

# PROSPECTUS

## MyETF DOW JONES U.S. TITANS 50

(an exchange-traded fund (ETF) constituted on 25 September 2017 in Malaysia)

PROSPECTUS ON MyETF DOW JONES U.S. TITANS 50,  
AN EXCHANGE-TRADED FUND,  
PURSUANT TO THE LISTING OF ITS UNITS AT THE INITIAL ISSUE PRICE OF **USD1.00** EACH  
ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

### Manager



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

### Trustee



CIMB Islamic Trustee Berhad  
(Company No. 167913-M)

### Shariah Adviser



IBFIM  
(Company No. 763075-W)

### Participating Dealer



CIMB Bank Berhad  
(Company No. 13491-P)

### Placement Agents



CIMB Investment Bank Berhad  
(Company No. 18417-M)



بي.ايم.بى. سي.ك.ورثيس. اس.ت.ب.ه.د.  
BIMB SECURITIES SDN BHD (290163-X)  
A Participating Organisation of Bursa Malaysia Securities Berhad  
Full-Fledged Shariah-Compliant Stockbroking Company

BIMB Securities Sdn Bhd  
(Company No. 290163-X)



Kenanga Investment Bank Berhad  
(Company No. 15678-H)

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 36.

This Prospectus is dated 15 January 2018

## **RESPONSIBILITY STATEMENTS**

This Prospectus has been reviewed and approved by the directors of *i*-VCAP Management Sdn Bhd (“**Manager**”) 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, that there are no false or misleading statements, or omission of other facts which would make any statement in the Prospectus false or misleading.

CIMB Investment Bank Berhad, BIMB Securities Sdn Bhd and Kenanga Investment Bank Berhad, being the Placement Agents, acknowledge that, based on all available information, and to the best of their 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 (“**SC**”) 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 SC.

The approval of the public offering of the Units, and registration of this Prospectus, should not be taken to indicate that the SC recommends the MyETF Dow Jones U.S. Titans 50 (“**Fund**”) or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus.

The SC is not liable for any non-disclosure on the part of the Manager who is responsible for the Fund and takes no responsibility for the contents in this Prospectus. The SC 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. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

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 should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws and regulations including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Fund.

In the event the Listing does not occur, all monies received in respect of any Units subscribed for by the investors will be repaid in full without interest within fourteen (14) days after the Fund becomes liable to do so in accordance with the provision of Section 243(2) of the CMSA.

## **SHARIAH-COMPLIANT FUND STATEMENT**

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

## ELECTRONIC PROSPECTUS

The contents of the electronic copy of this Prospectus and the copy of this Prospectus registered with the SC are the same. Prospective investors may obtain a copy of the Electronic Prospectus from the websites of Affin Bank Berhad at [www.affinOnline.com](http://www.affinOnline.com), CIMB at [www.eipocimb.com](http://www.eipocimb.com), Malayan Banking Berhad at [www.maybank2u.com.my](http://www.maybank2u.com.my), or Public Bank Berhad at [www.pbebank.com](http://www.pbebank.com).

The internet is not a fully secured medium. The Internet Application (as defined herein) for the units of the Fund may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions. If investors doubt the validity or integrity of an Electronic Prospectus, investors should immediately request from the Manager or the Issuing House a paper or printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper or printed copy of this Prospectus, the contents of the paper or printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as “**Third Party Internet Sites**”), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, investors acknowledge and agree that:

- (i) each of the Manager, Shariah Adviser, Placement Agent and Participating Dealer does not endorse and is not affiliated in any way with the Third Party Internet Sites. Accordingly, each of the Manager, Shariah Adviser, Placement Agent and Participating Dealer is not responsible for the availability of, or the contents of any data, files or other material provided on Third Party Internet Sites. Investors bear all risks associated with the access to or use of Third Party Internet Sites;
- (ii) each of the Manager, Shariah Adviser, Placement Agent and Participating Dealer is not responsible for the quality of products or services of the Third Party Internet Sites, particularly in fulfilling any terms of agreements with Third Party Internet Sites. Each of the Manager, Shariah Adviser, Placement Agent and Participating Dealer is also not responsible for any loss or damage or cost that investors may suffer or incur in connection with or as a result of dealing with Third Party Internet Sites or the use of or reliance on any data, file or other material provided by such parties; and
- (iii) any data, file or other material downloaded from Third Party Internet Sites is done at the investors' own discretion and risk. Each of the Manager, Shariah Adviser, Placement Agent and Participating Dealer is not responsible, liable or under obligation for any damage to investors' computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

## **ELECTRONIC PROSPECTUS (cont'd)**

Where an Electronic Prospectus is hosted on any of the websites of the Internet Participating Financial Institutions, investors are advised that:

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus to the extent of the contents of the Electronic Prospectus on the web servers of the Internet Participating Financial Institutions which may be viewed via the investors' web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of an Electronic Prospectus which has been obtained from the web servers of the Internet Participating Financial Institutions and subsequently communicated or disseminated in any manner to investors or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, investors or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault with the web browsers or other relevant software, any fault on investors' or any third party's personal computers, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the websites of the Internet Participating Financial Institutions, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on investors' personal computers.

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## LICENSING DISCLOSURE STATEMENT

The following is a statement required to be disclosed in this Prospectus under the Index Licence Agreement entered into between S&P Opco and the Manager which became effective on 1 November 2016.

The Dow Jones Islamic Market U.S. Titans 50 Index (the “**Benchmark Index**”) is a product of S&P Dow Jones Indices LLC (“**SPDJI**”), and has been licensed for use by *i*-VCAP Management Sdn Bhd. Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“**S&P**”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“**Dow Jones**”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by *i*-VCAP Management Sdn Bhd. The Fund is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, “**S&P Dow Jones Indices**”). S&P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Benchmark Index to track general market performance. S&P Dow Jones Indices’ only relationship to *i*-VCAP Management Sdn Bhd with respect to the Benchmark Index is the licensing of the Benchmark Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The Benchmark Index is determined, composed and calculated by S&P Dow Jones Indices without regard to *i*-VCAP Management Sdn Bhd or the Fund. S&P Dow Jones Indices has no obligation to take the needs of *i*-VCAP Management Sdn Bhd or the owners of the Fund into consideration in determining, composing or calculating the Benchmark Index. S&P Dow Jones Indices is not responsible for and has not participated in the determination of the prices, and amount of the Fund or the timing of the issuance or sale of the Fund or in the determination or calculation of the equation by which the Fund is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Fund. There is no assurance that investment products based on the Benchmark Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE BENCHMARK INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY *i*-VCAP MANAGEMENT SDN BHD, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE BENCHMARK INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND *i*-VCAP MANAGEMENT SDN BHD, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

Please refer to Section 4.3 on “RISK FACTORS” and Section 3.5.7 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>Date and time</b>	<b>Event</b>
15 January 2018	: Issuance/Publication of this Prospectus
15 January 2018, 9.00 a.m.	: Opening date and time for the Initial Subscription through Placement Agents
9 February 2018, 8.00 a.m.	: Opening date and time for the Initial Subscription through Electronic Application and Internet Application
9 February 2018, 5.00 p.m.	: Closing date and time for the Initial Subscription
13 February 2018 <sup>(1)</sup>	: Balloting of Subscription Applications for the Units pursuant to the Initial Subscription (if any)
27 February 2018	: Allotment of the Units to successful applicants
28 February 2018	: Listing of the Fund

**Note:**

<sup>(1)</sup> *In the event the total Subscription Application exceeds 500 million Units (being the approved Fund size), the Issuing House will conduct a ballot in the manner approved by the Manager to determine acceptance of applications in a fair and equitable manner.*

Units subscribed for under the Initial Subscription will be created by the sixth (6<sup>th</sup>) Dealing Day from the closing date of the Initial Subscription Period. All Units created under the Initial Subscription will be deposited with Bursa Depository and credited into the CDS Accounts of the successful applicants prior to the Listing of the Fund.

In the event the total Subscription Application is 500 million Units (being the approved Fund size) or less, each applicant will receive the full allocation of Units which he has applied for.

In the event the total Subscription Application exceeds 500 million Units, the Issuing House will conduct a ballot in the manner approved by the Manager to determine acceptance of applications in a fair and equitable manner. Investors should note that there is no guarantee that the entire number of Units applied for will be fulfilled. The Manager reserves the right of final decision on the allocation of Units.

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

**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 PLACEMENT AGENTS, CIMB INVESTMENT BANK BERHAD, BIMB SECURITIES SDN BHD AND KENANGA INVESTMENT BANK BERHAD, MAY IN THEIR ABSOLUTE DISCRETION, EXTEND THE CLOSING DATE FOR THE INITIAL SUBSCRIPTION. IF THE CLOSING DATE FOR THE INITIAL SUBSCRIPTION IS EXTENDED, THE DATES FOR BALLOTING (IF REQUIRED), ALLOTMENT OF THE UNITS AND LISTING OF THE FUND WILL BE EXTENDED ACCORDINGLY.**

**ANY EXTENSION OF THE ABOVEMENTIONED DATES WILL BE ANNOUNCED VIA THE FUND'S WEBSITE AT [www.myetf.com.my](http://www.myetf.com.my) AND BY WAY OF ADVERTISEMENT IN A WIDELY CIRCULATED BAHASA MALAYSIA AND ENGLISH DAILY NEWSPAPER WITHIN MALAYSIA.**

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## TABLE OF CONTENTS

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	PAGE
DEFINITIONS .....	xi
CORPORATE DIRECTORY .....	xxi
1. INFORMATION SUMMARY .....	1
1.1 Summary of the Fund.....	1
1.2 Fees, charges and expenses.....	5
1.3 Minimum size for Subscription Applications .....	8
1.4 Other information .....	8
2. AN INTRODUCTION TO ISLAMIC ETFs .....	9
2.1 What is an ETF? .....	9
2.2 What are the differences between an Islamic ETF and a conventional ETF?.....	9
2.3 Who are the parties to an Islamic ETF?.....	10
2.4 How does an Islamic ETF work? .....	12
2.5 How is an Islamic ETF regulated in Malaysia?.....	14
2.6 What are the benefits of investing in an ETF?.....	15
2.7 Comparison between investing in an Islamic ETF and other parallel Islamic investment funds .....	15
2.8 For whom are Islamic ETFs most suitable?.....	15
2.9 Fees and charges .....	16
2.10 Management expense ratio .....	16
2.11 Performance measures and benchmarks.....	16
3. DETAILED INFORMATION OF THE FUND .....	17
3.1 Introduction to the Fund .....	17
3.2 Listing of the Fund.....	17
3.3 Investment objective of the Fund .....	18
3.4 Investment policy of the Fund .....	18
3.5 The Benchmark Index .....	22
3.6 Shariah Investment Guidelines .....	31

---

**TABLE OF CONTENTS (cont'd)**

---

3.7	Income distribution policy.....	33
3.8	Correlation and rebalancing.....	34
3.9	Risk management strategies and techniques.....	34
3.10	Valuation of the Fund Assets.....	34
4.	RISK FACTORS.....	36
4.1	General risks of investing in the Fund.....	36
4.2	Risk factors specific to the investment portfolio of the Fund.....	41
4.3	Risk factors related to the Benchmark Index.....	42
5.	FEES, CHARGES AND EXPENSES.....	44
5.1	Direct fees and charges payable by an investor.....	44
5.2	Indirect fees and expenses payable by an investor.....	45
5.3	Other fees, charges and expenses.....	46
5.4	Additional remuneration.....	48
5.5	Goods and Services Tax Act 2014.....	48
6.	UNITS OF THE FUND.....	49
6.1	Offering of the Units prior to Listing.....	49
6.2	Purchase and Sale of the Units upon Listing.....	50
6.3	Creation and redemption of Units.....	51
6.4	Procedures for In-Kind Creation.....	52
6.5	Procedures for In-Kind Redemption.....	54
6.6	Procedures for Cash Creation.....	58
6.7	Procedures for Cash Redemption.....	60
6.8	Calculation of Issue Price, Redemption Price and NAV per Unit.....	64
6.9	Transaction Costs.....	64
6.10	Trading of the Units.....	64
7.	THE MANAGER.....	66
7.1	About the Manager.....	66
7.2	Roles, duties and responsibilities.....	66



---

**TABLE OF CONTENTS (cont'd)**

---

7.3	Historical financial information .....	67
7.4	Key personnel of the Manager .....	67
7.5	The Board.....	69
7.6	The Investment Committee.....	72
7.7	The designated fund manager .....	73
7.8	Material litigation and arbitration .....	73
7.9	Outsourcing of functions .....	73
7.10	Direct and indirect unit holding in the Fund .....	76
8.	THE TRUSTEE.....	77
8.1	About the Trustee.....	77
8.2	Roles, duties and responsibilities.....	77
8.3	Experience .....	77
8.4	Historical financial information .....	77
8.5	The Board and Chief Executive Officer of the Trustee .....	77
8.6	Material litigation and arbitration.....	77
8.7	Trustee's Delegate.....	78
8.8	Trustee's statement of responsibility.....	78
9.	THE SHARIAH ADVISER .....	79
9.1	About IBFIM.....	79
9.2	Roles and responsibilities .....	79
9.3	Profile of the Shariah Team.....	80
10.	SALIENT TERMS OF DEED .....	82
10.1	Rights of Unit Holders .....	82
10.2	Liabilities and limitations of Unit Holders .....	82
10.3	Maximum fees and charges permitted by the Deed .....	83
10.4	Expenses permitted by the Deed.....	84
10.5	Retirement of the Manager .....	86
10.6	Power of the Trustee to remove or replace the Manager .....	86

---

**TABLE OF CONTENTS (cont'd)**

---

10.7	Retirement of the Trustee .....	87
10.8	Power of the Manager to remove or replace the Trustee .....	87
10.9	Termination of the Fund .....	88
10.10	Unit Holders meeting.....	88
11.	APPROVALS AND CONDITIONS .....	91
11.1	Approvals obtained from SC and conditions imposed .....	91
11.2	Waiver/Variation approved by the SC in relation to the Fund.....	91
12.	RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST.....	92
12.1	Existing and proposed related party transactions .....	92
12.2	Interests of directors and substantial shareholders of the Manager .....	93
12.3	Declaration of expert's existing and potential interests/conflicts of interests.....	95
13.	TAXATION OF THE FUND.....	97
14.	ADDITIONAL INFORMATION .....	102
14.1	Keeping abreast with developments of the Fund.....	102
14.2	Investor services .....	102
14.3	Anti-money laundering policies and procedures .....	103
14.4	Unclaimed moneys.....	103
14.5	Material agreements .....	104
15.	CONSENTS.....	105
16.	DOCUMENTS AVAILABLE FOR INSPECTION.....	106
17.	DIRECTORY OF PARTICIPATING DEALER'S OFFICES.....	107
18.	PROCEDURES FOR SUBSCRIPTION APPLICATION .....	108
18.1	Opening and closing of Subscription Applications.....	108
18.2	Methods of Subscription Application.....	108
18.3	Procedures for Subscription Application and acceptance .....	108
18.4	Procedures for Subscription Application through the Placement Agents .....	109
18.5	Procedures for Subscription Application by way of an Electronic Application .....	109
18.6	Procedures for Subscription Application by way of an Internet Application.....	114

---

**TABLE OF CONTENTS (cont'd)**

---

18.7	Terms and conditions.....	117
18.8	Authority of the Manager and the Issuing House.....	120
18.9	Determination of Allocation of Subscription Applications.....	120
18.10	Unsuccessful/partially successful applicants .....	121
18.11	Successful applicants.....	122
18.12	Enquiries.....	122

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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, 2016
ADA	:	Authorised depository agent
Application	:	A Creation Application and/or a Redemption Application, as the case may be
Application Cancellation Fee	:	The fee which may, at the discretion of the Manager, be charged to the Participating Dealer upon the cancellation of each Application as set out in Section 5.1(i) of this Prospectus
ATM	:	Automated teller machine
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 local or foreign Shariah-compliant 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 Dow Jones Islamic Market U.S. Titans 50 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 3.5.6 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 Creation	:	The creation of Units in Creation Unit Block(s) in exchange for the Subscription Amount delivered by the Participating Dealer which may only be made after Listing

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**DEFINITIONS (cont'd)**

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Cash Redemption	: The redemption of existing Units in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for the Redemption Amount
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 Initial 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
CIMB Bank	: CIMB Bank Berhad (13491-P)
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 the Participating Dealer to the Manager for the creation of new Units in a Creation Unit Block (or whole multiples thereof)
Creation Application Fee	: The fees which may be charged by the Manager to the Participating Dealer 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:  (i) for In-Kind Creation, in respect of one (1) whole In-Kind Creation Basket; and  (ii) for Cash Creation, in respect of the Subscription Amount.  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 Dealer

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**DEFINITIONS (cont'd)**

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Custodian	: CIMB Islamic Bank Berhad (671380-H), being the custodian of the Fund Assets as the Trustee's delegate
Dealing Day	: Each Market Day during the continuance of the Fund, commencing on the closing date of the Initial Subscription Period, on which Bursa Securities is open for trading. The Manager may, in consultation with the Trustee, declare certain Dealing Days as non-Dealing Days when one or more of the Relevant Exchanges in which the Fund is invested in is closed for trading but shall not include a Dealing 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), 4.00 p.m. on any particular Dealing Day or such other time as the Manager may, in consultation with the Trustee, from time to time determine and notified to the Participating Dealer
Deed	: The deed dated 25 September 2017 entered into between the Manager and the Trustee constituting the Fund 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
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
Electronic Application	: Subscription Application for the Units through a Participating Financial Institution's ATM
Electronic Prospectus	: Copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium, including but not limited to CD-ROMs
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 or authorised to provide financial services by the relevant banking regulator
Fund	: MyETF Dow Jones U.S. Titans 50
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
i-VCAP	: i-VCAP Management Sdn Bhd (792968-D)

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**DEFINITIONS (cont'd)**

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In-Kind Creation	: The creation of new Units in Creation Unit Block(s) in exchange for In-Kind Creation Basket(s) delivered by the 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 the 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 the 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 the Participating Dealer pursuant to a Redemption Application in exchange for one (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 November 2016 entered into between the Index Licensor and the Manager
Index Licensor	: S&P Opco, 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
Initial Issue Price	: The price at which Units are issued under the Initial Subscription which is fixed at USD1.00
Initial Subscription	: The offer for subscription of Units during the Initial Subscription Period
Initial Subscription Period	: The period commencing at 9.00 a.m. on the 15 January 2018 and ending at 5.00 p.m. on the closing date of the Initial Subscription, tentatively on 9 February 2018 or such other period as may be agreed between the Manager and the Trustee provided that the closing date of the Initial Subscription Period must be a Dealing Day
Internet Application	: Subscription Application for the Units through an Internet Participating Financial Institution
Internet Participating Financial Institution	: A participating financial institution for the Internet Application
Investment Committee	: Investment committee of the Fund

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**DEFINITIONS (cont'd)**

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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 6.8 of this Prospectus
Issuing House	: Malaysian Issuing House Sdn Bhd (258345-X)
Khazanah	: Khazanah Nasional Berhad (275505-K)
KWAP	: Kumpulan Wang Persaraan (Diperbadankan)
Latest Practicable Date	: 13 November 2017, 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: <ul style="list-style-type: none"><li>(i) unpaid administrative fees and expenses including the Management Fee and the Trustee Fee;</li><li>(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, directly or indirectly, with any investment related transaction and dealing or as a consequence of such transaction and dealing;</li><li>(iii) accrued charges in respect of or owing in relation to any Permitted Investments;</li><li>(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;</li><li>(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;</li><li>(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</li><li>(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.</li></ul> <p>Liabilities shall be treated as accruing from day to day where appropriate</p>
Listing	: Admission to the Official List and the listing of and quotation for the Units on the Main Market of Bursa Securities



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**DEFINITIONS (cont'd)**

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- Listing Requirements : The Main Market Listing Requirements issued by Bursa Securities
- Main Market : The Main Market of Bursa Securities
- 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
- Manager : i-VCAP, being the management company for the Fund
- 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:

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

- MyETF Dow Jones U.S. Titans 50 : The ETF as established by the Deed known as "MyETF Dow Jones U.S. Titans 50"
- 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 : Dow Jones Islamic Market World Index, an index provided by S&P Opco, comprising the universe of securities from which the Benchmark Index is derived

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**DEFINITIONS (cont'd)**

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Participating Dealer	:	CIMB Bank and/or any other person who enters into a Participating Dealer Agreement in the form and substance acceptable to the Manager and Trustee
Participating Dealer Agreement	:	The agreement entered into between the Participating Dealer, the Manager and Trustee setting out, amongst others, the arrangement in respect of the creation and the issue of Units and the redemption and cancellation of Units
Participating Financial Institution	:	A participating financial institution for the Electronic Application
Perfect Basket	:	The portfolio of Index Securities in substantially the same composition and weighting as the Benchmark Index
Permitted Investments	:	The assets that the Fund is authorised to invest in as set out in Section 3.4.4(i) of this Prospectus
Placement Agents	:	Placement agents as appointed by the Manager, CIMB Investment Bank Berhad (18417-M), BIMB Securities Sdn Bhd (290163-X) and Kenanga Investment Bank Berhad (15678-H)
PNB	:	Permodalan Nasional Berhad (38218-X)
Prospectus	:	This prospectus dated 15 January 2018 in relation to the Fund
PWC Taxation	:	PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M)
Redemption Amount	:	The cash sum to be delivered to the Participating Dealer in respect of a Cash Redemption equivalent to the Redemption Price multiplied by the number of Units to be redeemed
Redemption Application	:	An application by the Participating Dealer to the Manager for the redemption of existing Units in a Redemption Unit Block (or whole multiples thereof)
Redemption Application Fee	:	The fee which may be charged by the Manager to the Participating Dealer 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:  (i) for In-Kind Redemption, the fourth (4 <sup>th</sup> ) Dealing Day after the Trade Date on which a Redemption Application for such Units is received or deemed received; or  (ii) for Cash Redemption, the fourth (4 <sup>th</sup> ) Dealing Day after 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 Dealer 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

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**DEFINITIONS (cont'd)**

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	out in Section 6.8 of this Prospectus
Redemption Securities	: The Authorised Securities comprised in an In-Kind Redemption Basket
Redemption Unit Block	: The quantity of Units which is required to be delivered to the Trustee upon a successful Redemption Application: <ul style="list-style-type: none"><li>(i) for In-Kind Redemption, in respect of one (1) whole In-Kind Redemption Basket; and</li><li>(ii) for Cash Redemption, in respect of the Redemption Amount.</li></ul>
	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 Dealer
Register	: The register of Unit Holders kept and maintained by the Manager or its appointed agent on the following basis: <ul style="list-style-type: none"><li>(i) Units issued to the Unit Holders;</li><li>(ii) Units redeemed by the Unit Holders; and</li><li>(iii) records obtained from Bursa Depository monthly, or on such other dates as may be determined by the Manager</li></ul>
Registrar	: Symphony
Relevant Exchanges	: The stock exchanges in which the Fund may invest, which includes New York Stock Exchange (“ <b>NYSE</b> ”), National Association of Securities Dealers Automated Quotation System (“ <b>Nasdaq</b> ”), NYSE MKT LLC (“ <b>NYSE MKT</b> ”), NYSE Arca and BATS Exchange as at the Latest Practicable Date
Ringgit Malaysia or RM	: The lawful currency of Malaysia
S&P Opco	: S&P Opco, LLC
SC	: Securities Commission Malaysia
SC SAC	: Shariah Advisory Council established by the SC
Shariah	: Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of Shariah
Shariah Adviser	: IBFIM (763075-W), being the Shariah adviser for the Fund
Shariah Investment Guidelines	: Shariah investment guidelines issued for the Fund 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

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**DEFINITIONS (cont'd)**

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	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 Amount	: The Consideration in cash, to be delivered by the Participating Dealer in respect of a Cash Creation
Subscription Application	: An application for Units under the Initial Subscription which can be made by completing either the Electronic Application, Internet Application or through a Placement Agent (applicable for institutional and selected investors only)
Symphony	: Symphony Share Registrars Sdn Bhd (378993-D)
Tax Adviser	: PWC Taxation
Trade Date	: The Dealing Day on which the Manager receives a valid Application in accordance with the Deed and the Participating Dealer Agreement provided that if such valid Application is received after the Dealing Deadline, the next Dealing Day shall be the Trade Date
Transaction Costs	: All stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies, foreign exchange costs and other duties and charges whether in connection with 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 relating to the Fund
Trustee	: CIMB Islamic Trustee Berhad (167913-M), being the trustee for the Fund
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
U.S.	: United States of America
USD or US Dollar	: United States Dollar, the lawful currency of U.S.
Valuation Point	: Such time(s) at the next official close of trading of any of the Relevant Exchanges after each Dealing Day, whichever is the latest
Valuecap	: Valuecap Sdn Bhd (595989-V), 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.

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**DEFINITIONS (cont'd)**

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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 (1) or two (2) 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 69 to 72 for profile of the Directors)</i>	:	Rosli Bin Abdullah <i>Chairman / Independent Non-Executive Director</i>
		Sharifatu Laila Binti Syed Ali <i>Non-Independent Non-Executive Director</i>
		Nik Amlizan Binti Mohamed <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>
		Datuk Hj. Mohd. Nasir Bin Hj. Ali <i>Independent Non-Executive Director</i>
Investment Committee <i>(Please refer to pages 71 to 73 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>
		Shaharin Bin Md. Hashim <i>Non-Independent Member</i>
Board Audit and Risk Management Committee <i>(Please refer to pages 71 and 72 for profile of the Board Audit and Risk Management Committee Members)</i>	:	Datuk Hj. Mohd. Nasir Bin Hj. Ali <i>Chairman / Independent Member</i>
		Tunku Afwida Binti Tunku A. Malek <i>Independent Member</i>
		Hassan Bin Ibrahim <i>Independent Member</i>
Company Secretaries	:	Firdaus Bin Ahmad Radhi (LS 0009423) Mirza binti Mohamad (MAICSA 7051997) Level 10, Block B, HP Towers

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**CORPORATE DIRECTORY (cont'd)**

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No. 12, Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
Malaysia

Tel. no.: (+603) 2788 5111

**FUND ACCOUNTANT**

Registered address

: Citibank N.A. Singapore Branch  
: 8, Marina View,  
Asia Square, Tower 1  
Singapore 018960

Business address

: 3, Changi Business Park Crescent,  
#07-00, Singapore  
486026

Tel. no.: +65 6225 5225

Email: APAC.FA.MYS.FUNDACCT@citi.com

Website: [www.citibank.com.sg](http://www.citibank.com.sg)

**REGISTRAR**

Registered/Business address

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

Helpdesk no.: (+603) 7849 0777

Fax no.: (+603) 7841 8151 / 8152

**ISSUING HOUSE**

Registered/Business address

: Malaysian Issuing House Sdn Bhd (258345-X)  
: Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

Tel. no.: (+603) 7841 8289

Fax. no.: (+603) 7841 8150

**TRUSTEE**

Registered address

: CIMB Islamic Trustee Berhad (167913-M)  
: Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Tel. no.: (+603) 2261 8888

Fax no.: (+603) 2261 0099

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**CORPORATE DIRECTORY (cont'd)**

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Business address : Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Tel. no.: (+603) 2261 8888  
Fax no.: (+603) 2261 9887

**CUSTODIAN** : CIMB Islamic Bank Berhad (671380-H)

(Trustee's Delegate)

Registered address : Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Tel. no.: (+603) 2261 8888  
Fax no.: (+603) 2261 8889  
Web: [www.cimb.com](http://www.cimb.com)

Business address : Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Tel. no.: (+603) 2261 8888  
Fax no.: (+603) 2261 9892

**SHARIAH ADVISER**

Registered address

: IBFIM (763075-W)  
: No. 149A, 149B, 151B  
Persiaran Raja Muda Musa  
42000 Port Klang  
Selangor Darul Ehsan

Business address : 3<sup>rd</sup> Floor, Menara Takaful Malaysia  
Jalan Sultan Sulaiman  
50000 Kuala Lumpur  
Malaysia

Tel. no.: (+603) 2031 1010  
Fax no.: (+603) 2078 5250  
Email: [sba@ibfim.com](mailto:sba@ibfim.com)  
Website: [www.ibfim.com](http://www.ibfim.com)

**AUDITOR OF THE MANAGER AND THE FUND** : PricewaterhouseCoopers (AF:1146)

Registered/Business address : Level 10, 1 Sentral  
Jalan Rakyat  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Mailing address : PO Box 10192  
50706 Kuala Lumpur  
Malaysia



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**CORPORATE DIRECTORY (cont'd)**

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**TAX ADVISER** : PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M)  
Registered address : Level 15, 1 Sentral  
Jalan Rakyat  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Business address : Level 10, 1 Sentral  
Jalan Rakyat  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Mailing address : PO Box 10192  
50706 Kuala Lumpur  
Malaysia

**SOLICITOR** : Messrs. Wei Chien & Partners  
Level 29, Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

**PRINCIPAL BANKER** : CIMB Islamic Bank Berhad (671380-H)  
Registered address : Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Business address : Ground Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Tel. no.: (+603) 2261 8888  
Fax no.: (+603) 2261 9892

**PLACEMENT AGENT** : CIMB Investment Bank Berhad (18417-M)  
Registered address : Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

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

Tel. no.: (+603) 2261 8888 (for subscription enquiries only)

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**CORPORATE DIRECTORY (cont'd)**

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<b>PLACEMENT AGENT</b>	:	BIMB Securities Sdn Bhd (290163-X)
Registered/Business address	:	Level 32, Menara Multi Purpose, Capital Square No.8, Jalan Munshi Abdullah 50100 Kuala Lumpur Malaysia
		Tel. no.: (+603) 2613 1711 (for subscription enquiries only)
<b>PLACEMENT AGENT</b>	:	Kenanga Investment Bank Berhad (15678-H)
Registered/Business address	:	Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.
		Tel. no.: (+603) 2172 2733 (for subscription enquiries only)
<b>PARTICIPATING DEALER</b>	:	CIMB Bank Berhad (13491-P)
Registered address	:	Level 13, 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
<b>INDEX LICENSOR</b>	:	S&P Opco, LLC 55 Water Street, New York New York 10041 United States of America
<b>LISTING SOUGHT</b>	:	Main Market of Bursa Securities

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## 1. INFORMATION SUMMARY

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 Dow Jones U.S. Titans 50	Definitions and 3.1	xiii, 17
Category of Fund	: Shariah-compliant equity exchange-traded fund	3.1	17
Type of Fund	: Index tracking fund	3.1	17
Investment objective	: The Fund aims to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance.	3.3	18
Benchmark Index	: Dow Jones Islamic Market U.S. Titans 50 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 3.5.6 of this Prospectus.	3.5	22
Investment policy and strategy	: The Fund is a passively managed fund. The Manager will generally adopt a replication strategy to manage the Fund.	3.4	18
Risk factors	: <b>Unit prices and distributions payable, if any, may go down as well as up.</b>  <b>For information concerning certain risk factors which should be considered by prospective investors, see "RISK FACTORS" in Section 4 of this Prospectus.</b>  The following is a non-exhaustive list of risks of investing in the Fund:	4	36
	(a) General risks of investing in the Fund	4.1	36
	(i) Returns and capital are not guaranteed		
	(ii) Income distributions are contingent on dividends from the Fund Assets		
	(iii) Market risk		

## 1. INFORMATION SUMMARY (cont'd)

Item	Brief Description	Sections	Page number
Risk factors (cont'd)	(iv) Passive investment	4.1	36
	(v) Tracking error risk		
	(vi) Concentration in a particular group of securities, industry or group of industries		
	(vii) Foreign investment risk		
	(viii) Reliance on the Participating Dealer		
	(ix) Liquidity risk		
	(x) Units may trade at prices other than at the NAV per Unit of the Fund		
	(xi) Trading in Units on Bursa Securities may be suspended or de-listed		
	(xii) Timing between pricing, issue and trading		
	(xiii) Market disruption events and settlement disruption events		
	(xiv) Minimum creation and redemption size		
	(xv) Legal and regulatory risk		
	(xvi) Registration or cross-listing of the Fund in other markets		
	(xvii) Settlement risk		
	(xviii) Trading risk		
	(xix) Trading costs risk		
(b)	Risk factors specific to the investment portfolio of the Fund	4.2	41
	(i) Concentration risk		
	(ii) Reclassification of Shariah-compliant securities		
	(iii) Risk related to restrictions on foreign investors		
	(iv) Taxation in foreign jurisdiction		
	(v) Valuation and liquidity risk		
	(vi) Foreign currency exchange risk		
(c)	Risk factors related to the Benchmark Index	4.3	42
	(i) Errors or inaccuracies in the Benchmark Index		
	(ii) The 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		

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

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<b>Item</b>	<b>Brief Description</b>	<b>Sections</b>	<b>Page number</b>
Risk factors (cont'd)	: (v) Compilation of the Benchmark Index	4.3	42
Investor profile	: The Fund is suitable for investors who are: <ul style="list-style-type: none"><li>• Seeking diversification and investment opportunities in the U.S. market;</li><li>• Seeking liquid financial instruments with an index tracking feature; and</li><li>• Seeking medium-term (between one (1) year and three (3) years) to long-term (more than three (3) years) investment horizon as well as short-term (less than one (1) year) trading and arbitrage opportunities.</li></ul>	3.1	17
Initial approved fund size	: 500 million Units	3.2	17
Initial Issue Price per Unit	: USD1.00	6.1	50
Offering of the Units prior to Listing	: Application for the Units during the Initial Subscription Period may be made through the Placement Agents (applicable for institutional and selected investors only), Electronic Application or Internet Application. The minimum size of a Subscription Application under the Initial Subscription is 100 Units, or whole multiples thereof. Units will be issued at the Initial Issue Price to investors.	6.1	49

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## 1. INFORMATION SUMMARY (cont'd)

Item	Brief Description	Sections	Page number
Purchase and sale of the Units upon Listing	<p>Investors may choose to:</p> <p>(i) apply through the Participating Dealer, for creation of Units in a Creation Unit Block (or whole multiples thereof) or for redemption of Units 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</p> <p>(ii) 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.</p>	6.2	50
Creation/Redemption of Units	<p>(i) Creation of Units</p> <p>The Participating Dealer (either for its own account or for the account of its clients) can apply for in-kind creation of new Units via the delivery of In-Kind Creation Basket(s) or cash creation of new Units via the delivery of Subscription Amount.</p> <p>(ii) Redemption of Units</p> <p>The Participating Dealer (either for its own account or for the account of its clients) can apply for in-kind redemption of Units via the delivery of existing Units in exchange for In-Kind Redemption Basket(s) or cash redemption via the delivery of existing Units in exchange for Redemption Amount.</p> <p>Under certain circumstances, the Manager, in consultation with the Trustee, may substitute the Authorised Securities comprised in an In-Kind Creation/Redemption Basket with cash.</p>	6.3, 6.4 and 6.6	51, 52 and 58
		6.3, 6.5 and 6.7	51, 54 and 60
		6.4.12 and 6.5.16	54 and 57

## 1. INFORMATION SUMMARY (cont'd)

Item	Brief Description	Sections	Page number
Creation/Redemption Unit Block	: Currently, 300,000 Units. This quantity may change from time to time as determined by the Manager, upon consultation with the Trustee and notified to the Participating Dealer Creation/Redemption of Units must be in a Creation/Redemption Unit Block (or whole multiples thereof).	6.4 - 6.7	52 - 60
Trading of Units on Bursa Securities	: Investors may trade (buy and sell) Units on the Main Market upon listing of the Fund.	6.2 and 6.10	50 and 64
Trading board lot size	: 100 Units	6.2 and 6.10	50 and 64
Trading currency	: US Dollar	-	-
Financial year end of the Fund	: 30 June First financial year end of the Fund is 30 June 2018.	-	-
Income distribution policy	: Annually, subject to the discretion of the Manager	-	-
Manager	: i-VCAP Management Sdn Bhd	7	66
Trustee	: CIMB Islamic Trustee Berhad	8	77
Shariah Adviser	: IBFIM	9	79

**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 S&P Dow Jones Indices' website at [www.spindices.com](http://www.spindices.com) (on 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).

### 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 Dealer

All Creation Applications and Redemption Applications must be submitted to the Manager through the Participating Dealer and the

## 1. INFORMATION SUMMARY (cont'd)

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 Dealer to the Manager and/or Trustee (which may be charged to the investor by the Participating Dealer) as set out in the Participating Dealer Agreement are as follows:

Fees and charges		Description
(a)	Creation/Redemption Application Fee	Currently USD50 per Creation/Redemption Unit Block (and subject to a maximum of USD250) payable in USD 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	1.00% of the Cash Subscription/Cash Redemption or 1.00% of the value of the In-Kind Creation Basket/In-Kind Redemption Basket, whichever is applicable, payable in USD 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 Dealer, which is charged by Bursa Depository.

### (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 <sup>(1)</sup>	As prescribed by Bursa Securities.
Bursa Securities clearing fee <sup>(1)</sup>	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction. A RM10 minimum fee per transaction is applicable for direct business contracts.
Stamp duty <sup>(1)(2)</sup>	The stamp duty is RM1.00 for every RM1,000.00 (or fractional part) of the transaction value of securities (payable by both buyer and seller), subject to a maximum of RM200 per transaction.



## 1. INFORMATION SUMMARY (cont'd)

### Notes:

- (1) All trading fees and charges are payable in Ringgit Malaysia. Any foreign currency conversions from USD to Ringgit Malaysia will be subject to foreign currency exchange rates imposed by the respective brokers and are negotiable. Investors may refer to <http://www.bursamalaysia.com/market/products-services/transaction-costs-fees-and-charges/> for further details.
- (2) Stamp duty is not subjected to Good and Services Tax.

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	0.40% <sup>(1)</sup> per annum
Annual Trustee Fee	0.035% <sup>(1)</sup> per annum, subject to a minimum of RM12,000 per annum (excluding foreign sub-custodian fees and charges).
Annual Index Licence Fee	0.04% <sup>(1)</sup> per annum, subject to an annual minimum fee of USD8,000.

### Notes:

- (1) Calculated based on the NAV of the Fund in US Dollar, 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 3.5.7(i) for index licence fee of this Prospectus.

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
- (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 one (1) financial year from the date of this Prospectus, which shall not exceed RM500,000.

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

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**1.3 Minimum size for Subscription Applications**

The minimum size of a Subscription Application submitted under the Initial Subscription during the Initial Subscription Period is 100 Units or whole multiples thereof. Units will be issued at the Initial Issue Price to investors.

**1.4 Other information**

The Deed is dated 25 September 2017 and has been entered into between the Manager and the Trustee.

**All fees, charges and expenses mentioned in this section are  
exclusive of goods and services tax.**

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## **2. AN INTRODUCTION TO ISLAMIC ETFs**

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### **2.1 What is an ETF?**

ETFs are essentially unit trust schemes 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, such as the Fund, permit cash creation or redemption where 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 schemes in many countries, the assets of an ETF are required by regulations to be placed under the custody of an approved trustee.

There are two (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 desirable benchmark index. Islamic ETFs are also required to appoint a Shariah adviser and comply with the Shariah investment guidelines issued by the Shariah adviser. In addition, regular review and audit of an Islamic ETF are carried out by the Shariah adviser to ensure strict compliance with Shariah.

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

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### 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 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 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.

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

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### (v) The participating dealer

Participating dealers are usually financial market intermediaries that are participants of settlement and clearing systems of stock exchanges, where trading of listed securities such as the underlying securities and ETF units takes place. A participating dealer's role is to perform or facilitate the creation and redemption of units. A participating dealer may perform this function for itself or at the request and on behalf of third parties (usually its clients).

To perform an in-kind creation, the participating dealer assembles the in-kind creation basket and tenders it to the management company and trustee for the creation of new units whilst for an in-kind redemption, the participating dealer accumulates the aggregate number of units which forms a redemption unit block and tenders it to the management company and trustee in exchange for a in-kind redemption basket.

Where cash creation and redemption are permitted, the participating dealer deposits the required amount of cash to the management company and trustee for creation of new ETF units or accumulates the aggregate number of ETF units in a redemption unit block and tenders it to the management company and trustee for the cash redemption amount.

### (vi) The 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.

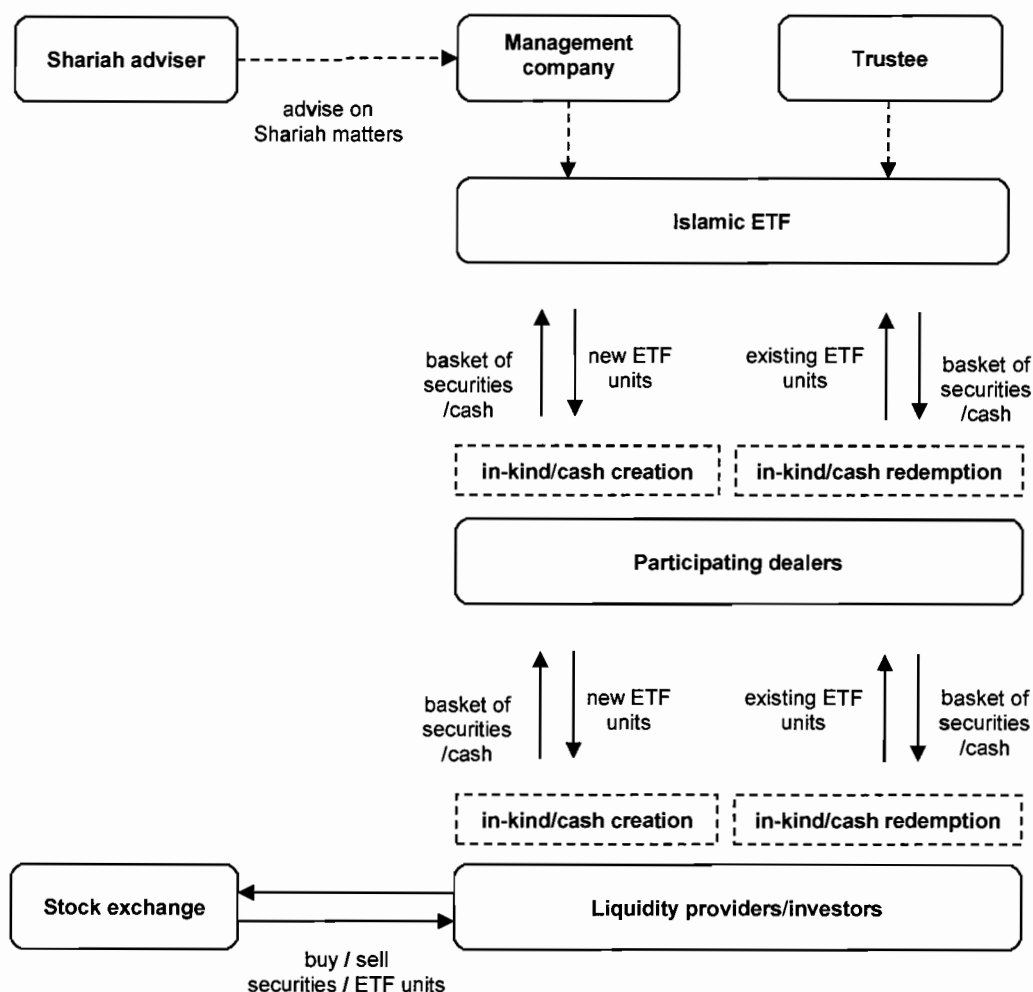
Liquidity providers are usually financial market intermediaries that are already actively trading and dealing in the underlying securities market.

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

### 2.4 How does an Islamic ETF work?

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



Investors may buy and sell the ETF units on the stock exchange or apply for creation or redemption of ETF units via the participating dealers. The number of units in circulation on the stock exchange is determined by creation or redemption activities by the liquidity providers and investors.

Liquidity providers are appointed to provide liquidity for the ETF units on the stock exchange. 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. Liquidity providers may also tender cash in exchange for ETF units under a cash creation. 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 in return. These securities are then sold on the stock exchange to recoup the cost of buying up the excess supply of ETF units. Liquidity providers may also receive cash in exchange for ETF units tendered under a cash redemption.

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

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

Investors may also choose to create new ETF units through an in-kind creation or cash creation process and/or redeem their units through an in-kind redemption or cash redemption process. Such creation and/or redemption applications must be made through participating dealers and 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.

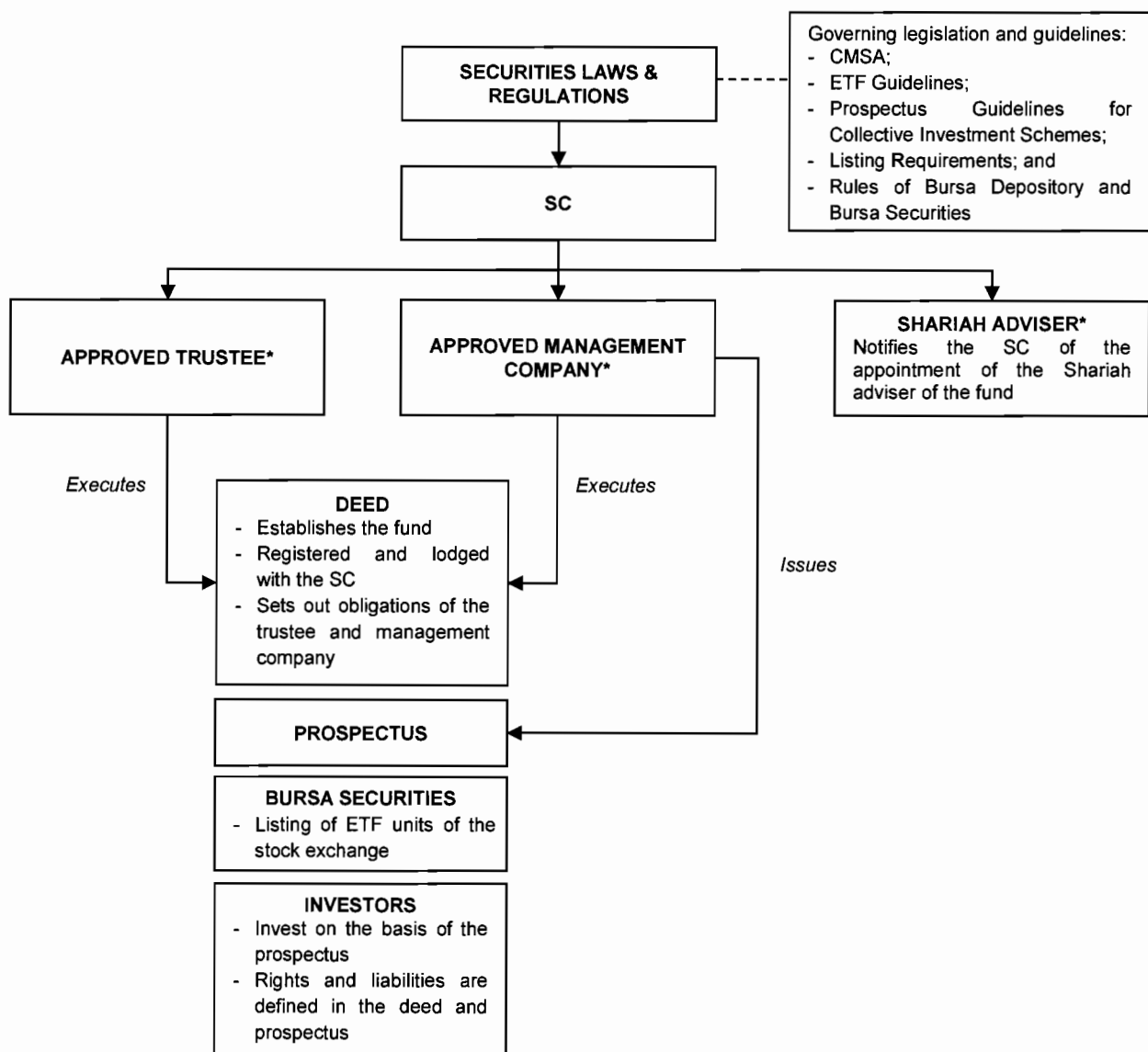
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## 2. AN INTRODUCTION TO ISLAMIC ETFs (cont'd)

### 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 CMA, 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 if the said management company and trustee are not already approved by the SC.

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



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



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

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### 2.6 What are the benefits of investing in an ETF?

#### (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 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. For these reasons, an ETF 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 ETF are normally published on the fund or Bursa Securities' websites.

For risks relating to investing in ETFs, please see "RISK FACTORS" in Section 4 of this Prospectus.

### 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 a Shariah-compliant equity portfolio. 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 Shariah-compliant securities through one (1) instrument.

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

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### 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 through to the investors.

Please refer to Section 5 for detailed information on the fees, charges and expenses of the Fund.

### 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.

### 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, provide appropriate indication of investment gains or losses and are useful in comparing the relative performance amongst funds with similar investment objectives, strategy, risk profile, etc.

Unlike actively managed funds, 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 Dow Jones U.S. Titans 50 is a Shariah-compliant equity exchange-traded fund constituted under the Deed in accordance with Malaysian laws. The Units of MyETF Dow Jones U.S. Titans 50 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 Dow Jones U.S. Titans 50 aims to provide investment results that closely correspond to the performance of the Benchmark Index. The Benchmark Index shall comprise of the 50 largest companies (by float-adjusted market capitalisation) listed on the Relevant Exchanges in the U.S. which have passed rules-based screens for Shariah compliance of S&P Dow Jones Indices. As at the Latest Practicable Date, the constituent securities of the Benchmark Index are listed on the New York Stock Exchange (“**NYSE**”) and National Association of Securities Dealers Automated Quotation System (“**Nasdaq**”) which are the top two (2) financial securities markets in the U.S.

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 blue-chip companies listed on the Relevant Exchanges. The Fund is suitable for investors seeking medium-term (one (1) to three (3) years) to long-term (more than three (3) years) investment horizon in the constituent companies of the Benchmark Index as well as those looking for short-term (less than one (1) year) arbitrage opportunities arising from the discrepancy between the NAV per Unit and the trading prices of the Units. Investors seeking to add geographical diversity to their investment portfolio may also invest in the Fund.

MyETF Dow Jones U.S. Titans 50 is not like other typical unit trust funds offered to the public in Malaysia. Investors have the options to either purchase and sell Units on Bursa Securities based on the prevailing trading prices of the Units or create and redeem Units through the Participating Dealer based on the prevailing NAV per Unit, subject to such terms and conditions as may be imposed by the Participating Dealer.

#### **3.2 Listing of the Fund**

Prior to issuance of this Prospectus, the Manager has obtained 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 for the Fund on 21 September 2017.

The admission of the Fund 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 the successful applicants and notices of allotment have been dispatched to the successful applicants. Upon Listing, the Units will trade in board lots of 100 Units. Admission to the Official List of Bursa Securities shall not be taken as an indication of the merits of the Fund, the Units or the Initial Subscription.

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

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In the event that the Listing does not occur due to any reasons, all monies received in respect of any Units subscribed for by the applicants will be repaid in full without interest. If any such monies are not repaid within fourteen (14) days after the Fund becomes liable to repay it, the provision of Section 243(2) of the CMSA shall apply accordingly.

**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.**

#### 3.3 Investment objective of the Fund

The Fund aims to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance.

**Any material amendments to be made to the investment objective of the Fund would require a resolution passed by not less than two-thirds (2/3) 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.**

#### 3.4 Investment policy of the Fund

##### 3.4.1 Investment approach

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

##### 3.4.2 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 Investment Guidelines.

###### (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 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.

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

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#### (ii) Partial replication technique

Under the partial replication technique, the Manager will invest in a representative sample of Shariah-compliant 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 which are listed on the Relevant Exchanges, 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 local or foreign Shariah-compliant 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.

#### 3.4.3 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 issued by the Shariah Adviser. The Shariah Investment Guidelines cover the Fund's investments as well as its operational and administrative matters in relation to Shariah. Further details of the Shariah Investment Guidelines are set out in Section 3.6 of this Prospectus.

#### 3.4.4 Investment scope

##### (i) Permitted investments

The Manager is authorised to invest in the following types of assets subject to the investment restrictions set out in Section 3.4.5 below.

- (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 local or foreign Shariah-compliant 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) Islamic liquid assets (i.e. including but not limited to Islamic deposits and Islamic money market instruments); and

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

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- (c) any other Shariah-compliant investments permitted by the SC from time to time.

Notwithstanding the above, the Manager is only allowed to invest in securities which comply with the Shariah Investment Guidelines which have been issued by the Shariah Adviser. If any of the Index Securities do not comply with the Shariah Investment Guidelines, the Manager may:

- (a) rebalance the Fund's portfolio by increasing the holdings in the other Index Securities which comply with the Shariah Investment Guidelines;
- (b) replace the Shariah non-compliant Index Securities with non-Index Securities that comply with the Shariah Investment Guidelines and have a high correlation to the Index Securities that they are substituting; or
- (c) invest in Islamic liquid assets (i.e. including but not limited to Islamic deposits and Islamic money market instruments),

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
- (b) not more than 10% in Islamic liquid assets (i.e. including but not limited to Islamic deposits and Islamic money market instruments).

The assets of the Fund may include Shariah-compliant investments other than Authorised Securities in order to facilitate the Fund's portfolio rebalancing activities.

The investments other than Authorised Securities may include:

- (a) Shariah-compliant 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.

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

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#### 3.4.5 Investment restrictions

The investment restrictions imposed upon the Fund are as follows:

- (i) the Fund may invest in units/shares in other Shariah-compliant 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 or authorised 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 divert 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
  - (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 where the regulatory authority is not a member of the International Organization of Securities Commissions (also known as IOSCO).
  - (iv) The Fund may not borrow cash or other assets (including borrowing of securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC) in connection with its activities.
  - (v) Subject to the Shariah Adviser's approval, the prevailing rules and regulations of Relevant Exchanges and the rulings of SC SAC, the Fund may participate in the lending of securities.

Further, the Fund is governed by the Shariah Investment Guidelines which is issued by the Shariah Adviser for the Fund and is set out in Section 3.6 of this Prospectus.

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

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#### 3.4.6 Breach of investment restrictions

In respect of any restrictions and limits on investments stipulated in Section 3.4.5 above, an allowance of 5% is permitted where such restrictions and limits are breached through appreciation 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 more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

#### 3.5 The Benchmark Index

##### 3.5.1 Introduction to the Benchmark Index

The Benchmark Index, namely the Dow Jones Islamic Market U.S. Titans 50 Index is a float-adjusted market capitalisation weighted, price return index calculated, maintained and published by S&P Dow Jones Indices.

The Benchmark Index was created with a base date of 29 December 1995 by S&P Dow Jones Indices and was constructed based on a reference value of 1000. The Benchmark Index is designed as a performance benchmark of blue-chip companies that are listed on primary stock exchanges in the U.S.. The Benchmark Index consists of the 50 largest companies by float-adjusted market capitalisation listed on the Relevant Exchanges which have passed rules-based screens for Shariah compliance.

As at the Latest Practicable Date, the constituent securities of the Benchmark Index are listed on the New York Stock Exchange (“**NYSE**”) and National Association of Securities Dealers Automated Quotation System (“**Nasdaq**”).

The universe for selection of the constituents of the Benchmark Index is the constituents of the Parent Index. The Parent Index, namely the Dow Jones Islamic Market World Index, is a float-adjusted market capitalisation weighted index that is designed to measure performance of the global universe of investable equities that pass screens for Shariah compliance. As at 31 October 2017, the Parent Index comprises over 2,872 securities in fifty six (56) countries globally.

The Benchmark Index employs a modified market capitalization weighting scheme<sup>1</sup>. The weight of each individual constituent is capped at 10% of the Benchmark Index.

The Benchmark Index is calculated and published in US Dollar and the end of the day index values are available through Bloomberg (DJUS50 Index) and the Fund's website at [www.myetf.com.my](http://www.myetf.com.my).

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<sup>1</sup> Maximum weights on the effective rebalancing dates are equal to the lesser of the companies' float-adjusted market capitalization weight or 10% of the Benchmark Index.



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

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The Parent Index and Benchmark Index consist only of companies that passed the Shariah Compliance Screens published under the Dow Jones Islamic Market Indices Methodology. The Shariah Compliance Screens has been approved by the Shariah Supervisory Board of S&P Dow Jones Indices which consists of experienced Shariah scholars from around the world. The Shariah Supervisory Board determines the Shariah compliance framework of the Benchmark Index and shall review, propose or advise S&P Dow Jones Indices on matters relating to the said Shariah compliance framework.

#### 3.5.2 Construction of the Benchmark Index

Constituents of the Benchmark Index must be selected from the universe of securities which constitute the Parent Index, both of which are subject to the Dow Jones Islamic Market Indices Methodology.

##### (i) Eligibility Criteria & Index Constructions

**Constituent Selection:** Companies are selected to the Benchmark Index as follows:

- (a) Companies within the Parent Index are chosen as the Benchmark Index constituents based on the following steps:
  - (1) U.S. listed companies in the selection universe i.e. Parent Index's constituents are ranked by float-adjusted market capitalization.
  - (2) Companies are selected for inclusion in the Benchmark Index using top-down approach i.e. starting with the largest company, until the target constituent count is reached.
- (b) The list of constituents are finalised at each annual composition review based on a buffer range of forty (40) to sixty (60) stocks. Any constituent that ranked sixty (60) or lower is replaced by the highest-ranked non-constituent.

While the Benchmark Index composition is fixed at fifty (50) companies, it is possible for the Benchmark Index to contain more than the target number of companies at any point in time. Such cases arise when the Benchmark Index contains more than one (1) share class for a particular company. The Benchmark Index will use both share classes in its index calculation, in order to maintain the full market capitalization weight of the company in the index.

**Weighting:** The Benchmark Index employs a modified market capitalization weighting scheme which effectively caps the weight of each individual constituent at 10%. In the event that a company has more than one (1) share class represented in the index, that company's weight is capped at 10% based on total float-adjusted market capitalization. The rebalanced weight is then distributed proportionally to each share class' float-adjusted market capitalization. If capping is not required, both share classes are weighted according to their natural float-adjusted market capitalization. Weights are reviewed quarterly.

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

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#### (ii) Shariah Compliance Screens

In accordance with the Dow Jones Islamic Market Indices Methodology, S&P Dow Jones Indices will screen the constituents of the Benchmark Index based on the following criteria:

##### (a) Sector-Based Screens

- Companies' income (cumulatively) from the following impure sources must not exceed 5% of revenue:
  - Alcohol;
  - Tobacco;
  - Pork-related products;
  - Conventional financial services (banking, insurance, etc.);
  - Weapons and defense; and/or
  - Entertainment (hotels, casinos/gambling, cinema, pornography, music, etc.)
- Companies classified as Financial (based on the Dow Jones Proprietary Sector Classification System) are considered eligible if the company is incorporated as an Islamic Financial Institution, such as:
  - Islamic Banks; and
  - Takaful Insurance Companies.
- Companies classified as Real Estate (based on the Dow Jones Proprietary Sector Classification System) are considered eligible if the company's operations and properties are conducting business within Shariah principles.

##### (b) Accounting-Based Screens/ Financial screen

Companies with unacceptable levels of debt or impure interest income are considered Shariah non-compliant and shall be removed from the Benchmark Index. For a company to be considered Shariah-compliant, each of the following three (3) financial ratios for the company must be less than 33%:

- Total debt divided by trailing 24-month average market capitalization <sup>(1)</sup>;
- The sum of a company's cash and interest-bearing securities divided by trailing 24-month average market capitalization <sup>(1)</sup>; and
- Accounts receivables divided by trailing 24-month average market capitalization.

**Note:**

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

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

Companies deemed Shariah-compliant at the prior evaluation period<sup>2</sup> that exceed the maximum ratio for any accounting-based screen at the current evaluation period remain compliant if the ratio is within two (2) percentage points of the maximum allowed i.e. if it is between 33% to 35%. However, if the maximum is breached for two (2) consecutive evaluation periods the companies will be deemed Shariah non-compliant. If any of the ratios are above the two (2) percentage point buffer limit i.e. more than 35%, the company is deemed Shariah non-compliant immediately.

Companies deemed Shariah non-compliant at the prior evaluation period that pass all accounting-based screens at the current evaluation period remain non-compliant if any ratio is within two (2) percentage points of the maximum allowed i.e. if it is between 31% and 33%. However, if the companies pass all accounting-based screens for two (2) consecutive evaluation periods, the companies will be deemed Shariah-compliant and included in the Benchmark Index. If all the accounting-based screens are below the two (2) percentage point buffer limit i.e. below 31%, the company is deemed Shariah-compliant immediately.

#### 3.5.3 The Relevant Exchanges and constituents of the Benchmark Index

The table below sets out the opening and closing times of the Relevant Exchanges, which may be subject to change:

	NYSE	NASDAQ	NYSE MKT	NYSE ARCA	BATS
	(Malaysia time)				
Opening time	9.30 p.m.	9.30 p.m.	9.30 p.m.	9.30 p.m.	9.30 p.m.
Closing time	4.00 a.m.	4.00 a.m.	4.00 a.m.	4.00 a.m.	4.00 a.m.

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

No.	Company Name	Weightings* (%)
1	Apple Inc.	10.18%
2.	Microsoft Corp	7.90%
3.	Facebook Inc A	5.18%
4.	Johnson & Johnson	4.59%

<sup>2</sup> As of Latest Practicable Date, evaluation period means the quarterly rebalancing cycles for the Dow Jones Islamic Market Index.

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

No.	Company Name	Weightings* (%)
5.	Exxon Mobil Corp	4.29%
6.	Alphabet Inc A	3.79%
7.	Alphabet Inc C	3.79%
8.	Procter & Gamble	2.77%
9.	Chevron Corp	2.72%
10.	Intel Corp	2.63%

Source: S&P Dow Jones Indices

**Note:**

- \* *The weight of a constituent changes in accordance with its market prices, and hence may exceed its capped weight during the period between the Benchmark Index's rebalancing dates.*

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

#### 3.5.4 Review of constituents

**(i) Review and rebalancing**

The Benchmark Index undergoes an annual reconstitution and quarterly rebalancing as follows:

- (a) Benchmark Index composition is reviewed annually in September. Changes are announced on the second Friday of the review month and are implemented at the opening of trading on the Monday following the third Friday of the review month.
- (b) Shares, weights and weighting cap factors are updated quarterly in March, June, September and December. Changes are announced on the second Friday of the review month and are implemented at the opening of trading on the Monday following the third Friday of the review month.

The Parent Index is reviewed and rebalanced quarterly and will not result in any change in the Benchmark Index except for deletions of constituents from the Parent Index due to non-conformity to Shariah Compliance Screens described in Section 3.5.2(ii) and/or corporate events described in Section 3.5.4(iii) below.

The Benchmark Index has a base date of 29 December 1995.

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

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

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For Dow Jones Islamic Market Indices Methodology:

<http://us.spindices.com/documents/methodologies/methodology-dj-islamic-market-indices.pdf>

For S&P Dow Jones Indices Corporate Actions Methodology

[http://www.ecpiqgroup.com/wp-content/uploads/2014/10/04\\_SP-Dow-Jones-Indices%E2%80%99-Corporate-Actions-Policies-Practices-Methodology.pdf](http://www.ecpiqgroup.com/wp-content/uploads/2014/10/04_SP-Dow-Jones-Indices%E2%80%99-Corporate-Actions-Policies-Practices-Methodology.pdf)

For Dow Jones Indices Proprietary Sector Classification System

<https://us.spindices.com/search/?query=qics&Search=GO&Search=GO>

#### (ii) **Shariah assessment**

Constituents that fail the Shariah Compliance Screens as set out in Section 3.5.2(ii) will be removed from the Benchmark Index and replaced at the nearest quarterly rebalancing.

#### (iii) **Corporate Events**

Consistent with the Parent Index, the Benchmark Index is reviewed on an ongoing basis for unusual corporate events such as de-listings, bankruptcies, mergers and takeovers. Deletion/removal of companies from the Benchmark Index following these unusual corporate events and the related weight adjustments on the rest of the Benchmark Index constituents are made as soon as the corporate events are effective. Replacements of the deleted constituents will only be made at the nearest quarterly rebalancing.

Additions of new companies into the Parent Index due to a corporate event will not be added simultaneously to the Benchmark Index as and when the corporate event happens except when the new company is the result of an event affecting an existing constituent including but not limited to spin-offs and merger and acquisition exercises. It will only be considered for inclusion at the annual review of Benchmark Index composition in September.

There will be no immediate inclusion of new issues such as initial public offerings ("IPO") or newly listed securities. These types of securities will only be considered for inclusion at the annual review of the Benchmark Index composition in September provided that the new constituents have three (3) months of trading history as at the effective date of the annual review exercise. For example, an inclusion of a security to the Parent Index following an IPO in August would only be considered for inclusion to the Benchmark Index in September of the same year.

#### **3.5.5 Calculation of the Benchmark Index**

The Benchmark Index is calculated and published by S&P Dow Jones Indices in US Dollar.

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

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#### 3.5.6 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 Dow Jones Islamic Market U.S. Titans 50 Index with another index in the event any of the following occurs:
- (i) the Dow Jones Islamic Market U.S. Titans 50 Index ceases to exist;
  - (ii) a major change is made in the formula or method used to calculate the Dow Jones Islamic Market U.S. Titans 50 Index (other than a change in accordance with the operating rules of the Benchmark Index, such as a change in constituents), including changes made to the Dow Jones Proprietary Sector Classification System which may affect Shariah compliancy of constituents of the Benchmark Index;
  - (iii) a new index replacing the Dow Jones Islamic Market U.S. Titans 50 Index is released;
  - (iv) in the opinion of the Board, a new index permitting better valuation of the Fund is released. The decision to replace the Benchmark Index, which is a price return index, will be based on objective financial criteria, including an index with lower turnover ratio and/or an index that charges lower index licence fee, all of which will translate to lower cost and higher total return of the Fund and in turn better valuation of the Fund;
  - (v) it becomes difficult to invest in the securities forming the Dow Jones Islamic Market U.S. Titans 50 Index or if part of the securities forming the Dow Jones Islamic Market U.S. Titans 50 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 Dow Jones Islamic Market U.S. Titans 50 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.

- (b) Notwithstanding the above, the Manager shall not replace the Dow Jones Islamic Market U.S. Titans 50 Index with a new index without the

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

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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 3.5.1 of this Prospectus.

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

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

- (a) The Index Licensor compiles, calculates, maintains and owns (and/or licences from others) certain rights in and to the Benchmark Index and to the proprietary data contained therein.
- (b) The Index Licensor and the Manager have entered into a contract document governed by the Index Licence Agreement to which the licence for the Benchmark Index is granted to the Manager ("**ETF Licence**") to create and market the Fund.
- (c) The Index Licensor shall grant the Manager a limited, non-transferable and non-exclusive licence during the Term (as defined below) to do the following in Malaysia ("**Licence**"):
  - (i) to use the Benchmark Index and the corresponding marks owned by the Index Licensor and/or its third party licensors in Malaysia to establish, organize, structure, sponsor and manage the Fund; and
  - (ii) to list the Fund on Bursa Securities subject to the terms and conditions of the Index Licence Agreement;
  - (iii) to use the relevant marks owned by the Index Licensor and/or its third party licensors in Malaysia as part of the name of the Fund; and
  - (iv) to use the relevant marks owned by the Index Licensor and/or its third party licensors in connection with the offer, sale, distribution, marketing and promotion of the Fund in Malaysia for the sole purpose of identifying the Index Licensor (and its third party licensors, if relevant) as the source of the Benchmark Index.
- (d) No rights to use the marks owned by the Index Licensor and/or its third party licensors are granted under the Index Licence Agreement or the ETF Licence other than the rights specifically described and expressly granted in the ETF Licence.
- (e) The Index Licence Agreement shall commence on the effective date of the Index Licence Agreement and shall continue in effect thereafter for as long the ETF Licence entered into pursuant to the Index Licence Agreement remains in effect. The term of the ETF Licence shall commence on the commencement date specified therein and shall continue for a period of five (5) years ("**Initial Term**"), unless earlier terminated as provided in the Index Licence Agreement or the ETF Licence.

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

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- (f) After the Initial Term expires, the ETF Licence shall renew automatically for a period of three (3) years (“**Renewal Term**”), unless either party provides written notice to the other party of its intent not to renew at least ninety (90) days prior to the end of the Initial Term or (if later) the then current Renewal Term, or unless earlier terminated as provided in the Index Licence Agreement or the ETF Licence. The period of time during which the ETF Licence remains in effect is referred to as the “**Term**”.
- (g) If either party breaches a material term or condition of the Index Licence Agreement and/or the ETF Licence or commits persistent breaches of the Index Licence Agreement and/or the ETF Licence (including, without limitation, persistent minor breaches of which the other party has complained in writing within a reasonable time after learning thereof), the other party may terminate the Index Licence Agreement and/or the ETF Licence by giving at least thirty (30) days prior written notice thereof; provided, however, that such termination shall not take effect if the breaching party corrects such breach and serves written notice upon the other party of such corrective action prior to the effective date of termination. For illustrative purposes only, and without limiting the generality thereof, the term “material” shall mean a level of significance that would affect any decision of a reasonable person regarding whether to continue performing its obligations under the Index Licence Agreement.
- (h) In consideration for the rights granted under the Index Licence Agreement and the ETF Licence entered into, including the Licence, the Manager shall pay the Index Licensor an annual licence fee as set out in the Index Licence Agreement. The Manager shall pay the annual licence fee within thirty (30) days after the end of the calendar quarter to which the annual licence fee relate thereto.
- (i) The Index Licensor shall not modify the annual licence fee payable under the ETF Licence at the start of each Renewal Term unless the prior written consent of the Manager has been first obtained.
- (j) The Index Licensor shall not pass on any additional charges from any securities exchanges or other sources related to the Manager’s use of the Benchmark Index without the prior written consent of the Manager. The Index Licensor shall provide at least sixty (60) days’ prior written notice of any such charges, except when the Index Licensor may not be able to do so if a charge is imposed by a securities exchange or other source without giving the Index Licensor sufficient time to notify the Manager in advance, in which case the Index Licensor shall provide as much notice as is commercially practicable under the circumstances with respect to such securities exchange or other source charge.
- (k) At the beginning of each Renewal Term, any licence fee modification under the ETF Licence shall be as mutually agreed between the parties. If the Manager objects to such licence fee modification and/or pass through of additional charges from a securities exchange or other source, the Manager shall have the right to terminate the Index Licence Agreement by providing the Index Licensor written notice of termination within thirty (30) days of receipt of notification of the modification (time



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

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being of the essence in such respect) such notice to be effective within one hundred and eighty (180) days after it is served.

#### 3.5.8 Further Information on the Benchmark Index

Latest information and other important news on the Benchmark Index will be published on S&P Dow Jones Indices website at [www.spdji.com](http://www.spdji.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).

#### 3.6 Shariah Investment Guidelines

The investments of the Fund comprise securities which have been classified as Shariah compliant by the SC SAC. Securities which are not classified by the SC SAC shall be determined in accordance with the ruling issued by the Shariah Adviser.

##### 3.6.1 Index Securities

The Shariah Adviser shall verify all investments made by the Fund into companies that constitute the Benchmark Index.

##### 3.6.2 Non-Index Securities

The Shariah Adviser shall verify all investments made by the Fund into companies that constitute the Parent Index.

However, for companies that are not constituents of the Benchmark Index and/or the Parent Index, the following methods are adopted by IBFIM in determining the Shariah status of investments of the Fund:

##### Equities:

- **Core Business Activities Analysis**

Companies whose activities are not contrary to the Shariah will be classified as Shariah-compliant securities. On the other hand, companies will be classified as Shariah non-compliant if they are involved in the following core business activities:

- a) Conventional financial services;
- b) Gambling and gaming;
- c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
- d) Manufacture or sale of tobacco-based products or related products;
- e) Pornography;
- f) Weaponry;
- g) Entertainment activities that are not permitted by the Shariah; and
- h) Other activities considered non-permissible according to the Shariah.

- **Mixed Business Activities Analysis**

For companies with activities comprising both permissible and non-permissible elements, IBFIM applies two (2) analyses before they can be classified as Shariah-compliant. The analyses are as follows:

- i) **Qualitative Analysis**

In this analysis, IBFIM will look into aspects of general public perception of the companies' images, core businesses which are considered important

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

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and *maslahah* (beneficial) to the Muslim ummah and the country, the non-permissible elements are very small and involve matters like *umum balwa* (common plight and difficult to avoid), *'uruf* (custom) and rights of the non-Muslim community which are accepted by the Shariah.

#### ii) Quantitative Analysis

Companies which passed the above qualitative analysis will be further subjected to quantitative analysis. IBFIM deduces the following to ensure that they are lower than the Shariah tolerable benchmarks:

- Contribution of interest income and income generated from other prohibited components from Shariah perspective is lower than 5% of the companies' total income;
- Total debt of the companies (including all interest-bearing loans/debentures and their respective payables such as short term/long term debts, short term/long term debentures and all debentures payables) is lower than 30% of the total assets of the companies; and
- Total sum of companies' cash and receivables is lower than 70% of its total assets.

Should any of the above deductions fail to meet the benchmarks, IBFIM will not accord Shariah-compliant status for the companies.

#### 3.6.3 Local or foreign Shariah-compliant collective investment schemes

The Shariah Adviser shall verify all the investments made by the Fund in local or foreign Shariah-compliant collective investment schemes as certified by the appointed Shariah adviser of the local or foreign Shariah-compliant collective investment schemes.

#### 3.6.4 Cleansing Process for the Fund

##### a) Wrong Investment

This refers to Shariah non-compliant investments made by the Manager. The said investment will be disposed of/withdrawn with immediate effect. In the event that the investment resulted in gain (through capital gain and/or dividend/profit), the gain is to be channelled to baitulmal or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

##### b) Reclassification of Shariah Status of the Fund's Investment

Reclassification of Shariah status refers to security which is reclassified as Shariah non-compliant by the SC SAC, the Shariah Adviser or the Shariah boards of the relevant Islamic Indices. The said security will be disposed soonest practical.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channelled to baitulmal or any charitable bodies as advised by the Shariah Adviser.

#### 3.6.5 Zakat (tithe) for the Fund

The Fund does not pay zakat on behalf of Muslim individuals and Islamic legal entities who are investors of the Fund. Thus, investors are advised to pay zakat on their own.

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

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#### 3.6.6 Income Purification

Any income from Shariah non-compliant investments such as interest income, excess capital gain from disposal of Shariah non-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.

Any cash dividend received from the constituents of the Benchmark Index will be subject to a purification process as determined by the Manager upon consultation and endorsement by the Shariah Adviser from time to time.

#### 3.6.7 Periodic Review

The Shariah Adviser will review the Fund on a monthly basis 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.

The Shariah Adviser confirms that the investment portfolio of the Fund will comprise securities that have been classified as Shariah-compliant by the SC SAC or the Shariah Advisory Council of Bank Negara Malaysia. For securities that are not classified as Shariah-compliant by the SC SAC or the Shariah Advisory Council of Bank Negara Malaysia, the Shariah Adviser will review and determine the Shariah status of the said securities in accordance with the ruling issued by the Shariah Adviser.

#### 3.7 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.

Income distributions (if any) are expected to be made annually. The amount to be distributed will be at the discretion of the Manager. However, if the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit Holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution.

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; or
- (ii) by way of a cheque sent to the Unit holders' postal address; or

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

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- (iii) such other method to be determined by the Manager and the Trustee, and allowed under the relevant rules and regulations in Malaysia.

Please note that all income distributions will be paid in Ringgit Malaysia. However, investors will be given an option to receive their income in US Dollar through their foreign currency account, subject to their income entitlement amount. To facilitate this and prior to each income distribution payment date, the Manager will send a written notice to all Unit Holders, detailing the terms and procedures if the Unit Holders decide to receive the income distribution in US Dollar. Any Unit Holder who decides not to receive their income distribution in US Dollar or did not revert to the Manager shall continue to receive their income in Ringgit Malaysia.

#### **3.8 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, it would indicate a 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 (2) may vary due to Transaction Costs, fees, expenses and taxes.

In managing the Fund, the Manager will attempt to achieve a high positive correlation between the NAV of the Fund and the Benchmark Index. To achieve this, the Manager will primarily perform scheduled periodic rebalancing exercises which mirror the Benchmark Index's rebalancing schedule. The Manager will be responsible to continuously monitor 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 beyond the scheduled rebalancing frequency to improve the correlation or to rectify the divergence.

#### **3.9 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 3.8 above.

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

#### **3.10 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 Market 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.

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

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The valuation basis for the Fund Assets is as follows:

**(i) Listed Shariah-compliant securities**

The value of investment in Shariah-compliant securities shall be calculated in USD by reference to the last transacted price on the Relevant Exchanges. Suspended Shariah-compliant securities will be valued at their last transacted price unless there is conclusive evidence to show that value of that Shariah-compliant security has gone below or above the suspended price or where the quotation of the Shariah-compliant securities has been suspended for a period exceeding fourteen (14) days, their fair value will be determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

In the event of market closure of any of the Relevant Exchanges which follows a Market Day, the value of the affected Shariah-compliant securities shall be calculated based on the last transacted price of the said Shariah-compliant securities.

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

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

**(iii) Shariah-compliant Collective investment schemes**

The value of investments in listed Shariah-compliant collective investment schemes which are quoted on an approved exchange shall be calculated in the same manner as other listed Shariah-compliant securities described in Section 3.10(i) above. When investing in unlisted Shariah-compliant collective investment schemes, the value shall be determined by reference to the last published repurchase price per unit for that Shariah-compliant collective investment scheme. The value of investments in local Shariah-compliant collective investment schemes are translated on each Dealing Day to USD using the bid foreign exchange rates quoted by a reputable information service provider as determined by the Manager at the Valuation Point or such other time as agreed between the Manager and the Trustee on the same Dealing Day.

**(iv) Islamic Deposits**

The value of any Islamic deposits placed with licensed Islamic Financial Institutions shall be determined each day by reference to the nominal value of such investments and the income accrued thereon for the relevant period in USD. As the Fund may make placements in non-USD denominated Islamic deposits, the value of these Islamic deposits are translated on each Dealing Day to USD using the bid foreign exchange rates quoted by a reputable information service provider as determined by the Manager at the Valuation Point or such other time as agreed between the Manager and the Trustee on the same Dealing Day. As such, the NAV of the Fund at the Valuation Point will be determined based on the translated value of the Fund Assets in USD and after deducting the liabilities of the Fund, in accordance with the Deed.

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

This risk relates to the ability of the Fund to make income distributions to the Unit Holders which depends principally on the dividends/profits declared and paid by the Fund's constituents and the level of fees and expenses payable by the Fund. Nonetheless, the Manager currently intends to pay out income distributions of the Fund at least annually.

**(iii) Market risk**

**Pre-Listing**

On the sixth (6<sup>th</sup>) Dealing Day from the closing date of the Initial Subscription Period, the Units of the Fund will be created at a NAV per Unit of USD1.00, i.e. the Initial Issue Price of the Fund. The NAV per Unit of the Fund will subsequently fluctuate with changes in the market value of the underlying securities it holds. There is no guarantee that the NAV per Unit of the Fund will remain the same from the day the Units are created to the listing day.

**Post-Listing**

Once the Fund is listed, the trading price of Units is determined by the market forces on Bursa Securities. The reference price of the Fund will be the NAV per Unit of the Fund. The NAV of the Fund will fluctuate with changes in the market value of the securities it holds. The price of Units and Income 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 of 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 rates. A significant decline in the value of the Index Securities can therefore be expected to result in a similar decline in the NAV of the Fund.

**(iv) 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

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

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individually or take defensive positions in declining markets. Therefore, a decline in the performance of the Benchmark Index will result in a corresponding fall in the value of the Fund irrespective of the performance of the overall equity market. Accordingly, there can be no assurance that the movement of the Benchmark Index and the NAV of the Fund correspond with the movement of the overall equity market.

**(v) Tracking error risk**

Imperfect correlation between the NAV of the Fund and the Benchmark Index may occur due to factors such as the fees and expenses incurred by the Fund, rounding of share prices, changes to the Benchmark Index, dividend purification and, regulatory policies. There is no assurance that the Fund will be able to fully track the performance of the Benchmark Index.

To minimise the tracking error, the Manager aims to adopt a full replication strategy in managing the Fund. 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.

**(vi) 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. This is partly mitigated by the single-security and single-country limits embedded in the Benchmark Index's construction.

**(vii) Foreign investment risk**

The Fund will invest in constituents of the Benchmark Index which are listed on the Relevant Exchanges across the U.S.. An investment in the Units involves risks similar to those of investing in a broad-based portfolio of equity securities traded on exchanges in the relevant overseas securities market, including market fluctuations caused by factors such as economic and political developments, changes in interest rates and perceived trends in stock prices. In comparison to the Malaysian market, investing in foreign markets may attract additional risks as such markets may exhibit the following characteristics:

- higher price volatility;
- fluctuations in exchange rates and exchange controls;
- imposition of restrictions on the repatriation of funds or other assets of the Fund;
- higher transaction and custody costs, delays and risks settlement procedures;
- difficulties in enforcing contractual obligations;
- lower levels of regulation of the securities markets;
- different accounting, disclosure and reporting requirements;
- higher levels of government involvement in the economy; and

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

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- greater social, economic, and political uncertainty and the risk of nationalisation or expropriation of assets and risk of war or terrorism.

##### **(viii) Reliance on the Participating Dealer**

The creation and redemption of Units may only be effected through a Participating Dealer. The Participating Dealer may, in its absolute discretion, refuse to accept a creation or redemption order from an investor and can charge fees as it may determine. The 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 Dealer 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 there may be only one (1) participating dealer at any given time, there is a risk that investors may not always be able to create or redeem Units freely.

##### **(ix) Liquidity risk**

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 Unit Holders will experience trading or pricing patterns similar to those of market-traded securities which are issued in other jurisdictions or which are based upon indices other than the Benchmark Index.

Furthermore, there is a possibility that the Units are not widely held 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. Whilst a liquidity provider has been appointed for the Fund, there can be no assurance that such liquidity risk will be fully mitigated.

##### **(x) Units may trade at prices other than at the NAV per Unit**

The NAV per Unit 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 the NAV per Unit. There is a risk, therefore, that Unit Holders may not be able to buy or sell at a price close to the NAV per Unit. The deviation from NAV per Unit 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 the Participating Dealer 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 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 in any of the Relevant Exchanges, the trading price of the Units may be adversely affected and differs from the NAV per Unit.



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

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**(xi) 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.

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

The Initial Issue Price is fixed at USD1.00.

The Initial Subscription is expected to close on 9 February 2018 and the Units are only expected to commence trading on the Main Market within nine (9) Dealing Days after the closing date of the Initial 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.

**(xiii) 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 and/or suspension in Creation Application and/or Redemption Application if there is a market disruption event or a settlement disruption event in any of the Relevant Exchanges.

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 the Relevant Exchanges) in the constituents of the Benchmark Index, the closure of any of the Relevant Exchanges prior to its scheduled closing time on any Market Day and any general moratorium declared in respect of banking activities which may result in the inability to perform settlement activities relating to the 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.

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

Units will only be issued and redeemed in a Creation and Redemption Unit Block (currently 300,000 Units) or whole multiples thereof. 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

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

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Section 4.1(x) of this Prospectus, the market prices of Units as traded on Bursa Securities may deviate from the NAV per Unit.

**(xv) 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 objective 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.

**(xvi) 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.

**(xvii) Settlement risk**

Settlement risk is the risk that a counterparty trading with the Fund is unable to settle a trade due to changing financial or market conditions.

**(xviii) Trading risk**

While the creation/redemption feature of the Fund is designed to make it likely that Units will trade close to their NAV, disruptions to creations and redemptions activities (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the NAV of the Fund. Also, there can be no assurance that an active trading market will exist for the Units on any securities exchange on which Units may trade.

**(xix) Trading costs risk**

Buying or selling Units involves various types of costs that apply to all securities transactions. When trading Units through a broker, investors will incur a brokerage commission or other charges imposed by the broker. In addition, investors on the secondary market, will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Units (bid price) and the price they are willing to sell Units (ask price). Frequent trading may detract significantly from investment results and an investment in Units may not be advisable particularly for investors who anticipate regularly making small investment transactions.

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## 4. RISK FACTORS (cont'd)

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### 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 large market capitalisation U.S. companies that are listed on the Relevant Exchanges. As most of these companies' business activities are based predominantly in the U.S., the performance of the Benchmark Index and consequently the Fund, would be susceptible to any major economic, market, political or regulatory changes in the U.S.

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

The reclassification may occur if the Shariah-compliant securities invested by the Fund are reclassified to be Shariah non-compliant in the periodic review of the securities by the SC SAC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will have to take the necessary steps to dispose of such securities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost. Please refer to the Shariah Investment Guidelines in Section 3.6 of this Prospectus for further details.

#### (iii) Risk related to restrictions on foreign investors

The Relevant Exchanges on which the Benchmark Index's constituents are listed may require prior governmental approvals or impose limits on the amount or types of securities or companies in which foreigners may invest. These restrictions may limit the Fund's investments, increase its costs and impact its ability to accurately match the composition of and weightings in the Benchmark Index. This, to a certain extent is mitigated by the periodic investability screenings by the Index Licensor which takes into consideration the respective markets' restrictions on foreign equity holdings.

#### (iv) Taxation in foreign jurisdictions

The Fund will invest in the Relevant Exchanges in the U.S.. Profits, dividend and other income realised by the Fund from sources in this jurisdiction, and capital gains realised on the sale of assets may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced and/or in which the issuer is located and/or in which the permanent establishment is located. It is impossible to predict the rate of foreign tax that the Fund may be required to pay since the nature and amounts of assets to be invested in any particular jurisdiction, the tax treatment of the activities of the Fund in any particular jurisdiction, and the ability of the Fund to reduce such taxes in any particular jurisdiction are not known. It is not practical to provide more specific disclosure of the tax consequences that might result from an investment in the Fund.

#### (v) Valuation and liquidity risk

The price at which portfolio securities may be purchased or sold by the Fund upon any rebalancing activities or otherwise (necessary to track the Benchmark

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

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Index) and the value of the Units will be adversely affected if trading markets for the securities comprised in the Fund Assets are limited or absent or if spreads are wide.

**(vi) Foreign currency exchange risk**

Since this is a US Dollar denominated fund, investors who have opted to receive their income distribution in US Dollar will not be subjected to any foreign currency exchange risk.

However, investors who will be receiving their income distribution in Ringgit Malaysia will be exposed to foreign currency exchange risk upon their income distribution being translated from US Dollar into Ringgit Malaysia..

Similarly, investors who have multi-currency trust accounts may dispose their Units through their brokers or redeem their Units through the Participating Dealer and will receive proceeds from the disposal or redemption of Units in US Dollar and will not be subjected to any foreign currency exchange risk. Investors without a multi-currency trust account are encouraged to have one to avoid direct exposure to the foreign currency exchange risk.

#### 4.3 Risk factors related to the Benchmark Index

**(i) Errors or inaccuracies in the Benchmark Index**

Factors such as technical glitch in S&P Dow Jones' 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.

**(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 be de-listed or if a new eligible company were to be listed and is added to the Benchmark Index. If this happens, the weighting and composition of the Index Securities invested by the Fund would be changed as considered appropriate by the Manager in order to

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

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achieve the Fund's investment objective. 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. If the objective of the replacement index differs from the Benchmark Index, any replacement index will be subject to the approval of the Unit Holders and the approval of the SC. If the objective of the replacement index does not differ from the Benchmark Index, any replacement index will be subject to the approval of the SC and notified to Unit Holders. 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 Dealer

All Creation Applications and Redemption Applications must be submitted to the Manager through the 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 Dealer to the Manager and/or Trustee (which may be charged to the investor by the Participating Dealer) as set out in the Participating Dealer Agreement are as follows:

Fees and charges		Description
(a)	Creation/Redemption Application Fee	Currently USD50 per Creation/Redemption Unit Block (and subject to a maximum of USD250) payable in USD 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	1.00% of the Cash Subscription/Cash Redemption or 1.00% of the value of the In-Kind Creation Basket/In-Kind Redemption Basket, whichever is applicable, payable in USD 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 Dealer, 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 <sup>(1)</sup>	As prescribed by Bursa Securities.
Bursa Securities clearing fee <sup>(1)</sup>	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction. A RM10 minimum fee per transaction is applicable for direct business contracts.
Stamp duty <sup>(1) (2)</sup>	The stamp duty is RM1.00 for every RM1,000.00 (or fractional part) of the transaction value of securities (payable by both buyer and seller, subject to a maximum of RM200 per transaction).

**Notes:**

<sup>(1)</sup> All trading fees and charges are payable in Ringgit Malaysia. Any foreign currency conversions from USD to Ringgit Malaysia will be subject to foreign currency exchange rates imposed by the respective brokers and are negotiable. Investors may refer to <http://www.bursamalaysia.com/market/products-services/transaction-costs-fees-and-charges/> for further details.

<sup>(2)</sup> Stamp duty is not subject to Good and Services Tax.

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	0.40% <sup>(1)</sup> per annum.
Annual Trustee Fee	0.035% <sup>(1)</sup> per annum, subject to a minimum of RM12,000 per annum (excluding foreign sub-custodian fees and charges).
Annual Index Licence Fee	0.04% <sup>(1)</sup> per annum, subject to an annual minimum fee of USD8,000.

**Notes:**

<sup>(1)</sup> Calculated based on the NAV of the Fund in US Dollar, 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 3.5.7(i) for index licence fee in this Prospectus.

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;

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

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- (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 Cost of Establishment back to the Fund over a period of up to one (1) financial year 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 from 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;



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

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- (iv) all fees, charges, expenses and disbursements incurred in relation to the safe custody, acquisition, holding, registration, realisation of or other dealing with any foreign investments of the 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;
- (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;

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

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- (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 NAV 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 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.

### 5.5 Goods and Services Tax Act 2014

A Unit Holder and/or the Fund (as the case may be) (hereinafter referred to as the “**Paying Party**”) shall upon demand pay to the party duly entitled to collect the goods and services and/or consumption tax (“**GST**”) such sum equivalent to the GST in addition to any other payments payable by the Paying Party pursuant to this Prospectus and the Deed.

**All fees, charges and expenses mentioned in this section are exclusive of goods and services tax.**

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## 6. UNITS OF THE FUND

### 6.1 Offering of the Units prior to Listing

Interested investors may apply to subscribe for the Units during the Initial Subscription Period by making Subscription Applications through one of the following methods:

	<b>Period</b>	<b>Application Method</b>	<b>Description</b>
Method 1	Throughout the Initial Subscription Period	Placement Agents	Subscriptions through the Placement Agents are applicable for institutional and selected investors i.e. clients of Placement Agents only. Investors may refer to section 18.4 or contact the Placement Agents for further information on the application procedure.  Submission of applications, together with the payment, can be made <b>throughout the Initial Subscription Period.</b>
Method 2	Final day of the Initial Subscription Period	Electronic	Investors will have to complete the Electronic Application through the automated teller machines (ATM) of Participating Financial Institutions <b>only on the final day of the Initial Subscription Period</b>
Method 3	Final day of the Initial Subscription Period	Internet	Investors will have to complete the Internet Application through the websites of Internet Participating Financial Institutions <b>only on the final day of the Initial Subscription Period</b>

**Note: Investors will be subject to the relevant Bank Negara Malaysia Foreign Exchange Administration rules and notices (“FEA Rules”), where applicable. Investors who are not in compliance with the applicable FEA Rules may obtain approval from the Bank Negara Malaysia Foreign Exchange Administration prior to subscribing for Units. Investors are advised to seek professional advice on the FEA Rules before making any investment decisions. Information on the FEA Rules can be obtained from Bank Negara Malaysia’s website at [www.bnm.gov.my/fxadmin/](http://www.bnm.gov.my/fxadmin/)**

Proceeds from the Initial Subscription will be utilised to purchase the Index Securities constituting Perfect Baskets to facilitate the initial in-kind creation of Units. Units subscribed for under the Initial Subscription will be created by the sixth (6<sup>th</sup>) Dealing Day from the closing date of the Initial Subscription Period. All Units created under the Initial Subscription will be deposited with Bursa Depository and credited into the CDS Accounts of the successful applicants prior to the Listing of the Fund.

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

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In the event the total Subscription Application is 500 million Units (being the approved Fund size) or less, each applicant will receive the full allocation of Units which he has applied for.

In the event the total Subscription Application exceeds 500 million Units, the Issuing House will conduct a ballot in the manner approved by the Manager to determine acceptance of applications in a fair and equitable manner. Investors should note that there is no guarantee that the entire number of Units applied for will be fulfilled. The Manager reserves the right of final decision on the allocation of Units.

The Initial Issue Price is fixed at USD1.00 per Unit during the Initial Subscription Period.

The minimum size of a Subscription Application made during the Initial Subscription Period is 100 Units, or whole multiples thereof. Interested investors are advised to refer to "PROCEDURES FOR SUBSCRIPTION APPLICATION" in Section 18 of this Prospectus.

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

<b>Date and time</b>	<b>Event</b>
15 January 2018	: Issuance/Publication of this Prospectus
15 January 2018, 9.00 a.m.	: Opening date and time for the Initial Subscription through the Placement Agents
9 February 2018, 8.00 a.m.	: Opening date and time for the Initial Subscription through Electronic Application and Internet Application
9 February 2018, 5.00 p.m.	: Closing date and time for the Initial Subscription
13 February 2018 <sup>(1)</sup>	: Balloting of Subscription Applications for the Units pursuant to the Initial Subscription (if any)
27 February 2018	: Allotment of the Units to successful applicants
28 February 2018	: Listing of the Fund

**Note:**

<sup>(1)</sup> *In the event the total Subscription Application exceeds 500 million Units (being the approved Fund size), the Issuing House will conduct a ballot in the manner approved by the Manager to determine acceptance of applications in a fair and equitable manner.*

The indicative timing above is subject to change, which may be necessary to facilitate implementation procedures. The Board together with the Placement Agents may in their absolute discretion, extend the closing date for the Initial Subscription. If the closing date for the Initial Subscription is extended, the dates for allotment to successful applicants and the Listing of the Fund will be extended accordingly. Any extension of the abovementioned dates will be announced to investors via the Fund's website at [www.myetf.com.my](http://www.myetf.com.my) and by way of advertisement in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia.

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

Upon Listing, investors may choose to:

- (i) apply for an In-Kind Creation/Cash Creation of Units in a Creation Unit Block (or whole multiples thereof) or an In-Kind Redemption/Cash Redemption of Units in

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

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a Redemption Unit Block (or whole multiples thereof), through the Participating Dealer. The procedures are set out in Sections 6.3, 6.4, 6.5, 6.6 and 6.7 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 6.10 of this Prospectus.

Under certain circumstances, the Manager, in consultation with the Trustee, may substitute the Authorised Securities comprised in an In-Kind Creation/Redemption Basket with cash (as set out in Sections 6.4.12 and 6.5.16 of this Prospectus).

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.

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.

### 6.3 Creation and redemption of Units

Applications from the 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 liquidity provider's market making function.

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. Units created upon Listing are only issued to the Participating Dealer. Hence, investors may only apply through the Participating Dealer for creation of Units via Creation Applications or redemption of Units via Redemption Applications, which are 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.

The base currency of the Fund is US Dollar which is the same as the base currency of the Benchmark Index. Market price and dividend/income received from the underlying securities of the Fund are also kept in US Dollar denomination. Hence, the daily valuation of the Fund's NAV is not subject to any foreign currency translation risk. Investors however, may be exposed to foreign exchange risk at the onset of their investment i.e. upon translating their Ringgit Malaysia investment amount into US Dollar or upon realizing their investment back into Ringgit Malaysia, should they decide to.

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

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### 6.4 Procedures for In-Kind Creation

- 6.4.1 Subject to Section 6.4.8, In-Kind Creation whereby a Creation Application is submitted by the Participating Dealer to the Manager can only be made on a Dealing Day.
- 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 Dealer 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 the 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 one (1) Creation Unit Block is 300,000 Units); and
  - (iv) specify the person making the Creation Application or on whose behalf the Creation Application is being made.
- 6.4.6 Upon receipt of a valid Creation Application, the Manager will instruct the Trustee to create and issue new Units.
- 6.4.7 The new Units will be created and issued, and the Register will be updated on the third (3<sup>rd</sup>) Dealing Day after the Trade Date for Cash Creation and on the fourth (4<sup>th</sup>) Dealing Day after the Trade Date for In-Kind Creation. 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 6.8 of this Prospectus.
- 6.4.8 The Manager and/or the Trustee reserves 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;

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

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- (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;
- (v) if any of the Relevant Exchanges are closed; or
- (vi) the Manager has suspended the rights of the Participating Dealer 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 for In-Kind Creation

- (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;
  - (b) the Cash Component (if any) has not been received in cleared funds by or on behalf of the Trustee;
  - (c) the Creation Application Fee has not been received in cleared funds by or on behalf of 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 Agreement.

- (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

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

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Component (if already received in cleared funds by the Trustee) shall be delivered to the Participating Dealer.

The relevant cancelled Units shall be deemed to never have been created and the Participating Dealer shall have no right or claim against the Manager or the Trustee in respect of such cancellation. Further, the Manager may, but shall not be bound to charge the Participating Dealer the Application Cancellation Fee.

### 6.4.12 Substitution of Creation Securities with cash

- (i) Following a Creation Application by the Participating Dealer,
  - (a) if the Manager determines in its discretion that an Authorised Security is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee; or
  - (b) if the Manager is satisfied that the Participating Dealer is prevented by regulation or otherwise from investing or engaging in a transaction in any Authorised Securities,

then the Manager, in consultation with the Trustee, may substitute the Authorised Securities comprised in an In-Kind Creation Basket with cash.

- (ii) If the Manager exercises its discretion pursuant to Section 6.4.12(i) above, the cash in lieu amount should be equal to the market value of the substituted Authorised Securities at the Valuation Point for the relevant Trade Date and shall comprise part of the Cash Component (if any). Such substituted Authorised Securities shall not be deemed 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 Dealer (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.

## 6.5 Procedures for In-Kind Redemption

- 6.5.1 Subject to Section 6.5.14, In-Kind Redemption whereby a Redemption Application is submitted by the Participating Dealer to the Manager can only be made on a Dealing Day.
- 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 Dealer 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.



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

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- 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 Dealer 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 the 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 one (1) Redemption Unit Block is 300,000 Units); and
  - (iv) specify the person making the Redemption Application or on whose behalf the Redemption Application is being made.
- 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 Redemption Date, and the Register will be updated on the fourth (4<sup>th</sup>) Dealing Day after the Trade 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 6.8 of this Prospectus.
- 6.5.8 Subject to Section 6.5.7, the Fund size shall be reduced by number of Units cancelled. The Trustee shall transfer the applicable Redemption Securities out of the Fund Assets to the Participating Dealer and pay the Cash Component (if any).
- 6.5.9 The Manager may deduct and set-off the Redemption Application Fee against any Cash Component (if any) payable to the Participating Dealer.
- 6.5.10 The Redemption Securities transferable and Cash Component payable (if any) to the Participating Dealer 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.

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

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- 6.5.11 The Cash Component (if any) of the Units redeemed shall be paid in US Dollar and, if paid by telegraphic transfer, shall be paid to a US Dollar 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 Dealer:
    - (a) the 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 Dealer to make Redemption Applications pursuant to the Deed;
  - (iv) if any of the Relevant Exchanges are closed; or
  - (v) in the reasonable opinion of the Manager, the Redemption Application may breach any of the terms or conditions of the Participating Dealer Agreement 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.

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

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### 6.5.16 Substitution of Redemption Securities with cash

- (i) Following a Redemption Application by the Participating Dealer,
  - (a) if the Manager determines in its discretion that an Authorised Security is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the redemption of any Unit by the Participating Dealer; or
  - (b) if the Manager is satisfied that the Participating Dealer is prevented by regulation or otherwise from investing or engaging in a transaction in any Authorised Security,

then the Manager, in consultation with the Trustee, may substitute the Redemption Security comprised in an In-Kind Redemption Basket with cash.

- (ii) If the Manager exercises its discretion pursuant to Section 6.5.16(i) above, the cash in lieu amount should be equal to the market value of the substituted Authorised Securities at the Valuation Point for the relevant Trade Date 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 Dealer (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 shall be entitled 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**").
- (iii) The Manager will inform the Participating Dealer 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.

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

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- (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 Procedures for Cash Creation

- 6.6.1 Subject to Section 6.6.8, Cash Creation whereby a Creation Application is submitted by the Participating Dealer to the Manager can only be made on a Dealing Day.
- 6.6.2 The Subscription Amount 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's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) prior to the opening of the market on that Dealing Day.
- 6.6.3 Creation Applications received from the Participating Dealer 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.
- 6.6.4 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.
- 6.6.5 A Creation Application must:
  - (i) be submitted by the 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 one (1) Creation Unit Block is 300,000 Units); and
  - (iv) specify the person making the Creation Application or on whose behalf the Creation Application is being made.
- 6.6.6 Upon the receipt of a valid Creation Application, the Manager will instruct the Trustee to create and issue new Units, which will be settled by way of cash.
- 6.6.7 The new Units will be created and issued, and the Register will be updated on the third (3<sup>rd</sup>) Dealing Day after the Trade 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 6.8 of this Prospectus.
- 6.6.8 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:

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

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- (i) the Creation Application is unclear, erroneous or ambiguous (in the reasonable opinion of the Manager and/or Trustee);
- (ii) 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;
- (iii) the Manager reasonably believes that the acceptance of the Creation Securities would be unlawful;
- (iv) if any of the Relevant Exchanges are closed; or
- (v) the Manager has suspended the rights of the Participating Dealer to make Creation Applications pursuant to the Deed.

6.6.9 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.

6.6.10 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.

6.6.11 Cancellation of Units created pursuant to a Creation Application for Cash Creation:

- (i) The Manager may instruct the Trustee to cancel the Units created (but not yet issued) pursuant to a Creation Application if:
  - (a) the full Subscription Amount has not been received in cleared funds by or on behalf of the Manager and/or the Trustee (as the case may be); or
  - (b) the Creation Application Fee has not been received in cleared funds by or on behalf of the Manager;

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

- (ii) If any Units are cancelled as described in Section 6.6.11(i) above, the Subscription Amount (if already received by the Trustee) shall be delivered to the Participating Dealer.

The relevant cancelled Units shall be deemed to never have been created and the Participating Dealer shall have no right or claim against

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

the Manager or the Trustee in respect of such cancellation. Further, the Manager may, but shall not be bound to:

- (a) charge the Participating Dealer the Application Cancellation Fee;
- (b) charge the Participating Dealer any losses arising from the acquisition of Authorised Securities and any costs incurred by the Fund in connection with such cancelled creation; and
- (c) require the Participating Dealer to pay to the Trustee (for the account of the Fund) in respect of each Unit so cancelled, the amount (if any) by which the Issue Price (as at the Trade Date of the Creation Application) exceeds the Redemption Price (which would have been applicable if the Manager had received a Redemption Application on the date on which such Units are cancelled).

### 6.6.12 Numerical example of amount payable in the case of a Creation Application by way of Cash Creation.

The following is an illustration of the total amount payable by the Participating Dealer making a Creation Application via Cash Creation based on one (1) Creation Unit Block of 300,000 Units at an assumed Issue Price of USD1.00 per Unit, plus the Creation Application Fee, Transaction Costs and other fees that the Manager in its discretion considers appropriate. For further details on the fees applicable, see "FEES, CHARGES AND EXPENSES" in Section 5 of this Prospectus.

Number of Units issued	Issue Price per Unit	Creation Application Fee <sup>(1)</sup>	Transaction Costs <sup>(2)</sup>	Other fees <sup>(2)</sup>	Total amount payable
(USD)					
300,000	x 1.00	+	50	+	875
				+	50
				=	300,975

**Notes:**

<sup>(1)</sup> The cost of the Creation Application Fee is USD50 per Creation Unit Block, subject to a maximum of USD250.

<sup>(2)</sup> Figures given are merely for illustrative purposes only. The actual Transaction Costs and other fees may differ.

## 6.7 Procedures for Cash Redemption

6.7.1 Subject to Section 6.7.14, Cash Redemption whereby a Redemption Application is submitted by the Participating Dealer to the Manager can only be made on a Dealing Day.

6.7.2 The Redemption Amount 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's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) prior to the opening of the market on that Dealing Day.

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

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- 6.7.3 Redemption Applications received from the Participating Dealer 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.
- 6.7.4 Once a Redemption 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.
- 6.7.5 A Redemption Application must:
- (i) be submitted by the 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 one (1) Redemption Unit Block is 300,000 Units); and
  - (iv) specify the person making the Redemption Application or on whose behalf the Redemption Application is being made.
- 6.7.6 Upon receipt of a valid Redemption Application, the Manager will instruct the Trustee to effect the redemption, which will be settled by way of cash.
- 6.7.7 The Units will be redeemed and cancelled on the Redemption Date, and the Register will be updated on the fifth (5<sup>th</sup>) Dealing Day after the Trade 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 6.8 of this Prospectus.
- 6.7.8 Pursuant to Section 6.7.7 above, the Fund size shall be reduced by number of Units cancelled. The Trustee shall pay the Redemption Amount out of the Fund Assets to the Participating Dealer.
- 6.7.9 The Manager may deduct and set-off the Redemption Application Fee against the Redemption Amount payable to the Participating Dealer.
- 6.7.10 The Redemption Amount in respect of the redemption of Units shall be payable to the Participating Dealer on the fifth (5<sup>th</sup>) Dealing Day after the Trade Date provided that:
- (i) the Redemption Application 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 Redemption Application Fee has been paid in full.

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

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- 6.7.11 The Redemption Amount in respect of the Units redeemed shall be paid in US Dollar and, if paid by telegraphic transfer, shall be paid to a US Dollar account of a Malaysian bank, unless otherwise agreed by the Manager.
- 6.7.12 In order to raise the cash required to pay for the Units being redeemed, the Manager can proceed to effect any sale of the Fund Assets.
- 6.7.13 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 Dealer:
    - (a) the Application Cancellation Fee;
    - (b) any losses arising from the sale of the Fund Assets and any costs incurred by the Fund in connection with such failed redemption; and
    - (c) the amount (if any) by which the Redemption Price exceeds the Issue Price (which would have been applicable if the Manager had received a Creation Application on the date on which such Units were to be redeemed).
- 6.7.14 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 6.7.16 of this Prospectus;
  - (iii) the Manager has suspended the rights of the Participating Dealer to make Redemption Applications pursuant to the Deed;
  - (iv) if any of the Relevant Exchanges are closed; or
  - (v) in the reasonable opinion of the Manager, the Redemption Application may breach any of the terms or conditions of the Participating Dealer Agreement and/or the Deed.
- 6.7.15 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;



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

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.

### 6.7.16 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 shall be entitled 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 6.7.16(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**").
- (iii) The Manager will inform the Participating Dealer of the higher percentage (if any) referred to in Section 6.7.16(i) above and of the number of Units the redemption of which have been deferred under Section 6.7.16(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.

### 6.7.17 Numerical example of amount of redemption proceeds received in the case of a Redemption Application by way of Cash Redemption

The following is an illustration of the total redemption proceeds the Participating Dealer will receive when making a Redemption Application via Cash Redemption based on one (1) Redemption Unit Block of 300,000 Units at an assumed Redemption Price of USD1.00 per Unit, plus the Redemption Application Fee, Transaction Costs and other fees that the Manager in its discretion considers appropriate. For further details on the fees applicable, see "FEES, CHARGES AND EXPENSES" in Section 5 of this Prospectus.

Number of Units redeemed	Redemption Price per Unit	Redemption Application Fee <sup>(1)</sup>	Transaction Costs <sup>(2)</sup>	Other fees <sup>(2)</sup>	Total redemption proceeds
(USD)					
300,000	x 1.00	-	50	-	875
		-		50	= 299,025

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

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### **Notes:**

- (1) *The cost of the Redemption Application Fee is USD50 per Redemption Unit Block, subject to a maximum of USD250.*
- (2) *Figures given are merely for illustrative purposes only. The actual Transaction Costs and other fees may differ.*

### **6.8 Calculation of Issue Price, Redemption Price and NAV 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 (4) 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.

The NAV per Unit of the Fund will be calculated at the Valuation Point and will be published prior to the opening of the morning trading session of Bursa Securities (currently before 9 a.m.) on the next Dealing Day. As approved by the SC, the Manager will not be performing IOPV per Unit calculation for the Fund given the non-overlapping trading hours between Bursa Securities and the Relevant Exchanges.

To illustrate, the current trading hours for the Relevant Exchanges are between 9:30 a.m. and 4:00 p.m. local time which is equivalent to 9:30 p.m. to 4:00 a.m. Malaysia time. Therefore, on any particular Dealing Day there will be no movement in prices of the Fund's underlying securities and NAV per Unit during Bursa Securities' trading hour. The Valuation Point will therefore be 4 a.m. Malaysia time of the next Dealing Day, after which the computation and publication of the Fund's NAV per Unit will be performed.

### **6.9 Transaction Costs**

The Fund Assets may decrease as a result of costs incurred in respect of the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Fund Assets or any transactions or dealings related to the Fund. In order to prevent any potential adverse effect on the Fund Assets, the Manager has the discretion to charge the Participating Dealer all the Transaction Costs relating to the Applications, which may then be charged to the investor by the Participating Dealer.

### **6.10 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.

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

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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.

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.

### 6.10.1 Unit trading price

The trading prices of Units on Bursa Securities may differ from their daily NAV 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.

### 6.10.2 Liquidity provision

It is the intention of the Manager to facilitate the provision of liquidity for the investor through the appointment of the Participating Dealer and/or liquidity provider who are required to maintain a market for the Units. In maintaining a market for the Units, the Participating Dealer and/or liquidity provider may realise profits or sustain losses. Any profit made by the Participating Dealer and/or liquidity provider 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.

Although the Participating Dealer and/or liquidity provider 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. The information on the Participating Dealer 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. As at the Latest Practicable Date, *i*-VCAP has an issued and paid-up capital of RM11,000,000 comprising 11,000,000 ordinary shares.

*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 ("**MyETF-DJIM25**"), established in 2008, MyETF MSCI Malaysia Islamic Dividend ("**MyETF-MMID**"), established in 2014, MyETF MSCI SEA Islamic Dividend ("**MyETF-MSEAD**") established in 2015 and MyETF Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness ("**MyETF-AGRI**") established in 2015 currently listed on the Main Market of Bursa Securities. Apart from managing MyETF-DJIM25, MyETF-MMID, MyETF-MSEAD and MyETF-AGRI, *i*-VCAP also manages a wholesale fund (*i*-VCAP Shariah Enhanced Yield Fund) and private mandates (Shariah equities and Sukuk). As at the Latest Practicable Date, *i*-VCAP has eighteen (18) executives to undertake its operations and the total asset under its management stands at RM1.31 billion.

### 7.2 Roles, duties and responsibilities

The Manager is responsible for setting the investment policies for the Fund and implementing strategies to meet the objective of the Fund. 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;

## 7. THE MANAGER (cont'd)

- (vii) to maintain proper records of the Fund; and
- (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 for the past three (3) financial years ended 31 December 2016:

Financial year ended 31 December	2016 RM	2015 RM	2014 RM
Issued and paid-up share capital	11,000,000	11,000,000	11,000,000
Shareholders' funds	24,227,692	26,393,292	31,476,151
Revenue	6,582,351	4,457,047	3,932,665
Profit/(Loss) before tax*	(2,165,600)	(5,085,003)	3,932,665
Taxation	-	2,144	-
Profit/(Loss) after tax*	(2,165,600)	(5,082,859)	3,932,665

\*Effective from 1 January 2015, the holding company of *i*-VCAP no longer absorbs all the expenses incurred by *i*-VCAP.

### 7.4 Key personnel of the Manager

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

<b>Name:</b>	<b>Zulkifli Bin Ishak</b>
<b>Designation:</b>	<b>Acting Chief Executive Officer</b>
<b>Qualifications:</b>	Bachelor of Science in Marketing Management from Syracuse University at New York, USA.
<b>Experience:</b>	<p>Zulkifli has been appointed Acting Chief Executive Officer of <i>i</i>-VCAP on 5 September 2017. He joined <i>i</i>-VCAP as Head of Business Development on 18 June 2015. He has more than twenty three (23) years of working experience within the financial services industry, having previously held several senior roles within the fund management sector. Prior to joining <i>i</i>-VCAP, he was the CEO for Eastspring Al-Wara' Asset Management.</p> <p>He started his career in 1991 in a Treasury Division of a bank for six (6) years. He then joined BHLB Asset Management, a subsidiary of Ban Hin Lee Bank (now merged under CIMB group) as a fund manager for four (4) years before joining Danamodal Nasional Berhad as the Head of Treasury in year 2000 to 2002. From 2002 onwards, he had served various fund management companies, namely Phillip Capital Management, ASM Investment Services Bhd (currently known as PMB Investment Bhd), Amanah Raya Investment Management and Prudential Fund Management Berhad.</p>

## 7. THE MANAGER (cont'd)

<b>Name:</b>	<b>Tengku Umizar Binti Tengku Ubaidillah</b>
<b>Designation:</b>	<b>Head, Compliance</b>
<b>Qualifications:</b>	Master in Business Administration in Accounting from University of New Haven, United States of America (“USA”), 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 January 2008. She has more than twenty (20) years of experience in the capital market industry, including thirteen (13) years with the SC in the Equity Compliance Unit, Product Development Department and Law Reform & Regulatory Policy Department. Tengku Umizar is the person-in-charge of compliance for the Fund.

<b>Name:</b>	<b>Nazifah Binti Mohd Arshad</b>
<b>Designation:</b>	<b>Portfolio Manager</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 more than ten (10) years of 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 also served at various institutions such as Syarikat Takaful Malaysia Berhad and Sime Darby Berhad.

<b>Name:</b>	<b>Roslina Binti Mohd Hanipa</b>
<b>Designation:</b>	<b>Head, Finance &amp; Administration</b>
<b>Qualifications:</b>	Bachelor of Accounting from Universiti Sains Malaysia. Qualified 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 more than ten (10) years experience in accounting and finance. Prior to joining <i>i</i> -VCAP, she held the position of the Vice President (Settlement) at Valuecap and was responsible for overseeing various finance functions including accounting and settlement functions. She has 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>Firdaus Bin Ahmad Radhi</b>
<b>Designation:</b>	<b>Company Secretary</b>
<b>Qualifications:</b>	LL.B (Hons) from University of Northumbria at Newcastle-upon-Tyne, England, Company Secretary License from Companies Commission of Malaysia. Affiliate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

## 7. THE MANAGER (cont'd)

<b>Name:</b>	<b>Firdaus Bin Ahmad Radhi</b>
<b>Experience:</b>	Firdaus has more than ten (10) years experience in company secretarial practice covering industries such as development finance, airport management, plantation and property. He is currently the Head, Group Legal & Secretarial as well as the Company Secretary for Valuecap Group of Companies. Prior to joining Valuecap, he served with MIDF Berhad, Malaysia Airports Holding Berhad and Kumpulan Guthrie Berhad.

<b>Name:</b>	<b>Mirza Binti Mohamad</b>
<b>Designation:</b>	<b>Company Secretary</b>
<b>Qualifications:</b>	Chartered Secretary (ICSA, UK) from Institute Professional Baitulmal, Kuala Lumpur and an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).
<b>Experience:</b>	Mirza is currently Vice President, Group Legal and Secretarial at Valuecap having joined the company since January 2008. She has more than ten (10) years' experience in company secretarial practices. Prior to joining Valuecap, she had served Symphony Corporatehouse Sdn. Bhd. (Symphony's Group) and Double Hope Management Sdn. Bhd. providing the secretarial services to the various industries of public, private and foreign companies.

### 7.5 The Board

The Board plays an active role in the affairs of the Manager and is responsible for the overall management of *i*-VCAP. The Board has six (6) members. The Board generally meets at least six (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:

<b>Name:</b>	<b>Rosli Bin Abdullah</b>
<b>Designation:</b>	<b>Chairman /Independent Non-Executive Director</b>
<b>Qualifications:</b>	Master in Business Administration from Universiti Kebangsaan Malaysia, Post-Graduate Diploma in Accounting and Bachelor in Economics (Honours), both from Universiti Malaya. Qualified as a Chartered Accountant and Member of the Malaysian Institute of Accountants.
<b>Experience:</b>	Rosli is currently serving as a Director on the Boards of CapitaLand Malaysia Mall REIT Management Sdn Bhd (formerly known as CapitaMalls Malaysia REIT Management Sdn Bhd) (" <b>CapitaLand REIT</b> "), Dagang NeXchange Berhad (formerly known as Time Engineering Berhad) and Malaysia Airports Holdings Berhad and Group.  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 CapitaLand REIT for

7. THE MANAGER (cont'd)

<b>Name:</b>	<b>Rosli Bin Abdullah</b>
	<p>Rosli to assume his directorship at the CapitaLand REIT notwithstanding his directorship at i-VCAP.</p> <p>Rosli was the Registrar of MIA for five (5) years until 2012, where he also served as the 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.</p> <p>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.</p>

<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>	<p>Master in Business Administration from Universiti Malaya and Bachelor of Science (Hons) from Universiti Kebangsaan Malaysia. Completed the Harvard Advanced Management Programme at Harvard Business School.</p>
<b>Experience:</b>	<p>Sharifatu Laila was appointed as CEO of Valuecap in 2002 and played a key role in the setting up of the company by the Malaysian government then. She has extensive experience in the field of portfolio investments both in the domestic and regional environment. She was appointed Group CEO of Valuecap in 2015.</p> <p>Sharifatu Laila began her career in Permodalan Nasional Berhad's ("PNB") and later held various positions at the Employees Provident Fund (EPF), including Head of Treasury overseeing a portfolio in excess of RM100 billion and subsequently Head of Equity, overseeing the pension fund's domestic and regional equity portfolios. She subsequently served as Head of Investment at Pilgrims Fund prior to her appointment as CEO of Valuecap. She holds a Capital Markets Services Representative License and also sits on the Board of VCAP Asset Managers Sdn Bhd, Valuecap's wholly-owned subsidiary.</p>

<b>Name:</b>	<b>Nik Amlizan Binti Mohamed</b>
<b>Designation:</b>	<b><i>Non-Independent Non-Executive Director</i></b>
<b>Qualifications:</b>	<p>Bachelor's Degree in Economics/Accounting from Claremont McKenna College, USA.</p>
<b>Experience:</b>	<p>Nik Amlizan assumes her current role of Chief Investment</p>



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

<b>Name:</b>	<b>Nik Amlizan Binti Mohamed</b>
	<p>Officer (“CIO”) of Kumpulan Wang Persaraan (Diperbadankan) (“KWAP”) in September 2014. Prior to the appointment, she was the Director/Head of Equity, a position she held since joining KWAP in 2007 before she became Senior Director, Equity in February 2014. Her current responsibilities include developing and overseeing investment functions for KWAP namely creation and implementation of investment organization, policies and procedures, performance matrix, recruitment of staff, development of asset allocation models, and formulating KWAP Fund Investment Strategies across all asset classes.</p> <p>She currently sits on the Board of Directors for Prestariang Berhad, Prima Ekuiti (UK) Limited, a wholly owned subsidiary of KWAP and Harta Integra Berkat Sdn. Bhd. She is also a member of the Institute of Integrity Malaysia since 2015.</p> <p>She has over twenty (20) years of experience in the fund management industry. Her last position before she joined KWAP in 2007 was General Manager / Head of Equity (Shariah / Ethical) at RHB Asset Management Sdn Bhd. She served as the Head of Investment Research / Senior Portfolio Manager at Mayban Investment Sdn Bhd until 2001. She started her career in the fund management industry in 1994 when she joined BBMB Unit Trust Management Sdn. Bhd. after a 2-year stint with Georgiou Incorporated, San Francisco, California, U.S.</p>
<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 the University of Singapore.
<b>Experience:</b>	<p>Hassan established the firm of Messrs. Hassan &amp; Associates in March 2007, focusing on corporate and conveyancing matters. Prior to that, he was a partner with Messrs. Zainal Abidin &amp; Co. since 1989, with involvement in the same areas of specialisation.</p> <p>During his tenure with Messrs. Zainal Abidin &amp; 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.</p> <p>He has over ten (10) years of experience serving Bank Pembangunan Malaysia Berhad from 1976 to 1988 in Project Evaluation &amp; Investment functions. He is currently a Director of Syarikat Perumahan Negara Berhad.</p>
<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 in 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, and she is also a

## 7. THE MANAGER (cont'd)

<b>Name:</b>	<b>Tunku Afwida Binti Tunku A. Malek</b>
	Member of the Malaysian Institute of Accountants.
<b>Experience:</b>	Tunku Afwida is currently a Director / Shareholder of Asia Equity Research Sdn Bhd, a licensed entity specializing in corporate finance advisory, supported by research capabilities in specific sectors, namely energy, infrastructure and plantation in selected emerging economies. She is currently an Independent Director of Exim Bank Berhad, Gamuda Berhad, Lafarge Malaysia Berhad and Telekom Malaysia Berhad. She had previously served as an Independent Director of Cagamas Berhad, Transnational Insurance Brokers Sdn Bhd and Unitar Berhad. Tunku Afwida had also served as CEO and Executive Director ("ED") 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).

<b>Name:</b>	<b>Datuk Hj. Mohd. Nasir Bin Hj. Ali</b>
<b>Designation:</b>	<b><i>Independent Non-Executive Director</i></b>
<b>Qualifications:</b>	Bachelor of Economics from University of Malaya and Master of Science in Financial Studies from University of Strathclyde (United Kingdom).
<b>Experience:</b>	<p>Datuk Mohd. Nasir was previously Group Executive Director with Utusan Melayu (Malaysia) Berhad. Other various positions held by him were Executive Director/Chief Executive Officer with Kuala Lumpur City Securities Sdn. Bhd., General Manager, Dealing &amp; Research with Mayban Securities Sdn. Bhd., Investment Manager with BBMB Unit Trust Management Berhad and Senior Financial &amp; Marketing Executive, Amanah Saham Nasional Berhad &amp; Investment Executive with Permodalan Nasional Berhad.</p> <p>Apart from his directorships on the boards of Plenitude Berhad and E.A. Technique (M) Berhad, he also sits on the boards of Amanah Raya Berhad and some private limited companies.</p>

### 7.6 The Investment Committee

As required by the ETF Guidelines, the Manager is required to establish the Investment Committee 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

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## 7. THE MANAGER (cont'd)

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- (f) acceptable and efficacious investment management practices within the industry.

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 three (3) 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 Non-Independent member of the Investment Committee is Shaharin Bin Md. Hashim whose profile is as follows:-

<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 the Head, Group Strategy & Markets of Valuecap. He joined Valuecap in 2005 and is involved in various strategic initiatives relevant to the Group. He has more than twenty (20) years of working experience encompassing areas of analysis and policy and product research & 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 designated fund manager

As required by the ETF Guidelines, the Manager is required to appoint a designated 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.

### 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

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## 7. THE MANAGER (cont'd)

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incorporated in Malaysia 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 delegated by the Manager to the Registrar comprised 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;
- (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 (30) 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:

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## 7. THE MANAGER (cont'd)

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- (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. On 9 December 2014, the Manager and Valuecap agreed to vary selected back office functions outsourced to Valuecap under the Service Level Agreement by removing the custodian and finance (settlement) functions and including additional services such as research, product and market strategy effective from 1 January 2015. In addition to that, the Board of the Manager had on 4 March 2015 approved the outsourcing of corporate secretarial and legal functions to Valuecap.

Valuecap was incorporated in Malaysia on 16 October 2002 and is equally-owned by Khazanah, PNB and KWAP. Valuecap is an investment holding company with direct investments in its two (2) wholly-owned subsidiaries, i.e. *i*-VCAP and VCAP Asset Managers Sdn Bhd. 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

The Board had on 24 November 2015 approved the outsourcing of the internal audit function to Valuecap which took effect on 1 April 2016. Pursuant to the approval, the Manager and Valuecap had varied the Service Level Agreement by adding the internal audit as an outsource function. Prior to that, *i*-VCAP had outsourced the internal audit function to external accounting firms.

### (v) Fund accounting and administration functions

The Board of Directors of *i*-VCAP had on 20 December 2016 approved the outsourcing of the fund accounting and administration functions to Citibank N.A., Singapore Branch ("**Citibank**") to outsource its fund accounting and administration functions to the company.

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

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Citibank is registered as a foreign company with the Singapore Accounting and Corporate Regulatory Authority (ACRA) on 6 January 1927 with place of origin being the United States of America. Citibank is principally involved in banking.

Citibank will be responsible to perform the valuation of the investments of the Fund as well as the fund accounting function which includes maintenance of financial accounting records of the Fund.

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

As the Fund was only established on 25 September 2017, 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.

The substantial shareholders, directors and key personnel of the Manager may hold Units, direct or indirect, in the Fund upon the Listing of the Fund.

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## 8. THE TRUSTEE

### 8.1 About the Trustee

CIMB Islamic Trustee Berhad (“CITB”) was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia.

### 8.2 Roles, duties and responsibilities

CITB’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

As at 31 October 2017, CITB acts as trustee to one (1) real estate investment trust funds, twenty eight (28) unit trust funds, fourteen (14) wholesale funds and two (2) private retirement scheme (consisting of six (6) funds) and has more than twenty seven (27) years of experience as a trustee to unit trust funds.

CITB is supported by twenty (20) staff, sixteen (16) executives and four (4) non-executives as at 31 October 2017.

### 8.4 Historical financial information

A summary of CITB’s financial position for the past three (3) financial years ended 31 December is as set out below:

Financial year ended 31 December	2016 RM	2015 RM	2014 RM
Paid-up share capital	1,000,000	1,000,000	1,000,000
Shareholders’ funds	6,631,378	5,689,513	5,018,283
Revenue	3,650,965	3,548,821	3,402,818
Profit/(Loss) before tax	1,248,050	944,731	1,311,953
Profit/(Loss) after tax	941,865	671,230	944,803

\*only Shariah-compliant income are recognized since the entity’s conversion to Islamic in 2012.

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

Name	Directorship
Zahardin Bin Omardin	Chairman, Independent Director, Non-Executive
Mohamad Safri Bin Shahul Hamid	Non-Independent Director, Non-Executive,
Liew Pik Yoong	Non-Independent Director, Executive

#### **Chief Executive Officer**

Liew Pik Yoong

### 8.6 Material litigation and arbitration

As at 31 October 2017, CIMB Islamic Trustee Berhad is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any

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## 8. THE TRUSTEE (cont'd)

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facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee or any of its delegates.

### 8.7 Trustee's Delegate

CIMB Islamic Trustee Berhad has delegated its custodial function to CIMB Islamic Bank Berhad ("**CIMB Islamic Bank**"). CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Islamic Bank provides full fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary, CIMB Islamic Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit assets, CIMB Islamic Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Islamic Bank acts 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 all the obligations in accordance with the Deed, the CMSA, the ETF Guidelines and all relevant laws.

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## **9. THE SHARIAH ADVISER**

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### **9.1 About IBFIM**

#### **Profile of the Shariah Adviser**

IBFIM is the Shariah Adviser for the Fund. IBFIM will counsel on the mechanics of the operations of the Fund to ensure the operations of the Fund comply with Shariah requirements.

#### **General Information of IBFIM**

IBFIM was incorporated as a company limited by guarantee and not having share capital in Malaysia under the Companies Act, 2016 on 15 February 2007.

#### **Experience in Advisory and Services**

IBFIM is registered with the SC to act as a Shariah Adviser for Shariah-compliant collective investment schemes. IBFIM is also involved in Shariah-compliant private mandates as well as the Shariah Adviser for Islamic real estate investment trusts and Islamic asset management houses.

As at 13 November 2017, IBFIM has 136 funds under its supervision.

### **9.2 Roles and responsibilities**

As the Shariah Adviser, the role of IBFIM is to ensure that the operations and investments of the Fund are in compliance with Shariah requirements. IBFIM reviews the Fund's investments on a monthly basis to ensure compliance with Shariah requirements at all times and meets with the Manager on a quarterly basis to review and advise on the Fund's compliance with Shariah requirements. Final responsibility for ensuring Shariah compliance of the Fund with Shariah requirements in all relevant aspects rests solely with the Manager.

The roles of IBFIM as the Shariah Adviser are:

- a) Ensuring that the Fund is managed and administered in accordance with the Shariah principles;
- b) Perform Shariah assessment/evaluation on constituents of the Benchmark Index as and when requested by the Manager;
- c) Providing expertise and guidance for the Fund in all matters relating to Shariah principles, including on the Fund's Deed and Prospectus, its structure and investment process, and other operational and administrative matters;
- d) Consulting the SC who may consult the SC SAC should there be any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
- e) Scrutinising the Fund's compliance report as provided by the compliance officer, transaction report provided by or duly approved by the Trustee and any other report deemed necessary for the purpose of ensuring the Fund's investments are in line with the Shariah principles;
- f) Preparing a report to be included in the Fund's annual report certifying whether the Fund has been managed and administered in accordance with the Shariah principles;

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## 9. THE SHARIAH ADVISER (cont'd)

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- g) Ensuring that the Fund complies with any guideline, ruling or decision issued by the SC, including resolutions issued by the SC SAC with regard to Shariah matters;
- h) Vetting and advising on the promotional materials of the Fund;
- i) Assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority; and
- j) Attending meetings of the due diligence working group and ensuring that there are no discrepancies in the statements contained in the documents to be submitted to SC and Bursa Securities and verifying all information in the documents in relation to Shariah matters.

### 9.3 Profile of the Shariah Team

IBFIM's Shariah team consists of the following personnel:

#### **Dr. Ahmad Zakirullah Bin Mohamed Shaarani - Managing Advisor (Shariah)**

**Dr. Ahmad Zakirullah** is a member of Shariah Committee of the United Overseas Bank Malaysia Berhad. He joined IBFIM in February 2008. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant funds. Prior to joining IBFIM, he served at University Sains Islam Malaysia and PTPL College.

He obtained his Diploma of Shariah Islamiyyah (Honours) from Higher Institute of Islamic and Arabic Language (MADIWA), Perak, Bachelor of Shariah Islamiyyah (Honours) Degree from Al-Azhar University, Egypt, Master's Degree (Honours) of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the International Islamic University Malaysia and Doctor of Philosophy of Usul al-Fiqh from University of Malaya. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

#### **Mohd Asyraf Bin Sharunudin - Consultant (Shariah)**

**Mohd Asyraf** is a member of IBFIM's Shariah Business Advisory team. He is responsible in providing input on the advisory and intelligence with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds. He was previously attached to Shariah Department of Bank Muamalat Malaysia Berhad. He also completed the Islamic Capital Market Graduate Training Scheme by the SC.

Asyraf is a graduate of the International Islamic University Malaysia in Bachelor of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) (Hons) Degree and Master's Degree (Hons) of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the same university. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

#### **Muhammad Khairulnizam Bin Alias - Consultant (Shariah)**

**Muhammad Khairulnizam**, a graduate of Bachelor of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) (Hons) Degree from International Islamic University Malaysia (IIUM). Prior to joining IBFIM, he has worked as a customer service and technical support.

Currently, he is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds, including but not limited to conduct surveillance on non-financial institutions activities. He is experienced in conversion of conventional

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**9. THE SHARIAH ADVISER (cont'd)**

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product to Islamic as well as audit and review for many financial institutions. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

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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), 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) A Unit Holder need not indemnify the Trustee or the Manager if there is a deficiency of Fund Assets to meet the claim of any creditor of the Trustee or Manager in respect of the Fund.
- (ii) The right of the Trustee, the Manager or any other creditor to seek indemnity is limited to having recourse to the Fund.

#### 10.2.2 Limitations

A Unit Holder cannot:

- (i) interfere with the rights or powers of the Manager and/or the 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 fees permitted by the Deed and payable indirectly by investors.

<b>Fees</b>	<b>% / RM</b>
Management Fee	3.0% per annum, calculated daily on the NAV of the Fund.
Trustee Fee	0.35% 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.

Any increase of the fees and/or charges that is stated in the current 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;

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

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- (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 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 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 safe custody, acquisition, holding, registration, realisation of or other dealing with any foreign investments of the 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;

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**10. SALIENT TERMS OF THE DEED (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 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 one (1) financial year 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 webpages (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;
- (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 NAV per Unit; and

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**10. SALIENT TERMS OF THE DEED (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 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 (if required) 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) if 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;
- (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



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

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- (v) if the Manager ceases to be an approved management company under the provisions of the CMSA and applicable regulations.

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 of 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 management company.

The purported 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 (if required) 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) if 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 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) if the Trustee ceases to be an approved trustee under the provisions of the CMSA and applicable regulations;
- (iii) if the Unit Holders by Special Resolution resolve that the Trustee should be removed; or
- (iv) if 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 be remedied.

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

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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, is 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 purported 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 in accordance with the provisions of the CMSA upon the occurrence of any of the following events:

- (i) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (ii) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (iii) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law.

Upon a Special Resolution to terminate the Fund is passed by the Unit Holders at a meeting of Unit Holders summoned by the Trustee pursuant to Sections 10.9.1(i), (ii) and (iii) above, the Trustee shall apply to the court for an order confirming such Special Resolution.

10.9.2 The Fund may be terminated by the Trustee or the Manager by notice in writing to the Unit Holders in the event the Fund ceases to be approved under the CMSA.

10.9.3 Notwithstanding Sections 10.9.1 and 10.9.2 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 on 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

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

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- (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
- (iii) where resolution which requires approval by not less than two-thirds (2/3) 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 the 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 Unit 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

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

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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 member to vote, to speak and to be reckoned in 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 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.

10.10.11 Every question arising at a general meeting of Unit Holders shall be decided by a poll.

10.10.12 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.

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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 10 July 2017 approved the following proposals:

- (i) establishment of the Fund; and
- (ii) the listing and quotation for up to 500 million Units on the Main Market of Bursa Securities ("**Proposed Listing**"),

subject to the following conditions:

No.	Conditions imposed	Status of compliance
(a)	The Manager shall inform the SC of the listing date 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 shall be completed within six (6) months from the date of the approval letter from the SC. The 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 15 November 2017 approved the application for an extension of time until 9 July 2018 to complete the Proposed Listing.

The SC had on 11 August 2017 and 10 November 2017 approved the application for an extension of time to comply with Paragraph 3.12 of the ETF Guidelines whereby the SC has allowed the Manager an extension of time until 12 February 2018 to appoint a chief executive officer who is a full-time officer.

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

The SC had on 10 July 2017 approved the waiver from Section 11.02 of the ETF Guidelines whereby the SC has allowed the Manager to depart from its obligation to determine and publish the indicative optimal portfolio value per unit.

The SC had on 10 July 2017 approved the variation to Section 11.13 of the ETF Guidelines whereby the SC has allowed the Fund to provide both In-Kind and Cash Creation and Redemption.

The SC had on 10 July 2017 approved the variation to Section 13.04 of the CIS Prospectus Guidelines, Part III – Listed Funds whereby the SC has limit the assessment and disclosure in this Prospectus of the interest of the substantial shareholders of Valuecap, namely, Khazanah, PNB and KWAP ("**Ultimate Substantial Shareholders**") in other corporation carrying on similar business as i-VCAP to the subsidiaries, associates and jointly-controlled entities of the Ultimate Substantial Shareholders based on their principal activities as stated in the respective audited consolidated financial statements of the Ultimate Substantial Shareholders for the financial year ended 31 December 2015, being the latest available audited consolidated financial statements of the Ultimate 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.

#### **12.1.2 The Trustee**

CITB is the Trustee of the Fund, where applicable there may be proposed related party transactions and/or conflict of interest involving or in connection with the Fund in the following events:

- (a) Where the Fund invest in instrument(s) offered by CIMB Group; and
- (b) Where the Fund is being distributed by CIMB Bank as Participating Dealer; and
- (c) Where the assets of the Fund are being custodised by CIMB Islamic Bank Berhad as custodian of this Fund delegated by the Trustee.

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of its position as the legal registered owner of the Fund's assets to gain, directly or indirectly, and advantage or cause detriment to the interest of the Unit Holders.

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

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

Name	Businesses / Corporations	Nature of interest	Direct Interest %	Indirect Interest %
Sharifatu Laila Binti Syed Ali	<ul style="list-style-type: none"><li>Valuecap Sdn Bhd</li><li>VCAP Asset Managers Sdn Bhd</li></ul>	<ul style="list-style-type: none"><li>Group Chief Executive Officer</li><li>Non-Independent Non-Executive Director</li></ul>	-	-
Rosli Bin Abdullah	<ul style="list-style-type: none"><li>CapitaLand Malaysia Mall REIT Management Sdn Bhd (formerly known as CapitaMalls Malaysia REIT Management Sdn Bhd)</li></ul>	<ul style="list-style-type: none"><li>Independent Non-Executive Director</li></ul>	-	-

### 12.2.2 Interest of substantial shareholders of the Manager

The Manager is wholly-owned by Valuecap which in turn 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, none of the substantial shareholders of

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

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
Valuecap	- VCAP Asset Managers Sdn Bhd	- Direct shareholding	% 100.0	% -
<b>Substantial shareholders of Valuecap</b>				
Khazanah	- Valuecap	- Direct shareholding	33.3	-
	- Malaysia Technology Development Corporation Sdn Bhd	- Direct shareholding	100.0	-
	- Xeraya Capital Bhd	- Direct shareholding	100.0	-
	- Xeraya Capital Labuan Ltd	- Direct shareholding	100.0	-
	- First Floor Capital Sdn Bhd	- Direct shareholding	25.0	-
	- Malaysia Life Science Capital Fund Management Co. Ltd.	- Direct shareholding	50.0	-
	- MLSCF Management (Labuan) Ltd	- Direct shareholding	50.0	-
KWAP	- Valuecap	- Direct shareholding	33.3	-
	- Prima Ekuiti (UK) Limited	- Direct shareholding	100.0	-
	- KWAP Managed Investment Trust	- Direct shareholding	100.0	-
	- Prima Harta Trust (Jersey)	- Direct shareholding	100.0	-
	- Harta Integra Berkat Sdn Bhd	- Direct shareholding	100.00	-
	- Capsquare Tower Sdn Bhd	- Direct shareholding	100.00	-
	- KWEST Sdn Bhd	- Direct shareholding	100.00	-
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	-	100.0 <sup>(3)</sup>



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

Name	Business/Corporations	Nature of interest	Direct Interest	Indirect Interest
	- PNB Asset Management (Japan) Company Limited	shareholding - Indirect shareholding	-	100.0 <sup>(3)</sup>
	- PNB-Wasserstein Holdings, LLC	- Indirect shareholding	-	50.0 <sup>(3)</sup>
	- MIDF Amanah Asset Management Berhad	- Indirect shareholding	-	100.0 <sup>(4)</sup>
	- MIDF Amanah Ventures Sdn Bhd	- Indirect shareholding	-	100.0 <sup>(4)</sup>
	- Pelaburan Hartanah Nasional Berhad	- Direct shareholding	100.0	-
	- PNB-SBI Asean Gateway Investment Management Limited	- Indirect shareholding	-	50.0 <sup>(5)</sup>
	- PNB-SBI ASEAN Gateway Fund Ltd.P.	- Indirect shareholding	-	50.0 <sup>(5)</sup>

### Notes:

- (1) Deemed interested by virtue of its shareholding in Amanah Saham Nasional Berhad pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its shareholding in PFM Capital Holdings Sdn. Berhad pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its shareholding in PNB International Limited pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its shareholding in Malaysian Industrial Development Finance Berhad pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of its shareholding in PNB Equity Resource Corporation Sdn Bhd pursuant to Section 8 of the Act.

### 12.3 Declaration of expert's existing and potential interests/conflicts of interests

#### 12.3.1 CIMB Investment Bank Berhad

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

#### 12.3.2 BIMB Securities Sdn Bhd

BIMB Securities Sdn Bhd confirms that there is no existing or potential interests or conflict of interests in its capacity as the Placement Agent with respect to the Fund or the Manager.

#### 12.3.3 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 Placement Agent with respect to the Fund or the Manager.

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

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**12.3.4 IBFIM**

IBFIM 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.

**12.3.5 Messrs Wei Chien & Partners**

Messrs Wei Chien & 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.

**12.3.6 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.

**12.3.7 CIMB Bank Berhad**

CIMB Bank 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.

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

07 Dec 2017

**PricewaterhouseCoopers Taxation Services Sdn Bhd**  
Level 10, 1 Sentral  
Jalan Rakyat  
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  
Bukit Damansara  
50490 Kuala Lumpur

Dear Sirs,

**TAXATION OF MyETF DOW JONES U.S. TITANS 50 AND UNIT HOLDERS**

This letter has been prepared for inclusion in this Prospectus in connection with the offer of units in the MyETF Dow Jones U.S. Titans 50 ("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) Foreign Investments**

Income of the Fund from overseas investment is exempt from Malaysian tax by virtue of Paragraph 28 of Schedule 6 of the Act. Such income from foreign investments may be subject to foreign taxes or withholding taxes. Any foreign tax suffered on the income in respect of overseas investment is not tax refundable to the Fund.

The foreign income exempted from Malaysian tax at the Fund level will also be exempted from tax upon distribution to the unit holders.

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*PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M),  
Level 10, 1 Sentral, Jalan Rakyat, 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](http://www.pwc.com/my)*



**(a) Domestic Investments**

**(i) General Taxation**

The income of the Fund consisting of dividends, interest or profit<sup>1</sup> (other than interest or 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 24 per cent.

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

**(ii) Dividends and Other Exempt Income**

All companies in Malaysia are under the single-tier system. Hence dividends received from Malaysian companies would be exempted from tax and the expenses incurred against such dividend income would be disregarded. There will not be any tax refunds available for single-tier dividends received.

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 or sukuk, other than convertible loan stocks, approved or authorised or lodged with the Securities Commission Malaysia ("SC");
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (d) 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<sup>2</sup>;
- (e) Interest or profit<sup>1</sup> paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002<sup>3</sup>;
- (f) Bonds, other than convertible loan stocks, paid or credited by any company listed on Bursa Malaysia Securities Berhad ACE Market; and
- (g) Interest income paid or credited by Malaysia Building Society Berhad<sup>3</sup>.

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

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<sup>1</sup> Pursuant to 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 proposed under the Finance Bill 2016, that where interest income is received by a money market fund, the exemption shall only apply to a wholesale fund which complies with Securities Commission Malaysia guidelines effective from YA 2017.

<sup>3</sup> Pursuant to the letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 with effect from YA 2015.



**(3) Other Income**

The Fund may receive other income such as exit fee which will subject to tax at the rate of 24 per cent.

**(4) Tax Deductible Expenses**

Expenses wholly and exclusively incurred in the production of taxable 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 deductions are based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses. The above expenses will include the irrecoverable GST (hereinafter defined) incurred by the Fund.

**(5) Goods and Services Tax ("GST")**

GST has been implemented effective 1 April 2015 at the rate of 6% to replace the existing sales tax and service tax. Based on the guidelines<sup>4</sup> issued, the Fund, being a collective investment vehicle, will be making exempt supplies. Hence, the Fund is not required to register for GST purposes.

However, the Fund will incur expenses such as management fees, trustee fees and other administrative charges which will be subject to 6% GST. The 6% input tax incurred on such expenses will not be claimable by the Fund and represents a cost to the Fund.

**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 will carry a tax credit in respect of the 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.

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

Corporate unit holders<sup>5</sup>, resident<sup>6</sup> and non-resident, will generally be liable to income tax at 24 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.

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<sup>4</sup> Pursuant to GST Guide on Fund Management (as at 11 April 2015 issued by the Royal Malaysian Customs).

<sup>5</sup> It was proposed under the Finance Bill 2016 that there will be reductions in corporate income tax rates based on the percentage of increase in chargeable income as compared to the immediately preceding YA. The reduction in tax rates will apply to YAs 2017 and 2018 based on the following criteria :-

### 13. TAXATION OF THE FUND (cont'd)



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 28 per cent. Individuals and other non-corporate unit holders who are not resident in Malaysia will be subject to income tax at 28 per cent. The tax credits attributable to the distribution of income will be utilised against the tax liabilities of these unit holders.

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 those in the business of dealing 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 in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution after tax.

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

The issuance of units by the Fund is an exempt supply. The selling or redemption of the units is also an exempt supply and therefore is not subject to GST. Any fee based charges related to buying of the units such as sales or service charge or switching fees will be subject to GST at a standard rate of 6%.

% of increase in chargeable income compared to the immediate preceding YA	% point reduction	Income tax rate applicable for incremental portion of chargeable income (%)
Less than 5.00	NIL	24
5.00 – 9.99	1	23
10.00 – 14.99	2	22
15.00 – 19.99	3	21
20.00 and above	4	20

<sup>6</sup> Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 19 (18% with effect from YA 2012) per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent.

The above shall not apply if more than –

- 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;
- 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;
- 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.



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", written over a large, faint circular watermark or background.

Jennifer Chang  
Senior Executive Director

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as Tax 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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## 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) Fees and charges in relation to the Fund;
- (iv) Prospectus; and
- (v) Benchmark Index.

### 14.2 Investor services

Investors may contact *i*-VCAP by telephone at (+603) 2093 7119, fax at (+603) 2094 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:

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



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## 14. ADDITIONAL INFORMATION (cont'd)

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### 14.3 Anti-money laundering policies and procedures

In order to comply with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities 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 Dealer 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 Dealer and brokers are properly regulated and supervised and should ensure that the customer due diligence process of the Participating Dealer 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 Dealer also reserve the right to request such information as is necessary to verify the source of the payment. The Manager and/or Participating Dealer may refuse to accept the application and the subscription monies 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 Dealer shall return the application monies (without interest/profit and at the expense of the applicant) by telegraphic transfer to the account from which the monies 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 Dealer.

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 transaction reports shall be submitted directly to the Financial Intelligence & Enforcement Department of Bank Negara Malaysia and inform the Securities Commission.

### 14.4 Unclaimed moneys

Any moneys payable to the investor which remains unclaimed after such period (currently being twelve (12) months) will be paid to the Registrar of Unclaimed Monies 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 including agreements not reduced in writing, not being agreements entered in the ordinary course of business which have been entered into by the Manager and the Trustee in relation to the Fund within two (2) years preceding the date of this Prospectus:

- (i) The Deed;
- (ii) The Participating Dealer Agreement dated 9 October 2017 entered into between the Participating Dealer, the Manager and the Trustee; and
- (iii) The Index Licence Agreement dated 1 November 2016 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 Solicitor, Registrar, Trustee, Custodian, Shariah Adviser, Auditor of the Manager and the Fund, principal banker, Participating Dealer, Placement Agents, Index Licensor, Issuing House and fund accountant 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 AVAILABLE FOR INSPECTION**

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

- (i) The material agreements referred to in Section 14.5 of this Prospectus;
- (ii) The Tax Adviser's letter referred to in Section 13 of this Prospectus;
- (iii) The letters of consent referred to in the Section 15 of this Prospectus;
- (iv) This Prospectus; and
- (v) The audited financial statements of the Fund for the current financial year (where applicable) and for the last three (3) financial years or if the Fund has been established or incorporated for a period of less than three (3) years, the entire period preceding the date of the Prospectus, once available.

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**17. DIRECTORY OF PARTICIPATING DEALER'S OFFICES**

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As at Latest Practicable Date, the Participating Dealer's office is as follows:

Participating Dealer

**CIMB Bank Berhad**

Registered address:

Level 13, 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

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION

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### Procedures for the application and acceptance with respect to the Initial Subscription

#### 18.1 Opening and Closing of Subscription Applications

- Opening date and time for the Initial Subscription : 9.00 a.m., 15 January 2018  
through the Placement Agents
- Opening date and time for the Initial Subscription : 8.00 a.m., 9 February 2018  
through Electronic Application and Internet  
Application
- Closing date and time for the Initial Subscription : 5.00 p.m., 9 February 2018

The Manager, together with the Placement Agents may in their absolute discretion, extend the closing date and time for the Initial Subscription. If the closing date for the Initial Subscription is extended, the dates for the transfer of the Units and the Listing will be varied accordingly. Any variation will be announced by way of advertisement in a widely circulated Bahasa Malaysia daily newspaper and English daily newspaper within Malaysia and also posted on the Fund's website at [www.myetf.com.my](http://www.myetf.com.my). **Late applications will not be accepted.**

#### 18.2 Methods of Subscription Application

Interested institutional and selected investors may make Subscription Applications through the Placement Agents. Investors that are subscribing through the Placement Agents are advised to contact the Placement Agents directly for further information on the application procedure under the Initial Subscription. Contact details of the Placement Agents are set out in pages xxiv - xxv of this Prospectus.

Application for the Units during the Initial Subscription Period may also be made using the Electronic Application or Internet Application. Applicants who have submitted their applications through the Placement Agents are not allowed to make additional applications using Electronic Applications and Internet Applications and vice versa.

***Note: Investors will be subject to the relevant Bank Negara Malaysia Foreign Exchange Administration rules and notices ("FEA Rules"), where applicable. Investors who are not in compliance with the applicable FEA Rules may obtain approval from the Bank Negara Malaysia Foreign Exchange Administration prior to subscribing for Units. Investors are advised to seek professional advice on the FEA Rules before making any investment decisions. Information on the FEA Rules can be obtained from Bank Negara Malaysia's website at [www.bnm.gov.my/fxadmin/](http://www.bnm.gov.my/fxadmin/)***

#### 18.3 Procedures for Subscription Application and acceptance

##### 18.3.1 Eligibility

An applicant can only apply for the Units if he meets the following requirements:

- (i) The applicant must have a CDS Account. If he does not have a CDS Account, he may open a CDS Account by contacting any of the ADAs listed on Bursa Securities' website at <http://www.bursamalaysia.com/market/securities/equities/brokers/list-of-participating-organisations/>;
- (ii) The applicant must be one of the following:
  - (a) a Malaysian citizen who is at least eighteen (18) years old as at the closing date of the Initial Subscription Period with a Malaysian address; or
  - (b) a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on the corporation's board of directors/trustee and if the corporation/institution has a share

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

- (c) a superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

The Manager will not accept applications from trustees, persons under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in item (ii) (b) or (c) above or the trustees thereof; and

- (iii) The applicant is not a director or employee of the Issuing House or their immediate family members.

### 18.4 Procedures for Subscription Application through the Placement Agents

Investors that are subscribing through the Placement Agents are advised to contact the Placement Agents directly for further information on the application procedure, to obtain the relevant application documents that are prescribed by the respective Placement Agents and to read and understand the Prospectus before making an application.

Payment methods for the Units that investors wish to subscribe through the Placement Agents can be via any of the following methods, depending on the available arrangements offered by the respective Placement Agents:

- (i) Cash Payment;
- (ii) Payment via telegraphic transfer from investors' foreign currency accounts;
- (iii) Payment via telegraphic transfer from investors' Ringgit Malaysia accounts; or
- (iv) Payment via Ringgit Malaysia cheques.

### 18.5 Procedures for Subscription Application by way of an Electronic Application

Investors will have to complete the Electronic Application through the automated teller machines (ATM) of Participating Financial Institutions **only on the final day of the Initial Subscription Period**.

Only Malaysian individuals may apply for the Units by way of Electronic Application.

#### 18.5.1 Steps for Electronic Applications through a Participating Financial Institution's ATM

- (i) The applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Units at an ATM belonging to other Participating Financial Institutions;
- (ii) The applicant **MUST have a CDS Account**; and
- (iii) The applicant shall apply for the Units via the ATM of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are set out in the **"Terms and conditions for Electronic Applications"** (please refer to Section 18.5.3 of this Prospectus below). The applicant shall enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Application requires him to do so:
  - Personal Identification Number ("**PIN**");

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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- MIH Unit Issue Account No. 585;
- CDS Account Number;
- Number of Units applied for and/or the RM amount to be debited from the account; and
- Confirmation of several mandatory statements.

### 18.5.2 Participating Financial Institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- (i) Affin Bank Berhad – No fee will be charged for application by their account holders;
- (ii) AmBank (M) Berhad – RM1.00;
- (iii) HSBC Bank Malaysia Berhad – RM2.50;
- (iv) Malayan Banking Berhad – RM1.00;
- (v) Public Bank Berhad - RM2.00; and
- (vi) Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50.

**Note:**

*Applicants should take note that the word 'share' or 'shares' appearing on the ATM screen should be taken to represent "Unit(s)" in the application process.*

### 18.5.3 Terms and Conditions of Electronic Applications

The procedures for Electronic Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out in "**Steps for Electronic Application through a Participating Financial Institution's ATM**" in Section 18.5.1 of this Prospectus. The Steps set out the actions that an applicant must take at the ATM to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

An applicant must have a CDS Account to be eligible to use the Electronic Application. The CDS Account must be in the applicant's own name. Invalid, nominee or third party CDS Accounts will not be accepted.

Upon the completion of his Electronic Application transaction, an applicant will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of his Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by the Manager or the Issuing House. The Transaction Record is for the applicant's records only.



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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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Upon the closing of the Initial Subscription on 9 February 2018 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for the Units to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

An applicant will be allowed to make only one (1) application and shall not make any other application for the Units at the ATMs of any Participating Financial Institution.

**An applicant must ensure that he uses his own CDS Account number when making an Electronic Application. If an applicant operates a joint account with any Participating Financial Institution, he must ensure that he enters his own CDS Account number when using an ATM card issued to him in his name. An applicant's application will be rejected if he fails to comply with the foregoing.**

The Electronic Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) The Electronic Application shall be made in relation with and subject to the terms of this Prospectus.
- (ii) The applicant is required to confirm the following statements (by pressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given are true and correct:
  - He has attained eighteen (18) years of age as at the Closing Date and Time;
  - He is a Malaysian citizen residing in Malaysia;
  - He has read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
  - This is the only application that he is submitting; and
  - He hereby gives consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to himself and his account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institution. By doing so, the applicant shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act 2013 and Section 45 of the Central Depositories Act to the disclosure by the relevant Participating Financial Institutions or the Bursa Depository, as the case may be, of any of the applicant procedures to the Issuing House or any relevant regulatory bodies.

- (iii) **The applicant confirms that he is not applying for the Units as a nominee of any other person and that any Electronic Application that he makes is made by him as the beneficial owner. An applicant shall only make one (1) Electronic Application and shall not make any other application for the Units at the ATMs of any Participating Financial Institution.**

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**18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)**

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- (iv) An applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is being made, will be rejected.
- (v) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Units applied for as stated on the Transaction Record or any lesser number of Units that may be allotted to him in respect of his Electronic Application. In the event that the Manager decides to allot any lesser number of such Units or not to allot any Units to the applicant, he agrees to accept any such decision as final. If the applicant's Electronic Application is successful, his confirmation (by his action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Units applied for shall signify, and shall be treated as, his acceptance of the number of Units that may be allotted to him and to be bound by the Deed.
- (vi) The Manager reserves the right not to accept any Electronic Application or accept any Electronic Application in part only without assigning any reason. Due consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.
- (vii) Where an Electronic Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful application. If the applicant's Electronic Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into his account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. An applicant may check his account on the fifth (5<sup>th</sup>) Market Day from the balloting date.

If an applicant's Electronic Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into his account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to the applicants by the Issuing House by crediting into their accounts with the Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot, at their own risk.

Should an applicant encounter any problems in his application, he may refer to the Participating Financial Institutions.

- (viii) By making and completing an Electronic Application, the applicant, if successful, requests and authorises the Manager:
  - (a) to credit the Units allotted to him into his CDS Account; and
  - (b) to issue Unit certificate(s) representing such Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

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**18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)**

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- (ix) The applicant acknowledges that his Electronic Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Manager, the Issuing House or the Participating Financial Institution and irrevocably agrees that if:
  - (a) The Manager or the Issuing House does not receive his Electronic Application; and
  - (b) Data relating to his Electronic Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Manager or the Issuing House,he shall be deemed not to have made an Electronic Application and he shall not make any claim whatsoever against the Manager, the Issuing House or the Participating Financial Institution for the Units applied for or for any compensation, loss or damage.
- (x) All of the applicant's particulars in the records of the relevant Participating Financial Institution at the time he makes his Electronic Application shall be true and correct, and the Manager, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) The applicant shall ensure that his personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Application will be rejected. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to his registered address last maintained with Bursa Depository.
- (xii) By making and completing an Electronic Application, the applicant agrees that:
  - (a) in consideration of the Manager agreeing to allow and accept the application for the Units via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, his Electronic Application is irrevocable;
  - (b) the Manager, Participating Financial Institutions, Bursa Depository and Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
  - (c) notwithstanding the receipt of any payment by or on the behalf of the Manager, the notice of successful allocation for prescribed securities issued in respect of the Units for which his Electronic Application has been successfully completed is the only confirmation for the acceptance of his offer to subscribe for and purchase the said Units;
  - (d) he irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Units allotted to him; and

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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- (e) he agrees that in relation to any legal action or proceedings arising out of or in relation to the contract between the parties and/or the Electronic Application Scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that he irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xiii) If an applicant is successful in his application, the Manager reserves the right to require him to appear in person at the registered office of the Issuing House within fourteen (14) days of the date of the notice issued to him to ascertain his application is genuine and valid. The Manager shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the applicant for the purpose of complying with this provision.
- (xiv) The Issuing House, on the authority of the Manager reserves the right to reject applications, which do not conform to these instructions.

### 18.6 Procedures for Subscription Application by way of an Internet Application

Investors will have to complete the Internet Application through the websites of Internet Participating Financial Institutions **only on the final day of the Initial Subscription Period.**

Only Malaysian individuals may apply for the Units by way of Internet Application.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Application and the procedures set out on the Internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

#### Step 1: Set up of account

Before making an application by way of Internet Application, an applicant **must have all** of the following:

- (i) an existing account with access to internet financial services with:
  - (a) Affin Bank Berhad ([www.affinOnline.com](http://www.affinOnline.com)) – No fee will be charged for application by their account holders (via hyperlink to Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com));
  - (b) CIMB Investment Bank Berhad ([www.eipocimb.com](http://www.eipocimb.com)) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;
  - (c) Malayan Banking Berhad ([www.maybank2u.com.my](http://www.maybank2u.com.my)) – RM1.00 (via hyperlink to Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com)); or
  - (d) Public Bank Berhad ([www.pbepbank.com](http://www.pbepbank.com)) – RM2.00 (via hyperlink to Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com)).

The applicant needs to have his user identification and PIN/password for the Internet financial services facility; and

- (ii) an individual CDS Account registered in the applicant's name (and not in a nominee's name) and in the case of a joint account an individual CDS Account registered in the applicant's name which is to be used for the purpose of the application if the applicant is making the application instead of a CDS Account registered in the joint account holder's name.

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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### Step 2: Read the Prospectus

An applicant is advised to read and understand the Prospectus before making his application.

### Step 3: Apply through Internet

*The Manager has set out possible steps for an application of the Units via Internet Application below for illustration purposes only.*

*Please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below.*

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which the applicant has an account;
- (ii) Log in to the Internet financial services facility by entering the applicant's user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of the Initial Subscription;
- (iv) Select the counter in respect of the Units to launch the Electronic Prospectus and the terms and conditions of the Internet Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (vi) At the next screen, complete the online application form;
- (vii) Check that the information contained in the online application form, such as the unit counter, NRIC number, CDS Account number, number of Units applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.

After selecting the designated hyperlink on the screen, the applicant will have to confirm and undertake that the following mandatory statements are true and correct:

- (a) He is at least eighteen (18) years of age as at the Closing Date and Time;
- (b) He is a Malaysian citizen residing in Malaysia;
- (c) He has, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which he has read and understood;
- (d) He agrees to all the terms and conditions of the Internet Application as set out in this Prospectus and has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Application;
- (e) The Internet Application is the only application that he is submitting for the Units;
- (f) He authorises the financial institution with which he has an account to deduct the full amount payable for the Units from his account with the said financial institution ("**Authorised Financial Institution**");

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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- (g) He gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 134 of the Financial Services Act 2013 and Section 45 of the Central Depositories Act) for the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or the Depository, as the case may be, of information pertaining to him, the Internet Application made by him or his account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
- (h) He is not applying for the Units as a nominee of any other person and the application is made in his own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
- (i) He authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Initial Subscription, all information relating to him if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Initial Subscription. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by him to the Internet Participating Financial Institution in connection with the use of the Internet Application services;
- (viii) Upon submission of the online application form, the applicant will be linked to the website of the Authorised Financial Institution to effect the online payment of his money for the Initial Subscription;
- (ix) The applicant must pay for the Units through the website of the Authorised Financial Institution, failing which the Internet Application is **not completed**, despite the display of the Confirmation Screen. “**Confirmation Screen**” refers to the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Application has been completed and states the details of the applicant’s Internet Application, including the number of Units applied for, which can be printed out by the applicant for his records;
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Units is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the Confirmation Screen on its website; and
- (xi) The applicant is advised to print out the Confirmation Screen for his reference and records.

**Note:**

*Applicants should take note that the word ‘share’ or ‘shares’ appearing on the internet financial services website should be taken to represent “Unit(s)” in the application process.*

## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

### 18.7 Terms and conditions

- (i) An applicant is required to pay the Initial Issue Price of USD1.00 for each Unit he has applied for.

Placement Agents	<p>Applications can be made either in US Dollar or Ringgit Malaysia equivalent, subject to the procedures set out in Section 18.4 of this Prospectus.</p> <p>For subscriptions made in Ringgit Malaysia equivalent, the Placement Agents shall translate the subscription amount into US Dollar on the day of the subscription application at the US Dollar to Ringgit Malaysia currency exchange rate determined by the Placement Agents.</p>
Electronic/ Internet	<p>Investors will be subject to the US Dollar to Ringgit Malaysia currency exchange rate of the Reference Day i.e. the day prior to the opening day of the subscription period for Electronic or Internet Application.</p> <p>On the Reference Day, the US Dollar to Ringgit Malaysia currency exchange rate is calculated based on the average of the publicly available US Dollar to Ringgit Malaysia on demand (OD) or telegraphic transfer (TT) rates of the Participating Financial Institutions:</p> <ul style="list-style-type: none"><li>• Affin Bank Berhad</li><li>• AmBank (M) Berhad</li><li>• HSBC Bank Malaysia Berhad</li><li>• Malayan Banking Berhad</li><li>• Public Bank Berhad</li><li>• Standard Chartered Bank Malaysia Berhad</li></ul>

- (ii) An applicant can submit only one (1) application. For example, if he submits an application through the Placement Agents, he cannot submit an Electronic Application or Internet Application.

The Issuing House, acting under the authority of the Manager has the discretion to reject applications that appears to be multiple applications.

**The Manager wishes to caution an applicant that if he submits more than one (1) application in his own name or by using the name of others, with or without their consent, he will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 182 of the CMSA.**

- (iii) Each application through the Placement Agents, Electronic Application and Internet Application must be for at least 100 Units or multiples of 100 Units.
- (iv) The application must be made in connection with and subject to this Prospectus. The applicant agrees to be bound by the Deed should he be allotted any Units.
- (v) The submission of an application does not necessarily mean that the application will be successful. Any submission of an application is irrevocable.
- (vi) Neither the Manager nor the Issuing House will be issuing any acknowledgement of the receipt of the application or application monies.

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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- (vii) An applicant must ensure that his personal particulars submitted in his application and/or his personal particulars as recorded by the Internet Participating Financial Institution are correct and accurate and identical with the records maintained by Bursa Depository. Otherwise, his application will be rejected. Bursa Depository will have to be promptly notified of any change in his address failing which the notification letter of successful allocation will be sent to his registered/correspondence address last maintained with Bursa Depository.
- (viii) An applicant's remittances having been presented for payment shall not signify that his application has been accepted.

The Manager's acceptance of the application to subscribe for or purchase the Units shall be constituted by the issue of notices of allotment for the Units to the applicant.

- (ix) Submission of an applicant's CDS Account number in his application includes his authority/consent in accordance with Malaysian laws of the right of Bursa Depository and the Participating Financial Institution (as the case may be) to disclose information pertaining to his CDS Account and other relevant information to the Manager or the Issuing House and any relevant regulatory bodies (as the case may be).

**The applicant agrees to accept the Manager's decision as final should the Manager decide not to allot any Units to him.**

- (x) Additional terms and conditions for Electronic Applications are as follows:
  - (a) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Units applied for as stated in the Transaction Record or any lesser amount that may be allotted to him.
  - (b) The applicant's confirmation by pressing the key or button on the ATM shall be treated as his acceptance of the number of Units allotted to him.
  - (c) Should the applicant be allotted any Units, he shall be bound by the Deed.
  - (d) The applicant confirms that he is not applying for Units as a nominee of other persons and that his Electronic Application is made on his own account as a beneficial owner.
  - (e) The applicant requests and authorises the Manager to credit the Units allotted to him into his CDS Account and to issue Unit certificate(s) representing those Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.
  - (f) The applicant acknowledges that his application is subject to electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events which are not in the control of the Manager, the Issuing House, the Participating Financial Institution or Bursa Depository. The applicant irrevocably agrees that he is deemed not to have made an application if the Manager or the Issuing House does not receive his application or his application data is wholly or partially lost, corrupted or inaccessible to the Manager or the Issuing House. The applicant shall not make any claim whatsoever against the Manager, the Issuing House, the Participating Financial Institution or Bursa Depository.



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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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- (g) The applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounce any instrument of transfer and/or other documents required for the issuance of the Units allotted to him.
- (h) The applicant agrees that in the event of legal disputes arising from the use of Electronic Applications, the mutual rights, obligations and liabilities of the parties to the Initial Subscription shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (xi) Additional terms and conditions for Internet Applications are as follows:
  - (a) An application will not be successfully completed and cannot be recorded as a completed application unless the applicant has completed all relevant application steps and procedures for the Internet Application which would result in the internet financial services website displaying the Confirmation Screen. The applicant is required to complete his Internet Application by the close of the Initial Subscription Period mentioned in Section 18.1 of this Prospectus.
  - (b) The applicant irrevocably agrees and undertakes to subscribe for and to accept the number of Units applied for as stated on the Confirmation Screen or any lesser amount that may be allotted to him. The applicant's confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as his acceptance of the number of Units allotted to him.
  - (c) The applicant requests and authorises the Manager to credit the Units allotted to him into his CDS Account and to issue Unit certificate(s) representing those Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.
  - (d) The applicant irrevocably agrees and acknowledges that the Internet Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Manager, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If in any such event the Manager, the Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive the applicant's Internet Application and/or payment, or in the event that any data relating to the Internet Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, the applicant shall be deemed not to have made an Internet Application and he shall have no claim whatsoever against the Manager, the Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution.
  - (e) The applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounce any instrument of transfer and/or other documents required for the issuance of the Units allotted to him.
  - (f) The applicant agrees that in the event of legal disputes arising from the use of Internet Applications, the mutual rights, obligations and liabilities of the parties to the Initial Subscription shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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- (g) The applicant shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of his Internet Application by the Manager, the Issuing House and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.
- (h) The applicant is not entitled to exercise any remedy of rescission for misrepresentation at any time after the Manager has accepted his Internet Application.
- (i) In making the Internet Application, the applicant has relied solely on the information contained in this Prospectus. The Manager and any other person involved in the Initial Subscription shall not be liable for any information not contained in this Prospectus which the applicant may have relied on in making the Internet Application.

**The terms and conditions outlined above supplement the additional terms and conditions for Internet Application contained in the Internet Financial Services website of the Internet Participating Financial Institution. Please refer to the Internet Financial Services website of the Internet Participating Financial Institution for the exact terms and conditions and instructions.**

### 18.8 Authority of the Manager and the Issuing House

If an applicant is successful in his application, the Manager reserves the right to require him to appear in person at the registered office of the Issuing House within fourteen (14) days of the date of the notice issued to him to ascertain his application is genuine and valid. The Manager is not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the applicant for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by the Manager. Due consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

The Issuing House, on the authority of the Manager reserves the right to:

- (i) reject applications which are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason; and
- (iii) bank in all application monies from unsuccessful/partially successful applicants which would subsequently be refunded without interest by crediting into his bank account for purposes of cash dividend/distribution if he has provided such bank account information to Bursa Depository or by ordinary post/registered post to their last address maintained with Bursa Depository if he has not provided such bank account information to Bursa Depository.

### 18.9 Determination of Allocation of Subscription Applications

In the event the total number of Units applied for by all applicants exceeds 500 million Units, the Issuing House will conduct a ballot in the manner approved by the Manager to determine acceptance of applications in a fair and equitable manner. In determining the manner of balloting, the Manager will consider the desirability of distributing the Units to a reasonable number of applicants or to all successful applicants for the purpose of

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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broadening the Fund's unitholding base and establishing an adequate market in the trading of the Units.

In the event the total number of Units applied for by all applicants is below 500 million Units, each applicant will be allotted the Units he has applied for.

Where an applicant's successful balloted application through the Placement Agents is subsequently rejected, the full amount of his application monies will be refunded without interest to him within ten (10) Market Days from the date of the final ballot by crediting into his bank account for purposes of cash dividend/distribution if he has provided such bank account information to Bursa Depository or by ordinary post/registered post to their last address maintained with Bursa Depository if he has not provided such bank account information to Bursa Depository.

Where an applicant's successfully balloted application under Electronic Application or Internet Application is subsequently rejected, the full amount of his application monies will be refunded without interest to him by crediting into his account with the Participating Financial Institution or Internet Participating Financial Institution, respectively.

Units allotted to all successful or partially successful applicants will be credited to their respective CDS Accounts. A notice of allotment will be despatched to the successful or partially successful applicants at the applicant's address last maintained with Bursa Depository at the applicant's own risk prior to the Listing. This is the only acknowledgement of acceptance of the application.

All applicants must inform Bursa Depository of their updated addresses promptly by adhering to the certain rules and regulations of Bursa Depository, failing which the notification letter on successful allotment shall be sent to the applicants' registered or correspondence addresses last maintained with Bursa Depository.

Applicants may also check the status of their applications by calling their respective ADAs at the telephone number as stated on Bursa Securities' website at <http://www.bursamalaysia.com/market/securities/equities/brokers/list-of-participating-organisations/> or the Issuing House's Enquiry Services at (+603) 7841 8289, between five (5) to ten (10) Market Days (during office hours only) after the final balloting date.

### 18.10 Unsuccessful/partially successful applicants

If an applicant is unsuccessful/partially successful in his application, the Manager will refund his application monies without interest in the following manner.

#### 18.10.1 For applications through the Placement Agents

The application monies or the balance of it, as the case may be, will be refunded to the applicant by crediting into his bank account which he has furnished to or registered with the Placement Agents within ten (10) Market Days from the date of the final ballot.

#### 18.10.2 For applications by way of Electronic Application

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. The application monies or the balance of it will be credited into an applicant's account with the Participating Financial Institution without interest within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) An applicant may check his account on the fifth (5<sup>th</sup>) Market Day from the balloting date.

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## 18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)

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- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of crediting into the applicant's account with the Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot, at your own risk. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application money (or any part thereof) into the applicant's account without interest within two (2) Market Days after the receipt of written confirmation from the Issuing House.

### 18.10.3 For applications by way of Internet Application

- (i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to refund the application monies or the balance of it into the applicant's account without interest or other benefit arising therefrom with the Authorised Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) An applicant may check his account on the fifth (5<sup>th</sup>) Market Day from the balloting date.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of crediting into the applicant's account with the Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot, at your own risk. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application money (or any part thereof) into the applicant's account without interest within two (2) Market Days after the receipt of written confirmation from the Issuing House.

### 18.11 Successful applicants

If an applicant is successful in his application:

- (i) the Units allotted to him will be credited into his CDS Account. The Manager will not be issuing any physical Unit certificates to the applicant. He shall not be entitled to withdraw any deposited securities held by Bursa Depository or its nominee as long as the Units are listed on Bursa Securities.
- (ii) a notice of allotment will be dispatched to him at the address last maintained with Bursa Depository where he has an existing CDS Account at his own risk prior to the Fund's Listing. This is his only acknowledgement of acceptance of the application.

### 18.12 Enquiries

An applicant may contact the Placement Agents whose information can be found in the "CORPORATE DIRECTORY" section of this Prospectus, if he has any queries on the application through the Placement Agents. If an applicant has any enquiry with regards to his Electronic Application, he may refer to the relevant Participating Financial Institution. If an applicant has any enquiry with regards to his Internet Application, he may refer to the relevant Internet Participating Financial Institution and Authorised Financial Institution.

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**18. PROCEDURES FOR SUBSCRIPTION APPLICATION (cont'd)**

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If an applicant is applying for the Units as a member of the Malaysian public, he may check the status of his application by calling the Issuing House at (+603) 7841 8289 or his ADA at the telephone number as stated on Bursa Securities' website at <http://www.bursamalaysia.com/market/securities/equities/brokers/list-of-participating-organisations/> between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

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