THIS DOCUMENT HAS NOT BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA ("SC"). THE INFORMATION IN THIS DOCUMENT MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED BY THE SC. UNDER NO CIRCUMSTANCES SHALL THIS DOCUMENT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE UNITS.

معاملات Muamalat Invest Sdn Bhd

MUAMALAT-i SMALL CAPITAL EQUITY ESG FUND

(constituted on [xxx] and launched on [xxx])

MANAGER	:	**MUAMALAT INVEST SDN. BHD.** Registration No. 199601012286 (384635-P)
TRUSTEE	:	**MAYBANK TRUSTEES BERHAD** Registration No. 196301000109 (5004-P)

This Prospectus is dated [xxx].

Muamalat-i Small Capital Equity ESG Fund is a Qualified Sustainable and Responsible Investment (SRI) Fund under the Guidelines on Sustainable and Responsible Investment Funds issued by the Securities Commission Malaysia.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 12.

RESPONSIBILITY STATEMENT

This Prospectus has been reviewed and approved by the directors of Muamalat Invest Sdn. Bhd. ("MISB" or "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 this Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Muamalat-i Small Capital Equity ESG Fund ("Fund") and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

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

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

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISORS.

ADDITIONAL STATEMENTS

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

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

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

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DEFINITIONS

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

BMMB or Shariah Advisor	:	refers to Bank Muamalat Malaysia Berhad (Registration No. 196501000376 (6175-W)), the Shariah advisor appointed for the Fund and includes its permitted assigns, successors in title and any replacement Shariah advisor;
BNM	:	means Bank Negara Malaysia;
Bursa Malaysia	:	means the stock exchange managed or operated by Bursa Malaysia Securities Berhad;
Business Day(s)	:	means a day on which Bursa Malaysia is open for trading and/or banks in Kuala Lumpur are open for business;
CMSA	:	means the Capital Markets and Services Act 2007 including all amendments thereto;
Deed	:	means the principal deed dated 1 October 2026 entered into between the Manager and the Trustee in respect of the Fund and any supplemental deeds(s) thereto;
Eligible Market	:	means an exchange, government securities market or an OTC market: (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded;
ESG	:	refers to environmental, social and governance factors;
financial institution(s)	:	(a) if the institution is in Malaysia: (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank; under the Financial Services Act 2013 or Islamic Financial Services Act 2013; or (b) if the institution is outside Malaysia, any institution that is licensed or registered or approved or authorized by the relevant banking regulator to provide financial services;
forward pricing	:	means the price of a Unit determined using the forward pricing formula where the price is based on the NAV per Unit of the Fund at the next valuation point after the application for purchase or redemption request is received by the Manager from Unit Holder(s) in writing;
Fund	:	means the Muamalat-i Small Capital Equity ESG Fund;
Guidelines	:	means the Guidelines on Unit Trust Funds and any other relevant guidelines issued by the SC;

Initial Offer Period	:	means a period when the Manager invites potential investors to participate in the Fund by subscribing for Units. During this period, Units are created, cancelled, sold and redeemed at the Initial Offer Price;
Initial Offer Price	:	means the price payable by an applicant for the purchase of Units during the Initial Offer Period;
Investment Committee	:	means the investment committee of MISB;
Islamic deposits	:	has the same meaning assigned to it in the Islamic Financial Services Act 2013;
Islamic money market instruments	:	means: (a) Islamic Investment Accounts; (b) Islamic Negotiable Instruments; (c) Islamic repurchase agreement; and (d) Islamic Commercial Papers;
LPD	:	21 September 2026, the latest practicable date in which all information provided herein, shall remain current and relevant as at such date;
long term	:	means a period of more than five (5) years;
Manager, MISB, we, us or our	:	refers to Muamalat Invest Sdn. Bhd. (Registration No. 199601012286 (384635-P)), the management company of the Fund and includes its permitted assigns and successors in title and any replacement management company of the Fund;
Net Asset Value (NAV)	:	means the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation;
NAV per Unit	:	means the NAV of the Fund divided by the number of Units in circulation, at a particular valuation point;
OTC	:	means over-the-counter;
Prospectus	:	means the prospectus of the Fund including any supplementary or replacement prospectus of the Fund, as the case may be;
Redemption Price	:	means the price payable to a Unit Holder pursuant to a redemption of a Unit and is the NAV per Unit as at the next valuation point (forward pricing) after the redemption request is received by the Manager; for the avoidance of doubt, Redemption Price does not include any redemption charge which may be imposed (if any);
RM or MYR	:	means Ringgit Malaysia, the official currency of Malaysia;
SAC	:	means Shariah Advisory Council;
SC	:	means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993;
Selling Price	:	means the price payable by an applicant for a Unit pursuant to a successful application for Units and is the NAV per Unit as at

		the next valuation point (forward pricing) after the request for investment is received by the Manager; for the avoidance of doubt, the Selling Price does not include any sales charge which may be imposed;
Shariah	:	means Islamic law, originating from the Qur`an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (PBUH) (Sunnah) and Ijtihad of ulama (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);
Trustee	:	refers to Maybank Trustees Berhad (Registration No. 196301000109 (5004-P)), the trustee appointed for the Fund and includes its permitted assigns and successors in title and any replacement trustee of the Fund;
Unit(s)	:	means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund;
Units in circulation	:	means Units created and fully paid for and which have not been cancelled and is the total number of Units issued at a particular valuation point; and
Unit Holder(s)	:	means a registered holder of a Unit or Units of the Fund including any jointholder whose name appears in the Manager's register of Unit Holders.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

References to person shall include corporations.

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

Any reference to a time of day in the Prospectus shall be referenced to Malaysian time, unless otherwise stated.

CORPORATE DIRECTORY

THE MANAGER

NAME	:	MUAMALAT INVEST SDN. BHD.
REGISTRATION NO.	:	199601012286 (384635-P)
REGISTERED OFFICE	:	30th Floor, Menara Bumiputra No. 21, Jalan Melaka 50100 Kuala Lumpur
TELEPHONE NO.	:	03-2600 5500
BUSINESS OFFICE	:	4th Floor, Menara Bumiputra No. 21, Jalan Melaka 50100 Kuala Lumpur
TELEPHONE NO.	:	03-2615 8175 / 8176
EMAIL ADDRESS	:	misb@muamalat.com.my
WEBSITE	:	https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd/

THE TRUSTEE

NAME	:	MAYBANK TRUSTEES BERHAD
REGISTRATION NO.	:	196301000109 (5004-P)
REGISTERED OFFICE	:	Level 70, Menara Merdeka Maybank Presint Merdeka 118 50118 Kuala Lumpur
BUSINESS OFFICE	:	22nd Floor Tower 1, Etiqa Twin Towers 11 Jalan Pinang 50450 Kuala Lumpur
TELEPHONE NO.	:	03-2177 5999
FAX NO.	:	03-2177 5974
EMAIL ADDRESS	:	mtb.ut@maybank.com
WEBSITE	:	www.maybank2u.com.my

THE SHARIAH ADVISOR

NAME	:	BANK MUAMALAT MALAYSIA BERHAD
REGISTRATION NO.	:	196501000376 (6175-W)
REGISTERED OFFICE	:	30th Floor, Menara Bumiputra No. 21, Jalan Melaka 50100 Kuala Lumpur
BUSINESS OFFICE	:	20th Floor, Menara Bumiputra No. 21, Jalan Melaka 50100 Kuala Lumpur
TELEPHONE NO.	:	03-2600 5491 / 5488
EMAIL ADDRESS	:	shariahenquirygroup@muamalat.com.my
WEBSITE	:	www.muamalat.com.my

CHAPTER 1: DETAILED INFORMATION ON THE FUND

1.1 Fund's Profile

Fund Name	Muamalat-i Small Capital Equity ESG Fund
Fund Category	Equity (Shariah-compliant)
Fund Type	Growth
Fund's Domicile	Malaysia
Base Currency	RM
Initial Offer Period	The period of twenty-one (21) days commencing from the launch date of the Fund or such other shorter period as may be determined by the Manager. The Manager may shorten the Initial Offer Period in the event the Manager is of the view that it is in the investor's best interest to commence investment for the Fund.
Initial Offer Price	RM1.0000
Commencement Date	The next Business Day immediately following the end of the Initial Offer Period.
Investment Objective	The Fund seeks to achieve capital growth in the long term. *Any material change to the investment objective of the Fund would require Unit Holders' approval.*
Financial Year End	31 December
Investor Profile	The Fund is suitable for Unit Holders who: • seek long term capital growth through investment in a diversified portfolio of Shariah-compliant small and medium capitalisation equities that comply with the Manager's ESG assessment criteria; • wish to gain exposure to companies demonstrating sound ESG practices and/or ESG improvement potential; • have a long term investment horizon; and • have a moderate to high risk tolerance.
Performance Benchmark	Target return of 8% per annum. *Notes:* *(1) The risk profile of the Fund is different from the risk profile of the performance benchmark.* *(2) The performance benchmark of the Fund is used to measure the performance of the Fund only.* *(3) The performance benchmark is not intended to represent or be indicative of the Fund's actual or expected returns and does not constitute a guarantee or assurance of performance. The Fund's returns may vary and are subject to market conditions and investment risks.*

Asset Allocation	The Fund may invest: • 70% to 98% of the Fund's NAV in Shariah-compliant equities and Shariah-compliant equity-related securities; and • 2% to 30% of the Fund's NAV in Islamic money market instruments, Islamic deposits and/or Islamic collective investment schemes.
Investment Policy and Strategy	The Fund seeks to achieve its investment objective by investing primarily in a diversified portfolio of Shariah-compliant equities and Shariah-compliant equity-related securities issued by small and medium capitalisation companies with growth potential, featuring the integration of ESG ratings into the investment process. The Shariah-compliant equity-related securities that the Fund will invest in are Shariah-compliant warrants which are capable of being converted into new shares of the same companies that issue the Shariah-compliant warrants. The Fund will invest in companies listed on Bursa Malaysia with a market capitalisation of between RM300 million and RM2 billion for small-capitalisation ("small-cap") companies, and above RM2 billion up to RM10 billion for medium-capitalisation ("mid-cap") companies, measured at the point of acquisition. The Fund is principally focused on small-cap companies, in line with its investment objective and name of the Fund. The Fund may also invest in mid-cap companies within the stated market capitalisation range where the Manager considers such investments suitable and consistent with the Fund's investment objective and strategy. The Fund is actively managed with the objective of achieving capital growth over the long term. The selection of securities is based on a value and/or growth investment methodology, whereby the Manager seeks to invest in securities that it believes are undervalued relative to their perceived intrinsic value and/or have attractive growth potential. Investment decisions are based on an assessment of financial fundamentals, industry prospects and management quality, supported by the Manager's top-down views of broader economic and market conditions. Following an investment, the market capitalisation of a company may fluctuate due to market movements. If the company's market capitalisation subsequently falls outside the stated market capitalisation range, the Fund may continue to hold the investment, provided that the Manager considers it to remain fundamentally suitable and consistent with the Fund's investment objective and strategy. Such investments will be subject to ongoing monitoring, and the Manager may rebalance or dispose of the investment if deemed appropriate. **Screening Methodology** The Manager applies the following dual-layered Shariah screening and ESG assessment framework to ensure that all investments of the Fund align with both Shariah principles and ESG considerations: (i) **Shariah screening -** all investments of the Fund and issuers' activities are screened and monitored to ensure compliance with Shariah principles as determined by the SAC of the SC, the SAC of BNM and the Shariah Advisor.

	(ii) **ESG assessment –** the Shariah-compliant small-cap and mid-cap companies are screened based on the Manager's proprietary ESG assessment framework to identify companies demonstrating sound ESG practices and/or ESG improvement potential. The Fund will invest in companies that meet the Manager's ESG assessment criteria based on the following processes: a) The Manager applies an ESG negative screening approach to exclude investments associated with controversial business activities or industries, such as tobacco companies, in addition to activities and sectors prohibited by Shariah, such as companies in the gaming industry. The Manager may expand the ESG restricted list from time to time. b) Potential equity investments are assessed for compliance with the applicable Shariah requirements and screened against the Manager's ESG restricted list. Only equity investments that comply with the applicable Shariah requirements and are not excluded pursuant to the Manager's ESG negative screening process will proceed to the Manager's ESG assessment. c) Each company is assessed against the relevant ESG pillars, taking into consideration the nature of the company's business, industry practices, availability of information and materiality of the relevant ESG pillars. Factors that are considered under the relevant ESG pillars include, but are not limited to: • **Environmental** factors such as climate change, greenhouse gas emissions, energy efficiency and use of renewable energy, pollution prevention and control, waste and water management, biodiversity protection and natural resource conservation; • **Social** factors such as labour practices, human capital management, occupational health and safety, diversity and inclusion, human rights, customer welfare and community relations; and • **Governance** factors such as board composition, independence and effectiveness, business ethics, anti-corruption measures, risk management, transparency, accountability and shareholder rights. An ESG score is then assigned to the company. d) The Manager may use ESG research, ratings and data from external providers, including recognised ESG research providers, rating agencies and data providers, as well as publicly available sustainability information, to supplement its proprietary ESG assessment and benchmark its findings. The Manager reviews such information, where relevant, and conducts further review as necessary to determine the final ESG score of the company in accordance with the Manager's proprietary ESG assessment framework. The Manager provides oversight to promote consistency in the application of the ESG assessment framework across the Fund's investments. e) The final ESG score for each company is determined based on the assessment of the ESG pillars (as explained in c) above), with equal weighting assigned to each ESG pillar, and where necessary, adjust the ESG score (as explained in d) above) in accordance with the Manager's proprietary ESG assessment framework. The Fund adopts an approach by prioritising equities of companies that: a) support environmental sustainability and the transition towards more sustainable business practices;

	b) contribute to social development and broader economic opportunities; and c) demonstrate improving governance standards, transparency and management accountability. The Manager applies a proprietary ESG assessment framework as part of its investment process that: a) assess companies using both conventional and unconventional data sources (including consumer product reviews, revenue derived from green products and employee review reports) to provide a more comprehensive view of a company's ESG profile and reduce reliance on corporate disclosures, which may be limited, particularly among smaller companies; b) evaluate companies through independent qualitative and quantitative analysis to assess their forward-looking growth prospects, fundamental risk characteristics, including ESG factors, and estimated fair value. The findings are reviewed and challenged by the investment team, with the Manager ultimately determining the companies that offer the most attractive risk-adjusted return potential; c) assess the ESG factors of each company, including relevant positive and negative ESG impacts, as part of the overall ESG assessment. The assessment contributes to the company's final ESG score and the Fund's overall ESG profile; d) monitor the ESG risk and return characteristics of the Fund's portfolio and identify companies that materially contribute to those characteristics, including: (i) holdings that contribute to the portfolio's environmental, social and governance objectives; (ii) the portfolio's ESG profile based on third-party ESG data and assessments, which serve as an additional point of reference alongside the Manager's proprietary ESG assessment; and e) continuously monitor the ESG characteristics of the Fund's portfolio by evaluating relevant ESG metrics and sustainability indicators and, where appropriate, comparing such metrics in accordance with the applicable ESG criteria and the Manager's proprietary ESG assessment framework. ESG analysis conducted at each stage is intended to support and validate the overall ESG assessment, with each component of the process being documented and subject to review, scrutiny and challenge by the Manager's relevant internal compliance and audit review functions. To ensure that the Fund's investments remain aligned with its sustainability considerations, the Manager will: a) maintain a proprietary, forward-looking and dynamic assessment of risk based on its evaluation of a company's fundamental characteristics; b) assess company-specific ESG characteristics to ensure that ESG factors relevant to investment risk and return potential are appropriately identified, considered and monitored; c) monitor a range of principal adverse environmental, social and governance indicators in respect of the Fund's investments. While these indicators form part of the ongoing ESG monitoring process, the Fund does not currently target specific outcomes for individual indicators; and d) monitor relevant news flow, data and corporate disclosures to ensure that the Manager's proprietary ESG assessment framework remains current and reflective of evolving circumstances.

	The Fund's investments will be subject to ongoing monitoring, including an annual ESG review, to assess changes in the ESG performance and ESG scores of the companies or issuers, and to ensure that the investments continue to meet the Manager's ESG assessment criteria for the Fund and the Fund's investment objective. The Fund will maintain at least two-thirds (2/3) of its NAV in Shariah-compliant equities of small- and medium capitalisation companies that comply with the Manager's ESG assessment criteria at all times. In the event the Fund breaches the aforesaid asset allocation threshold of two-thirds (2/3) of the Fund's NAV or the Fund's investments become inconsistent with the investment policy and strategy of the Fund, the Manager will, 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. The three (3)-month period may be extended if it is in the best interests of the Unit Holders and the Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Trustee. <u>Temporary Defensive Position</u> In the event of adverse or volatile market conditions, the Manager may undertake temporary defensive positions by holding a higher proportion, or up to 100% of the Fund's NAV in Islamic liquid assets for a period of up to six (6) months in order to optimize the portfolio position, which may result in a deviation from the Fund's strategic asset allocation strategy. However, the Manager will ensure that at least two-thirds (2/3) of the Fund's NAV remains in investments that meet the Manager's ESG assessment criteria during such temporary defensive position. In respect of Islamic liquid assets, the issuers of Islamic money market instruments and financial institutions where Islamic deposits are placed will also be assessed in accordance with the Manager's proprietary ESG assessment framework. The increase in cash holdings and adjustment of the Fund's asset allocation towards Islamic liquid assets are intended for risk management purposes and will be implemented in accordance with the Manager's internal governance and approval processes.
Securities Lending and Repurchase Transactions	The Fund will not participate in securities lending or repurchase transactions.
Permitted Investments	The Fund is permitted to invest in the following: • Shariah-compliant equities and Shariah-compliant equity related securities; • Islamic money market instruments; • Islamic deposits; and/or • Islamic collective investment schemes.
Investment Restrictions and Limits	The Fund will be managed in accordance with the following investment restrictions and limits: (a) The aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an

	Eligible Market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer; (b) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV; (c) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (a) above issued by the same issuer must be included in the calculation; (d) The value of the Fund's placement in Islamic deposits with any single financial institution must not exceed 20% of the Fund's NAV; (e) The aggregate value of the Fund's investments in, or exposure to, a single issuer through Shariah-compliant transferable securities, Islamic money market instruments and Islamic deposits, must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in paragraph (a) above issued by the same issuer must be included in the calculation; (f) The value of the Fund's investments in units or shares of an Islamic collective investment scheme must not exceed 20% of the Fund's NAV, provided that the Islamic collective investment scheme complies with the requirement of the Guidelines; (g) Where the Fund invests in an Islamic collective investment scheme operated by the Manager or its related corporation, the Manager must ensure that: (a) there is no cross-holding between the Fund and the Islamic collective investment scheme; (ii) all initial charges on the Islamic collective investment scheme are waived; and (iii) the management fee must only be charged once, whether at the Fund or the Islamic collective investment scheme; (h) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in paragraph (a) above issued by the issuers within the same group of companies must be included in the calculation; (i) The single issuer limit in paragraph (c) above may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long term credit rating of investment grade (including gradation and subcategories) by an international rating agency; (j) Where the single issuer limit is increased to 35% of the Fund's NAV, the single issuer aggregate limit in paragraph (e) above may be raised, subject to the group limit in paragraph (h) above not exceeding 35% of the Fund's NAV; (k) The single financial institution limit in paragraph (d) above does not apply to placements of Islamic deposits arising from:

	• subscription moneys received prior to the commencement of investment by the Fund; • liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various financial institutions would not be in the best interests of Unit Holders; or • moneys held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various financial institutions would not be in the best interests of Unit Holders; (l) The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer; (m) The Fund's investments in Islamic money market instruments must not exceed 10% of the Islamic money market instruments issued by any single issuer. This limit, however, does not apply to Islamic money market instruments that do not have a pre-determined issue size; and (n) The Fund's investments in an Islamic collective investment scheme must not exceed 25% of the units or shares in the Islamic collective investment scheme. The above limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments. The Manager will notify the SC, within seven (7) Business Days, of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, where the limit or restriction is breached as a result of any appreciation or depreciation in value of the Fund's investments, redemption of Units or payment made out of the Fund, change in capital of a corporation in which the Fund has invested in or downgrade in or cessation of a credit rating, the Manager will, 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. The three (3)-month period may be extended if it is in the best interests of the Unit Holders and the Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Trustee.
Distribution Policy	The Fund is not expected to make any distribution of income.

1.2 Risk Factors

General Risks of Investing in the Fund

Prior to making an investment, prospective investors should consider the following risk factors carefully in addition to the other information in this Prospectus. Although the Manager seeks to mitigate risks by investing in a diversified portfolio, investors should be warned that there are potential risks in investing in a unit trust fund. They include:

Market Risk – The value of a Shariah-compliant investment will decrease or increase due to changes in market factors i.e. economic, political or other events that impact large portions of the market. Market risk cannot be eliminated; hence the Fund's Shariah-compliant investment portfolio may be prone to changing market conditions that may result in uncertainties and fluctuations in the value of the underlying Shariah-compliant investment portfolio of the Fund, causing the NAV or prices of Units to fluctuate. The performance of the underlying investment of the Fund may vary across different market conditions and may underperform during certain market environments.

Inflation Risk – This is the risk that investors' investment in the Fund may not grow at a rate that keeps pace with inflation. This would reduce the investors' purchasing power even though the value of the investment in monetary terms has increased.

Liquidity Risk – Liquidity risk refers to the lack of ease in which a Shariah-compliant investment can be liquidated at or near its fair value, depending on the volume traded on the market. It may occur when the Fund holds Shariah-compliant investments which are thinly traded, and if at the same time, the Fund experiences large redemptions, which in turn, would require the selling of investments of the Fund at a point in time when prices are unfavourable due to insufficient buyers in the market at the actual or desired prices. The Manager may also be required to prematurely unwind its investments resulting in foregone profits, thus reducing the Fund's potential returns. The risk is mitigated by diversifying the Shariah-compliant investments of the Fund in a wide range of Shariah-compliant equities and Shariah-compliant equity-related securities and avoiding Shariah-compliant equities and Shariah-compliant equity-related securities with poor liquidity.

Manager Risk – This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant laws or Guidelines due to factors such as human error or weaknesses in operational processes and systems, may adversely affect the Fund's performance.

Operational Risk – This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to Unit Holders. The Manager will regularly review its internal policies and system capability to mitigate this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.

Financing Risk – This risk occurs when investors take a financing to finance their investment. The inherent risk of investing with cash financing includes investors being unable to service the financing payments. In the event Units are used as collateral, an investor may be required to top-up the investors' existing instalment if the NAV per Unit falls below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the financing.

Shariah Non-Compliance Risk – This is the risk of the Fund not conforming to Shariah investment guidelines. The Manager in consultation with the Shariah Advisor is responsible for ensuring that the Fund is managed and administered in accordance with the Shariah investment guidelines. Any losses from the disposals due to investments in Shariah non-compliant instruments will be borne by the Manager and the gain received before or after the disposal shall be channelled to baitulmal and/or charitable bodies as advised by the Shariah Advisor.

Specific Risks of Investing in the Fund

Small and Medium Capitalisation Companies Risk - The Fund primarily invests in Shariah-compliant equities of small and medium capitalisation companies that meets the Manager's ESG assessment criteria. Such companies may be more susceptible to adverse business or economic developments and may experience greater price volatility compared to larger, more established companies. In addition, the Shariah-compliant equities of small and medium capitalisation companies that meets the Manager's ESG assessment criteria may be less liquid and more difficult to dispose of at a favourable price, which may adversely affect the Fund's NAV.

Stock Specific Risk – Prices of a particular Shariah-compliant stock/equity may fluctuate in response to the circumstances affecting individual companies such as adverse financial

performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such Shariah-compliant stock/equity will adversely affect the Fund's NAV.

Reclassification of Shariah Status Risk – The risk that the currently held Shariah-compliant securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the SAC of the SC and/or the Shariah Advisor. If this occurs, the Manager will take the necessary steps to dispose of such securities. There may be opportunity loss to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Fund may also be adversely affected in the event of a disposal of the Shariah non-compliant securities at a price lower than the investment cost.

Concentration Risk – The Fund may, from time to time, hold a concentrated portfolio of investments in certain sectors, industries or issuers that satisfy the Fund's investment and ESG assessment criteria. Such concentration may increase the Fund's exposure to adverse developments affecting those sectors, industries or issuers and may result in greater volatility in the Fund's NAV.

ESG Investment Risk - The Fund incorporates ESG considerations into its investment process. The application of ESG criteria may result in the exclusion of certain companies, industries or sectors that may otherwise offer attractive investment opportunities. Consequently, the Fund's performance may differ from, and in certain market conditions underperform, funds that do not incorporate ESG considerations.

The assessment of ESG factors involves qualitative and quantitative judgments and may be based on information obtained from issuers and third-party sources. Such information may be incomplete, inaccurate or unavailable. There is no guarantee that the ESG assessment methodology adopted by the Manager will achieve the desired sustainability outcomes or generate superior investment returns.

ESG Data and Assessment Risk - The Fund's ESG assessment process relies on information obtained from companies, public disclosures, third-party data providers and the Manager's proprietary analysis. ESG data may be incomplete, inconsistent, estimated or unavailable, particularly in respect of smaller companies. As a result, the Manager may make investment decisions based on information that is inaccurate or subsequently revised, which may adversely affect the Fund's investment performance***.***

Sustainability Risk - A sustainability event or condition relating to ESG factors may have an actual or potential material negative impact on the value of the Fund's investments. Examples include, environmental incidents, labour disputes, regulatory breaches, governance failures, climate-related events or reputational issues affecting an issuer. Such events may adversely affect the financial performance and valuation of the affected company and consequently the Fund's NAV***.***

Greenwashing Risk – Certain companies that the Fund invest in may be perceived or represented as having strong ESG or sustainability characteristics based on available information, disclosures, ratings or market classifications. However, such ESG-related characteristics may subsequently prove to be overstated, inaccurate, inconsistent with actual practices, or may not fully reflect the company's underlying operations. Changes in ESG assessments, methodologies, regulatory standards or market perceptions may adversely affect the valuation, attractiveness or whether such securities are permissible and may, in turn, negatively impact the Fund's performance***.***

Emerging Market Risk – As the Fund invests only in Malaysia, which is an emerging market, the Fund's investments may be subject to additional risks compared to developed markets, including greater political, economic and regulatory uncertainties, lower market liquidity and higher volatility. These factors may adversely affect the value of the Fund's investments and may result in greater fluctuations in the Fund's NAV.

Profit Rate Risk – As the Fund invests in Islamic money market instruments and makes placements in Islamic deposits, the Fund is subject to profit rate risk. Islamic money market instruments will generally increase in value when profit rates fall and decrease in value when profit rates rise. Profit rate risk is the chance that such movements in profit rates will negatively affect the value of Islamic money market instruments. Profit rate movements affect the returns of Islamic deposits as well. In an environment of falling profit rates, the Fund's future placements in Islamic deposits would be reinvested at lower profit rates, which in turn will reduce the potential returns of the Fund. Changes in profit rates may influence the Fund's return and may positively or negatively affect the NAV of the Fund on a daily basis.

Suspension of Redemption Risk – The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the redemption of Units due to exceptional circumstances where there is good and sufficient reason to do so, for example, where the market value or fair value of a material portion of the Fund's investment cannot be determined. Upon suspension, the Fund will not be able to pay Unit Holders' redemption proceeds in a timely manner (i.e., within seven (7) Business Days from the date on which the Units are redeemed in normal circumstances) and Unit Holders will be required to remain invested in the Fund for a longer period of time than the stipulated redemption timeline. Hence, Unit Holder's investments will continue to be subjected to the risk factors inherent to the Fund.

Temporary Defensive Position Risk – The Manager may adopt a temporary defensive position, including holding up to 100% of the Fund's NAV in Islamic liquid assets under adverse market conditions. During such periods, the Fund may not achieve its investment objective.

IT IS IMPORTANT TO NOTE THAT INVESTMENT-RELATED EVENTS ARE INHERENTLY UNPREDICTABLE, AND IT IS NOT POSSIBLE TO ELIMINATE ALL RISKS. INVESTORS ARE STRONGLY ADVISED TO REVIEW THE ENTIRE PROSPECTUS. WHEN NECESSARY, THEY SHOULD CONSULT PROFESSIONAL ADVISORS TO FULLY ASSESS AND UNDERSTAND THE RISKS INVOLVED.

PLEASE BE AWARE THAT THE LIST OF RISKS PROVIDED ABOVE IS NOT EXHAUSTIVE.

1.3 Risk Management Strategies

The Manager has in place proper risk management structures including:

(a) strict adherence to the Fund's investment objective, policies and strategies as stated in this Prospectus. The Trustee plays a role as a safe keeper and custodian for the assets of the Fund as per the Guidelines;
(b) periodic monitoring of the market value of the Fund's Shariah-compliant investments through daily valuation of the Fund. The valuation reports will be reviewed by the Manager's designated compliance officer. The same report is then forwarded to the Trustee;
(c) reviewing and reporting investment matters to the management and established investment meetings; the Manager's designated compliance officer shall review and report investment matters to the senior management of the Manager and the Shariah Advisor, where applicable, including notifying the board of directors of the Manager;
(d) employing active and effective asset allocation strategy as described in the investment policy and strategy of the Fund; asset allocation of the Fund is monitored and reviewed monthly by the Manager to ensure that the investment objective of the Fund is adhered to; and
(e) employing prudent liquidity risk management by monitoring the Fund's net flows against redemption requests during normal and adverse market conditions to manage the liquidity of the Fund in meeting redemption requests from Unit Holders in a timely manner.

However, if we have exhausted the above avenue, we will then, in consultation with the Trustee and having considered the interests of the Unit Holders, resort to suspend the redemption of Units to manage the liquidity of the Fund under exceptional circumstances, where the fair value of a material portion of the Fund's assets cannot be reasonably determined. Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer to Section 3.10 of this Prospectus for more information on suspension of dealing in Units.

1.4 Shariah Investment Guidelines

At all times, the Fund's investments are restricted to Shariah-compliant investments. The Fund is prohibited from investing in instruments that do not comply with Shariah principles. The Fund is also prohibited from investing in interest-bearing deposits and recognising any interest income. The Fund will invest in equities that have been classified as Shariah-compliant by the **SAC of the SC** and will ensure that all investments comply with the Fund's Shariah requirements and the rulings of the Shariah Advisor.

Shariah Screening Process

Shariah-compliant Equities and Shariah-compliant Equity-Related Securities
The Manager will identify Shariah-compliant equities and Shariah-compliant equity-related securities based on the list of Shariah-compliant securities issued by the SAC of the SC and/or other relevant information sources approved by the Shariah Advisor, where applicable.

Prior to investment, the Manager will conduct a review to ensure that the proposed investments comply with the Fund's Shariah investment guidelines and any rulings or requirements imposed by the Shariah Advisor.

The identified investments will subsequently be reviewed by the Manager to ensure continued compliance with the Shariah investment guidelines of the Fund and the rulings issued by the Shariah Advisor prior to inclusion in the Fund's investment portfolio.

Islamic Money Market Instruments
For investment in Islamic money market instruments, the Fund may acquire any Islamic money market instruments based on the data available at:
- Bond info hub (https://financialmarkets.bnm.gov.my)
- Fully automated system for issuing/tendering (https://fast.bnm.gov.my)

Islamic Deposits
The Fund is prohibited from investing in interest-bearing deposits and recognizing any interest income.

Islamic Collective Investment Schemes
Islamic collective investment schemes must be regulated and registered or authorized or approved by the relevant authority in its home jurisdiction.

Treatment of Shariah Non-Compliant Investments
In the event that a security held by the Fund is subsequently reclassified as Shariah non-compliant by the SAC of the SC or where the Shariah Advisor determines that the security no longer complies with Shariah principles, if on the reclassification date, the market price of the Shariah non-compliant securities exceeds or is equal to the investment cost, the Fund will dispose of such securities in an orderly manner and within one (1) month, which is the timeframe prescribed by the relevant regulatory guidelines or as advised by the Shariah Advisor.

In addition, during the holding period of the Shariah non-compliant securities, the Fund is allowed to subscribe to:

(a) any issue of new securities by a company whose Shariah non-compliant securities are held by the Fund, for example the Fund subscribes to rights issues, bonus issues, special issues and warrants (excluding securities whose nature is Shariah non-compliant e.g. loan stocks); and

(b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant securities are held by the Fund.

Any dividends received up to the date of the reclassification and capital gains derived from the disposal of such Shariah non-compliant securities before the reclassification date can be kept by the Fund. However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of the reclassification will be channelled to baitulmal and/or charitable bodies as advised by the Shariah Advisor.

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

The Manager will ensure that the purification process is carried out in accordance with the Shariah Advisor's advice and applicable regulatory requirements.

Divestment and Cleansing Process for the Fund
In the event the Fund inadvertently invests in Shariah non-compliant instruments, the Fund needs to dispose of or close any Shariah non-compliant instruments, within one (1) month of knowing the status of the instruments. Any gains made in the form of capital gains, dividend or interests received before or after the disposal or closure of the mentioned instruments has to be channelled to baitulmal and/or charitable bodies, as approved by the Shariah Advisor. The Fund has a right to retain only the original investment cost, which may include transaction costs.

If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager only where the loss is attributable to the Manager's breach of duty, negligence, or misconduct.

Periodic Review
The Shariah Advisor will review the Fund twice a year to ensure the Fund has been managed and operated in accordance with the Shariah principles. Upon completion of each review, the Shariah Advisor will deliver its opinion on the Shariah compliance.

The Fund's Compliance to Shariah Principles
The Shariah Advisor is of the view that, given the prevailing circumstances, the Fund and its respective investments as disclosed and presented in this Prospectus are acceptable and within the principles of Shariah, subject to proper execution of the legal documents and other transactions related to the Fund.

***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, such investors are advised to pay *zakat* on their own.

THE INVESTMENT PORTFOLIO OF THE FUND WILL COMPRISE OF INSTRUMENTS THAT HAVE BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC OR THE SAC OF BNM. FOR INSTRUMENTS WHICH ARE NOT CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC OR THE SAC OF BNM, THE SHARIAH ADVISOR WILL REVIEW THE SAID INSTRUMENTS AND OPINE THAT THESE INSTRUMENTS ARE SHARIAH-COMPLIANT IN ACCORDANCE WITH THE RULING BY THE SHARIAH ADVISOR.

CHAPTER 2: FEES, CHARGES AND EXPENSES

This part of the Prospectus informs you about the fees, charges and expenses involved so that you will understand the costs of your investments better. It also shows how Units of the Fund are priced to enable you to make your investment decisions prudently.

Costs, however, are not the only consideration with respect to investment goals. Time horizons, risk tolerance and financial resources are also important factors.

Subject to the provisions of the Deed and Guidelines, the Manager reserves the right to enter into a separate fee waiver or fee reduction arrangement with the Unit Holders in relation to the management fee. Any waiver or reduction in the management fee as may be agreed between the Manager and the Unit Holders will be calculated and waived by the Manager or reimbursed to the Unit Holders accordingly.

FEES AND CHARGES DIRECTLY INCURRED WHEN YOU INVEST IN THE FUND

2.1 Sales Charge

Up to 5.00% of the NAV per Unit

Note: Please note that the sales charge is exclusive of any taxes and/or duties that may be imposed by the government or other authorities from time to time.

2.2 Redemption Charge

The Manager does not intend to impose any redemption charge.

2.3 Transfer Fee

A fee of RM50.00 per transfer is imposed on Unit Holders for any requests to transfer Units.

2.4 Switching Fee

A switching fee will be imposed on Unit Holders switching between funds under management (that allow switching). A switching fee of RM25.00 will be imposed and deducted from the redemption amount of the Units to be switched for a switch between funds that impose a similar sales charge or a switch to a fund that imposes a lower sales charge. Unit Holders switching to a fund that imposes a higher sales charge will pay the difference in sales charge which is deductible from the redemption amount of the Units to be switched.

The Manager however, reserves the right to vary this fee or to vary the terms of the switching facility. The Manager may reject any switching request:

(i) that it regards as disruptive to efficient portfolio management; or
(ii) if deemed by the Manager to be contrary to the best interest of the Fund.

FEES AND CHARGES INDIRECTLY INCURRED WHEN YOU INVEST IN THE FUND

2.5 Management Fee

The management fee imposed is up to 1.50% per annum of the NAV of the Fund calculated and accrued on a daily basis.

Notes:

(1) Please refer to Section 3.1.3 – Computation of NAV and NAV per Unit on the illustration of the calculation of management fee.

(2) Please refer to the Manager's website, https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd/ for the actual management fee of the Fund.

(3) Please note that the management fee is exclusive of any taxes and/or duties that may be imposed by the government or other authorities from time to time.

2.6 Annual Trustee Fee

The trustee fee imposed is 0.05% per annum of the NAV of the Fund, subject to a minimum fee of RM12,000 per annum, calculated and accrued on a daily basis (excluding foreign custodian fees and charges, if any).

Notes:

(1) Please refer to Section 3.1.3 – Computation of NAV and NAV per Unit on the illustration of the calculation of trustee fee.

(2) Please note that the trustee fee is exclusive of any taxes and/or duties that may be imposed by the government or other authorities from time to time.

2.7 Other Expenses

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

(a) commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;

(b) taxes and other duties charged on the Fund by the government and/or other authorities;

(c) fees and expenses properly incurred by the auditors appointed for the Fund;

(d) fees for the valuation of any Shariah-compliant investment of the Fund;

(e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;

(f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;

(g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;

(h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed Shariah-compliant investment of the Fund;

(i) costs, fees and expenses incurred in engaging any advisor for the benefit of the Fund;

(j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;

(k) costs, fees and expenses incurred in the termination of the Fund or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;

(l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed by the Fund);

(m) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;

(n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;

(o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians for taking into its custody any foreign assets of the Fund;

(p) expenses and charges incurred in connection with the printing and postage for the annual or semi-annual report, tax certificates, reinvestment statements and other services associated with the administration of the Fund;

(q) if applicable, all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any payment of such distribution;

(r) fees in relation to fund accounting;

(s) any fees as may be imposed by the SC in relation to the Fund; and

(t) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (s) above.

2.8 Other Charges

In executing your transaction, certain charges may be incurred. You shall bear such transaction charges, for instance bank charges, telegraphic charges and courier charges. We reserve the right to vary such conditions from time to time, which shall be communicated to you in writing.

2.9 Policy on Rebates and Soft Commissions

The Manager (for its own account) or its delegate (if any) must not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the Shariah-compliant investments of the Fund. The Manager will pursue a policy of not accepting any stockbroking rebates.

However, soft commissions provided by any broker or dealer may be retained by us if:

(i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;

(ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and

(iii) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

2.10 Tax

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

Please refer to the tax advisor's letter which can be found at Chapter 9 for a better understanding of the taxation of the Fund and tax liabilities of Unit Holders, if any.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

CHAPTER 3: TRANSACTION INFORMATION

3.1 Valuation Point and Bases for Valuation of the Assets of the Fund

3.1.1 Valuation Point

The Fund is valued once every Business Day. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at the next valuation point after the application to purchase or redeem Units is received by the Manager.

The valuation point of the Fund is at 5.00 p.m. of every Business Day.

The Manager shall ensure that the assets of the Fund are valued fairly and appropriately in accordance with the Guidelines.

3.1.2 Bases for Valuation of the Assets of the Fund

Listed Shariah-compliant securities (including listed Islamic collective investment schemes)
Investments of the Fund in Shariah-compliant securities listed on any recognised stock exchange will be valued based on the last transacted price of that recognised stock exchange. However, if a valuation based on the last transacted price does not represent the fair value of the Shariah-compliant securities or the last transacted price is unavailable, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, then the Shariah-compliant securities should be valued at fair value as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

Islamic money market instruments
Investments in Islamic money market instruments are valued each day based on the price quoted by a bond pricing agency ("BPA") registered with the SC. Where we are of the view that the price quoted by the BPA differs from the market price by more than twenty (20) basis points, we may use the market price provided that we:

(i) record our basis for using a non-BPA price;

(ii) obtain the necessary internal approvals to use the non-BPA price; and

(iii) keep an audit trail of all decisions and basis for adopting the market yield.

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

Islamic deposits
Islamic deposits placed with financial institutions are valued each day by reference to the principal value of such investments and the profits accrued thereon for the relevant period.

Unlisted Islamic collective investment schemes
Units in unlisted Islamic collective investment schemes will be valued based on the last published repurchase price.

3.1.3 Computation of NAV and NAV per Unit

The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and the trustee fee for the relevant day.

An illustration of computation of NAV and NAV per Unit of the Fund

For illustration purposes, we assume the Shariah-compliant investments of the Fund are worth RM10,006,000.00 and the liabilities are at RM5,890.07, at the valuation point. The NAV of the Fund at that valuation point will be:

Example: Computation of NAV and NAV per Unit	**RM**
Investments	10,001,000.00
Other Assets	5,000.00
Total Assets	10,006,000.00
Less: Liabilities	(5,890.07)
NAV of the Fund *(before deduction of management and trustee fees)*	**10,000,109.93**
Less:	
Management fee – calculated on a daily basis (1.50% per annum / 365 days)	410.96
Trustee fee – calculated on a daily basis (0.05% per annum / 365 days)	13.70
NAV of the Fund *(after deduction of management and trustee fees)*	**9,999,685.27**
Units in Circulation	10,000,000.00
NAV per Unit	0.999968527
NAV per Unit *(Rounded to four (4) decimal points)*	1.0000

Note: Please note that the calculation set out above is for illustration purposes and is exclusive of any taxes and/or duties that may be imposed by the government or other authorities from time to time.

Computation of the NAV per Unit for the Fund

The NAV per Unit of the Fund at a valuation point is determined by dividing the NAV of the Fund at that valuation point by the number of units in circulation of the Fund at the same valuation point.

NAV per Unit of the Fund	=	NAV ÷ units in circulation
	=	RM9,999,685.27 ÷ 10,000,000 Units
	=	RM0.999968527
	=	RM1.0000 (rounded to four (4) decimal points)

3.2 Pricing Policy

Single Pricing Policy
We adopt the single pricing policy in calculating your investment for subscription and redemption of Units. Single pricing equates to the sales and redemption of Units being quoted and transacted on a single price (i.e., NAV per Unit). Sales charges by different distribution

channels are separately disclosed which make it easier for investors to understand, compare and to make an informed decision on the choice of investment products and the preferred distribution channel. This will also facilitate investors to clearly gauge or ascertain the performance of their investment.

Basis of Determining Selling/Redemption Price
The Selling Price and Redemption Price per Unit for the Fund shall be at the NAV per Unit of the Fund. The Selling Price and Redemption Price are based on forward pricing; this means that Units will be bought and sold based on the NAV per Unit at the next valuation point following the receipt by the Manager of an application to buy or a request to redeem Units.

Policy on Rounding Adjustment
The NAV per Unit of the Fund is rounded to four (4) decimal points. When you invest in the Fund, the investment amount payable by you will be rounded to two (2) decimal points. Units in your account will be rounded to two (2) decimal points. Your redemption value will also be rounded to two (2) decimal points.

Assuming that the NAV per Unit of the Fund is RM0.999968527, as shown on the illustration below, the Selling Price will be:

= NAV per Unit
= RM0.999968527
= RM1.0000 (rounded to four (4) decimal points)

Note: This applies to all calculations or illustrations whether direct or indirect expenses incurred by investors when investing in the Fund as set out in this Prospectus.

Selling Price
Assuming a sales charge of 5.00% of the NAV per Unit is imposed on the sale of the Units, below is an illustration on how Units will be allocated to you.

As an example, if you invest RM100,000.00 in the Fund:

Selling Price	=	NAV per Unit
	=	RM1.0000
Sales charge	=	5.00% of the NAV per Unit
Sales charge incurred	=	$\frac{\text{Investment Amount}}{[1 + \text{Sales Charge (\%)}]} \times \text{Sales Charge (\%)}$
	=	$\frac{\text{RM100,000}}{[1 + 5.00\%]} \times 5.00\%$
	=	RM4,761.90
Net investment amount	=	Investment Amount – Sales Charge incurred
	=	RM100,000.00 – RM4,761.90
	=	RM95,238.10
Units allocated to you	=	Net Investment Amount / NAV per Unit
	=	RM95,238.10 / RM1.0000

= 95,238.10 Units

Note: Please note that the calculation set out above is for illustration purposes and is exclusive of any taxes and/or duties that may be imposed by the government or other authorities from time to time.

Redemption Price
The Redemption Price is calculated by dividing the NAV of the Fund by the total number of Units in circulation at the point of valuation; this is the same as the NAV per Unit of the Fund.

Assuming that the NAV per Unit of the Fund is RM1.2573282, as shown in the illustration below, the Redemption Price will be:

= NAV per Unit
= RM1.2573282
= RM1.2573 (rounded to four (4) decimal points)

Your redemption proceeds are based on the Redemption Price at the next valuation point upon receipt of your request. Assuming you request to redeem 5,000 Units of the Fund before the cut-off time of 4.00 p.m. on a Business Day and the Redemption Price as at the next valuation point is RM1.2573 per Unit, as shown in the illustration below, the redemption proceeds that you will receive will be:

= 5,000 Units x RM1.2573
= RM6,286.50

The NAV per Unit will be published on https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd/ on a daily basis.

Note: The Manager does not intend to impose any redemption charge for the Fund.

Incorrect Pricing
The Manager shall take immediate action to rectify any incorrect valuation and pricing of the Fund and/or the Units and to notify the Trustee and the SC of the same unless the Trustee considers the incorrect valuation and pricing of the Fund and/or the Units is of minimal significance.

The Trustee shall not consider an incorrect valuation and pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on a Unit Holder's account is less than RM10.00. An incorrect valuation and pricing not considered to be of minimal significance by the Trustee shall result in reimbursement of moneys in the following manner:

(a) if there is an over valuation and pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;

(b) if there is an over valuation and pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;

(c) if there is an under valuation and pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and

(d) if there is an under valuation and pricing in relation to the redemption of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

3.3 Minimum Initial Investment, Minimum Additional Investment and Minimum Unit Holdings

Minimum Initial Investment	RM500.00*
Minimum Additional Investment	RM100.00*
Minimum Unit Holdings	500 Units

**or such other lower amount or number of Units as we may decide from time to time.*

3.4 Purchase of Units

Investors may apply for Units of the Fund by completing the prescribed application forms and returning it to us prior to the cut-off time of 4.00 p.m. on any Business Day, the Units would be created based on the NAV per Unit as at the next valuation point. Applications for Units received or deemed received by the Manager on or after 4.00 p.m. on the Business Day will be processed on the following Business Day and Units will be created based on the NAV per Unit as at the next valuation point of that particular Business Day.

All application forms must be submitted together with the Declaration of Investor, Suitability Assessment Form, Tax Declaration for Foreign Account Tax Compliance Act (FATCA), Common Reporting Standard (CRS) Self-Certification Form, a copy of the applicant's identity card or other valid identification document and other relevant documents as stated in the Account Opening Document Checklist.

Upon the Manager's review of the application forms and supporting documents, investors will be notified of their application status. Upon approval, investors will be advised to proceed with the initial investment. Payments can be made via credit transfer to MISB's collection account.

Please refer to Chapter 10 and Chapter 12 of the Prospectus for contact details of the Manager.

Notes:

(1) The Manager reserves the right to accept or reject any application in whole or part thereof without assigning any reason.

(2) Investors are advised not to make payment in cash to any individual agent when purchasing Units.

Cooling-Off

If you change your mind about an investment that you have made in the Fund, you may request for a refund of your investment within six (6) Business Days from the date of your application for Units is accepted by us. Refund for every Unit held following a cooling-off request would be the sum of:

(a) if the original price of a Unit is higher than the price of a Unit at the point of exercise of the cooling-off right ("market price"), the market price at the point of cooling-off; or
(b) if the market price is higher than the original price, the original price at the point of cooling-off; and
(c) the sales charge (if any) originally imposed on the day the Units were purchased.

All such requests must be received or be deemed to have been received by us before 4.00 p.m. on a Business Day. Requests received or deemed to have been received on or after 4.00 p.m. will be treated as having been received on the following Business Day.

Cooling-off proceeds will only be paid after we received cleared funds for the original investment. Such proceeds shall be refunded to you within seven (7) Business Days of receipt of the application for cooling-off.

A cooling-off right is only available to an individual investor who is investing for the first time in any of the wholesale funds/unit trust funds managed by us. Our staff and a person, who is registered with a body approved by the SC to deal in unit trust funds are not entitled to a cooling-off right.

3.5 Redemption of Units

Unit Holders may redeem their investments in the Fund by completing the prescribed redemption request form and returning it to the Manager on any Business Day prior to the cut-off time of 4.00 p.m. on the Business Day. This form is available at the office of the Manager and our authorised distributors.

Redemption request received or deemed received by the Manager on or after 4.00 p.m. on the Business Day will be processed on the following Business Day and Units will be redeemed as at the next valuation point of that particular Business Day.

Redemption proceeds will be paid within seven (7) Business Days from the date on which the redemption request is received by the Manager, PROVIDED that the written redemption request is received in good and proper form by the Manager before the cut-off time on that Business Day.

3.6 Switching Facility

Switching facility is available for the Fund. Switching is a facility which enables you to convert units of a particular fund for the units of other funds managed by the Manager. Subject to a minimum units of 1,000 Units (or such other lower amount as the Manager may from time to time decide) for switching, the switch will be effected by redeeming units from the fund in which the units are held and investing the net proceeds in the other fund(s), subject to the minimum balance (where applicable) and terms and conditions applicable for the respective fund(s). You may switch some or all of your Units in the Fund into units of our other funds by completing a Transaction Form – Switch.

3.7 Transfer of Ownership of Units

Transfer of ownership of Units is allowed for the Fund. A transfer of ownership of Units involves the change of ownership of Units from one Unit Holder to another person. Subject to the discretion of the Manager, Unit Holders may transfer the ownership of their Units of the Fund to any person at any point in time by completing the transfer application form and returning it to the Manager on any Business Day. Transfers must be in terms of Units and not in Ringgit Malaysia (RM) value. A fee of RM50.00 will be charged for each transfer of ownership.

3.8 Policy on Gearing and Minimum Liquid Assets Requirements

The Fund is not permitted to borrow cash or other assets (including the borrowing of Shariah-compliant securities within the meaning of the Securities Borrowing and Lending Guidelines and its updates from time to time) in connection with its activities. However, the Fund may take cash financing for the purpose of meeting redemption requests for Units and such financing are subjected to the following:

(a) The Fund's cash financing is only on a temporary basis and that financings are not persistent;
(b) The financing period should not exceed a month;
(c) The aggregate financing of the Fund should not exceed 10% of the Fund's NAV at the time the financing is incurred;
(d) The Fund may only take cash financing from financial institutions; and
(e) The instruments for such activity must comply with the Shariah requirements.

Except for securities lending as provided under the Securities Borrowing and Lending Guidelines, none of the cash or Shariah-compliant investments of the Fund may be lent.

Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

3.9 Unclaimed Money

In respect of any payments which are unclaimed for a period of two (2) years from the due date, the Manager is required to remit the unclaimed amount to the Registrar of Unclaimed Moneys in accordance with the Unclaimed Moneys Act 1965. Thereafter, the Unit Holder may claim the money from the Registrar of Unclaimed Moneys.

3.10 Temporary Suspension

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale and/or redemption of Units due to exceptional circumstances where there is good and sufficient reason to do so. Where such suspension is triggered, the Manager shall notify all Unit Holders in a timely and appropriate manner of its decision to suspend the sale and/or redemption of Units.

The Manager shall cease the suspension as soon as practicable after the exceptional circumstances have ceased, which is within twenty-one (21) days of the commencement of suspension. The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interests of Unit Holders for the sale and/or redemption of Units to remain suspended and such extension shall be subject to weekly review by the Trustee.

The Fund will hold adequate Islamic liquid assets to avoid suspension of the sale and/or redemption of Units of the Fund. If the Islamic liquid assets are insufficient to meet redemption requests, the Manager will liquidate the Shariah-compliant investments of the Fund. Suspension of the Fund will only be carried out once the Manager ensures that all possible avenues to avoid a suspension of the Fund have been exhausted, and only as a last resort.

During the suspension period, there will be no NAV per Unit available and hence, the Manager will not accept any transactions for the applications, redemptions, switches and/or transfers of Units. If the applications, redemptions, switches, and/or transfers of Units are accepted prior to the declaration of the suspension, please note that the request will only be processed on the next Business Day, after the cessation of suspension of the Fund and calculated as at the NAV per Unit on that particular date. Payments will be made to Unit Holders within seven (7) Business Days from that date.

Unit Holders including prospective Unit Holders (where applicable) will be notified of the suspension and when the suspension is lifted. In such case, Units may not be redeemed and Unit Holders will be compelled to remain invested in the Fund for a longer period than intended. Hence, the investments will continue to be subjected to the risks inherent to the Fund.

3.11 Anti-Money Laundering Policies and Procedures

We have established a set of policies and procedures to prevent money laundering activity and to report transactions if it appears to be suspicious, in compliance with the provision of Anti-Money Laundering, Anti-Terrorism Financing, Anti-Restricted Activity Financing and Proceeds of Unlawful Activities Act 2001 (“AMLA”). In view of these, we have a duty to ensure the following are strictly adhered to:

(a) Compliance with laws: We shall ensure that laws and regulations are adhered to, the business is conducted in conformity with high ethical standards and that service is not provided where there is good reason to suppose that transactions are associated with money laundering activities;

(b) Co-operation with law enforcement agencies: We shall co-operate fully with law enforcement agencies. This includes taking appropriate measures such as disclosure of information by us to the Financial Intelligence and Enforcement Department in BNM;

(c) Policies, procedures and training: We shall adopt policies consistent with the principles set out under the AMLA and ensure that our staff is informed of these policies and provide adequate training to our staff on matters provided under the AMLA; and

(d) Know your customer: We shall obtain satisfactory evidence of the customer's identity and have effective procedures for verifying the bona fides of the customer.

3.12 Distribution Policy

The Fund is not expected to make any distribution of income.

Unit prices and distributions payable, if any, may go down as well as up.

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CHAPTER 4: THE MANAGER

4.1 Corporate Profile

The manager of the Fund is Muamalat Invest Sdn. Bhd. ("Muamalat Invest"), a wholly-owned subsidiary of Bank Muamalat Malaysia Berhad which in turn is 70% owned by DRB-Hicom Berhad, a company listed on Bursa Malaysia Berhad. Muamalat Invest, a licensed Islamic fund manager, has been a licensed fund management company since 2007, and was accorded the Islamic fund management licence in September 2010.

4.2 Board of Directors

You may obtain the information relating to the Manager's board of directors at https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd/.

4.3 Role of the Manager

The Manager is responsible for the day-to-day management of the Fund to ensure its management and operations are in accordance with the provisions of the Deed, the Guidelines and other relevant securities laws and regulations.

4.4 Investment Team

The investment team is responsible for managing, realising, investing or dealing in the assets of the Fund and are to ensure that the investment strategy employed is in accordance with the investment objective of the Fund. The investment team shall have discretionary authority over the investments of the Fund subject to the relevant guidelines, the relevant securities laws, the internal procedures as well as the direction of the Investment Committee.

The details and profile of the designated fund manager of the Fund can be found under the "Key Management Staff" tab at *https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd/*

4.5 Material Litigation and Arbitration

As at LPD, the Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the Manager's business and/or financial position.

Investors may refer to the Manager's website at https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd for further information (e.g. the qualification of the Shariah Advisor and their respective members and other corporate information) on the Manager, the Shariah Advisor and the designated fund manager of the Fund.

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CHAPTER 5: THE TRUSTEE

5.1 Background of the Trustee

Maybank Trustees Berhad (Registration No.: 196301000109 (5004-P)) ("MTB") is the trustee of the Fund with its registered office at Level 70, Menara Merdeka Maybank, Presint Merdeka 118, 50118 Kuala Lumpur and business office at 22nd Floor, Tower 1, Etiqa Twin Towers, 11 Jalan Pinang, 50450 Kuala Lumpur.

MTB was incorporated on 12 April 1963 and was registered as a trust company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

5.2 Experience in Trustee Business

MTB has acquired experience in the administration of unit trust funds/schemes since 1991.

5.3 Trustee's Roles, Duties and Responsibilities

The Trustee's role is mainly to act as custodian of the Fund and to exercise all due diligence and vigilance in carrying out its functions and duties to safeguard the rights and interests of the Unit Holders. The Trustee is the legal owner of the assets in the Fund. The Trustee will exercise oversight functions over the operation and management of the Fund by the management company to safeguard the interests of the Unit Holders.

5.4 Delegates of the Trustee

The Trustee appoints Maybank Islamic Berhad as the custodian of the local quoted and unquoted assets of the Fund. The custodian function is run under Maybank Securities Services ("MSS"), a unit within Maybank Islamic Berhad. MSS provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities.

The roles and duties of the Trustee's delegate, MSS, are as follows:

- Safekeep, reconcile and maintain assets holdings records of the Fund against the Trustee's instructions;
- Act as settlement agent for shares and monies to counterparties against the Trustee's instructions;
- Act as agents for money market placement where applicable against the Trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from the Trustee;
- Compile, prepare and submit holdings report to the Trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the Fund against the Trustee's instructions, etc.

The custodian acts only in accordance with instructions from the Trustee.

5.5 Trustee's Disclosure of Material Litigation and Arbitration

As at LPD, there is no litigation or arbitration proceeding current, pending or threatened against the Trustee nor are there any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee.

CHAPTER 6: THE SHARIAH ADVISOR

6.1 The Shariah Advisor

BMMB was incorporated on 1 October 1999. It is a full-fledged Islamic financial institution operating under the Islamic Financial Services Act 2013. Its mission is to deliver the best value to the stakeholders and its vision is to be the preferred Islamic financial service provider. Headquartered in Kuala Lumpur, BMMB offers Shariah-compliant financial products and services to its customers, irrespective of their race and religious belief. BMMB is a full-fledged commercial bank providing a full range of deposit, financing and banking product and services. Its products and services are comparable with those offered by the conventional banks. Its reach is underpinned by its nation-wide networks of branches, service centres and off-shore branch in Labuan International Business and Financial Centre. BMMB is expanding its business activities through its subsidiaries, involved in Islamic venture capital businesses and the provision of fund management services.

The details and profile of the designated persons responsible for all Shariah matters for the Fund can be found under the "Shariah Committee" tab at *https://www.muamalat.com.my/about-us/our-leadership/*.

6.2 Responsibilities of the Shariah Advisor

The Shariah Advisor functions independently from the Manager and has responsibility only to the Fund's Unit Holders. The Shariah Advisor meets at least half yearly or from time to time to advise the Manager on the conformance of the investments, operations and marketing aspects of the Fund with the Shariah principles.

The role of Shariah Advisor is to provide expertise and guidance as well as:

(i) provide Shariah expertise and advice on Shariah matters in relation to the Islamic capital market products or the Islamic capital market service including matters relating to documentation, structure, feature, investment instruments and ensure that all aspects of the products or activities are in accordance with Shariah requirements as set out in the relevant securities laws and guidelines issued by the SC, where documentation includes, where applicable, the deed, prospectus, offering documents and circular to unit holders relating to acquisition or disposal of assets;

(ii) ensure that the applicable Shariah rulings, principles and concepts endorsed by the SAC of the SC are complied with;

(iii) apply ijtihad (intellectual reasoning) to ensure all aspects relating to the Islamic capital market products and the Islamic capital market service are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SAC of the SC;

(iv) review reports of the compliance officer or any investment transaction report to ensure that the Islamic fund management business and investment activities are Shariah-compliant;

(v) prepare a report stating its opinion whether the Islamic fund management business has been managed or administered in accordance with Shariah;

(vi) ensure that the operation and investment activities of the Islamic fund management company is in compliance with Shariah, in line with the relevant applicable laws; and

(vii) prepare a report that is to be included in the Fund's report stating its opinion whether the Fund has been operated and managed in compliance with Shariah, including rulings, principles and concepts endorsed by the SAC of the SC for the financial period concerned, if the Fund has not been operated and managed according to Shariah and requirements set out for the Fund, the Shariah Advisor's report shall highlight the steps taken to address the situation and to prevent the recurrence of the situation.

CHAPTER 7: SALIENT TERMS OF THE DEED

7.1 Unit Holders' Rights and Liabilities

Unit Holders' Rights

A Unit Holder has the right, amongst others:

1. to receive distributions of income (if any);
2. to participate in any increase in the value of the Units;
3. to call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through special resolution;
4. to receive annual and semi-annual reports on the Fund; and
5. to enjoy such other rights and privileges as are provided for in the Deed.

A Unit Holder would not, however, have the right to require the transfer to the Unit Holder of any of the Fund's assets. Neither would a Unit Holder have the right to interfere with or to question the exercise by the Trustee (or the Manager on the Trustee's behalf) of the rights of the Trustee as registered owner of the Fund's assets.

Unit Holders' Liabilities

As a Unit Holder of the Fund, and subject to the provisions of the Deed, your liabilities would be limited to the following:

1. No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.

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

7.2 Maximum Fees and Charges Permitted by the Deed

Maximum Sales Charge	Maximum Redemption Charge	Maximum Management Fee	Maximum Trustee Fee
7.00% of the NAV per Unit	5.00% of the NAV per Unit	3.00% per annum of the NAV of the Fund	0.20% per annum of the NAV of the Fund, subject to a minimum of RM12,000 per annum (excluding foreign custodian fees and charges, if any)

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Unit Holders' approval.

7.3 Procedures to Increase the Direct and Indirect Fees and Charges

Sales Charge

The Manager may not charge a sales charge at a rate higher than that disclosed in this Prospectus unless:

(a) the Manager has notified the Trustee in writing of the higher sales charge and the effective date for the higher sales charge;

(b) a supplemental prospectus or replacement prospectus in respect of the Fund setting out the higher sales charge is registered, lodged and issued; and

(c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

Redemption Charge

The Manager may not charge a redemption charge at a rate higher than that disclosed in this Prospectus unless:

(a) the Manager has notified the Trustee in writing of the higher redemption charge and the effective date for the higher redemption charge;

(b) a supplemental prospectus or replacement prospectus in respect of the Fund setting out the higher redemption charge is registered, lodged and issued; and

(c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

Management Fee

The Manager may not charge an annual management fee at a rate higher than that disclosed in this Prospectus unless:

(a) the Manager has come to an agreement with the Trustee on the higher rate;

(b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;

(c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued; and

(d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental prospectus or replacement prospectus.

Trustee Fee

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this Prospectus unless:

(a) the Manager has come to an agreement with the Trustee on the higher rate;

(b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;

(c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued; and

(d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental prospectus or replacement prospectus.

7.4 Expenses Permitted by the Deed

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

(a) commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;

(b) taxes and other duties charged on the Fund by the government and/or other authorities;

(c) fees and expenses properly incurred by the auditors appointed for the Fund;

(d) fees for the valuation of any Shariah-compliant investment of the Fund;

(e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;

(f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;

(g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;

(h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed Shariah-compliant investment of the Fund;

(i) costs, fees and expenses incurred in engaging any advisor for the benefit of the Fund;

(j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;

(k) costs, fees and expenses incurred in the termination of the Fund or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;

(l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed by the Fund);

(m) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;

(n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;

(o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians for taking into its custody any foreign assets of the Fund;

(p) expenses and charges incurred in connection with the printing and postage for the annual or semi-annual report, tax certificates, reinvestment statements and other services associated with the administration of the Fund;

(q) if applicable, all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any payment of such distribution;

(r) fees in relation to fund accounting;

(s) any fees as may be imposed by the SC in relation to the Fund; and

(t) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (s) above.

7.5 Retirement, Removal and Replacement of the Manager

The Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee three (3) months' notice in writing of its desire so to do, or such other period as the Manager and the Trustee may agree upon, and subject to the fulfilment of the conditions as stated in the Deed.

Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:

(a) 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 do so after the Trustee has given notice to the Manager of the Trustee's opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a special resolution;

(b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or

(c) if the Manager has gone into liquidation except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

If any of the events set out above occurs, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, in writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

7.6 Retirement, Removal and Replacement of the Trustee

The Trustee may retire upon giving three (3) months' notice to the Manager of its desire so to do, or such other period as the Manager and the Trustee shall agree, and may by deed appoint in its stead a new trustee approved by the relevant authorities and under any relevant law.

The Trustee may be removed or replaced and such other corporation may be appointed as the replacement trustee of the Fund by special resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed or as stipulated in the CMSA.

The Manager shall take all reasonable steps to remove or replace the Trustee as soon as practicable after becoming aware that:

(a) the Trustee has ceased to exist;

(b) the Trustee has not been validly appointed;

(c) the Trustee was not eligible to be appointed or to act as trustee under any relevant law;

(d) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;

(e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under the appointment;

(f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or

(g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

7.7 Termination of the Fund

Termination of the Fund

The Fund may be terminated or wound up should the following occur:

(a) the authorisation of the Fund has been revoked by the SC; or

(b) a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

The Manager may also, in its sole discretion and without having to obtain the prior approval of the Unit Holders, terminate and wind up the Fund if the termination of the Fund is in the best interest of the Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

Procedures for termination of the Fund

Upon the termination of the Fund, the Trustee shall:

(a) sell all the Fund's assets then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders;

(b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:

(1) the net cash proceeds available for the purpose of such distribution and derived from the sale of the Fund's assets less any payments for liabilities of the Fund; and

(2) any available cash produce,

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of Ringgit Malaysia Fifty sen (RM0.50), in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each of such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made; and

(c) in relation to any monies held by the Trustee that remains unclaimed after two (2) years, transfer such monies to the Registrar of Unclaimed Moneys, in accordance with the requirements of the Unclaimed Moneys Act 1965 (as amended by the Unclaimed Moneys (Amendment) Act 2024.

In the event of the Fund being terminated:

(a) the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed;

(b) the Manager and the Trustee shall notify the relevant authorities in such manner as may be prescribed by any relevant law; and

(c) the Manager or the Trustee shall notify the Unit Holders in such manner as may be prescribed by any relevant law.

7.8 Unit Holders' Meeting

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

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll is demanded or, if it be a question which under the Deed requires a special resolution, a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one (1) vote. Upon a voting by poll, the votes by every Unit Holder present in person or by proxy shall be proportionate to the value of Units held by him.

Quorum

(a) The quorum required for a meeting of the Unit Holders of the Fund, shall be five (5) Unit Holders, whether present in person or by proxy; however, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy.

(b) If the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in circulation of the Fund, at the time of the meeting.

(c) If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund.

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CHAPTER 8: CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

8.1 Manager

The directors and officers of the Manager, and members of the Investment Committee should avoid any conflict of interest arising, and if any conflict arises, should ensure that the Fund is not disadvantaged by the transaction concerned. Any transaction carried out by or on behalf of the Fund should be executed on terms which are the best available for the Fund and which are no less favourable to the Fund than an arm's length transaction between independent parties. In the event the interest of any directors and employees of the Manager, and members of the Investment Committee is directly or indirectly involved, he or she would abstain from being involved with any decision-making process of the said transaction.

No fees other than the ones set out in this Prospectus have been paid to any promoter of the Fund, or the Trustee (either to become a trustee or for other services in connection with the Fund), or the Manager for any purpose or as allowed by regulations or approved by the authorities.

Interests in the Fund and employees' securities dealings

Subject to the paragraph below and any legal and regulatory requirement, any officers or directors of the Manager, Trustee or any of their respective related corporations, may invest in the Fund. Such officers or directors will receive no payments from the Fund other than usual income distributions that they may receive as a result of investment in the Fund.

The Manager has in place a policy contained in its rules of business conduct, which regulates its employees' securities dealings. An annual declaration of securities trading is required of 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 Manager and customers of the Manager.

The Fund may also invest in related companies and/or instruments issued by related companies of the Manager and/or deposit money in financial institutions related to the Manager. All related party transaction(s) will be transacted at arm's length and are established on terms and conditions that are stipulated in the applicable regulations of the respective stock exchanges and/or other applicable laws and market convention.

Cross trades

The Fund may conduct cross trades with another fund under the management of the Manager provided that:

1) the sale and purchase decisions are in the best interest of both funds;
2) transactions are executed at arm's length and fair value basis;
3) reason for such transactions is documented prior to execution; and
4) transaction is executed through a dealer or financial institution.

Cross trades between staff personal account and the Fund's account(s), and cross trades between proprietary accounts and the Fund's account(s) are prohibited.

8.2 Trustee

The Trustee is independent of the Manager.

As trustee for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:

1) where the Fund invests in instruments offered by the related party of the Trustee (e.g. placement of monies, structured products, etc);
2) where the Fund is being distributed by the related party of the Trustee as Institutional Unit Trust Advisor (IUTA);
3) where the assets of the Fund are held in custody by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
4) where the Fund obtains financing as permitted under the Guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other schemes.

8.3 Shariah Advisor

The Manager and the Shariah Advisor are related parties within the same group. The appointment of the Shariah Advisor is permissible under the applicable regulatory requirements, including the relevant guidelines issued by the Securities Commission Malaysia.

Notwithstanding the group relationship, the Shariah Advisor performs its duties independently in accordance with Shariah governance requirements. All Shariah deliberations and decisions are undertaken independently by the Shariah Advisor without undue influence from the Manager or any related parties.

The Manager and the Shariah Advisor have established appropriate policies and procedures to manage potential conflicts of interest, including clear segregation of roles and responsibilities, as well as oversight mechanisms, to ensure that the interests of Unit Holders are safeguarded at all times.

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

PricewaterhouseCoopers Taxation Services Sdn Bhd
Level 10, Menara TH 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

The Board of Directors
Muamalat Invest Sdn Bhd
Level 4, Menara Bumiputra
No. 21 Jalan Melaka
50100 Kuala Lumpur

Date: 21 September 2026

TAXATION OF MUAMALAT-I SMALL CAPITAL EQUITY ESG FUND AND UNIT HOLDERS

Dear Sirs,

This letter has been prepared for inclusion in the Prospectus in connection with the offer of Units in Muamalat-i Small Capital Equity ESG Fund ("the Fund").

The taxation of income for both the Fund and the Unit holders is 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) Domestic Investments

(i) General Taxation

Subject to certain exemptions, the income of the Fund consisting of dividends or interest or profit[1] (other than interest and profit[1] 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%.

Gains from disposal of Malaysian unlisted shares will be subject to Capital Gains Tax ("CGT"). Please refer to the disposal of Malaysian unlisted shares section below for further details.

[1] Under Section 2(7) of the Income Tax Act 1967, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah.

The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

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(ii) Dividends and Other Exempt Income

Malaysian companies adopt the single-tier system. Hence dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. Dividends received from companies under the single-tier system would be exempted and 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 income or profit[1] or discount income derived from the following investments is exempt from tax:

(a) Securities or bonds issued or guaranteed by the government of Malaysia (Government);
(b) Debentures or sukuk, other than convertible loan stocks, approved or authorised by, or lodged with, the Securities Commission Malaysia; and
(c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest or profit[1] derived from the following investments is exempt from tax:

(a) Interest or profit[1] paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013;
(b) Interest or profit[1] paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
(c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
(d) Interest or profit[1] paid or credited by Malaysia Building Society Berhad[2].

The interest or profit[1] or discount income exempted from tax at the Fund level will also be exempted from tax upon distribution to the Unit Holders.

Exception: -

i. Wholesale money market fund

The exemption shall not apply to interest paid or credited to a unit trust that is a wholesale money market fund.

ii. Retail money market fund ("RMMF")

The interest or profit[1] income of a RMMF will remain tax exempted under Paragraph 35A, Schedule 6 of the Act. However, resident and non-resident Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to withholding tax ("WHT") at the rate of 24 per cent.

The WHT is to be withheld and remitted by the RMMF to the tax authorities within 30 days upon distribution of the income to the Unit Holders.

[2] Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect YA 2015.

(2) Foreign Investments

Generally, gross foreign-sourced income, including capital gains, remitted to Malaysia by Malaysian resident unit trusts will be subject to Malaysian income tax at the prevailing rate, currently at 24%, unless specific tax exemptions apply.

Such income from foreign investments may be subject to taxes or withholding taxes in a specific foreign country. Subject to meeting the relevant prescribed requirements, the Fund in Malaysia is entitled for double taxation relief on any foreign tax suffered on the income in respect of overseas investment.

Exemption from tax on foreign-sourced income ("FSI") for unit trusts

The Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024 (Amendment) Order 2026 provides a Malaysian resident unit trust, exemption from tax on FSI from all sources of income received in Malaysia.

To qualify for this tax exemption, unit trusts must satisfy one of the following conditions:

a. The FSI has been subjected to foreign tax, with the source jurisdiction's minimum headline income tax rate being at least 15%; or

b. The management company of the unit trust has met Economic Substance Requirements in Malaysia, which includes employing an adequate number of employees and incurring sufficient operating expenditure.

Based on the above, the exemption from income tax on foreign-sourced income takes effect from 1 January 2024 until 31 December 2030.

(3) Hedging Instruments

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

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(4) Real Property Gains Tax ("RPGT")

Gains on disposal of real properties by unit trust would be subject to RPGT as follows: -

Disposal time frame	RPGT rates (Companies incorporated in Malaysia and trustee of a trust)
Within 3 years	30%
In the 4th year	20%
In the 5th year	15%
In the 6th year and subsequent years	10%

Capital gains tax (CGT") will be applicable on the gains from sale of Malaysian unlisted shares instead. Please refer to the section on CGT.

(5) Capital Gains Tax ("CGT")

CGT has been introduced in Malaysia and will be imposed on gains from the disposal of Malaysian unlisted shares by companies, Limited Liability Partnerships, cooperatives and trust bodies (which include unit trusts).

The CGT rate to be imposed is as follows:

Shares Acquisition Date	CGT Rate
Before 1 January 2024	The taxpayers may choose: i. 10% on the net gain of the disposal of shares; or ii. 2% on the gross disposal price.
From 1 January 2024	10% on the net gain of the disposal of shares

"shares" has been defined as in relation to a company, includes stock other than debenture stock.

Capital Gains Tax exemption - Income Tax (Unit Trust) (Exemption) Order 2024

Pursuant to the above gazette order, the exemption on CGT for disposal of unlisted Malaysia shares is effective from 1 January 2024 until 31 December 2028.

(6) Tax Deductible Expenses

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

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(7) Sales and Service Tax ("SST")

Sales tax will be chargeable on taxable goods manufactured in Malaysia by registered manufacturer or imported into Malaysia, unless specifically exempted by the Minister. Whereas only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable cost to the business. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 8 per cent for all prescribed taxable services with certain exceptional taxable services at 6 per cent.

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 8 percent.

Service tax will apply to any taxable service that is acquired by any business in Malaysia from a non-Malaysian service provider. In this connection, the Fund, being non-taxable person who acquire imported taxable services (if any) will need to declare its imported taxable services through the submission of prescribed declaration.

Service tax on digital services was implemented at the rate of 8 per cent. Under the service tax on digital services, foreign service providers selling digital services to Malaysian consumers are required to register for and charge service tax. Digital services are defined as services which are delivered or subscribed over the internet or other electronic network, cannot be delivered without the use of IT and the delivery of the service is substantially automated.

Furthermore, the provision of digital services has also been prescribed as a taxable service when provided by a local service provider. Hence, where the Fund obtains any of the prescribed digital services, those services may be subject to service tax at 8 percent.

The scope of Sales Tax and Service Tax has been expanded with effect from 1 July 2025, with the relevant gazette orders being issued. Certain financial services are currently exempted from service tax until further notice.

The scope of service tax is expanded to include financial services. An 8 per cent service tax rate will be imposed on fee or commission-based services.

Exemption will be granted for certain financial services such as basic banking, interest or profit based Islamic financing, foreign exchange, capital market gains, etc. Additionally, exemptions will be available for shariah-compliant arrangements and service providers for Bursa Malaysia and Labuan.

With the expansion of service tax scope, fund management services will be subject to tax at 8 percent.

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 Malaysian tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them.

Generally, no additional WHT will be imposed on the income distribution from the Fund; unless the Fund is an RMMF, in which case there is a WHT on distribution from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6 and distributed to non-individual Unit Holders.

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

Corporate Unit Holders, resident[3] 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.

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 30 per cent. Individuals and other non-corporate Unit Holders who are not resident in Malaysia will be subject to income tax at 30 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

The distribution of exempt income 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, or companies habitually buying and selling investments, 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.

RMMF

Resident and non-resident corporate Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit[1] income of a RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to WHT at the rate of 24 per cent.

For resident corporate Unit Holders, the WHT is not a final tax. The resident corporate Unit Holders will need to subject the income distributed from interest or profit[1] income of a RMMF which are exempted under Paragraph 35A of Schedule 6 to tax in its income tax returns and the attached tax credit i.e. the 24 per cent WHT suffered will be available for set-off against the tax chargeable on the resident corporate Unit Holders.

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[3] Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below and having an annual sales of not more than RM50 million will pay tax at 15% for the first RM150,000 of chargeable income, 17% for RM150,001 to RM600,000 with the balance taxed at 24% with effect from YA 2023.

The above shall not apply if more than –
(a) 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
(b) 50% of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
(c) 50% 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 YA.

Additional shareholding condition of not more than 20% of the paid up capital or capital contribution, at the beginning of a YA is directly own or indirectly by one or more:

- Companies incorporated outside of Malaysia, or
- individuals who are not Malaysian citizens,

which is required to be observed from YA 2024.

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For non-resident Corporate Unit Holders, the 24 per cent WHT on income distributed from interest or profit[1] income of a RMMF which are exempted under Paragraph 35A of Schedule 6, is a final tax.

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



Jennifer Chang
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which they appear in this Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

CHAPTER 10: ADDITIONAL INFORMATION

10.1 Customer Service

Units can be purchased or redeemed by submitting your application for Units or redemption request prior to 4.00 p.m. on any Business Day (please refer to Chapter 3 for the transaction details) at the business office of the Manager, details of which are as follows:

MUAMALAT INVEST SDN. BHD.
4th Floor, Menara Bumiputra
No 21, Jalan Melaka
50100 Kuala Lumpur

You may always contact our team of Business Development personnel who would be happy to assist in:

1. enquiry on balance of account and personal details;
2. application for subscription, redemption, transfer and cooling-off request (where applicable);
3. request to change correspondence/registered address, telephone number and other personal details;
4. request for confirmation advices on purchase and other transactions related to your unit holdings, half yearly statements and copy of annual and/or semi-annual reports; and
5. other queries regarding the Fund's performance.

You may choose to communicate with us via:

- customer service hotline: 603-2615 8175/ 8176
- email: misb@muamalat.com.my

You can also review and track the performance of the Fund by checking the Unit prices which are published on https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd/ on a daily basis.

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

For internal dispute resolution, you may contact us:

a) Via phone to: 603-2615 8175 / 8176
b) Via email to: misb@muamalat.com.my
c) Via letter to:
MUAMALAT INVEST SDN. BHD. 199601012286 (384635-P)
4th Floor, Menara Bumiputra
No.21, Jalan Melaka
50100 Kuala Lumpur

If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Financial Markets Ombudsman Service (FMOS):

a) Via phone to: 603-2272 2811
b) Via the FMOS Dispute Form available at: https://www.fmos.org.my/en/
c) Via letter to:
Financial Markets Ombudsman Service
Level 14, Main Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman

50000 Kuala Lumpur

You can also direct your complaint to the Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with FMOS. To make a complaint, please contact the SC's Consumer & Investor Office:

a) Via phone to: 603-6204 8999 (Aduan hotline)
b) Via fax to: 603-6204 8991
c) Via email to: aduan@seccom.com.my
d) Via the online complaint form available at www.sc.com.my
e) Via letter to:
Consumer & Investor Office
Securities Commission Malaysia
No. 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
a) Via phone to: 603-7890 4242
b) Via email to: complaints@fimm.com.my
c) Via the online complaint form available at www.fimm.com.my
d) Via letter to:
Complaints Bureau
Legal & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-01, 6th Floor, Wisma Capital A
No. 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

Keeping Abreast of Developments in the Fund

Investors are able to obtain the latest information on the Fund as well as market updates at our office or through any of our authorised distributors. Investors can also view or track the unit prices of the Fund which are published on https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd/ on a daily basis.

10.2 Deed

Fund	Deed
Muamalat-i Small Capital Equity ESG Fund	1 October 2026

10.3 Financial Year End

Fund	Financial Year End
Muamalat-i Small Capital Equity ESG Fund	31 December

When you invest in the Fund, the Manager will undertake to send you the following within two (2) months:

- Unaudited semi-annual report for the Fund's financial year, from the end of the period it covers; and
- Audited annual report of the Fund's financial year end, from the end of the Fund's financial year end.

10.4 Consent

The Trustee, the Shariah Advisor and the tax advisor of the Fund have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names and/or statements and/or reports in this Prospectus in the form and context in which they appear and have not subsequently withdrawn their consent to the inclusion of their names and/or statements and/or reports in the form and context in which it appears in this Prospectus.

The Fund's annual report is available upon request.

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CHAPTER 11: DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office or such other place as the SC may determine, during normal business hours:

(a) the Deed;
(b) this Prospectus;
(c) the latest annual and semi-annual reports for the Fund;
(d) each material contract disclosed in this Prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract;
(e) where applicable, the audited financial statements of the Manager and the Fund for the current financial year and the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
(f) any report, letter or other document, valuation and statement by an expert, any part of which is extracted or referred to in this Prospectus;
(g) writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
(h) any consent given by an expert disclosed in this Prospectus.

CHAPTER 12: DIRECTORY

Muamalat Invest Sdn. Bhd.

4th Floor, Menara Bumiputra
No. 21, Jalan Melaka
50100 Kuala Lumpur

Telephone. No : 03-2615 8175 / 8176
Email Address : misb@muamalat.com.my
Website : https://www.muamalat.com.my/about-us/muamalat-invest-sdn-bhd/

LIST OF DISTRIBUTORS

Kindly contact us for more details on the list of our appointed distributors.