laws;
  - (iii) specify the number of Creation Unit Blocks (the current size of 1 Creation Unit Block is 400,000 Units); and
  - (iv) specify the person making the Creation Application or on whose behalf the Creation Application is being made.
- 6.4.6 The Manager will instruct the Trustee to issue the Units if the Creation Application is valid and the Creation Securities to be delivered to the Trustee have been approved by the Manager.

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## 6. UNITS OF THE FUND (cont'd)

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- 6.4.7 If a Creation Application is valid, the new Units will be issued:
- (i) in relation to Subscription Applications received during the Placement Subscription Period, by the third (3<sup>rd</sup>) Dealing Day from the closing date of the Placement Subscription Period based on the Initial Issue Price; or
  - (ii) in relation to the Creation Applications received post Listing, on the Trade Date, and the Register will be updated on the Issue Date. The Issue Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date. Details on the computation of the Issue Price are set out in Section 6.6 of this Prospectus.
- 6.4.8 The Manager and/or the Trustee reserve the right in its/their sole discretion, provided that it is reasonable, to reject or suspend a Creation Application if:
- (i) the Creation Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or Trustee);
  - (ii) the Creation Securities and the Cash Component (if any) do not correspond with the In-Kind Creation Basket for the applicable Dealing Day;
  - (iii) the aggregate of the Creation Unit Block(s) in respect of a Creation Application and the number of Units then in issue exceeds the authorised size of the Fund as approved from time to time by the SC;
  - (iv) the Manager reasonably believes that the acceptance of the Creation Securities would be unlawful; or
  - (v) the Manager has suspended the rights of the Participating Dealers to make Creation Applications pursuant to the Deed.
- 6.4.9 In addition, the Trustee may (by notice to the Manager) refuse to:
- (i) create Units; or
  - (ii) create Units in the number instructed by the Manager;
- if the Trustee considers that such creation is not in the interest of the Unit holders or that it would result in a breach of the provisions of the Deed and other applicable laws.
- 6.4.10 Any commission, remuneration or other sum payable by the Manager in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the Fund Assets.
- 6.4.11 Cancellation of Units created pursuant to a Creation Application
- (i) The Manager may instruct the Trustee to cancel the Units created (but not yet issued) pursuant to a Creation Application if:
    - (a) the Creation Securities have not vested upon the Fund or to the Trustee's satisfaction;

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## 6. UNITS OF THE FUND (cont'd)

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- (b) the Cash Component (if any) has not been received in cleared funds by the Trustee;
- (c) the Creation Application Fee has not been received in cleared funds by the Manager; or
- (d) the aggregate of the value of the Creation Securities delivered to the Trustee and the amount of cash paid to the Trustee in respect of the Cash Component (if any) does not equal to the Consideration;

by such time and date as determined by the Manager (in consultation with the Trustee) in accordance with the Participating Dealer Agreements.

- (ii) If any Units are cancelled as described in Section 6.4.11(i) above, the Creation Securities (if already vested upon the Fund) and the Cash Component (if already received in cleared funds by the Trustee) shall be delivered to the Participating Dealers.

The relevant cancelled Units shall be deemed to never have been created and the Participating Dealers shall have no right or claim against the Manager or the Trustee in respect of such cancellation. Further, the Manager may charge the Participating Dealers the Creation Application Cancellation Fee.

### 6.4.12 Substitution of Creation Securities

- (i) Under exceptional circumstances, the Manager, in consultation with the Trustee, may substitute any Authorised Securities comprised in an In-Kind Creation Basket with cash, provided that it is not detrimental to the Unit holders and the Manager notifies the SC.
- (ii) If the Manager exercises this discretion, the cash in lieu amount should equal the value of the substituted Authorised Securities and shall comprise part of the Cash Component (if any). Such substituted Authorised Securities will then cease to be a Creation Security comprising part of the In-Kind Creation Basket.
- (iii) The Manager, in consultation with the Trustee, is entitled to charge the Participating Dealers (for which cash is paid in lieu of delivering any Creation Securities), in addition to the Transaction Costs, such other fees that may be incurred by the Manager and/or Trustee in relation to the creation of the Units and/or the Creation Application.

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## 6. UNITS OF THE FUND (cont'd)

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### 6.5 Procedures for In-Kind Redemption

- 6.5.1 Redemption of Units can only be made on a Dealing Day after Listing, by a Participating Dealer who will submit a Redemption Application to exchange Units in a Redemption Unit Block or whole multiples thereof for In-Kind Redemption Basket(s).
- 6.5.2 The In-Kind Redemption Basket will be determined by the Manager on each Dealing Day and published on the Fund's website at [www.myetf.com.my](http://www.myetf.com.my) and Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) prior to the opening of the market on that Dealing Day.
- 6.5.3 Redemption Applications received from the Participating Dealers on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day shall be treated as having been received on the following Dealing Day.
- 6.5.4 Once a Redemption Application is submitted, it cannot be revoked or withdrawn without the consent of the Manager, and the Units cannot be transferred back to the Participating Dealers unless a suspension period has been declared by the Manager in accordance with the Deed.
- 6.5.5 For a Redemption Application to be valid, it must:
- (i) be submitted by a Participating Dealer in accordance with the Participating Dealer Agreement;
  - (ii) include the certifications required under the Participating Dealer Agreement and such other certificates and opinion of counsel as the Trustee and Manager may consider necessary to ensure compliance with applicable laws;
  - (iii) specify the number of Redemption Unit Blocks (the current size of 1 Redemption Unit Block is 400,000 Units); and
  - (iv) specify the person making the Redemption Application or on whose behalf the Redemption Application is being made (if applicable).
- 6.5.6 Upon receipt of a valid Redemption Application, the Manager will instruct the Trustee (by notice in writing) to effect the redemption, which will be settled by way of a transfer of the Redemption Securities and payment of the Cash Component (if any).
- 6.5.7 The Units will be redeemed and cancelled on the Trade Date, and the Register will be updated on the Redemption Date. The Redemption Price will be based on the NAV of the Fund as at the Valuation Point on the Trade Date. Details on the computation of the Redemption Price are set out in Section 6.6 of this Prospectus.
- 6.5.8 On the Redemption Date, the Fund shall be reduced by number of Units cancelled. The Trustee shall transfer the applicable Redemption Securities out of the Fund Assets to the Participating Dealers and pay the Cash Component (if any).



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## 6. UNITS OF THE FUND (cont'd)

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- 6.5.9 The Manager may deduct and set-off the Redemption Application Fee against any Cash Component (if any) payable to the Participating Dealers.
- 6.5.10 The Redemption Securities transferable and Cash Component payable (if any) to the Participating Dealers in respect of the redemption of Units shall be transferable and payable (if required) on the Redemption Date but may be transferred or paid on the Dealing Day immediately following the Redemption Date provided that:
- (i) the Redemption Application is valid and has been received by the Manager in accordance with the Deed;
  - (ii) the Units to be redeemed have been delivered to the Trustee; and
  - (iii) the Cash Component (if negative, after deduction of the Redemption Application Fee payable) has been paid in full.
- 6.5.11 The Cash Component (if any) of the Units redeemed shall be paid in Ringgit Malaysia and, if paid by telegraphic transfer, shall be paid to a Ringgit Malaysia account of a Malaysian bank, unless otherwise agreed by the Manager.
- 6.5.12 In order to raise the cash required to pay the Cash Component (if any) of the Units being redeemed, the Manager can proceed to effect any sale of the Fund Assets.
- 6.5.13 If the Units to be redeemed are not delivered to the Trustee in accordance with the provisions of the Deed:
- (i) the Redemption Application shall be deemed never to have been made (except that the Redemption Application Fee shall remain due and payable); and
  - (ii) the Manager may charge the Participating Dealers:
    - (a) the Redemption Application Cancellation Fee; and
    - (b) any losses arising from the sale of the Fund Assets and any costs incurred by the Fund in connection with such failed redemption.
- 6.5.14 The Manager and/or the Trustee reserves the right in its/their discretion, provided that it is reasonable to reject or suspend a Redemption Application if:
- (i) the Redemption Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or Trustee);
  - (ii) the number of Units in respect of which Redemption Applications are received by the Manager exceeds the limit set out in Section 6.5.17 of this Prospectus;
  - (iii) the Manager has suspended the rights of the Participating Dealers to make Redemption Applications pursuant to the Deed; or

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## 6. UNITS OF THE FUND (cont'd)

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- (iv) in the reasonable opinion of the Manager, the Redemption Application may breach any of the terms or conditions of the Participating Dealer Agreements and/or the Deed.

6.5.15 In addition, the Trustee may (by notice to the Manager) refuse to:

- (i) redeem Units; or
- (ii) redeem Units in the number instructed by the Manager;

if the Trustee considers that such redemption is not in the interest of the Unit holders or that it would result in a breach of the provisions of the Deed and other applicable laws.

6.5.16 Substitution of Redemption Securities

- (i) Under exceptional circumstances, the Manager, in consultation with the Trustee, may substitute any Redemption Security comprised in an In-Kind Redemption Basket with cash, provided that it is not detrimental to the Unit holders and the Manager notifies the SC.
- (ii) If the Manager exercises this discretion, the cash in lieu amount should equal the value of the substituted Authorised Securities and shall comprise part of the Cash Component (if any). Such substituted Authorised Securities will then cease to be a Redemption Security comprising part of the In-Kind Redemption Basket.
- (iii) The Manager, in consultation with the Trustee, is entitled to charge the Participating Dealers (for which cash is paid in lieu of delivering any Redemption Securities), in addition to the Transaction Costs, such other fees that may be incurred by the Manager and/or Trustee in relation to the redemption of the Units and/or the Redemption Application.

6.5.17 Limit on redemption per Trade Date

- (i) If the total number of Units (for which Redemption Applications have been received by the Manager) on a Trade Date exceeds 10% (or such higher percentage as the Manager may determine) of the NAV of the Fund on that day, the Manager can choose to limit the total number of Units to be redeemed on that day to 10% (or such higher percentage as the Manager may determine) of the NAV of the Fund.
- (ii) Any Units which are not redeemed in respect of a particular Trade Date ("**First Relevant Dealing Day**") as a result of the limit imposed by the Manager (as set out in Section 6.5.17(i) above) shall be carried forward for redemption on the Dealing Day following the First Relevant Dealing Day (such Dealing Day being hereinafter referred to as "**Second Relevant Dealing Day**").

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## 6. UNITS OF THE FUND (cont'd)

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- (iii) The Manager will inform the Participating Dealers of the higher percentage (if any) referred to in Section 6.5.17(i) above and of the number of Units the redemption of which have been deferred under Section 6.5.17(ii) above, within one (1) Dealing Day after the First Relevant Dealing Day and these Units shall be redeemed on the Second Relevant Dealing Day.
- (iv) If Redemption Applications are carried forward, any other Redemption Application received after the First Relevant Dealing Day and before the Second Relevant Dealing Day shall also be carried forward, and be deemed to be a Redemption Application submitted on the Second Relevant Dealing Day. Redemption Applications carried forward from the First Relevant Dealing Day shall be redeemed in priority to Redemption Applications received after such First Relevant Dealing Day.

### 6.6 Calculation of Issue Price, Redemption Price and IOPV per Unit

The Deed provides that the Issue Price or Redemption Price of each Unit for any relevant Dealing Day will, subject to the qualification below, be calculated by the Manager and shall be based on the NAV of the Fund as at the Valuation Point on the Trade Date divided by the number of Units in issue, truncated to four decimal places, or in such manner as may be determined by the Manager from time to time in consultation with the Trustee. The benefit of any such adjustment shall accrue to the Fund.

The Manager may, in consultation with the Trustee, add to the Issue Price (but not include within it) such sum (if any) as the Manager may consider representative of the appropriate provision for Transaction Costs which shall be for the account of the Fund.

As the NAV of the Fund is only calculated at the Valuation Point, the IOPV per Unit is calculated by the Manager after the close of the morning trading session of Bursa Securities (between 12.30 p.m. to 2.00 p.m.) on each Dealing Day to serve as an approximation to the NAV of the Fund. The IOPV per Unit, which is the estimated NAV per Unit of the Fund, is calculated as follows:

- (i) the price of the Fund Assets after the close of the morning trading session of Bursa Securities on a Dealing Day, including liquid assets (in Ringgit Malaysia);
- (ii) minus the liabilities of the Fund (in Ringgit Malaysia); and
- (iii) dividing the aggregation of sub-paragraphs (i) and (ii) above by the number of Units in issue.

In the future, when the Manager considers it feasible for the Fund to provide real-time IOPV per Unit and as agreed with the SC, the IOPV per Unit may be calculated and provided on a real-time basis and sub-paragraph (i) above shall refer to the price of the Fund Assets, including liquid assets.

Information on the IOPV per Unit can be obtained from Bursa website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and the Fund's website at [www.myetf.com.my](http://www.myetf.com.my).

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## 6. UNITS OF THE FUND (cont'd)

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### 6.7 Transaction Costs

The Fund Assets may decrease as a result of costs incurred in respect of transactions or dealings pursuant to Creation and/or Redemption Applications received. In order to prevent any potential adverse effect on the Fund Assets, the Manager has the discretion to charge the Participating Dealers all the Transaction Costs relating to the Applications, which may then be charged to the investor by the Participating Dealers.

### 6.8 Trading of the Units

The Units will be listed for trading on Bursa Securities. Upon Listing, the Units can be bought and sold throughout the trading day like other publicly-traded shares. There is no minimum investment. Although, Units are generally purchased and sold in “board lots” of 100 Units, brokerage firms may permit the investor to purchase or sell Units in smaller “odd lots”. However, prices of Units traded in “odd-lots” may differ from Units purchased and sold in “board lots”. Where the investor is buying or selling Units through a broker, the investor will incur customary brokerage fee, stamp duty and clearing fees.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Units as a prescribed security. In consequence thereof, the Units will be deposited directly with Bursa Depository and any dealings in the Units will be carried out in accordance with the Central Depositories Act and the rules of Bursa Depository.

An investor's beneficial ownership of the Units is shown in the records of Bursa Depository. Bursa Depository serves as the securities depository for all Units. As a beneficial owner of the Units, investors are not entitled to receive physical delivery of Unit certificates or to have the Units registered in the investor's name, and the investor is not considered a registered owner of the Units. Therefore, to exercise any right as an owner of the Units, the investor must rely upon the procedures of Bursa Depository. These procedures are the same as those that apply to securities listed on Bursa Securities.

#### 6.8.1 Unit trading price

The trading prices of Units on Bursa Securities may differ from their daily NAV per Unit and IOPV per Unit and can be affected by market forces such as supply and demand, economic conditions and other factors. The investor may keep track of the current market price of the Units via Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) on a daily basis.

The Units will be traded on the Main Market as determined by Bursa Securities in accordance with the relevant tick-size rules as set by Bursa Securities. This may be different from the bid/ask spread of the underlying securities.

#### 6.8.2 Liquidity provision

It is the intention of the Manager to facilitate the provision of liquidity for the investor through the appointment of Participating Dealers and/or market makers who are required to maintain a market for the Units. In maintaining a market for the Units, the Participating Dealers and/or market makers may realise profits or sustain losses. Any profit made by the Participating Dealers and/or market makers may be retained by them for their absolute benefit and they shall not be liable to account to the Trustee in respect of such profits.

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**6. UNITS OF THE FUND (cont'd)**

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Although Participating Dealers and/or market makers may buy and sell Units just like retail investors via Bursa Securities, there is no guarantee or assurance as to the price at which the market for the Units will be made. A list of Participating Dealers appointed by the Manager may be obtained from the Fund's website at [www.myetf.com.my](http://www.myetf.com.my).

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## 7. THE MANAGER

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### 7.1 About the Manager

*i*-VCAP Management Sdn Bhd, a wholly-owned subsidiary of Valuecap was incorporated on 25 October 2007 under the Act. As at the Latest Practicable Date, *i*-VCAP has an authorised share capital of RM100,000,000 and issued and paid-up capital of RM11,000,000 comprising 11,000,000 ordinary shares of RM1.00 each.

*i*-VCAP is a licensed fund management company approved by the SC on 7 January 2008. *i*-VCAP's principal business activity is to provide solely Shariah-compliant investment management services. It is the management company for MyETF Dow Jones Islamic Market Malaysia Titans 25 (MyETFDJIM25), an ETF established in 2008 and currently listed on the Main Market of Bursa Securities. Apart from managing MyETFDJIM25, *i*-VCAP also manages a wholesale fund (Shariah Money Market Fund) and a private mandate. As at the Latest Practicable Date, *i*-VCAP has 18 executives to undertake its operations and the total asset under its management stands at RM1,033.1 million.

### 7.2 Roles, duties and responsibilities

The Manager is responsible for setting the investment policies for the Fund and implementing strategies to meet these objectives. The Manager is also responsible for managing the Fund's portfolio, issuing Units and preparing and issuing the Prospectus.

The Manager will set the strategic direction and risk management policies of the Fund. The Manager will generally carry out investment and advisory activities in relation to the Fund Assets in accordance with the provisions of the Deed.

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

- (i) to manage the Fund's assets and liabilities for the benefit of Unit holders;
- (ii) to be responsible for the day-to-day management of the Fund;
- (iii) to carry out activities in relation to the Fund Assets in accordance with the provisions of the Deed;
- (iv) to use its best endeavours to carry on and conduct its business in a proper, diligent and efficient manner and to ensure that the management of the Fund is carried on and conducted in a proper and efficient manner and to conduct all transactions with or for the Fund at arm's length;
- (v) to monitor the performance of the Fund's portfolio on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variance to previous forecasts, written commentary on key issues and underlying assumptions;
- (vi) to calculate the amount of Distributable Income which may be distributed to Unit holders;
- (vii) to maintain proper records of the Fund; and

## 7. THE MANAGER (cont'd)

- (viii) to ensure that the Fund is managed within the ambit of the Deed, the CMSA and other securities laws and relevant guidelines at all times.

### 7.3 Historical financial information

The following is a summary of the financial position of the Manager:

<b>Financial year ended 31 December</b>	<b>2012 RM</b>	<b>2011 RM</b>	<b>2010 RM</b>
Issued and paid-up share capital	11,000,000	11,000,000	11,000,000
Shareholders' funds	24,672,160	22,289,855	19,213,053
Revenue	2,382,305	3,076,802	2,987,869
Profit before tax	2,382,305	3,076,802	2,987,869
Taxation	-	-	-
Profit after tax	2,382,305	3,076,802	2,987,869

### 7.4 Key personnel of the Manager

The following table sets out information on the key personnel of i-VCAP:

<b>Name:</b>	<b>Mahdzir Bin Othman</b>
<b>Designation:</b>	<b><i>Chief Executive Officer ("CEO") / Non-Independent Executive Director</i></b>
<b>Qualifications:</b>	Bachelor of Science (Hons.) in Finance from Northern Illinois University and Diploma in Accountancy from Universiti Teknologi MARA.
<b>Experience:</b>	Mahdzir is currently the CEO and assuming the role of Chief Investment Officer ("CIO") of i-VCAP since December 2010. He is also a holder of Capital Market Services Representative's Licence. He was previously with Valuecap, the holding company of i-VCAP which he joined in February 2003 as a Portfolio Manager before being promoted to the position of CIO in July 2006. Together with the stint in Valuecap, Mahdzir commands more than 20 years of experience in the asset management, financial and capital market services from various institutions which include SBB Asset Management Sdn Bhd, Utama Merchant Bank Berhad, BBMB Unit Trust Management Berhad and Kassim Chan & Co.

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**7. THE MANAGER (cont'd)**


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<b>Name:</b>	<b>Husnahafiza Hj.Mohamed</b>
<b>Designation:</b>	<b><i>General Manager, Operations</i></b>
<b>Qualifications:</b>	Bachelor of Law from University of London and is a member of the Malaysian Institute of Chartered Secretaries and Administrators.
<b>Experience:</b>	Husnahafiza joined <i>i</i> -VCAP in January 2012. She is a licensed secretary and she was previously the company secretary of Valuecap since 2003. She was actively involved in the setting up of Valuecap in 2002 as well as <i>i</i> -VCAP in 2007. Accumulating over 18 years of working experience particularly in the financial industry, her last held position was Company Secretary cum Head of Corporate Management Services Department at Valuecap, whereby she was responsible for overseeing the company's secretarial, legal and share custodial function. She was also responsible for the subsidiary's shared services operations. Prior to joining Valuecap, she had served at Khazanah Nasional Berhad and RHB Bank Berhad.

<b>Name:</b>	<b>Tengku Umizar Binti Tengku Ubaidillah</b>
<b>Designation:</b>	<b><i>Head, Compliance</i></b>
<b>Qualifications:</b>	Master in Business Administration in Accounting from University of New Haven, United States of America (" <b>USA</b> "), and Bachelor of Science in Accounting from State University of New York at Binghamton, USA.
<b>Experience:</b>	Tengku Umizar joined <i>i</i> -VCAP in 2008 and is currently the appointed compliance person for the Fund. She has over 18 years of experience in the capital market industry, including 13 years with the SC involving areas of policy development in the fund management industry and National Development Policy (NDP) requirement in the capital market. Prior to joining the SC, she was with Southern New England Telephone Cellular Inc. USA and Eastern Fire Door Inc. USA.

<b>Name:</b>	<b>Nazifah Binti Mohd Arshad</b>
<b>Designation:</b>	<b><i>Portfolio Manager</i></b>
<b>Qualifications:</b>	Bachelor of Science (Hons.) in Actuarial Science from Universiti Teknologi MARA and a Capital Market Services Representative's License holder
<b>Experience:</b>	Nazifah joined <i>i</i> -VCAP in July 2013. She has 8 years working experience in financial and investment industry particularly in research analysis, equity and fixed income fund management. She was previously a fund manager at Permodalan BSN Berhad and served at various institutions such as Syarikat Takaful Malaysia Berhad and Sime Darby Berhad.



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**7. THE MANAGER (cont'd)**

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<b>Name:</b>	<b>Roslina Binti Mohd Hanipa</b>
<b>Designation:</b>	<b><i>Head, Finance &amp; Administration</i></b>
<b>Qualifications:</b>	Bachelor of Accounting from Universiti Sains Malaysia. Chartered Accountant and member of the Malaysian Institute of Accountants (“MIA”).
<b>Experience:</b>	Roslina joined <i>i</i> -VCAP in December 2011. She has over 10 years experience in the areas of accounting and finance. Prior to joining <i>i</i> -VCAP, she was the Vice President (Settlement) at Valuecap, responsible for overseeing various finance functions including accounting and settlement functions. She had previously served at Jaya Jusco Stores Berhad and subsidiaries of Petroliam Nasional Berhad (Petronas) i.e. Malaysia International Trading Corporation Sdn Bhd (MITCO) and MISC Integrated Logistic Sdn Bhd.

<b>Name:</b>	<b>Faten Hasmahah Binti Khalid</b>
<b>Designation:</b>	<b><i>Company Secretary</i></b>
<b>Qualifications:</b>	Chartered Islamic Finance professional (CIFP) from International Centre for Education in Islamic Finance (INCEIF), Chartered Secretary (ICSA) from Institute Professional Baitulmal, Kuala Lumpur and an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).
<b>Experience:</b>	Faten Hasmahah joined <i>i</i> -VCAP in December 2011. She has more than 10 years experience in company secretarial practices serving various industries such as financial, construction, telehealth provider and property. Prior to joining <i>i</i> -VCAP, she was attached with Syarikat Takaful Malaysia Berhad as Deputy Manager of Corporate Affairs/Company Secretarial Division.

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## 7. THE MANAGER (cont'd)

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### 7.5 The Board of the Manager

The Board of *i*-VCAP plays an active role in the affairs of the Manager and is responsible for the overall management of *i*-VCAP. The Board has 6 members. The Board generally meets at least 6 times a year to receive recommendations and reports from the Investment and Board Audit & Risk Management Committees and the senior management of *i*-VCAP.

The following are the profiles of members of the Board of *i*-VCAP (except for Mahdzir Bin Othman whose profile has been stated in Section 7.4 of this Prospectus) .

<b>Name:</b>	<b>Wan Kamaruzaman Bin Wan Ahmad</b>
<b>Designation:</b>	<b><i>Chairman/Non-Independent Non-Executive Director</i></b>
<b>Qualifications:</b>	Bachelor of Economics majoring in Analytical Economic (Hons) from University of Malaya
<b>Experience:</b>	Wan Kamaruzaman was appointed as KWAP's CEO on 2 May 2013. He previously served as the General Manager of the Treasury Department at Employees Provident Fund ("EPF") since October 2007. He started his working career with Malayan Banking Berhad (Maybank) since 1981, mostly in the Treasury Department with two overseas postings at Hamburg, Germany as Chief Dealer and London, United Kingdom ("UK") as Treasury Manager. After leaving Maybank in 1994, Wan Kamaruzaman served as CEO and Director with several companies within the Affin Group for 11 years until 2005. He then briefly served Kemuncak Facilities Management Sdn Bhd and Izoma (M) Sdn Bhd, both as Executive Director of Finance from 2005 until 2007 before joining EPF. In addition, he is also a Board Member of Valuecap Sdn Bhd and Malakoff Corporation Bhd as well as the Director of Prima Ekuiti (UK) Limited, a subsidiary of KWAP.

<b>Name:</b>	<b>Sharifatu Laila Binti Syed Ali</b>
<b>Designation:</b>	<b><i>Non-Independent Non-Executive Director</i></b>
<b>Qualifications:</b>	Master in Business Administration from Universiti Malaya and Bachelor of Science (Hons) from Universiti Kebangsaan Malaysia. Attended the Harvard Advanced Management Programme at Harvard Business School.
<b>Experience:</b>	Sharifatu Laila was appointed as CEO of Valuecap in 2002 and played a key role in the setting up of Valuecap. She has been actively involved in the investment industry for more than 24 years. Prior to joining Valuecap, she had served at various premier institutions such as EPF, PNB and Lembaga Tabung Haji. She began her investment career in PNB in 1985 as an Investment Executive before leaving to join EPF 3 years later. During her tenure with EPF, she held several positions from Investment Officer to Senior Portfolio Manager (Head of the Equity Investment Division) overseeing approximately RM40 billion (US\$10 billion) and also Head of the Treasury Division overseeing an approximately RM100 billion portfolio (US\$30 billion). She gained extensive experience in the field of portfolio investment both in the local and regional environment while serving EPF.

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**7. THE MANAGER (cont'd)**

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<b>Name:</b>	<b>Hassan Bin Ibrahim</b>
<b>Designation:</b>	<b><i>Independent Non-Executive Director</i></b>
<b>Qualifications:</b>	Bachelor of Laws from University of Singapore.
<b>Experience:</b>	Hassan established the firm of Messrs Hassan & Associates in March 2007, focusing on corporate and conveyancing matters. Prior to that, he was a partner with Messrs Zainal Abidin & Co. since 1989, with involvement in the same areas of specialisation. During his tenure with Messrs Zainal Abidin & Co., he had attended to the preparation and completion of several project financing facility documents based on the Shariah principle of Al-Ijarah, Murabahah and Bai-Bithaman Ajil. He has over 10 years of experience serving Bank Pembangunan Malaysia Berhad from 1976 to 1988 in Project Evaluation & Investment functions.

<b>Name:</b>	<b>Tunku Afwida Binti Tunku A. Malek</b>
<b>Designation:</b>	<b><i>Independent Non-Executive Director</i></b>
<b>Qualifications:</b>	Bachelor of Science (Hons.) majoring in Economics and Accountancy from The City University (London). She also qualified as a Chartered Accountant from The Institute of Chartered Accountants in England and Wales.
<b>Experience:</b>	Tunku Afwida is currently the Director / shareholder of Benih Semaian Sdn Bhd, a funding advisory company. Prior to that, she was CEO and Executive Director (“ <b>ED</b> ”) of Kenanga Investment Bank Berhad (2006 to 2008), CEO and ED of MIMB Investment Bank Berhad (2003 to 2006) and ED / CIO of Commerce Asset Fund Managers Sdn Bhd (1995 to 2003). She is currently also a Director of Gamuda Berhad and PUC Founder (MSC) Berhad. She also serves as an Investment Committee Member of Valuecap.

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## 7. THE MANAGER (cont'd)

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<b>Name:</b>	<b>Rosli Bin Abdullah</b>
<b>Designation:</b>	<b><i>Independent Non-Executive Director</i></b>
<b>Qualifications:</b>	Master in Business Administration from Universiti Kebangsaan Malaysia, Post-Graduate Diploma in Accounting and Bachelor in Economics (Hons.) both from Universiti Malaya, Chartered Accountant and Member of the MIA.
<b>Experience:</b>	Rosli was the Registrar of MIA for 5 years until 2012, where he also served as CEO. He has served in various capacities in the public sector as the Chief Accountant of the Ministry of Works, Chief Accountant of the Ministry of Education, Chief Accountant of the Public Services Department (Pension Division), the Secretary to the Teachers Provident Fund, the Bursar of the University Putra Malaysia and the Director of Corporate Services, Accountant General Department, Ministry of Finance Malaysia. Subsequently, he joined the private sector and served as the Financial Controller/General Manager Finance of Kuala Lumpur International Airport Berhad and the Senior General Manager of Putrajaya Holdings Sdn Bhd (a company under the Petronas group). He also served as an Adviser to the Economic Planning Unit of the Prime Ministers Department upon his retirement in 2008/2009. He currently serves as Director on the Boards of Keretapi Tanah Melayu Berhad (“ <b>KTM</b> ”) and KTM Group of Companies, Bank Pembangunan Malaysia Berhad (“ <b>BPMB</b> ”) and BPMB Group of Companies, SME Growth Acceleration Fund Sdn Bhd, CapitaMalls Malaysia REIT Management Sdn Bhd (“ <b>CapitaMalls REIT</b> ”), Time Engineering Berhad and Malaysia Airports Holdings Berhad. The SC had in its letter dated 11 June 2012 approved an exemption from Clause 3.11(a) of the Guidelines on Real Estate Investment Trusts in respect of CapitaMalls REIT for Rosli to assume his directorship at the CapitaMalls REIT notwithstanding his directorship at iVCAP.

### 7.6 The Investment Committee

As required by the ETF Guidelines, the Manager has established an Investment Committee for the Fund whose role is to ensure that the investment management of the Fund is consistent with:

- (a) the investment objective of the Fund;
- (b) the Deed;
- (c) this Prospectus;
- (d) the ETF Guidelines and other applicable laws;
- (e) internal investment restrictions and policies (including the Shariah Investment Guidelines); and
- (f) acceptable and efficacious investment management practices within the industry.

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## 7. THE MANAGER (cont'd)

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The powers and duties of the Investment Committee include formulating and monitoring the implementation by the Manager of appropriate investment management strategies for the Fund and the measurement and evaluation of the performance of the Manager.

The Investment Committee meets at least once every calendar quarter and has four (4) members which include Tunku Afwida Binti Tunku A. Malek (Chairman and Independent member of the Investment Committee) and Hassan Bin Ibrahim (Independent member of the Investment Committee), whose profiles are set out in Section 7.5 of this Prospectus, whilst the other two Non-Independent members of the Investment Committee are Nik Amlizan Binti Mohamed and Shaharin Bin Md. Hashim whose profiles are as follows:-

<b>Name:</b>	<b>Nik Amlizan Binti Mohamed</b>
<b>Designation:</b>	<b><i>Non-Independent Member of the Investment Committee</i></b>
<b>Qualifications:</b>	Bachelor of Arts Degree in Economics from Claremont McKenna College.
<b>Experience:</b>	Nik Amlizan is currently a Director at KWAP, overseeing the Equity Department since June 2007. She has over 21 years of working experience, out of which 19 years are in the fund management industry. Prior to joining KWAP, she was General Manager/Head of Equity (Shariah/Ethical) at RHB Asset Management Sdn Bhd and Head of Investment Research/Senior Portfolio Manager at Mayban Investment Management Sdn Bhd. She also sits on the Board of Director for Valuecap and Prima Ekuiti (UK) Limited and serves as an Investment Committee Member of Valuecap.

<b>Name:</b>	<b>Shaharin Bin Md. Hashim</b>
<b>Designation:</b>	<b><i>Non-Independent Member of the Investment Committee</i></b>
<b>Qualifications:</b>	Bachelor of Arts in Mathematics and Economics from University of Pennsylvania, Philadelphia, USA.
<b>Experience:</b>	Shaharin is currently Chief, Investment Research & Market Strategy of Valuecap. He joined in 2005 and oversees a team of specialists responsible for the provision of qualitative and quantitative assessments relevant to the Group's investment activities. He has over 18 years of working experience encompassing areas of analysis and policy and product research and development works in the Malaysian capital and financial markets through his various stints at Bank Negara Malaysia, Malaysian Technology Development Corporation and Bursa Malaysia Berhad.

### 7.7 The fund manager

As required by the ETF Guidelines, the Manager is required to appoint a fund manager whose role is to ensure that the investment management of the Fund is consistent with the investment objective, investment policy and strategy, investment scope and restrictions as set out in Section 3 of this Prospectus and the ETF Guidelines.

The designated fund manager for the Fund is Nazifah Binti Mohd Arshad whose profile is as set out in Section 7.4 of this Prospectus.

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## 7. THE MANAGER (cont'd)

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### 7.8 Material litigation and arbitration

As at the Latest Practicable Date, there is no litigation or arbitration proceeding current, pending or threatened against or initiated by the Manager nor is there any fact likely to give rise to any proceeding which might materially affect the business/financial position of the Manager or any of its delegates.

### 7.9 Outsourcing of functions

#### (i) Registrar function

The Manager has on 13 January 2009 appointed Symphony to undertake the registrar function of all of its current and future funds. The outsourcing arrangement was approved by the SC on 27 February 2009. Symphony was incorporated in Malaysia under the Act on 7 March 1996. As at the Latest Practicable Date, the authorised share capital of Symphony is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each, of which 2,550,000 are issued and fully paid-up. Symphony is principally involved in the provision of share registration services.

The registrar functions to be delegated by the Manager to the Registrar shall comprise inter-alia the following:

- (a) maintenance of the principal register and keeping the same updated in compliance with the CMSA and the Central Depositories Act and any other relevant laws and requirements and in accordance with the provisions in the Deed;
- (b) maintaining of records, books and documents for the time period in accordance to the provisions as stipulated in the laws, rules and guidelines;
- (c) attending to relevant correspondences and enquiries from Unit holders and any other parties pertaining to the principal register which include changes of names and addresses, replacement of lost certificates (if applicable), distribution statements, registration of powers of attorneys, letters of administration, grant of probate, indemnities, court orders and any other matters ancillary thereto;
- (d) acting as advisor to the Manager on all matters in relation to Bursa Depository or Central Depositories Act and be the official link between Bursa Depository and the Manager;
- (e) performing registration formalities on consolidation and splitting of unit certificates received from Bursa Depository;
- (f) preparing, verifying and despatching of distribution cheques and statements, and reconciling and submitting the distribution accounts to the Registrar of Unclaimed Moneys in accordance with the Unclaimed Moneys Act 1965;
- (g) mailing of notices, circulars and annual/interim reports and documents to Unit holders;

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## 7. THE MANAGER (cont'd)

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- (h) liaising with Bursa Depository to facilitate access to the Record of Depositors, statistics for Unit holders' information and for the purposes of extraordinary general meetings or any other corporate actions, in compliance with the Central Depositories Act;
- (i) liaising with Bursa Depository on request for Record of Depositors on the relevant dates for book closure and payment;
- (j) providing information for disclosure purposes, which shall include the following:
  - (i) analysis of Unit holders by size and type;
  - (ii) semi-annual returns;
  - (iii) list of thirty largest Unit holders; and
  - (iv) analysis of Unit holders per request of regulators or authorities, if any, of which prior notice will be given to the Manager, and subject to notice being given to the Manager, before the release of such analysis; and
- (k) preparing for and handling the registration for Unit holders' meeting which includes the following:
  - (i) handling registration of Unit holders' attendance for meeting purposes; and
  - (ii) handling lodgement and processing of proxy forms received including providing the analysis of voting instructions based on the proxy forms received.

### (ii) Back office functions

On 30 April 2008, the Manager entered into a service level agreement with Valuecap to outsource selected back office functions such as custodian, human resource, administration, finance (settlement) and information technology support services to the company ("**Service Level Agreement**"). The outsourcing arrangement was approved by the SC on 26 May 2008.

Valuecap was incorporated in Malaysia under the Act on 26 October 2002 and is equally-owned by Khazanah, PNB and KWAP. Valuecap is an investment holding company and is principally involved in the business of investments in listed securities on Bursa Securities. As at the Latest Practicable Date, the authorised share capital of Valuecap is RM100,000,000 whilst the issued and paid-up share capital is RM50,000,000.

**(iii) Enterprise risk management functions**

On 12 April 2011, the Manager entered into a supplemental agreement to the Service Level Agreement with Valuecap to include the outsourcing of its enterprise risk management functions to the company ("**Supplemental Agreement**"). The outsourcing arrangement was approved by the SC on 9 June 2011.

The corporate information of Valuecap is as set out in Section 7.9(ii) of this Prospectus.

**(iv) Internal audit function**

On 30 March 2012, The Manager has entered into a service contract with KPMG Management & Risk Consulting Sdn Bhd ("**KPMG**") (*formerly known as KPMG Business Advisory Sdn Bhd*) to outsource its internal audit function to the company ("**Service Contract**"). The outsourcing arrangement was approved by the SC on 25 June 2012. The role of KPMG under the arrangement is to independently assess the system of internal controls established by the Manager, the adequacy and integrity of such internal control system vis-à-vis the objectives served and to make appropriate recommendation thereof.

KPMG was incorporated in Malaysia under the Act on 29 January 1986. As at the Latest Practicable Date, the authorised share capital of KPMG is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 50,000 are issued and fully paid-up. KPMG is principally involved in providing business consulting and advisory services to corporations covering management consulting, accounting advisory, financial risk management, internal audit, corporate governance, information technology advisory and forensic services.

**7.10 Direct and indirect unit holding in the Fund**

As the Fund was only established on 23 December 2013, the substantial shareholders, directors and key personnel of the Manager do not hold any Units, direct or indirect, in the Fund as at the date of this Prospectus.

As detailed in Section 3.2 of this Prospectus, Valuecap has committed to contribute the Perfect Baskets for the in-kind creation of up to RM20 million in conjunction with the Placement Subscription and the Listing of the Fund. Pursuant to this, Valuecap may hold the balance of Units (the number of which cannot be determined as at the date of this Prospectus) after the Placement Subscription and the Listing of the Fund.

Save as disclosed above, the substantial shareholders, directors and key personnel of the Manager will not hold any Units, direct or indirect, in the Fund upon the Listing.



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## 8. TRUSTEE

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### 8.1 About the Trustee

DTMB was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The Company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“**Deutsche Bank**”), a global investment bank with a substantial private client franchise.

With more than 100,000 employees serving clients in over 70 countries, Deutsche Bank offers financial services throughout the world.

### 8.2 Roles, duties and responsibilities

DTMB’s main functions are to act as trustee and custodian of the Fund Assets and to safeguard the interests of Unit holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA, the ETF Guidelines and all relevant laws.

### 8.3 Experience

DTMB is part of Deutsche Bank’s Trust & Securities Services, which provides trust, agency, depository, custody and related services on a range of securities and financial structures. As at the Latest Practicable Date, DTMB is the trustee for 160 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by DBMB, a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

### 8.4 Historical financial information

A summary of DTMB’s financial position since its incorporation is as set out below:

<b>Financial year ended 31 December</b>	<b>2012 RM</b>	<b>2011 RM</b>	<b>2010 RM</b>
Paid-up share capital	3,050,000	3,050,000	3,050,000
Shareholders’ funds	4,654,993	4,038,569	2,366,581
Revenue	5,725,581	4,162,341	1,856,706
Profit/(Loss) before tax	3,066,962	2,282,980	459,216
Profit/(Loss) after tax	2,288,412	1,671,988	616,827

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## 8. TRUSTEE (cont'd)

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### 8.5 The Board and Chief Executive Officer of the Trustee

The Board of DTMB consists of 6 members, as follows:

Name	Designation
Jacqueline William	Non-Independent Director
Mohd Ridzal bin Mohd Sheriff	Non-Independent Director
Janet Choi	Non-Independent Director
Chang Wai Kah	Non-Independent Director
Jalalullail bin Othman	Independent Director
Lew Lup Seong	Independent Director

#### **Chief Executive Officer**

Chua Mee Ling

### 8.6 Material litigation and arbitration

As at the Latest Practicable Date, neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegate.

### 8.7 Trustee's Delegate

The Trustee has appointed DBMB as the custodian of the Fund Assets. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of the Fund Assets, trade settlement management, corporate actions notification and processing, securities holding and cash flow reporting, and income collection and processing.

All investments are automatically registered in the name of, or to the order, of the Fund. DBMB shall act only in accordance with instructions from the Trustee.

### 8.8 Trustee's statement of responsibility

The Trustee has given its willingness to assume the position as trustee of the Fund and is willing to assume all its obligations in accordance with the Deed, the CMSA, the ETF Guidelines and all relevant laws.

**9.1 About CIMB Islamic**

CIMB Islamic is the global Islamic banking and finance franchise of the CIMB Group. Currently, CIMB Islamic provides comprehensive and innovative Shariah-compliant financial products and services to satisfy the needs of individual, small and medium scale enterprises and large institutional customers in investment banking, consumer banking, asset management, private banking and takaful. Its retail banking services are available at CIMB Bank Berhad's 297 branches nationwide.

CIMB Islamic also provides services on various Islamic banking and finance products to ensure their compliance with Shariah as well as the relevant resolutions and rulings made by the Shariah Advisory Councils of the regulatory bodies and CIMB Islamic's in-house Shariah committee.

CIMB Islamic has been appointed as the Shariah Adviser for the Fund.

As at the Latest Practicable Date, CIMB Islamic acts as a Shariah adviser for a total of 41 funds. As a Shariah Adviser, CIMB Islamic responds to Shariah issues that are referred to it for advice as and when required and reviews the compliance report and the investment transaction report of the Fund at the end of each quarter to ensure compliance with Shariah.

Abdul Ghani Endut has been designated as the person responsible for Shariah matters concerning the Fund. In addition, CIMB Islamic is backed by its own respective Shariah committee comprising of the following members:

- (i) Sheikh Prof. Dr. Mohammad Hashim Kamali
- (ii) Sheikh Dr. Haji Mohd Nai'm Bin Haji Mokhtar
- (iii) Sheikh Assoc. Prof. Dr. Shafaai Bin Musa
- (iv) Sheikh Nedham Yaqoobi
- (v) Sheikh Dr. Yousef Abdullah Al Shubaily
- (vi) Prof. Dr. Noor Inayah Yaakub

(collectively, the "**Shariah Committee**")

**9.2 Roles and responsibilities**

The roles and responsibilities of the Shariah Adviser include the following:

- (i) to advise on all aspects of the Fund in accordance with Shariah;
- (ii) to provide expertise and guidance on the Fund's investment and other operational and administrative matters in relation to Shariah;
- (iii) to ensure that the Fund is managed and operated in accordance with Shariah, relevant SC regulations and/or standards, including resolutions issued by the SC SAC;
- (iv) to review the Fund's compliance report and investment transaction report (which shall include information on the Fund Assets) at the end of each quarter to ensure that the Fund's operating procedures and investments are in compliance with Shariah. Upon completion of each quarterly review, the Shariah Adviser will

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## 9. SHARIAH ADVISER (cont'd)

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issue a report on its opinion in relation to the Fund's compliance with Shariah;  
and

- (v) to prepare a report to be included in the Fund's annual reports stating its opinion whether the Fund has been operated and managed in accordance with the Shariah for the financial period concerned.

The Shariah Committee meets every two months (6 times a year) to address Shariah advisory matters pertaining to the Fund, if any.

### 9.3 Members of the Shariah Committee

Currently, the Shariah Committee comprises of 6 members. The following table sets out information on the members of the Shariah Committee:

<b>Name:</b>	<b>Sheikh Prof. Dr. Mohammad Hashim Kamali</b>
<b>Designation:</b>	<b><i>Member of the Shariah Committee</i></b>
<b>Qualifications:</b>	1st Class, Bachelor of Arts (Hons.) in Laws and Political Science (Kabul University, Afghanistan), Master of Laws (LLM) degree (London School of Economics, England) and PhD in Islamic Law (School of Oriental & African Studies, University of London, England)
<b>Experience:</b>	Prof. Dr. Mohammad Hashim is a Canadian and a permanent resident in Malaysia, currently serving as the Chairman and CEO of the International Institute of Advanced Islamic Studies and was a member of SC SAC for the period from July 2010 to July 2014. He formerly served as a Professor of International Institute of Islamic Thought and Civilisation, and Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia ("IIUM"). He has been teaching Islamic law and jurisprudence since 1985.  He is also a renowned writer in the area of Islamic law and jurisprudence and has written many books and articles on the subject.

9. SHARIAH ADVISER (cont'd)

<b>Name:</b>	<b>Sheikh Dr. Haji Mohd Nai'm Bin Haji Mokhtar</b>
<b>Designation:</b>	<b><i>Member of the Shariah Committee</i></b>
<b>Qualifications:</b>	Bachelor in Laws (LLB) degree (IIUM), Master of Laws (LLM) (University of London, United Kingdom) and PhD in Shariah (National University of Malaysia), Diploma in Shariah Law & Practice and Diploma in Administration & Islamic Judiciary (IIUM)
<b>Experience:</b>	<p>Dr. Mohd Nai'm is a Malaysian, currently serving as a Director, Family Support Division, Malaysian Shariah Judiciary Department of the Prime Minister's Department.</p> <p>Previously, he served as a lecturer at Ahmad Ibrahim Kuliyyah of Laws, IIUM from 1990 to 1997. He then joined Messrs. Zulkifli Yong, Azmi &amp; Co as a Shariah lawyer before being appointed as a Shariah Judge in 1998. He was also assigned as a Research Officer at the Malaysian Shariah Judiciary Department of the Prime Minister's Department from 2003 to 2004, as well as Shariah Subordinate Court Judge for Federal Territory from 2007 to 2008 and Shariah Prosecutor, Federal Territory in 2008.</p>

<b>Name:</b>	<b>Sheikh Assoc. Prof. Dr. Shafaai Bin Musa</b>
<b>Designation:</b>	<b><i>Member of the Shariah Committee</i></b>
<b>Qualifications:</b>	Degree in Shariah (University of Al-Azhar, Egypt), Master in Comparative Laws (IIUM) and PhD in Comparative Commercial Law (Glasgow Caledonian University, United Kingdom)
<b>Experience:</b>	<p>Assoc. Prof. Dr. Shafaai is a Malaysian, currently serving as Associate Professor, Ahmad Ibrahim Kuliyyah of Laws, IIUM. He is on secondment to Institut Integriti, Kepimpinan Dan Latihan Semangat (IKLAS), Yayasan Warisan Johor as Chief Executive Officer. He is also Chairman of Sun Life Malaysia Takaful Berhad (formerly known as CIMB Aviva Takaful) Shariah Committee.</p> <p>He has more than 10 years of experience in teaching Islamic law and jurisprudence and wrote several research papers and articles. He served as a Shariah adviser for the Department of Islamic Development Malaysia in 2005.</p>

9. SHARIAH ADVISER (cont'd)

<b>Name:</b>	<b>Sheikh Nedham Yaqoobi</b>
<b>Designation:</b>	<b><i>Member of the Shariah Committee</i></b>
<b>Qualifications:</b>	Educated in the classical Shariah in his native Bahrain and in Makkah under the guidance of eminent scholars, including Sheikh Abdulla al-Farisi, Sheikh Yusuf al-Siddiqi, Sheikh Muhammed Saleh al-Abbasi, Sheikh Muhhamed Yasin al Fadani (Makkah), Sheikh Habib-ur-Rahman A. Zaini (India), Sheikh Abdulla bin Al-Siddiq Al-Ghumar (Morocco), and others. He has a Bachelor of Arts in Economics and Comparative Religion and Master of Science in Finance from McGill University, Montreal, Canada.
<b>Experience:</b>	Nedham Yaqoobi is a Bahrain national and an International Shariah Scholar. He also sits on the Shariah Boards of Islamic banking and Financial Institutions globally including the Dow Jones Islamic Market Indexes, the Accounting and Auditing Organization for Islamic Financial Institutions and the International Islamic Financial Market. He is also the author of several articles and publications on Islamic finance and other sciences, in English and Arabic.

<b>Name:</b>	<b>Sheikh Dr. Yousef Abdullah Al Shubaily</b>
<b>Designation:</b>	<b><i>Member of the Shariah Committee</i></b>
<b>Qualifications:</b>	Bachelor Degree from the Faculty of Shariah and Fundamentals of Islam, a Masters Degree from the Department of Comparative Jurisprudence at Muhammad bin Saud Islamic University in 1993 and 1996, respectively, and a PhD in Islamic Jurisprudence from the same university
<b>Experience:</b>	<p>Dr. Yousef is a Saudi Arabian, currently serving as a Lecturer at the Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University in the Kingdom of Saudi Arabia. He also serves as a Co-operating professor for the American Open University.</p> <p>He has an extensive experience in serving on various Shariah boards of financial institutions in the Kingdom of Saudi Arabia, Bahrain, Kuwait, UAE, Qatar, United States of America and Britain. He also holds advisory functions in numerous religious and charitable organisations within and outside the Kingdom of Saudi Arabia.</p> <p>He has also written many books, academic papers and articles on Islamic jurisprudence and commercial law and has actively participated in numerous seminars and conventions in related areas. He also participates in religious and economic programmes on television and radio broadcasts in the Kingdom of Saudi Arabia and abroad. He is a permanent guest for various television programs including the programs aired by Al Majd, MBC and CNBC channels.</p>

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9. SHARIAH ADVISER (cont'd)

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<b>Name:</b>	<b>Prof. Dr. Noor Inayah Yaakub</b>
<b>Designation:</b>	<b><i>Member of the Shariah Committee</i></b>
<b>Qualifications:</b>	She received her Bachelor of Shariah Law (Hons) and Bachelor of Law (Hons) from International Islamic University, Malaysia, Master of Laws (LLM) (Master of Comparative Conventional & Banking Law) from University of Bristol, United Kingdom and PhD (Comparative Conventional & Islamic Banking Law of Guarantee) from the University of Manchester, United Kingdom. She also holds a certificate of Project Management from "ISIS INNOVATION" Centre, University of Oxford, UK.
<b>Experience:</b>	<p>Prof. Dr. Noor Inayah is a Malaysian, currently attached as a Professor at Faculty of Economics and Management, Universiti Kebangsaan Malaysia ("UKM") and Principal Fellow of Institute of West Asian Studies, UKM. She is also a Director of the Centre for Corporate Planning &amp; Leadership, UKM.</p> <p>She was admitted to the Malaysian Bar as an Advocate &amp; Solicitor of the High Court of Malaya in 1996 and in the same year she became a qualified Shariah lawyer. She practised law with Messrs. Abraham &amp; Ooi and Co. from 1996 to 1997 before joining UKM as a lecturer in 1998.</p> <p>She has more than 15 years of experience in teaching Islamic Law, Islamic and Conventional Banking Law, Takaful and Insurance Law, Equity &amp; Trust Law and Business Law and Ethics. She has produced several academic research papers and articles mainly on the subject of Islamic and conventional banking law and takaful and insurance law of which some were presented in Islamic banking and finance proceedings and conferences and published in Malaysian and international high refereed / impact journals.</p>

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## 10. SALIENT TERMS OF THE DEED

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**This Section 10 is meant to disclose the salient terms of the Deed and is not meant to be exhaustive. For full details of the Deed, please refer to the Deed which is available for inspection at the registered office of the Manager and Trustee.**

Money invested by an investor in the Fund will be used to purchase a number of Units, which represents the Unit holder's interest in the Fund. Each unit held in the Fund represents an equal undivided beneficial interest in the Fund Assets. However, the unit does not give a Unit holder an interest in any particular part of the Fund or a right to participate in the management or operation of the Fund (other than through Unit holders' meetings).

A Unit holder will be recognised as having any right, title or interest in or to the Units registered in the name of that Unit holder and shall be treated as an absolute owner of such Units.

### 10.1 Rights of Unit holders

A Unit holder has the right, among others, to the following:

- (i) to inspect the Register, free of charge, at any time during normal working hours at the registered office of the Manager, and obtain such information pertaining to its Units as permitted under the Deed and the ETF Guidelines;
- (ii) to receive distributions declared by the Fund (if any), participate in any increase in the capital value of the Units and to other rights and privileges as set out in the Fund's Deed;
- (iii) to vote for the removal of the Trustee or the Manager through a Special Resolution; and
- (iv) to receive annual reports, interim reports (if any) or any other reports of the Fund.

Unit holders' rights may be varied by changes to the Deed, the ETF Guidelines or judicial decisions or interpretation.

### 10.2 Liabilities and limitations of Unit holders

#### 10.2.1 Liabilities

- (i) The liability of a Unit holder is limited to the purchase price per unit and the Creation Application Fee paid or agreed to be paid for a Unit. A Unit holder need not indemnify the Trustee or the Manager if there is a deficiency in the Fund Assets to meet the claim of any creditor of the Trustee or Manager in respect of the Fund.
- (ii) The recourse of the Trustee, the Manager and any creditor is limited to the Fund Assets.

#### 10.2.2 Limitations

A Unit holder cannot:

- (i) interfere with any rights or powers of the Manager and/or Trustee in their dealings with the Fund; or
- (ii) assert an interest in any particular part of the Fund Assets; or



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**10. SALIENT TERMS OF THE DEED (cont'd)**

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- (iii) require the transfer to the Unit holder of any particular part of the Fund Assets; or
- (iv) attend meetings whether of shareholders, creditors, ratepayers or otherwise or to take part in or to consent to any action concerning any property, corporation or scheme in connection with the Fund Assets; or
- (v) exercise any rights, powers or privileges in respect of any of the Fund Assets; or
- (vi) lodge with a government authority or any person any caveat or other notice whether under the provisions of any regulation, legislation, rule or otherwise;
  - (a) prohibiting the government authority or person (either conditionally or absolutely) from taking the action specified in the caveat or notice or forbidding (either conditionally or absolutely) the registration of any person as transferee or proprietor of, or of any instrument or thing affecting any particular part of the Fund Assets; or
  - (b) claiming any estate or interest in any particular part of the Fund Asset; or
- (vii) interfere in any way with the Fund.

For full details of the rights of a registered Unit holder of the Fund, please refer to the Deed.

**10.3 Maximum fees and charges permitted by the Deed**

This table describes the maximum rates for fees permitted by the Deed and payable indirectly by investors.

<b>Fees</b>	<b>% / RM</b>
Management Fee	Up to 3.0% per annum, calculated daily on the NAV of the Fund.
Trustee Fee	Up to 0.20% per annum, calculated daily on the NAV of the Fund, but subject to a minimum fee of RM12,000 per annum (excluding foreign sub-custodian fees and charges).

A lower fee and/or charges than what is stated in the Deed may be charged, all current fees and/or charges will be disclosed in the Prospectus.

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**10. SALIENT TERMS OF THE DEED (cont'd)**

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Any increase of the Management Fee and Trustee Fee that is stated in Sections 1.2(ii) and 5.2 of this Prospectus may be made provided that:

- (i) In relation to the Manager,
  - (a) the higher Management Fee does not exceed the maximum rate stipulated in the Deed;
  - (b) the Manager has notified the Trustee in writing of the higher Management Fee and the Trustee agrees after considering the matters required under the ETF Guidelines;
  - (c) the Manager has announced to Bursa Securities of the higher Management Fee and its effective date; and
  - (d) ninety (90) days have elapsed since the date of the announcement in Section 10.3(i)(c) above.
  
- (ii) In relation to the Trustee,
  - (a) the higher Trustee Fee does not exceed the maximum rate stipulated in the Deed;
  - (b) the Trustee has notified the Manager in writing of the higher Trustee Fee and the Manager agrees after considering the matters required under the ETF Guidelines;
  - (c) the Manager has announced to Bursa Securities of the higher Trustee Fee and its effective date; and
  - (d) ninety (90) days have elapsed since the date of announcement in Section 10.3(ii)(c) above.

Any increase in the maximum rates for the Management Fee and Trustee Fee stipulated in the Deed and this Section 10.3 may only be made by way of a supplementary deed and in accordance with the requirements of the CMSA.

**10.4 Expenses permitted by the Deed**

The Deed allows for payment of other fees, costs and expenses from the Fund Assets, which include (without limitation) expenses connected with:

- (i) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the Index Licensor entered into by the Manager in respect of the Fund;
- (ii) the processing or handling fees levied by any person for rendering services to effect any acquisition, disposal or any other dealings whatsoever in the Fund Assets and any expenses in relation thereto including commissions or fees paid to brokers and/or dealers in effecting dealings in the Permitted Investments of the Fund;
- (iii) all fees, charges, expenses and disbursements of any Shariah Adviser, legal adviser or counsel, accountant, auditor, valuer, broker, banker, tax adviser or other professional advisers employed or engaged by the Trustee or the Manager in the establishment of the Fund, in maintaining, preserving and protecting the

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**10. SALIENT TERMS OF THE DEED (cont'd)**

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Fund Assets and in the ongoing performance of their respective duties and obligations under this Deed, or otherwise in connection with the Fund;

- (iv) all fees, charges, expenses and disbursements incurred in relation to the acquisition, registration, realisation of or other dealing with any Fund Assets and all transactional fees as may be agreed from time to time between the Manager and the Trustee in relation to all transactions involving the whole or any part of the Fund Assets;
- (v) all charges and expenses incurred for any meeting of Unit holders other than convened by and for the benefit of the Manager and the Trustee;
- (vi) the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of and quotation for the Units on Bursa Securities, and/or the authorisation or other official approval or sanction of the Fund under the CMSA or any other applicable laws or regulations;
- (vii) the fees and expenses incurred in connection with depositing and holding Units with the Bursa Depository and the Clearing House (and in any other securities depository or clearing system);
- (viii) Cost of Establishment of the Fund which shall be funded by the Manager upfront and charged back to the Fund over a period of up to two (2) Financial Years from the date of the Prospectus;
- (ix) all charges, costs and expenses incurred by the Manager and/or the Trustee in respect of and/or in connection with the maintenance of a website or web pages (as the case may be) dedicated entirely to the Fund and communications with and/or notification to the Unit holders, the Registrar and/or any relevant authorities including notifications made in relation to the Fund in Bursa Securities, newspaper(s) in Malaysia and such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine;
- (x) all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Deed and in respect of preparing any agreement in connection with the Fund other than those for the benefit of the Manager or the Trustee;
- (xi) all costs incurred in respect of the preparation, publication and distribution of the annual reports and interim reports (if any) and of all cheques, statements, notices and other documents relating to the Fund;
- (xii) all fees and expenses incurred in connection with the removal of the Manager, the Trustee or the auditor of the Fund or the appointment of a new management company, a new trustee or new auditor;
- (xiii) all expenses incurred in the collection of Income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities) or the determination of taxation;

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**10. SALIENT TERMS OF THE DEED (cont'd)**

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- (xiv) all expenses associated with the distributions declared pursuant to this Deed including without limitation fees for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- (xv) all fees and expenses incurred by the Manager and the Trustee in winding-up and terminating the Fund;
- (xvi) fees for the valuation of the Fund by independent valuers for the benefit of the Fund;
- (xvii) any costs, fees and expenses to be paid under any licence and data supply contracts in relation to the maintenance of calculation of IOPV per Unit; and
- (xviii) such other charges, costs, expenses and disbursements (including but not limited to any tax and other duties imposed by any government and other authorities, e.g. goods and services tax payable by the Manager or the Trustee for the Fund pursuant to the Deed) as permitted or required (as the case may be) under the applicable laws which the Trustee or Manager is entitled to charge to the Fund.

**10.5 Retirement of the Manager**

The Manager may retire from the management of the Fund upon giving to the Trustee twelve (12) months notice in writing of its desire to do so, or such lesser time as the Manager and Trustee may agree upon.

The retiring Manager, subject to the approval required by applicable laws, may appoint in writing any other suitably qualified corporation approved by the Trustee and the SC as the new management company in its stead.

The Trustee shall take reasonable steps to remove and replace the Manager as soon as practicable after becoming aware of any such circumstances as stated under Section 10.6 below.

**10.6 Power of the Trustee to remove or replace the Manager**

The Manager may be removed by the Trustee under certain circumstances as specified in the Deed which include the following events:

- (i) the Manager goes into liquidation or provisional liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation or some similar purpose upon terms previously approved in writing by the Trustee) or is placed under official management or ceases to carry on business or if a receiver, or receiver and manager is appointed in relation to all or a substantial portion of the property of the Manager and is not removed or withdrawn within thirty (30) days of appointment or if any encumbrances shall take possession of any of its assets;
- (ii) if the Trustee is of the reasonable opinion that the Manager has, to the prejudice of the Unit holders, failed to comply with any provision or covenant under the Deed or contravened any of the provisions of the CMSA and within such period as is specified by the Trustee in a written notice to the Manager, the contravention(s) have not been remedied;

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**10. SALIENT TERMS OF THE DEED (cont'd)**

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- (iii) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit holders for the Trustee to remove the Manager provided that:
  - (a) the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and the Trustee has considered any representations made by the Manager in respect of that opinion;
  - (b) after consultation with the SC; and
  - (c) a Special Resolution has been duly passed by the Unit holders;
- (iv) if the Unit holders by a Special Resolution resolve that the Manager shall be removed; or
- (v) the Manager ceases to be approved by the SC to be the management company for the Fund.

In any of the above said grounds, the Manager for the time being shall upon receipt of a written notice by the Trustee cease to be the management company and the Trustee shall subject to any approval required by applicable laws, is entitled to appoint in writing some other suitably qualified corporation to be the management company for the Fund with approval of the Unit holders by way of a Special Resolution at a meeting convened in accordance with the Deed. Until the appointment of a new management company is complete, the Trustee may act as the management company.

The appointment of a new management company has no effect until the new management company executes a deed under which it covenants to act as the management company in accordance with the Deed.

**10.7 Retirement of the Trustee**

The Trustee may retire as trustee of the Fund upon giving to the Manager twelve (12) months notice in writing of its desire to do so, or such lesser time as the Manager and Trustee may agree upon.

The retiring Trustee, subject to the approval required by applicable laws, may appoint in writing any other suitably qualified corporation approved by the Manager and the SC as the new trustee in its stead.

The Manager shall take reasonable steps to remove and replace the Trustee as soon as practicable after becoming aware of any such circumstances as stated under Section 10.8 below.

**10.8 Power of the Manager to remove or replace the Trustee**

The Trustee may be removed by the Manager under certain circumstances as specified in the Deed which include the following events:

- (i) the Trustee goes into liquidation or provisional liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation or some similar purpose upon terms previously approved in writing by the Manager) or is placed under official management or ceases to carry on business or if a receiver, or receiver and manager, is appointed in relation to all or a substantial portion of

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**10. SALIENT TERMS OF THE DEED (cont'd)**

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the property of the Trustee and is not removed or withdrawn within thirty (30) days of the appointment or if any encumbrances shall take possession of any of its assets;

- (ii) the approval of the Trustee to act under provisions of the CMSA and regulations is revoked;
- (iii) the Unit holders by Special Resolution resolve that the Trustee should be removed; or
- (iv) the Trustee has contravened its obligation to the Unit holders in a manner that, in the reasonable opinion of the Manager, adversely affects those Unit holders and, within such period as is specified by the Manager in a written notice to the Trustee, the contravention(s) have not been remedied.

Additionally, the Manager is legislatively empowered under Section 299 of the CMSA to remove a Trustee under specific circumstances set out therein.

In any of the above said grounds, the Trustee for the time being shall upon receipt of a written notice by the Manager cease to be the trustee and the Manager shall subject to any approval required by applicable laws, be entitled to appoint in writing some other suitably qualified corporation to be the trustee with approval of the Unit holders by way of Special Resolution at a meeting convened in accordance with the Deed. Until the appointment of a new trustee is complete, the Manager may act as trustee.

The appointment of a new trustee has no effect until the new trustee executes a deed under which it covenants to act as trustee in accordance with the Deed.

**10.9 Termination of the Fund**

10.9.1 The Fund may be terminated by the Trustee, with the approval of the Manager by notice in writing (except in the case of Sections 10.9.1(vi) and Section 10.9.1(vii) below) upon the occurrence of any of the following events:

- (i) if it becomes illegal or in the opinion of the Trustee impossible or impracticable to continue the Fund;
- (ii) if the Fund shall become liable to taxation (whether in Malaysia or elsewhere) in respect of income or capital gains at a rate considered by the Manager to be excessive in relation to the rate which would be borne by the Unit holder if they owned directly the relevant Fund Asset in question;
- (iii) if the Units cease to be listed on Bursa Securities;
- (iv) if the Fund ceases to be authorised under the CMSA;
- (v) if the Index Licence Agreement is terminated and a new Index Licence Agreement relating to the Benchmark Index is not entered into by the Trustee and/or the Manager;
- (vi) if the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or shall be adjudged a bankrupt or

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**10. SALIENT TERMS OF THE DEED (cont'd)**

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insolvent or appoints liquidators or if a receiver shall be appointed in respect of the property or undertaking of the Manager or any part thereof or the Manager is the subject of any analogous proceedings or procedure in each case under the law of Malaysia or such other law as may be applicable in the circumstances where, after the expiration of a period of three (3) months, the Trustee has not appointed a new management company;

- (vii) if on the expiration of three (3) months after notifying the Manager that in the Trustee's opinion a change of management company is desirable in the interests of the Unit holders and the Trustee has not found another company ready to accept the office of management company for the Fund of which the Trustee and the SC shall approve; or
- (viii) if by Special Resolution for the termination or winding up of the Fund and the court shall have confirmed the such Special Resolution in accordance with the CMSA.

10.9.2 Notwithstanding Section 10.9.1 above, the Fund may be terminated at any time by Special Resolution of the Unit holders and such termination shall take effect from the date of which such Special Resolution is passed or such later date (if any) as the Special Resolution may provide.

**10.10 Unit holders meeting**

10.10.1 The Trustee or the Manager may respectively at any time convene a meeting of Unit holders at such time or place in Malaysia as the party convening the meeting may think fit.

10.10.2 The Manager shall call for a meeting of Unit holders if not less than fifty (50) Unit holders or ten percent (10%) of all Unit holders whichever is less direct the Manager to do so in writing delivered to the registered office of the Manager for the purpose of:

- (i) considering the most recent financial statement of the Fund;
- (ii) giving the Trustee such directions as the meeting thinks proper; or
- (iii) considering any other matter related to the Deed.

10.10.3 Where the meeting is convened to pass:

- (i) an ordinary resolution (which requires the approval of a simple majority), at least fourteen (14) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unit holders; or
- (ii) a Special Resolution, at least twenty one (21) days notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting shall be given to the Unit holders; or

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**10. SALIENT TERMS OF THE DEED (cont'd)**

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- (iii) where resolution which requires approval by not less than two-thirds of all Unit holders at a Unit holders' meeting, at least twenty one (21) days notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) of such meeting shall be given to the Unit holders in the manner provided in this Deed.

Such notices shall be given to the Unit holders in the following manner as contemplated under the Deed:

- (a) in writing to the Unit holder by letter addressed to the holder at the Unit holder's address appearing in the Register;
- (b) by publication in a national language daily national newspaper and in one (1) other newspaper as may be approved by the SC; or
- (c) such other forms of communication permitted or acceptable under the ETF Guidelines and as the Manager may from time to time determine.

10.10.4 The notice shall be in the form of a circular and shall specify the place, day and hour of meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed thereat. A copy of the notice shall be sent to the Trustee unless the meeting is convened by the Trustee. The accidental omission to give notice to or the non-receipt of notice by any of the Unit holders shall not invalidate the proceedings at any meeting.

10.10.5 The Trustee shall cause at least fourteen (14) days' notice (twenty one (21) days in the case a Special Resolution to be passed) to be given by advertisement in a national language daily national newspaper and in one (1) other newspaper as may be approved by the SC, and in writing to Bursa Securities.

10.10.6 At any meeting, at least five (5) Unit holders present in person or by proxy shall form a quorum for the transaction of business except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution shall be at least five (5) Unit holders present in person or by proxy registered as holding not less than twenty five percent (25%) of the Units in issue provided that if there are only five (5) or less than five (5) Unit holders, the quorum shall be by all the Unit holders for the time being. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

10.10.7 Every Unit holder (being an individual) who is present in person or by proxy or (being a corporation) is represented by one of its representatives or by proxy shall, on a poll, have one vote for every Unit of which he or it is the Unit holder and need not cast all the votes to which he or it is entitled in the same way.

10.10.8 Each Unit holder shall be entitled to attend and vote at any meeting of Unit holders and shall be entitled to appoint another person (whether or not a Unit holder) as his proxy to attend and vote. Where the Unit holder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with units standing to the credit of the said securities account. Where a Unit holder appoints two (2) proxies in accordance with this provision the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. Such proxy shall have the same rights as the



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**10. SALIENT TERMS OF THE DEED (cont'd)**

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member to vote whether on poll or a show of hands, to speak and to be reckoned a quorum.

10.10.9 Any Unit holder being a corporation may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Unit holders, and a person so authorised shall at such meeting be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Unit holder.

10.10.10 Every question arising at a general meeting of Unit holders shall be decided in the first instance by a show of hands, provided that a poll shall be taken in any case where:

- (i) it is required by the Deed or by applicable laws that the question be decided, by a majority which is to be measured by a percentage of the votes of those present; or
- (ii) it is demanded either before or immediately after any question is put to a show of hands by:
  - (a) the Chairman;
  - (b) the Trustee;
  - (c) the Manager; or
  - (d) any Unit holder or Unit holders present holding (any representing by proxy) or holding between them not less than ten percent (10%) of the Units issued.

10.10.11 Upon any question decided by a show of hands, each Unit holder present and each proxy shall have one vote and upon any question decided by a poll, each Unit holder present in person or by proxy shall have one vote for each fully paid Unit.

10.10.12 In the case of equality of votes the chairman of a meeting of Unit holders shall have a casting vote in addition to his votes (if any) as a Unit holder both on a show of hands and on a poll.

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## 11. APPROVALS AND CONDITIONS

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### 11.1 Approvals obtained from SC and conditions imposed

The SC had on 26 November 2013 approved the following proposals:

- (i) establishment of the Fund with an initial fund size of 500 million Units;
- (ii) the listing and quotation for up to 500 million Units on the Main Market of Bursa Securities;
- (iii) the appointment of i-VCAP as the management company of the Fund; and
- (iv) the appointment of DTMB as the trustee for the Fund,

subject to the following conditions:

No.	Conditions imposed	Status of compliance
(a)	The Manager must inform SC of the listing date of the Fund prior to the listing of the Fund; and	Duly noted and will be complied with prior to the listing of the Fund.
(b)	The listing of the Fund must be completed within six (6) months from the date of the approval letter from SC. SC's approval would be deemed to have lapsed if the Manager fails to do so within the stipulated timeframe.	Duly noted and will be complied with.

The SC had on 26 November 2013 and 28 November 2013 stated that it has no objection on the following:

- (i) to allow the Manager to calculate and provide the IOPV per Unit, in relation to Paragraphs 11.02 of the ETF Guidelines, once per day after the close of the morning trading session of the Bursa Securities, subject to the condition that:

No.	Conditions imposed	Status of compliance
(a)	The Manager is to provide real-time or near real-time IOPV per Unit for the Fund when the size of the Fund reaches a size where the cost of providing such information does not have a negative effect on the tracking error of the Fund, i.e. cost not exceeding 0.05% of the NAV of the Fund.	Duly noted and to be met when the size of the Fund reaches a size where the cost of providing real-time or near real-time IOPV does not exceed 0.05% of the NAV of the Fund.

; and

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## 11. APPROVALS AND CONDITIONS

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- (ii) the basis for ascertaining income available for distribution by the Fund to its Unit holders, in relation to Paragraphs 13.01 and 13.02 of the ETF Guidelines, as follows:
- (a) the distributable income is the net realised income from profit, dividend and other distributions, after deducting the costs/expenses as allowed by the Deed;
  - (b) no adjustment will be made from any realised capital gains or losses as a result of price appreciation or depreciation of the underlying securities;
  - (c) unrealised income or gains of the Fund will not be distributed to Unit holders and unrealised losses (including capital losses) will not be deducted; and
  - (d) the distributable income is subject to a maximum of the net cash flow of the Fund available for distribution,

subject to the conditions that:

No.	Conditions imposed	Status of compliance
(a)	The amount of income distribution is capped at a maximum of the net cash flow of the Fund;	Duly noted and will be complied with.
(b)	The objective of the Fund remains as tracking a price index; and	Duly noted and will be complied with.
(c)	Any distribution declared by the Fund should be accompanied by an announcement as to the source of the income distributed.	Duly noted and will be complied with.

### 11.2 Waiver/Variation approved by the SC in relation to the Fund

The SC had on 26 November 2013 approved the variation to Paragraph 14.04 of the CIS Prospectus Guidelines, Part II – Listed Funds, to limit the assessment and disclosure of details of the interests of Khazanah, PNB and KWAP (collectively known as “**Substantial Shareholders**”) in other corporations carrying on similar businesses as the Manager to the subsidiaries, associates and jointly-controlled entities of the Substantial Shareholders, based on their principal activities as stated in the respective audited consolidated financial statements of the Substantial Shareholders for the financial year ended 31 December 2012, being the latest available audited consolidated financial statements of the Substantial Shareholders.

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## 12. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST

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### 12.1 Existing and proposed related party transactions

#### 12.1.1 The Manager

The Manager and its directors and any of its delegates including the Investment Committee members will at all times act in the best interests of the Unit holders of the Fund and will not conduct itself in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Fund is not disadvantaged. In the unlikely event that the Manager faces conflicts in respect of its duties to the Fund and its duties to other investment funds that it manages, the Manager is obliged to act in the best interests of all its investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

The Manager will not act as principals in the sale and purchase of any securities or investments to and from the Fund. Further, the Manager will not make any investment for the Fund in any securities, properties or assets in which the Manager or its officer has financial interest in or from which the Manager or its officer derives a benefit, unless with the prior approval of the Trustee.

The Fund may have dealings with parties related to the Manager. The related parties include Valuecap pursuant to the Service Level Agreement and Supplemental Agreement under which the Manager outsources its back office function and enterprise risk management functions to Valuecap as detailed in Section 7.9 of this Prospectus. In addition, Valuecap may also have an interest in the Fund as a Unit holder as it may hold the balance of Units after the Placement Subscription and the Listing of the Fund as detailed in Section 3.2 of this Prospectus.

#### 12.1.2 The Trustee

As the Trustee for the Fund(s), there may be related party transactions involving or in connection with the Fund(s) in the following events:

- (i) where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (ii) where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC's guidelines and other applicable laws;
- (iii) where the Manager appoints DBMB and/or DTMB to perform its back office functions (e.g. fund accounting and valuation and/or registrar and transfer agent); and
- (iv) where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

## 12. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (cont'd)

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB's commitment to act in the best interests of the unit holders of the Fund does not preclude the possibility of related party transactions or conflicts.

### 12.1.3 Interests in the Fund

Subject to any applicable laws and guidelines, the Manager, the Trustee, or any related corporation of the Trustee or the Manager, or any officers or directors of any of them, may invest in the Fund. The directors of the Manager and of the Trustee will receive no payments from the Fund other than distributions that they may receive as a result of investment in the Fund. No fees other than those set out in this Prospectus have been paid to the Trustee (either to become a Trustee or for other services in connection with the Fund), or the Manager for any purpose.

### 12.1.4 Employees' securities dealings

The Manager has in place a policy contained in its Code of Conduct and relevant internal policies and procedures, which regulates its employees' securities dealings. A quarterly declaration of securities trading is required from all employees to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the company and customers of the company.

## 12.2 Interests of directors and substantial shareholders of the Manager

### 12.2.1 Interest of directors of the Manager

Saved as disclosed below, as at the Latest Practicable Date, none of the directors of the Manager have any direct or indirect interests in other corporations carrying on similar business as the Manager.

Name	Businesses / Corporations	Nature of interest	Direct Interest	Indirect Interest
Wan Kamaruzaman Bin Wan Ahmad	<ul style="list-style-type: none"><li>• KWAP</li><li>• Valuecap</li><li>• Prima Ekuiti (UK) Limited</li></ul>	<ul style="list-style-type: none"><li>• Chief Executive Officer</li><li>• Non-Independent Non-Executive Director</li><li>• Non-Independent Non-Executive Director</li></ul>	<ul style="list-style-type: none"><li>• %</li><li>• -</li><li>• -</li><li>• -</li></ul>	<ul style="list-style-type: none"><li>• %</li><li>• -</li><li>• -</li><li>• -</li></ul>
Sharifatu Laila Binti Syed Ali	<ul style="list-style-type: none"><li>• Valuecap</li></ul>	<ul style="list-style-type: none"><li>• Chief Executive Officer</li></ul>	<ul style="list-style-type: none"><li>• -</li></ul>	<ul style="list-style-type: none"><li>• -</li></ul>

## 12. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (cont'd)

Name	Businesses / Corporations	Nature of interest	Direct Interest	Indirect Interest
Tunku Afwida Binti Tunku A. Malek	<ul style="list-style-type: none"> <li>Valuecap</li> </ul>	<ul style="list-style-type: none"> <li>Investment Committee</li> </ul>	-	-
Rosli Bin Abdullah	<ul style="list-style-type: none"> <li>SME Growth Acceleration Fund Sdn Bhd</li> <li>CapitaMalls Malaysia REIT Management Sdn Bhd</li> </ul>	<ul style="list-style-type: none"> <li>Independent Non-Executive Director</li> <li>Independent Non-Executive Director</li> </ul>	-	-

### 12.2.2 Interest of substantial shareholders of the Manager

Valuecap is jointly owned by Khazanah, PNB and KWAP. The principal activity of Khazanah is that of investment holding, while PNB is involved in the acquisition and holding of shares to promote greater ownership of share capital in the corporate sector in Malaysia by Bumiputeras, and KWAP manages the retirement fund contributions from federal government, statutory bodies, local authorities and other agencies.

Save as disclosed below and based on the variation granted by the SC as set out in Section 11.2 of this Prospectus, as at the Latest Practicable Date, none of the substantial shareholders of the Manager has any direct or indirect interests in other corporations carrying on similar business as the Manager.

Name	Business/Corporations	Nature of interest	Direct Interest	Indirect Interest
Khazanah	<ul style="list-style-type: none"> <li>Valuecap</li> </ul>	<ul style="list-style-type: none"> <li>Direct shareholding</li> </ul>	33.3	-
	<ul style="list-style-type: none"> <li>Malaysia Technology Development Corporation Sdn Bhd</li> </ul>	<ul style="list-style-type: none"> <li>Direct shareholding</li> </ul>	100.0	-
	<ul style="list-style-type: none"> <li>Xeraya Capital Labuan</li> </ul>	<ul style="list-style-type: none"> <li>Direct shareholding</li> </ul>	100.0	-
	<ul style="list-style-type: none"> <li>First Floor Capital Sdn Bhd</li> </ul>	<ul style="list-style-type: none"> <li>Direct shareholding</li> </ul>	25.0	-
KWAP	<ul style="list-style-type: none"> <li>Valuecap</li> </ul>	<ul style="list-style-type: none"> <li>Direct shareholding</li> </ul>	33.3	-
	<ul style="list-style-type: none"> <li>Prima Ekuiti (UK) Limited</li> </ul>	<ul style="list-style-type: none"> <li>Direct shareholding</li> </ul>	100.0	-
	<ul style="list-style-type: none"> <li>KWAP Managed Investment Limited</li> </ul>	<ul style="list-style-type: none"> <li>Direct shareholding</li> </ul>	100.0	-
	<ul style="list-style-type: none"> <li>Prima Harta Trust (Jersey)</li> </ul>	<ul style="list-style-type: none"> <li>Direct shareholding</li> </ul>	100.0	-

## 12. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (cont'd)

Name	Business/Corporations	Nature of interest	Direct Interest	Indirect Interest
PNB	• Valuecap	• Direct shareholding	33.3	-
	• Amanah Saham Nasional Berhad	• Direct shareholding	100.0	-
	• Amanah Mutual Berhad	• Indirect shareholding	-	100.0 <sup>(1)</sup>
	• PFM Capital Sdn. Berhad	• Indirect shareholding	-	100.0 <sup>(2)</sup>
	• Singapore Unit Trust Limited	• Indirect shareholding	-	100.0 <sup>(3)</sup>
	• PNB (UK) Limited	• Indirect shareholding	-	100.0 <sup>(3)</sup>
	• PNB Asset Management (Japan) Company Limited	• Indirect shareholding	-	100.0 <sup>(3)</sup>
	• MIDF Amanah Asset Management Berhad	• Indirect shareholding	-	100.0 <sup>(4)</sup>
	• MIDF Amanah Ventures Sdn. Berhad	• Indirect shareholding	-	100.0 <sup>(4)</sup>
	• Pelaburan Hartanah Nasional Berhad	• Direct shareholding	70.0	-

Notes:

- (1) Deemed interested by virtue of its shareholding in Amanah Saham Nasional Berhad pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of its shareholding in PFM Capital Holdings Sdn. Berhad pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of its shareholding in PNB International Limited pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of its shareholding in Malaysian Industrial Development Finance Berhad pursuant to Section 6A of the Act.

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**12. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (cont'd)**

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**12.3 Declaration of expert's existing and potential interests/conflicts of interests****12.3.1 CIMB**

CIMB confirms that there is no existing or potential interests or conflict of interests in its capacity as the principal adviser, placement agent and selling agent with respect to the Fund or the Manager.

**12.3.2 CIMB Islamic**

CIMB Islamic confirms that there is no existing or potential interests or conflict of interests in its capacity as the Shariah adviser with respect to the Fund or the Manager.

**12.3.3 Messrs Kadir Andri & Partners**

Messrs Kadir Andri & Partners confirms that there is no existing or potential interests or conflict of interests in its capacity as the solicitors with respect to the Fund or the Manager.

**12.3.4 PWC Taxation**

PWC Taxation confirms that there is no existing or potential interests or conflict of interests in its capacity as the tax adviser with respect to the Fund or the Manager.

**12.3.5 CIMB Bank Berhad**

CIMB Bank Berhad confirms that there is no existing or potential interests or conflict of interests in its capacity as the participating dealer with respect to the Fund or the Manager.

**12.3.6 RHB Investment Bank Berhad**

RHB Investment Bank Berhad confirms that there is no existing or potential interests or conflict of interests in its capacity as the participating dealer and selling agent with respect to the Fund or the Manager.

**12.3.7 Kenanga Investment Bank Berhad**

Kenanga Investment Bank Berhad confirms that there is no existing or potential interests or conflict of interests in its capacity as the selling agent with respect to the Fund or the Manager.



TAX ADVISER'S LETTER



**TAXATION ADVISER'S LETTER  
ON TAXATION OF THE FUND AND UNIT HOLDERS  
(Prepared for inclusion in this Prospectus)**

**PricewaterhouseCoopers Taxation Services Sdn Bhd**

Level 10, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
P.O.Box 10192  
50706 Kuala Lumpur

**The Board of Directors**

i-VCAP Management Sdn Bhd  
Level 9, Block B, HP Towers  
No. 12, Jalan Gelenggang  
50490 Kuala Lumpur

5 February 2014

Dear Sirs,

**TAXATION OF THE FUND OFFERED UNDER THE MyETF MSCI MALAYSIA ISLAMIC  
DIVIDEND AND UNIT HOLDERS**

This letter has been prepared for inclusion in this Prospectus in connection with the offer of units in the MyETF MSCI Malaysia Islamic Dividend ("the Fund").

The taxation of income for both the Fund and the Unit holders are subject to the provisions of the Malaysian Income Tax Act, 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

**TAXATION OF THE FUND**

The Fund will be regarded as resident for Malaysian tax purposes since the Trustee of the Fund is resident in Malaysia.

**(1) Investments**

**(i) General taxation**

The income of the Fund consisting of dividends, interest or profit<sup>1</sup> (other than interest and profit<sup>1</sup> which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 25<sup>2</sup> per cent.

Gains on disposal of investments by the Fund will not be subject to income tax.

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*PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M),  
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*



## (ii) Dividends and Other Exempt Income

Effective 1 January 2014, all companies would adopt the single-tier system. Hence dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or discount income or profit<sup>1</sup> derived from the following investments is exempt from tax:

- (a) Securities or bonds issued or guaranteed by the Government of Malaysia;
- (b) Debentures<sup>3</sup>, other than convertible loan stocks, approved by the Securities Commission of Malaysia ("SC"); and
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest income or profit<sup>1</sup> derived from the following investments is exempt from tax:

- (a) Interest or profit<sup>1</sup> paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013 with effect from 30 June 2013; and
- (b) Bonds, other than convertible loan stocks, paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad (now known as Bursa Malaysia Securities Berhad ACE Market).

The interest income / profit<sup>1</sup> or discount exempted from tax at the Fund level will also be exempted from tax upon distribution to the Unit holders.

## (2) Securities Borrowing and Lending Transaction ("SBL")

The following represents the tax treatment of SBL transactions in Malaysia and on securities listed on Bursa Malaysia Securities Berhad ("Bursa Securities").

Pursuant to Income Tax (Exemption) (No. 30) Order 1995 - Revised 2008, the authorised borrower or lender in an SBL approved by the SC will qualify for tax exemption on any income (other than Malaysian sourced dividends, manufactured payments, lending fees and interest earned on collateral) arising from the loan of securities listed on Bursa Securities. This would mean that the transfer of securities under an SBL from the lender to the borrower and the subsequent return of the same or equivalent securities by the borrower to the lender and the corresponding exchange of collateral securities are exempted from tax. These tax treatments are accorded on the basis that there is no change in the economic ownership of the original or collateral securities.



Lending fees and manufactured payments in respect of the loaned securities are taxable when received by the lender. Withholding tax of 10 percent is also applicable if the lender is a non-resident. The tax treatment of dividends would depend upon the source of dividends. Dividends from Malaysian listed securities should be tax exempt, so no further withholding tax applies.

Interest earned on collateral is not exempted from income tax / withholding tax. Interest or profit paid by Bursa Malaysia Securities Clearing Sdn Bhd on cash collateral will be exempted from tax when received by non-resident borrowers and individual borrowers who are residents.

Pursuant to Stamp Duty (Exemption) (No.28) Order 1995 and Stamp Duty (Exemption) (No. 12) Order 2000, the instrument of transfer of securities listed on Bursa Securities executed in favour of a borrower or lender and on an instrument of transfer of collateral under an SBL are exempted from stamp duty.

### **(3) Tax Deductible Expenses**

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages. The deduction is based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

## **TAXATION OF UNIT HOLDERS**

Unit holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund may carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Fund.

Corporate Unit holders, resident<sup>4</sup> and non-resident, will generally be liable to income tax at 25<sup>2</sup> per cent on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit holders.

Individuals and other non-corporate Unit holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 26<sup>5</sup> per cent. Individuals and other non-corporate Unit holders who are not resident in Malaysia will be subject to income tax at 26<sup>6</sup> per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit holders.

Non-resident Unit holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.



The distribution of exempt income and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the Unit holders.

Any gains realised by Unit holders (other than dealers in securities, insurance companies or financial institutions) on the sale or redemption of the units are treated as capital gains and will not be subject to income tax. This tax treatment will include gains in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit splits issued by the Fund are not taxable in the hands of Unit holders.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,  
for and on behalf of  
**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

A handwritten signature in black ink, appearing to read 'Jennifer Chang', is written over a large, faint circular watermark or stamp.

Jennifer Chang  
Senior Executive Director

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as Taxation Adviser in the form and context in which it appears in the Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

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<sup>1</sup> Under section 2(7) of the Income Tax Act 1967, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah. The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

<sup>2</sup> It was recently announced during the 2014 Budget that the Malaysian corporate income tax rate will be reduced to 24 per cent effective year of assessment ("YA") 2016.

<sup>3</sup> In practice, debentures have been interpreted to include Islamic securities as well. Under the Finance Act 2010, the tax exemption is given to Islamic securities approved by SC.



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- 4 Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 20 per cent for the first RM500,000 of chargeable income with the balance taxed at 25 per cent. It was recently announced during the 2014 Budget that the tax rates will be reduced to 19 and 24 per cent respectively effective YA 2016.

The above shall not apply if more than –

- (a) 50 per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50 per cent of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50 per cent of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

“Related company” means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a year of assessment.

- 5 It was recently announced during the 2014 Budget that the income tax rates for individual tax residents in Malaysia will be reduced to rates ranging from 1 to 25 per cent effective YA 2015.
- 6 It was recently announced during the 2014 Budget that the income tax rate for non-resident individuals in Malaysia will be reduced to 25 per cent effective YA 2015.

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## 14. ADDITIONAL INFORMATION

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### 14.1 Keeping abreast with developments of the Fund

Copies of the annual reports and interim reports (if any) of the Fund will be available on the Fund's website at [www.myetf.com.my](http://www.myetf.com.my) and [www.bursamalaysia.com](http://www.bursamalaysia.com). The Manager will deliver a copy of the annual report to the investor without charge within two (2) months from the end of the period or financial year (as the case may be) of the Fund. The investor may also obtain the annual reports and the interim reports (if any) from the office of the Manager during normal business hours. Additional copies of the annual reports shall only be sent to the investor upon request and payment of a reasonable sum as may be determined by the Manager and the Trustee.

Where applicable, the Manager will send the investor tax vouchers which set out such information that is needed to complete a tax return.

Updated information on the Fund can be obtained from the Fund's website at [www.myetf.com.my](http://www.myetf.com.my) and as announced on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) from time to time.

Some of the information which is made available on the Fund's website and/or Bursa Securities' website includes:

- (i) the annual reports and interim reports (if any);
- (ii) NAV per Unit;
- (iii) IOPV per Unit;
- (iv) Fees and charges in relation to the Fund;
- (v) Prospectus; and
- (vi) Benchmark Index.

### 14.2 Investor services

Investors may contact *i*-VCAP by telephone at (+603) 2093 7119 or email at [info@myetf.com.my](mailto:info@myetf.com.my). The Manager is available Mondays to Fridays (except on public holidays in Wilayah Persekutuan Kuala Lumpur), from 8:30 a.m. to 5:30 p.m. Information of the Fund can be obtained at the Fund's website, [www.myetf.com.my](http://www.myetf.com.my).

An investor who wishes to write in, may address their letter to:

*i*-VCAP Management Sdn Bhd  
Level 9, Block B, HP Towers,  
No 12, Jalan Gelenggang,  
Bukit Damansara,  
50490 Kuala Lumpur,  
Malaysia

**14.3 Anti-money laundering policies and procedures**

In order to comply with the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 and the relevant policies, procedures, guidelines and/or regulations aimed at the prevention of money laundering activities, prior to investing, all investors are required to provide identification information including proof of identity to enable the Manager, Participating Dealers and/or brokers to identify and verify the investors to such extent possible and conduct ongoing due diligence to ensure information provided are relevant, updated and maintained.

The Manager must satisfy itself that the Participating Dealers and brokers are properly regulated and supervised and should ensure that the customer due diligence process of the Participating Dealers and brokers is adequate and their mechanism to identify and verify customers is reliable.

The Manager may not have direct contact with such investors and depending on the circumstances of each application, a detailed verification of identity might not be required where:

- (i) the applicant makes the payment for his investment from an account held in the applicant's name at a recognised Financial Institution;
- (ii) the applicant is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or
- (iii) the application is made through an intermediary which is regulated/licensed by a recognised regulatory authority and is based in or incorporated in, or formed under the law of a recognised jurisdiction.

The Manager and/or Participating Dealers also reserve the right to request such information as is necessary to verify the source of the payment. The Manager and/or Participating Dealers may refuse to accept the application and the subscription moneys if an applicant of Units delays in producing or fails to produce any information required for the purposes of verification of identity or source of funds, and in that event the Manager and/or Participating Dealers shall return the application moneys (without interest/profit and at the expense of the applicant) by telegraphic transfer to the account from which the moneys were originally sent or by way of a cheque to the applicant's last known address on the records of the Manager and/or Participating Dealers.

A transaction or a series of transaction shall be considered as 'suspicious' if the transaction in question is inconsistent with the investor's known transaction profile or does not make economic sense. Suspicious transactions shall be submitted directly to the Financial Intelligence & Enforcement Department of Bank Negara Malaysia.

**14.4 Unclaimed moneys**

Any moneys payable to the investor which remains unclaimed after such period (currently being 12 months) will be paid to the Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act, 1965.

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**14. ADDITIONAL INFORMATION (cont'd)**

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**14.5 Material agreements**

Save as disclosed below, there are no other material agreements which have been entered into in relation to the Fund as at the date of this Prospectus:

- (i) The Deed dated 23 December 2013 entered into between the Manager and Trustee;
- (ii) The Participating Dealer Agreements dated 23 January 2014 entered into between the Participating Dealers, the Manager and the Trustee; and
- (iii) The Index Licence Agreement dated 1 August 2012 entered into between the Index Licensor and the Manager.

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**15. CONSENTS**

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The written consent of PricewaterhouseCoopers Taxation Services Sdn Bhd, as the Tax Adviser, to the inclusion in this Prospectus of their names and statements/reports (where relevant) and Tax Adviser's Letter in the form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consents of the Principal Adviser, Solicitor, Registrar, Trustee, Custodian, Shariah Adviser, Auditor of the Manager and the Fund, principal banker, Participating Dealers, Placement Agent, Selling Agents, Index Licensor and KPMG to the inclusion in this Prospectus of their names and statements/reports (where relevant) in the form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

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**16. DOCUMENTS FOR INSPECTION**

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Copies of the following documents may be inspected at the registered office of the Manager and/or the Trustee during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) The material agreements referred to in Section 14.5 of this Prospectus;
- (ii) The latest annual and interim reports (if any) of the Fund;
- (iii) The audited financial statements of the Manager for the last three financial years ended 31 December 2012;
- (iv) The Tax Adviser's letter referred to in Section 13 of this Prospectus;
- (v) The letters of consent referred to in the Section 15 of this Prospectus; and
- (vi) This Prospectus dated 27 February 2014.

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**17. DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES**

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As at Latest Practicable Date, the Participating Dealers' offices are as follows:

**CIMB Bank Berhad**

Registered address:  
13th Floor, Menara CIMB  
Jalan Stesen Sentral 2, Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia  
Tel no.: (+603) 2261 8888

Business address:  
Menara Bumiputera-Commerce  
11, Jalan Raja Laut  
50350 Kuala Lumpur  
Malaysia  
Tel no.: (+603) 2619 1188

**RHB Investment Bank Berhad**

Registered address:  
Level 10, Tower One, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Malaysia  
Tel no.: (+603) 9287 8888

Business address:  
21st Floor, Plaza OSK  
Jalan Ampang  
50450 Kuala Lumpur  
Malaysia  
Tel no.: (+603) 2161 8946

During the Placement Subscription Period, interested investors may submit their Subscription Applications at any of the following offices of the Placement Agent and Selling Agents:

**CIMB Investment Bank Berhad**

**Address**

**Telephone Number**

**KUALA LUMPUR**

Level 12, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

(+603) 2261 0787

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17. **DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES (cont'd)**

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<b>Address</b>	<b>Telephone Number</b>
<b><u>SELANGOR DARUL EHSAN</u></b>	
Ground Floor Tropicana City Office Tower 3, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan	(+603) 7717 3368
<b><u>MELAKA</u></b>	
Ground Floor, Level 1 & 2 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka	(+606) 289 8811
<b><u>PERAK DARUL RIDZUAN</u></b>	
Ground Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan	(+605) 208 2688
<b><u>PULAU PINANG</u></b>	
Ground Floor, Level 1 & 2 Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang	(+604) 238 5918
<b><u>JOHOR DARUL TAKZIM</u></b>	
Level 1 73A, Jalan Kuning Dua Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	(+607) 333 1021
<b><u>PAHANG DARUL MAKMUR</u></b>	
Ground Floor, Level 1 & 2 No A-27, Jalan Dato Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur	(+609) 505 7800

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**17. DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES (cont'd)**

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**Address** **Telephone Number**

**SARAWAK**

Level 1, Wisma STA (+6082) 358 606  
26, Jalan Datuk Abang Abdul Rahim  
93450 Kuching  
Sarawak

Ground Floor (+6084) 367 777  
No. 6A, Jalan Bako  
Off Brooke Drive  
96000 Sibu  
Sarawak

**SABAH**

Level 1, Central Building (+6088) 328 889  
Jalan Sagunting  
88000 Kota Kinabalu  
Sabah

**Kenanga Investment Bank Berhad**

**Address** **Telephone Number**

**KUALA LUMPUR**

8<sup>th</sup> Floor, Kenanga International (+603) 2164 9080  
Jalan Sultan Ismail  
50250 Kuala Lumpur

3<sup>rd</sup> Floor, Wisma Genting (+603) 2178 1133  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Ground Mezzanine, 1<sup>st</sup> & 2<sup>nd</sup> Floor (+603) 2089 2888  
(West & Centre Wing)  
Bangunan ECM Libra  
8, Jalan Damansara Endah  
Damansara Heights  
50490 Kuala Lumpur

M3-A-7 & M3-A-8 (+603) 4297 8806  
Jalan Pandan Indah 4/3A  
Pandan Indah  
55100 Kuala Lumpur

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**17. DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES (cont'd)**

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<b>Address</b>	<b>Telephone Number</b>
<b><u>SELANGOR DARUL EHSAN</u></b>	
35, Ground Floor, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan	(+603) 3348 8080
Ground – Fifth Floor East Wing, Quattro West 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan	(+603) 7862 6200
Level 1, East Wing Wisma Consplant 2 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan	(+603) 5621 2118
Lot 240, 2nd Floor The Curve 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan	(+603) 7725 9095
2 <sup>nd</sup> Floor 55C, Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan	(+603) 8024 1773
<b><u>MELAKA</u></b>	
71 (Ground, A&B) and 73 (Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka	(+606) 288 1720
22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka	(+606) 337 2550

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17. **DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES (cont'd)**

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<b>Address</b>	<b>Telephone Number</b>
<b><u>PERAK DARUL RIDZUAN</u></b>	
Ground Floor, 1 <sup>st</sup> , 2 <sup>nd</sup> and 4 <sup>th</sup> Floor 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan	(+605) 242 2828
7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan	(+605) 622 2828
Ground Floor 25 & 25A, Jalan Jaya 2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan	(+605) 693 9828
<b><u>PULAU PINANG</u></b>	
7th, 8th & 16th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang	(+604) 228 3355
<b><u>Negeri Sembilan Darul Khusus</u></b>	
1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus	(+606) 765 5998
<b><u>JOHOR DARUL TAKZIM</u></b>	
57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim	(+606) 953 1222
Level 2 & 3, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	(+607) 333 3600

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**17. DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES (cont'd)**

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<b>Address</b>	<b>Telephone Number</b>
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>	
4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim	(+606) 978 2292
Ground & Mezzanine Floor 34, Jalan Genuang 85000 Segamat Johor Darul Takzim	(+607) 933 3500
Ground Floor 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim	(+607) 467 8885
Ground Floor & 1st Floor A&B No. 33 & 35 Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim	(+607) 777 1161
31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim	(+606) 954 2711
24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim	(+607) 432 6963
Suite 16-02, 16-03 & 16-03A Level 16, Menara MSC Cyberport 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim	(+607) 223 7423
<b><u>PAHANG DARUL MAKMUR</u></b>	
Ground Floor A15, A17 & A19 Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur	(+609) 517 1698



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**17. DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES (cont'd)**

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**Address** **Telephone Number**

**SARAWAK**

Level 5, Wisma Mahmud (+6082) 338 000  
Jalan Sungai Sarawak  
93100 Kuching  
Sarawak

3<sup>rd</sup> Floor (+6082) 248 877  
Suite 9 & 10  
Yung Kong Abell  
Lot 365, Abell Road  
93100 Kuching  
Sarawak

Ground Floor & 1st Floor (+6084) 313 855  
11-12, Lorong Kampung Datu 3  
96000 Sibul  
Sarawak

Lot 2465, Jalan Boulevard Utama (+6085) 435 577  
Boulevard Commercial Centre  
98000 Miri  
Sarawak

Ground Floor of Survey Lot 4203 (+6086) 337 588  
Parkcity Commerce Square, Phase 6  
Jalan Diwarta  
Bintulu Town District  
97000 Bintulu  
Sarawak

**SABAH**

Level 8, Wisma Great Eastern (+6088) 236 188  
68, Jalan Gaya  
88000 Kota Kinabalu  
Sabah

**RHB Investment Bank Berhad**

**Address** **Telephone Number**

**KUALA LUMPUR**

Level 3A, Tower One, RHB Centre (+603) 9280 2374  
Jalan Tun Razak  
50400 Kuala Lumpur

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17. **DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES (cont'd)**

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**Address** **Telephone Number**

**KUALA LUMPUR (cont'd)**

Level 4, Plaza OSK +(603) 2175 3388  
Jalan Ampang  
50450 Kuala Lumpur

**SELANGOR DARUL EHSAN**

Level 24 (+603) 7873 6366  
Jalan SS2/63  
47300 Petaling Jaya  
Selangor Darul Ehsan

**MELAKA**

Ground Floor (+606) 283 3622  
19, 21 & 23 Jalan Merdeka  
Taman Melaka Raya  
75000 Melaka

Ground Floor (+606) 282 5211  
579, 580 & 581, Taman Melaka Raya  
75000 Melaka

**PERAK DARUL RIDZUAN**

Ground Floor (+605) 241 5100  
21-25, Jalan Seenivasagam  
Greentown  
30450 Ipoh  
Perak Darul Ridzuan

**PULAU PINANG**

Ground Floor (+604) 263 4222  
64 & 64D, Lebuhraya  
10200 Pulau Pinang

**JOHOR DARUL TAKZIM**

Ground Floor (+607) 438 0288  
53, 53-A & 53-B, Jalan Sultanah  
83000 Batu Pahat  
Johor Darul Takzim

Level 6, Wisma Tiong-Hua (+607) 278 8821  
8, Jalan Keris  
Taman Sri Tebrau  
80050 Johor Bharu  
Johor Darul Takzim

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17. **DIRECTORY OF PARTICIPATING DEALERS' AND PLACEMENT AGENT/SELLING AGENTS' OFFICES (cont'd)**

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**Address**

**Telephone Number**

**PAHANG DARUL MAKMUR**

Ground Floor  
B32 & B34, Lorong Tun Ismail 8  
Seri Dagangan II  
25000 Kuantan  
Pahang Darul Makmur

(+609) 517 3811

**SARAWAK**

Ground Floor  
Lot 170 & 171, Section 49  
K.T.L.D. Jalan Chan Chin Ann  
93100 Kuching  
Sarawak

(+6082) 422 252

**SABAH**

Level 5, Wisma BSN Sabah  
Jalan Kemajuan  
Karamuning  
88000 Kota Kinabalu  
Sabah

(+6088) 269 788

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