

## **PRODUCT HIGHLIGHTS SHEET**

### **AmanahRaya Islamic Equity Fund (ARIEF)**

#### **Responsibility Statement**

This Product Highlights Sheet has been reviewed and approved by the Directors of AmanahRaya Investment Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

#### **Statements of Disclaimer**

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

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

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

**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.**

#### **Additional Statement**

The Fund has been certified as Shariah compliant by the Shariah Adviser appointed for the Fund.

This Product Highlights Sheet dated 15 November 2016.

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

## PRODUCT HIGHLIGHTS SHEET

# AMANAHRAYA ISLAMIC EQUITY FUND (ARIEF)

### Brief Information of the Product

#### 1. What is this product about ?

AmanahRaya Islamic Equity Fund (ARIEF) is an Islamic equity fund issued by AmanahRaya Investment Sdn Bhd that aims to provide investors with above average capital growth over a medium to long term period by investing in a carefully selected portfolio of stocks which complies with the Shariah Principles.

This is neither a capital protected nor capital guaranteed fund.

### Product Suitability

#### 2. Who is this product suitable for ?

The Fund is ideal for medium to long-term investors who are risk tolerant and seek higher returns for their investments.

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

### Key Product Features

#### 3. What am I investing in ?

<b>Fund Category/Type</b>	Equity (Shariah compliant)/Growth
<b>Benchmark</b>	FTSE Bursa Malaysia Emas Shariah Index
<b>Investment strategy</b>	<p><b>Invest a minimum of 70% and up to 95% of the Fund's Net Asset Value</b> Investments in Shariah compliant securities of companies that have good growth potential and whose business activities comply with Shariah requirements.</p> <p><b>Maintain a minimum 5% of the Fund's Net Asset Value</b> Investments in Islamic liquid assets comprising of cash and Islamic deposits with licensed financial institutions, Islamic accepted bills, sukuk, Cagamas sukuk, Government Investment Issues and any other Shariah compliant instrument capable of being converted into cash within seven (7) days.</p>
<b>Launch date</b>	23 April 2008
<b>Financial year-end</b>	30 <sup>th</sup> November
<b>Distribution policy</b>	The Fund is not expected to pay regular distribution.

#### 4. Who am I investing with ?

<b>Manager &amp; Investment Manager</b>	AmanahRaya Investment Management Sdn Bhd ("ARIM") is a licensed asset management company under the Capital Markets and Services Act and a wholly-owned subsidiary of Amanah Raya Berhad. As at December 2011, the authorized and paid-up capital of ARIM stood at RM25 million and RM10 million respectively.
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	<p>ARIM has wealth of experience and competency in managing multiple asset classes, for both Ringgit and non-Ringgit based investments, which include but not limited to equity, fixed income, unit trust, property, structured products and private equity.</p> <p>Currently, ARIM's list of clients include reputable pension funds, insurance companies, government agencies, non-profit foundations, public listed companies and high net-worth individuals.</p>
<b>Trustee</b>	PB Trustee Services Berhad
<b>Shariah Advisor</b>	IBFIM

### Key Risks

#### 5. What are the key risks associated with this product ?

Market Risk	The risk that arises due to developments in the market environment and typically include changes in regulations, politics, technology and the economy. Market development can result in stock market fluctuations which in turn affects a fund's underlying investments and hence, its unit price. Diversification of a fund's Shariah compliant investments into different sectors may help to mitigate its exposure to market uncertainties and fluctuations in the market.
Particular Stock Risk	The performance of each individual Shariah compliant security that a fund invests in is dependent upon the management quality of the particular company and its growth potential, changes in consumer tastes and preferences, industry conditions and etc. This in turn would have an impact on a fund's prices causing it to rise or fall accordingly. This risk can be minimised by investing in companies operating in fairly stable industries and that function independently from one another.
Manager Risk	The performance of a fund is dependent upon the experience, knowledge, expertise and investment strategies adopted by the external investment manager. Lack of the above qualities as well as poor management of the fund will jeopardise the investments of Unit Holders through the loss of their capital invested. In view of this, proper training and stringent selection of personnel to manage the fund as well as the implementation of appropriate investment objectives, policies and strategies are crucial towards minimising this risk.
Non-Compliance Risk	Non-compliance with the provisions of the deed, Master Prospectus, Act, Guidelines, manager's internal policies and relevant laws in the management of the fund may affect the Unit Holders' investments. This risk can be mitigated by internal controls and compliance monitoring undertaken by the Manager.
Liquidity Risk	The risk that arises when a Shariah compliant security cannot be liquidated for cash in a timely manner at or near its market value will affect the price of the units. Liquidity risks can be minimised through investments mainly in short-term and high quality issues as these Shariah compliant securities are more liquid.
Loan Financing Risk	Investors must be aware of the inherent risk involved with loan financing for investments including their ability to service loan installments, which may be affected by increase in interest rate or unforeseen circumstances, such as loss of regular income stream. Investors may be required to pledged units held in a fund or any other assets as collateral to cover the loan margin. In the event units are used as collateral, an investor may be required to provide cash or units as additional collateral if the unit prices fall beyond a certain level. If the additional collateral is not made within the prescribed time, the investors' units may be sold towards settling the loan financing.
Company or Issue specific risk (Unique risk)	The risks associated with each individual Shariah compliant security. It is managed by adherence to a strict investment decision making process which is applied in the selection process and involves conducting primary and secondary research on factors relevant to each individual listed company. For each Shariah compliant equity, emphasis will be on the company's industry and business outlook, management track record, financial health, earnings quality, growth potential and other financial valuations.

Islamic Structured Products/Options Valuation Risk	<p>The External Investment Manager is relying on the option provider to conduct the daily valuation of the Islamic structured products/option. Any error in valuation would result in under/over computation of NAV per Unit of the Fund. However, the risk is mitigated by the stringent internal procedures of the reputable Islamic structured products/option provider.</p> <p>Other than the risks as stated above, the following risk is only applicable for Shariah-compliant funds.</p>
Reclassification of Shariah status risk	<p>The risk that the currently held Shariah compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the SC performed twice yearly. If this occurs, the Manager will take the necessary steps to dispose of such securities.</p> <p>As a result of the above risks, cash distribution and capital appreciation of the value of the unit trust cannot be guaranteed. However, with an able management team, a manager will take reasonable steps to ensure that the above potential risks are mitigated in a fund.</p>

## Fee and Charges

### 6. What are the fees and charges involved ?

<b>Service Charge</b>	<p>Cash Investment - up to 5.5% of NAV per unit</p> <p>Investors may negotiate and at the Manager discretion to charge lower service charge subject to qualifying criterion</p>
<b>Annual Management Fee</b>	1.5% per annum of the NAV of the Fund
<b>Trustee Fee</b>	Up to 0.08% per annum of the NAV of the Fund, subject to a minimum fee of RM18,000
<b>Redemption Charge</b>	Nil
<b>Switching Charges</b>	Generally no fee will be charged on switching between funds that charge the same amount of fees unless the fund being switched to have different Service Charges from the fund to be switched to.
<b>Transfer Charges</b>	A maximum of RM50.00 may be charged for each transfer.
<b>Other Charges</b>	Bank charges, courier charges and any other indirect charges incurred as a result of redemptions will be borne by the investor.
<b>Expenses directly related to the Fund</b>	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are auditor's fee and tax agent's fee.

**Notes: In the event of the imposition of any Goods and Services Tax ("GST") on any fees, charges, and/expenses, upon the implementation of the Goods and Services Tax Act 2014 and/or other relevant statutory law relating to goods and services and/or consumption tax in Malaysia, the unit holder and/ or the Fund (as the case maybe) shall upon demand pay to the party duly entitled to collect the GST all such GST as may be applicable in addition to any other payments payable by the paying party.**

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

## Transaction Information

### 7. What are the transaction details ?

<b>Minimum initial investment</b>	RM100 or such amounts as the Manager may time to time decide.
<b>Minimum additional investment</b>	RM100 or such amounts as the Manager may time to time decide.
<b>Minimum repurchase unit</b>	100 units or such amounts as the Manager may time to time decide.
<b>Cooling-off period</b>	The right of the Unit Holders to obtain a refund of his investment in the Fund within six (6) Business Days commencing from the date of receipt of application by the Manager. For EPF Unit Holders, the cooling-off period will commence from the date of receipt of application form by AmanahRaya Investment Management Sdn Bhd.
<b>Repurchase period</b>	The Manager will pay the redemption proceeds within ten (10) calendar days upon receipt of the redemption request.
<b>Switching facility</b>	The minimum switching amount is 100 units. You need to keep a minimum balance of 100 units at all times or such amounts as the Manager may decide from time to time.
<b>Transfer facility</b>	You are allowed to transfer your unit holdings, subject to conditions stipulated in the Fund's Deed. The minimum transfer amount is 100 units. The Manager may refuse to register any transfer of units at its absolute discretion.
<b>Repurchase of units</b>	Unit Holders may redeem units on any Business Day and receive payment of repurchase proceeds within 10 days. There is no restriction on the frequency of repurchase.
<b>Minimum holding/ balance</b>	100 Units.  In the case of partial repurchase, the Manager may elect to repurchase the entire account if the effect thereof would be that the Unit Holders hold less than 100 units in his account with the fund.
<b>Switching between funds</b>	Unit Holders may switch their investments between funds on any Business Day. The minimum transaction per switch is 100 units. (Switching from a Shariah-compliant fund to a conventional fund is discouraged especially for Muslim Unit Holders)

## Valuation and Exiting from Investment

### 8. How often are valuations available ?

The Fund will be valued on every Business Day and you may obtain NAV and prices of the Fund from the major daily newspaper, our website at [www.arim.com.my](http://www.arim.com.my), calling our customer service at 03-26875200 or e-mail to us at [sales@arim.com.my](mailto:sales@arim.com.my).

### 9. How can I exit from this investment and what are the risks and costs involved ?

To exit from this investment, you may withdraw from the Fund, switch out of the Fund or transfer your unit holdings to other investors. Please refer to the "Fees and Charges" and "Transaction Information" sections of the Master Prospectus for details on switching and transfer facility.

Withdrawals can be made from the Fund by completing a redemption form and sending it to our Approved Distributors or sending it directly to our office at the address below. There is no restriction on the frequency of withdrawals. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. That amount will be paid in RM within ten (10) calendar days. Any applicable bank charges and other bank fees incurred as a result of a withdrawal by way of telegraphic transfer, bank cheque or other special payment method will be charged to you.

## Performance of the Fund

### 10. Average Total Return (in %)

Below are Annualised Average Total Return of the Fund for 1 year, 3 years, 5 years and since inception.

<b>1-year (31.05.15 – 31.05.16)</b>	<b>3-year (31.05.13 – 31.05.16)</b>	<b>5-year (31.05.11 – 31.05.16)</b>	<b>Since Inception (23.04.08 – 31.05.16)</b>
0.43%	0.93%	3.19%	9.62%

#### **Basis of calculation for Annualised Average Total Return**

Annualised Average Total Return (%) = Total Returns / Number of Years Under Review

### 11. Annual Total Return (in %)

Below are Annual Total Return of the Fund for the last seven (7) financial years:

<b>30.11.09 – 30.11.10</b>	<b>30.11.10 – 30.11.11</b>	<b>30.11.10 – 30.11.11</b>	<b>30.11.11 – 30.11.12</b>	<b>30.11.12 – 30.11.13</b>	<b>30.11.13 – 30.11.14</b>	<b>30.11.14 – 31.11.15</b>
-6.19%	20.89%	2.43%	7.64%	10.62%	3.57%	3.58%

#### **Basis of calculation for Annual Total Return**

Annual Total Return (%) = [(Capital Return/100 + 1) x (Income Return/100 + 1) – 1] x 100

### 12. ARIEF Return vs Benchmark (Annualised)

<b>As at 31<sup>st</sup> May</b>	<b>ARIEF (%)</b>	<b>Benchmark (%)</b>	<b>Out/(Under) Performance (%)</b>
1-year	0.43%	-5.20%	5.62%
3-year	0.93%	1.29%	2.22%
5-year	3.19%	2.93%	0.27%
Since Inception	9.62%	3.55%	6.07%

#### **Comment on Fund Performance**

For the 12-month ended 31st May 2016, the Fund registered a 0.43% return compared to the benchmark return of – 5.20%, thus outperformed the benchmark by 5.62%.

### 13. Portfolio Turnover Ratio

The Portfolio Turnover Ratio (PTR) indicates the frequency of turnover for a particular fund in any given calendar year. It is calculated by taking the average of acquisitions and disposal of securities divided by the average value of the Fund for the year calculated on a daily basis.

PTR for the Fund are as follows :

<b>Financial Year</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
PTR (time)	0.98 times	0.98 times	2.40 times

The PTR was same for FYE 30.11.2014 and FYE 30.11.2015 as the Fund Manager maintains the existing asset allocation during the period under review.

**Basis of calculation for Portfolio Turnover Ratio**

$$\text{Portfolio Turnover} = \frac{(\text{Total acquisition for the year} + \text{Total disposal for the year}) / 2}{\text{Average value of the Fund for the year calculated on a daily basis}}$$

**14. Distribution Record**

The Fund's first distribution was made in its financial year ended 30<sup>th</sup> November 2012. Given its investment objective, the Fund is not expected to pay regular distribution.

<b>Financial Year</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Gross Distribution per Unit (sen)	3.00	4.20	6.00
Net Distribution per Unit (sen)	3.00	4.20	6.00

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

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## Contact Information

### 16. Who should I contact for further information or to lodge a complaint ?

For internal dispute resolution, you may contact our customer service personnel :-

- (a) via phone to : 03-26875200
- (b) via fax to : 03-26875399
- (c) via email to : [sales@arim.com.my](mailto:sales@arim.com.my)
- (d) via letter to : AmanahRaya Investment Management Sdn Bhd  
Level 7 & 8, Wisma Amanah Raya  
No 2 Jalan Ampang  
50508 Kuala Lumpur

If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the following bodies, details of which are as follows:

Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- (a) via phone to : 03 – 20923800
- (b) via fax to : 03 – 20932700
- (c) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- (d) via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)
- (e) via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6th Floor Wisma Tune  
No. 19 Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

OR

Securities Industry Dispute Resolution Center (SIDREC)

- (a) via phone to : 03-2282 2280
- (b) via fax to : 03-2282 3855
- (c) via email to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

- (a) via phone to Aduan Hotline at : 03-6204 8999
- (b) via fax to : 03-6204 8991
- (c) via email to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- (d) via online complaint form available at : [www.sc.com.my](http://www.sc.com.my)
- (e) via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

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## Appendix : Glossary

<b>AmanahRaya Investment Management or ARIM or the Manager</b>	AmanahRaya Investment Management Sdn Bhd (309646-H)
<b>Approved Distributors</b>	Any relevant persons and bodies, as may be approved by the SC (if necessary) or any other regulatory body and appointed by ARIM from time to time, who are responsible for selling units of the Funds.
<b>Bursa Malaysia</b>	Bursa Malaysia Securities Berhad (635998-W).
<b>Business Day(s)</b>	Mondays to Fridays where Financial Institutions in Kuala Lumpur are open for business.
<b>Deed</b>	The Principal and any Supplemental Deed in respect of the Fund made between the Manager, the Trustee and the Unit Holders of the Fund, agreeing to be bound by the provisions of the Deed.
<b>EPF</b>	Employees Provident Fund
<b>Fund</b>	AmanahRaya Islamic Equity Fund (ARIEF)
<b>GST</b>	Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014
<b>IBFIM/Syariah Adviser</b>	IBFIM (763075-W)
<b>NAV or Net Asset Value</b>	Means the value of all the fund's assets less the value of all the fund's liabilities at the valuation point.
<b>NAV per Unit</b>	The Net Asset Value of the Fund divided by the number of units in circulation, at the valuation point.
<b>RM and sen</b>	Ringgit Malaysia and sen respectively
<b>SC</b>	Securities Commission
<b>Service Charge</b>	Preliminary charge on each investment.
<b>Shariah</b>	Islamic Law comprising the whole body of rulings pertaining to human conducts derived from the primary and secondary sources of the Shariah. The primary sources are the Quran, the Sunnah, Ijma' and Qiyas while the secondary ones are those established sources such as Maslahah, Istihsan, Istishab, 'Uruf and Sadd Zara'ie.
<b>Shariah Requirements</b>	A phrase or expression which generally means making sure that any human conduct must not involve any prohibition and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
<b>Sukuk</b>	Means certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the Shariah Advisory Council of the Securities Commission.
<b>Unit or Units</b>	A measurement of the right or interest of a Unit Holders in the Fund including a fraction of a Unit.
<b>Units in Circulation</b>	Unit In Circulation refer to total number of units in issue at a point in time.
<b>Unit Holders, you</b>	The registered holder for the time being of a unit of the Fund including corporations, institutional or persons jointly so registered.