



## **AVENUE INVEST BERHAD**

Avenue Dana Safa

*constituted on 30 September 2009*

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# **INFORMATION MEMORANDUM**

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This Information Memorandum is dated 1 December 2009.

### **MANAGEMENT COMPANY**

Avenue Invest Berhad (361207-D)  
(A member of the ECM Libra Group)

### **TRUSTEE**

CIMB Trustee Berhad (167913-M)

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE  
INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 9**



## RESPONSIBILITY STATEMENTS

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

## STATEMENTS OF DISCLAIMER

The Securities Commission has approved the issue, offer or invitation in respect of the wholesale fund, the subject of this Information Memorandum, and that the approval shall not be taken to indicate that the Securities Commission recommends the investment.

The Securities Commission is not liable for any non-disclosure on the part of the Management Company and takes no responsibility for the contents of the Information Memorandum. The Securities Commission makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this Information Memorandum.

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

## RISK DISCLOSURE STATEMENTS

In the event some of the underlying investments of the wholesale fund are not actively traded, potential investors are warned that under such circumstances, they may face difficulties in redeeming their investments.

In the event that the investment strategy employs leverage, potential investors are warned that the use of leverage can magnify the impact of investment risks in the wholesale fund.

Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to the wholesale fund.

The Avenue Dana Safa has been certified as being Shariah-compliant by the Shariah Adviser appointed for the Fund.

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## GLOSSARY

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|                            |  |
|----------------------------|--|
| <b>Active Account</b>      | An account with a balance of 50,000 units or more is deemed active   |
| <b>Business Day</b>        | A day on which Bursa Malaysia Securities Berhad is open for trading  |
| <b>CMSA</b>                | Capital Markets and Services Act 2007 as may be amended from time to time  |
| <b>Deed</b>                | The deed in respect of the Avenue Dana Safa entered into between Avenue Invest Berhad and CIMB Trustee Berhad dated 30 September 2009  |
| <b>Forward Pricing</b>     | The buying/selling price for units is based on the NAV per unit of the Fund as at the next valuation point, after the request for redemption/purchase is received by the Management Company  |
| <b>Fund</b>                | Avenue Dana Safa   |
| <b>Guidelines</b>          | Guidelines on Wholesale Funds issued by the Securities Commission as may be amended from time to time  |
| <b>Investment</b>          | Purchase of units by investors (sales of units by the Management Company)  |
| <b>Trustee</b>             | CIMB Trustee Berhad  |
| <b>Liquidation</b>         | Redemption of units by investors (repurchase of units by the Management Company)   |
| <b>Management Company</b>  | Avenue Invest Berhad (AvIB)  |
| <b>NAV</b>                 | Net Asset Value of a Fund is the value of all the assets of the Fund at a particular valuation point less the total liabilities of the Fund at the same valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and trustee fee at the relevant day  |
| <b>Qualified Investors</b> | An individual whose total net personal assets exceed RM3 million or its equivalent in foreign currencies; a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts; a unit trust scheme or prescribed investment scheme; a company registered as a trust company under the <i>Trust Companies Act 1949</i> which has discretion in the investment of trust assets of a trust with total net assets exceeding RM10 million or its equivalent in foreign currencies; a corporation that is a public company under the <i>Companies Act 1965</i> or under the laws of any other country, which has been allowed by the SC to be a trustee for the purposes of the CMSA and has discretion in the investment of trust assets of a trust with total net assets exceeding RM10 million or its equivalent in foreign currencies; a pension fund approved by the Director General of Inland Revenue under section 150 of the <i>Income Tax Act 1967</i> ; a holder of a Capital Markets Services Licence carrying on the business of dealing in securities; any other fund manager; a person who acquires securities pursuant to an offer, as principal, if the aggregate consideration for the acquisition is not less than RM250,000 or its equivalent in foreign currencies for each acquisition; a licensed institution; an Islamic bank; and an insurance company licensed under the <i>Insurance Act 1996</i> |
| <b>SC</b>                  | Securities Commission  |
| <b>Single Pricing</b>      | Selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and repurchase of units by the Management Company (i.e. when you redeem your units and liquidate your investment) will be carried out at NAV per unit (the actual value of a unit). The sales charge/repurchase charge (if any) would be computed separately based on your net investment/liquidation amount  |

## GLOSSARY

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|                             |  |
|-----------------------------|--|
| <b>Shariah</b>              | Islamic Law comprising the whole body of rulings pertaining to human conducts derived from the sources of the Shariah. The primary sources are the Quran, the Sunnah, Ijma' and Qiyas while the secondary ones are those established sources such as Maslahah, Istihsan, Istishab, 'Uruf and Sadd Zara'ie  |
| <b>Shariah Adviser</b>      | Islamic Banking and Finance Institute Malaysia Sdn. Bhd.   |
| <b>Shariah Requirements</b> | A phrase or expression which generally means making sure that any human conduct must not involve any prohibition and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element  |
| <b>Sukuk</b>                | A document or certificate, documenting the undivided pro-rated ownership of underlying assets. The <i>sak</i> (singular or <i>sukuk</i> ) is freely traded at par, premium or discount. In Malaysia, the term <i>sukuk</i> is used for fixed income securities which comply with Shariah requirements. However, it is normally used together with Shariah principles applied in the structure, such as <i>bai bithaman ajil</i> , <i>murabahah</i> and <i>istisna'</i> for underlying transactions based on indebtedness or <i>musyarakah</i> and <i>mudharabah</i> for underlying transactions based on partnership |
| <b>Unit Holders</b>         | The registered holder for the time being of a unit of a Fund including registered joint-holders  |
| <b>Wholesale Fund</b>       | A unit trust fund, the units of which are issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units have been made, exclusively to qualified investors   |

Unit trust funds managed and administered by the Management Company are:

| Abbreviated Fund Name | Fund                                  |
|-----------------------|---------------------------------------|
| AAAF                  | Avenue AsiaPac Alpha Fund             |
| ACLAF                 | Avenue Consumer and Leisure Asia Fund |
| ADS                   | Avenue Dana Safa                      |
| AIIF 1                | Avenue Institutional Income Fund 1    |
| ALF                   | Avenue Liquidity Fund                 |
| ASnita                | Amanah Saham Wanita                   |
| ASnitaBOND            | Avenue ASnitaBOND Fund                |
| BondEXTRA             | Avenue BondEXTRA Fund                 |
| DividendEXTRA         | Avenue DividendEXTRA Fund             |
| EquityEXTRA           | Avenue EquityEXTRA Fund               |
| IncomeEXTRA           | Avenue IncomeEXTRA Fund               |
| MoneyEXTRA            | Avenue MoneyEXTRA Fund                |
| SyariahEXTRA          | Avenue SyariahEXTRA Fund              |
| TacticalEXTRA         | Avenue TacticalEXTRA Fund             |
| VersatileEXTRA        | Avenue VersatileEXTRA Fund            |

## CORPORATE DIRECTORY

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**Management Company** : Avenue Invest Berhad (361207-D)

**Registered Office** : 8A Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur

**Business Address** : 3<sup>rd</sup> Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
tel: 603-2089 2800  
fax: 603-2089 2808  
email: [invest@ecmlibra.com](mailto:invest@ecmlibra.com)  
website: [www.oneinvest.com.my](http://www.oneinvest.com.my)  
Please check our website for any changes in addresses and contact numbers

### Trustee

**Registered Address** : CIMB Trustee Berhad (167913-M)  
5<sup>th</sup> Floor, Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur  
tel: 603-2084 8888  
fax: 603-2093 9688

**Business Address** : Level 7, Wisma Amanah Raya Berhad  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur  
tel: 603-2084 8888  
fax: 603-2092 2717  
website: [www.cimb.com](http://www.cimb.com)

**Trustee's Delegate** : **CIMB Group Nominees (Tempatan) Sdn Bhd (274740-T) as Custodian**

**Registered Address** : 5<sup>th</sup> Floor, Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur  
tel: 603-2084 8888  
fax: 603-2093 9688

**Business Address** : Level 7, Wisma Amanah Raya Berhad  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur  
tel: 603-2084 8888  
fax: 603-2092 2717  
website: [www.cimb.com](http://www.cimb.com)

## CORPORATE DIRECTORY (cont')

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|  |   |   |
|--|---|---|
| <b>Shariah Adviser</b>   | : | Islamic Banking and Finance Institute Malaysia Sdn Bhd (340040-M)   |
| <b>Registered Address</b>  | : | Level 18, Menara Yayasan Tun Razak<br>200 Jalan Bukit Bintang<br>55100 Kuala Lumpur   |
| <b>Business Address</b>  | : | 3 <sup>rd</sup> Floor, Dataran Kewangan Darul Takaful<br>Jalan Sultan Sulaiman<br>50000 Kuala Lumpur<br>tel: 603- 2031 1010<br>fax: 603- 2078 5250<br>website: <a href="http://www.ibfim.com">www.ibfim.com</a>   |
| <b>Board of Directors</b>  | : | Datuk Kamarudin bin Md Ali (Chairman & Independent Non-Executive Director)<br>Tan Jin Teik (Managing Director)<br>Hoo See Kheng (Chief Executive Officer/Executive Director)<br>Khairudin bin Ibrahim (Independent Non-Executive Director)<br>Mahadzir bin Azizan (Independent Non-Executive Director)<br>Ching Yew Chye @ Chng Yew Chye (Independent Non-Executive Director) |
| <b>Investment Committee Members</b>  | : | Mahadzir bin Azizan (Chairman & Independent Member)<br>Hoo See Kheng (Non-Independent Member)<br>Martin Chu Leong Meng (Non-Independent Member)<br>Khairudin bin Ibrahim (Independent Member)<br>Datuk Kamarudin bin Md Ali (Independent Member)<br>Ching Yew Chye @ Chng Yew Chye (Independent Member)   |
| <b>ECM Libra Financial Group Berhad,<br/>Board Audit and Risk Management<br/>Committee Members</b>                                       | : | Datuk Kamarudin bin Md Ali (Chairman & Independent Non-Executive Director)<br>Dato' Othman bin Abdullah (Independent Non-Executive Director)<br>Mahadzir bin Azizan (Independent Non-Executive Director)  |
| <b>Company Secretary</b>   | : | Wong Seong Ch'o @ Wong Fei Mun (MAICSA 0864479)<br>3-7-3, The Residence<br>Jalan Wan Kadir 5<br>TTDI<br>60000 Kuala Lumpur  |
| <b>Federation of Investment<br/>Managers Malaysia (272577-P)<br/>(formerly known as Federation of<br/>Malaysian Unit Trust Managers)</b> | : | 19-07-3, 7 <sup>th</sup> Floor, PNB Damansara<br>19, Lorong Dungun<br>Damansara Heights<br>50490 Kuala Lumpur<br>tel: 603-2093 2600<br>fax 603-2093 2700<br>email: <a href="mailto:info@fimm.com.my">info@fimm.com.my</a>   |

## CORPORATE DIRECTORY (cont')

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- Auditors** : Ernst & Young (AF 0039)  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
tel: 603-7495 8000  
fax: 603-2095 5332
- Tax Adviser** : PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M)  
Level 10, 1 Sentral, Jalan Travers  
Kuala Lumpur Sentral  
P.O.Box 10192  
50706 Kuala Lumpur  
tel: 603-2173 1188  
fax: 603-2173 1288
- Principal Bankers** : **Malayan Banking Berhad**  
Ground Floor, Block C  
Kompleks Pejabat Damansara  
Jalan Semantan  
Bukit Damansara  
50490 Kuala Lumpur
- Standard Chartered Bank Malaysia Berhad**  
1<sup>st</sup> Floor, 2 Jalan Ampang  
50450 Kuala Lumpur

## KEY DATA SECTION

### Fund Information

|  |  | Details on page(s) |                         |  |                             |       |                               |                             |                              |    |
|--|--|--------------------|-------------------------|--|-----------------------------|-------|-------------------------------|-----------------------------|------------------------------|----|
| Name of Fund                               | Avenue Dana Safa   |                    |                         |  |                             |       |                               |                             |                              |    |
| Fund Category                              | Fixed Income   |                    |                         |  |                             |       |                               |                             |                              |    |
| Fund Type                                  | Income   |                    |                         |  |                             |       |                               |                             |                              |    |
| Launch Date                                | 1 December 2009  |                    |                         |  |                             |       |                               |                             |                              |    |
| Initial Offer Period                       | 21 days commencing from 1 December to 22 December 2009   |                    |                         |  |                             |       |                               |                             |                              |    |
| Initial Offer Price                        | RM0.5000 per unit  |                    |                         |  |                             |       |                               |                             |                              |    |
| Fund Description                           | Avenue Dana Safa is an open-ended wholesale fund investing primarily in short term, highly liquid, near cash, Islamic money market instruments and partially in sukuk  | 12                 |                         |  |                             |       |                               |                             |                              |    |
| Investment Objective                       | The Fund seeks to provide investors with a regular income stream and aims to maintain a high degree of liquidity through a direct investment portfolio investing primarily in short term, high quality Ringgit-denominated Islamic money market instruments and partially in sukuk   | 12                 |                         |  |                             |       |                               |                             |                              |    |
| Investment Strategy                        | The Fund aims to generate regular income that is comparable to returns from one-month Shariah-based deposits with licensed financial institutions by investing in Islamic money market instruments and partially in sukuk  | 12                 |                         |  |                             |       |                               |                             |                              |    |
| Asset Allocation                           | <table border="0"> <tr> <td><u>Asset Class</u></td> <td><u>Asset Allocation</u></td> </tr> <tr> <td>Islamic Money Market instruments and sukuk</td> <td>Up to 98% of the Fund's NAV</td> </tr> <tr> <td>Sukuk</td> <td>Maximum 20% of the Fund's NAV</td> </tr> <tr> <td>Cash/Shariah-based deposits</td> <td>Minimum 2% of the Fund's NAV</td> </tr> </table> | <u>Asset Class</u> | <u>Asset Allocation</u> | Islamic Money Market instruments and sukuk | Up to 98% of the Fund's NAV | Sukuk | Maximum 20% of the Fund's NAV | Cash/Shariah-based deposits | Minimum 2% of the Fund's NAV | 12 |
| <u>Asset Class</u>                         | <u>Asset Allocation</u>  |                    |                         |  |                             |       |                               |                             |                              |    |
| Islamic Money Market instruments and sukuk | Up to 98% of the Fund's NAV  |                    |                         |  |                             |       |                               |                             |                              |    |
| Sukuk                                      | Maximum 20% of the Fund's NAV  |                    |                         |  |                             |       |                               |                             |                              |    |
| Cash/Shariah-based deposits                | Minimum 2% of the Fund's NAV   |                    |                         |  |                             |       |                               |                             |                              |    |
| Performance Benchmark                      | Maybank one month General Investment Account (GIA) Tier 1 rate   | 12                 |                         |  |                             |       |                               |                             |                              |    |
| Specific Risks                             | <ul style="list-style-type: none"> <li>• Interest rate risk</li> <li>• Credit / Default risk</li> <li>• Liquidity risk</li> <li>• Inflation risk</li> <li>• Reclassification of Shariah status risk</li> </ul>   | 10                 |                         |  |                             |       |                               |                             |                              |    |
| Investor's Profile                         | This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>• seek regular income</li> <li>• have low risk tolerance</li> <li>• have short term investment horizon</li> </ul>  |                    |                         |  |                             |       |                               |                             |                              |    |
| Financial year end                         | 30 September   |                    |                         |  |                             |       |                               |                             |                              |    |
| Approved Fund Size                         | 500 million units  |                    |                         |  |                             |       |                               |                             |                              |    |

## KEY DATA SECTION (con't)

### Fund Information (con't)

#### Fees and Charges

This table describes the charges that you may incur **DIRECTLY** when you buy or redeem units of the Fund.

|                   |   |    |
|-------------------|---|----|
| Sales Charge      | Nil   | 15 |
| Repurchase Charge | Nil   | 15 |
| Transaction Cost  | Nil   |    |
| Transfer Fee      | Nil   | 15 |
| Other Charges     | There are no other charges (except charges levied by banks on remittance of money) payable directly by investors when purchasing or redeeming units | 15 |

This table describes the fees and expenses that you may incur **INDIRECTLY** when you invest in the Fund.

|  |   |    |
|--|---|----|
| Annual Management Fee                            | Up to 0.50% p.a. of the Fund's NAV  | 15 |
| Annual Trustee Fee                               | Up to 0.05% p.a. of Fund's NAV  | 15 |
| Fund Expenses                                    | A list of the fund expenses directly related to the Fund are as follows: <ul style="list-style-type: none"> <li>• audit fees and brokerage commission/fees;</li> <li>• sub-custodian fees/charges (if any);</li> <li>• tax and duties imposed by the authorities;</li> <li>• valuation fees;</li> <li>• cost for modification of Deed save where such modification is for the benefit of the Manager and/or the Trustee; and</li> <li>• cost of convening meetings for Unit Holders other than those incurred by or for the benefit of the Management Company or Trustee</li> </ul> | 15 |
| Any other fees payable indirectly by an investor | Nil   |    |

#### Other Information

|                                 |   |    |
|---------------------------------|---|----|
| Pricing Policy - Single Pricing | Selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and repurchase of units by the Management Company (i.e. when you redeem your units and liquidate your investment) will be carried out at NAV per unit (the actual value of a unit). The sales charge/repurchase charge (if any) would be computed separately based on your net investment/liquidation amount | 16 |
| Deed                            | The deed in respect of the Avenue Dana Safa entered into between Avenue Invest Berhad and CIMB Trustee Berhad dated 30 September 2009   | 30 |
| Designated Fund Manager         | Mohd Fadzil Bin Mohamed   |    |

## KEY DATA SECTION (con't)

### Transaction Details

|                               |   |    |
|-------------------------------|---|----|
| Minimum Initial Investment    | RM500,000 or such other limit at the Management Company's discretion  | 19 |
| Minimum Additional Investment | RM100,000 or such other limit at the Management Company's discretion  | 19 |
| Minimum Liquidation           | 100,000 units or such other limit at the Management Company's discretion  | 19 |
| Minimum Balance               | 50,000 units or such other limit at the Management Company's discretion   | 19 |
| Liquidation Frequency         | Unlimited   | 19 |
| Liquidation Notice            | Any Business Day  | 19 |
| Liquidation Proceeds          | The Management Company will generally make payments on the third Business Day (T+3) but not later than 10 days upon receipt of the duly completed original liquidation form   | 19 |
| Distribution Policy           | Quarterly (if any)  | 20 |
| Cooling Off Period            | 6 Business Days from the date of application of units - Full refund. Applicable for initial investment by new investors only. Not applicable for corporate/institutional investors, individual investors who are staff/distributors of the Management Company   | 20 |
| Switching Facility            | Not available   | 19 |
| Transfer Facility             | Transfer between individual account and corporate account is not permitted  | 19 |
| Minimum Transfer              | 50,000 units or such other limit at the Management Company's discretion   | 19 |
| Unclaimed Monies              | Cheques for payment of liquidation requests which remain unclaimed for six (6) months will at the Management Company's absolute discretion be reinvested into additional units of the Fund with no sales charge. In any event, if not reinvested, such monies which remain unclaimed shall be dealt with in accordance with the provisions of the Unclaimed Money Act, 1965 | 20 |

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

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

For information concerning certain risk factors which should be considered by prospective investors, see "RISK FACTORS" commencing on page 9.

The above information is only a summary of the salient features of the Fund. Prospective Unit Holders should read and understand the whole Information Memorandum and, if necessary, consult their financial adviser(s) (e.g. banker, lawyer, stockbroker or independent financial adviser) before making investment decisions.

## RISK FACTORS

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All types of investments carry some degree of risk which may have an adverse effect on the unit price of the Fund. In making an investment decision, prospective investors should consider the risks associated with the Fund. While it is not always possible to protect against all types of risk that can occur, the Fund Manager will endeavour to minimise the risk as much as possible while working to achieve the objective of the Fund.

### General risks of investing in a wholesale fund

- **Market risk**

This is a class of risk that inherently exists in an economy and cannot be avoided by any business or company. It is usually due to changes in the economic outlook and affects the confidence of the broad market. Market risk cannot be removed from an investment portfolio by diversification. Investors should, therefore, note that the performance of the Fund might go up or down in accordance with the prevailing market risk.

- **Risk of Non-Compliance**

A Fund's objective may be affected should the Management Company and the Fund Managers not adhere to the Fund's investment mandate. To maintain the Fund's integrity, sufficient internal policies, controls and monitoring must be in place to protect the interests of Unit Holders. In this instance, the compliance unit of the Management Company would oversee the operations of the Fund to reduce and minimise instances of non-compliance with internal policies and the relevant laws, regulations and guidelines.

- **Fund Manager risk**

The performance of a unit trust fund depends on the experience, knowledge and expertise of the Fund Managers and the investment strategies adopted. The risk remains that the securities which the Fund Manager has selected may not perform as expected. This could cause the Fund's returns to lag behind similar funds' returns.

- **Returns Not Guaranteed**

As a result of risk elements described herein, the returns from wholesale funds are not guaranteed. Investment returns and the principal value will vary so that, when sold, an investment may be worth more or less than when purchased.

- **Regulatory risk**

Risk that changes in national policies and regulations may have an adverse effect on the capital markets.

## RISK FACTORS (con't)

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### Specific risks of investing in this Fund

- **Interest Rate risk**

This risk relates to unforeseen movements in the direction of interest rates. Anticipating interest rate movements is a critical element in determining the portfolio maturity structure of the Fund. The Fund Manager's top-down investment approach ensures that a thorough evaluation of macro-economic variables is undertaken before an interest rate strategy is implemented. In addition, it is also intended to have a sufficiently diverse range of maturities for the Fund.

The interest rate is a general economic indicator that will have an impact on the management of fund regardless it is Shariah-based fund or otherwise. It does not in any way suggest that this fund will invest in conventional financial instruments. All the investments carried out for this fund are in accordance with requirements of the Shariah.

- **Credit / Default risk**

Credit risk arises when there is a possibility that an issuer is unable to pay profit due and/or the principal on time. The Fund Manager expects to be able to reduce credit risk substantially by conducting thorough credit analysis before investment, by investing mainly in Islamic money market instruments as well as sukuk with a minimum rating of A2/P2 or its equivalent and by diversifying the portfolio.

- **Liquidity risk**

Liquidity risk is defined as the ease with which a security can be sold at or near its fair value depending on the volume traded on the market. To minimise liquidity risk, the Fund Manager intends to invest primarily in short term, high quality Islamic money market instruments and sukuk where the market for such instruments is more liquid compared to long term instruments.

- **Inflation risk**

This is the risk that investors' investment in a wholesale fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the nominal value of the investment in monetary terms has increased.

- **Reclassification of Shariah status risk**

This risk refers to the risk that the currently held sukuk may be reclassified to be Shariah non-compliant. If this occurs, then the value of the Fund may be adversely affected where the Management Company will take the necessary steps to dispose of the sukuk.

## SHARIAH INVESTMENT GUIDELINES

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### CLEANSING/PURIFICATION PROCESS FOR AVENUE DANA SAFA (“the Fund”)

1. Cleansing process for the Fund

a) Wrong Investment

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

All costs incurred during the acquisition and disposal process, either the investment resulted in either gain or losses, are to be borne by the Fund Manager.

b) Reclassification of Shariah status of the Fund’s Investment

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

2. Purification process for the Funds

a) Zakat For the Fund

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

## DETAILED INFORMATION OF THE FUND

---

### Initial Offer Period

21 days commencing from 1 December to 22 December 2009.

### Initial Offer Price

RM0.5000 per unit.

### Fund Description

Avenue Dana Safa is an open-ended wholesale fund investing primarily in short term, highly liquid, near cash, Islamic money market instruments and partially in sukuk. The Fund expects to maintain a weighted average portfolio maturity appropriate to its stated investment objective. Under normal circumstances, the weighted average term to maturity of the investments is expected to be approximately 1 to 24 months.

### Investment Objective

The Fund seeks to provide investors with a regular income stream and aims to maintain a high degree of liquidity through a direct investment portfolio investing primarily in short term, high quality Ringgit-denominated Islamic money market instruments and partially in sukuk.

**Any material changes to the investment objective of the Fund would require Unit Holders' approval.**

### Investment Strategy

The Fund aims to generate regular income that is comparable to returns from one-month Shariah-based deposits with licensed financial institutions by investing in Islamic money market instruments and partially in sukuk. The Fund seeks to preserve capital whilst providing high degree of liquidity by investing in Islamic money market instruments and sukuk with a minimum rating of A2/P2 by Rating Agency Malaysia (RAM) or the equivalent rating by any domestic or global credit rating agency.

### Asset Allocation

The Fund will invest in short term Shariah-based deposits, Islamic money market instruments and sukuk. Up to 98% of the NAV of the Fund will be invested in Islamic money market instruments and sukuk with a minimum rating of A2/P2 by Rating Agency Malaysia (RAM) or the equivalent rating by any domestic or global credit rating agency. A maximum of 20% of its NAV may be invested in sukuk with a minimum rating of A2 by Rating Agency Malaysia (RAM) or the equivalent rating by any domestic or global credit rating agency. Should the ratings be downgraded below the stated minimum credit rating, the Fund Manager shall use their best efforts to dispose off the holdings, failing which, it shall be held to maturity. Cash/Shariah-based deposits will be maintained at all times at a minimum of 2% of the Fund's NAV.

The investment portfolio of the Fund comprises securities which have been classified as Shariah compliant by the Shariah Advisory Council of the SC and/or the Shariah Adviser.

### Temporary Defensive Positions

During adverse market conditions, or when the Fund Manager anticipates a downturn in market conditions, the Fund may hold significantly higher amount of liquid and defensive assets (including sukuk with different maturity dates) than that prescribed by their respective mandates. The Fund Manager would be expected to re-align the Fund with principal strategies when market conditions turn for the better.

### Risk Management Strategies

Please refer to page 9-10 for detailed explanation.

### Performance Benchmark

The benchmark for ADS is Maybank one month General Investment Account (GIA) Tier 1 rate.

## DETAILED INFORMATION OF THE FUND (con't)

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### Permitted Investments

ADS may invest in the following investments subject to the Guidelines and SC's requirements in accordance with the Fund's objective:

- Sukuk issued by the Malaysian Government or Bank Negara Malaysia or any other Government related bodies. Such instruments include Government Investment Issues, Malaysian Islamic Treasury Bills and Bank Negara Monetary Notes-i.
- Islamic papers issues guaranteed by the Government of Malaysia or Bank Negara Malaysia or any State Government in Malaysia;
- Islamic Negotiable Instruments issues by banks or licensed financial institutions;
- Other short-term sukuk or Islamic money market instruments as approved and agreed upon by Bank Negara Malaysia and/or the Securities Commission, and/or are rated by the Rating Agency of Malaysia (RAM) or the Malaysian Rating Corporation Bhd (MARC). The credit rating of an issue may also be enhanced through bank guarantees or corporate guarantees;
- Cash and Malaysian Ringgit denominated Shariah-based deposits placed with licensed financial institutions; and
- Any other form of Shariah-compliant investments as may be agreed upon by the Management Company and the Trustee from time to time and permitted by the SC.

### Investment Restrictions and Limits

Investment Spread Limits:

- The value of a fund's placement in Shariah-based deposits with any single institution must not exceed 20% of the fund's NAV;
- The aggregate value of a fund's investments in Islamic money market instruments, sukuk, Shariah-based deposits and Islamic structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the fund's NAV. The limit may be increased to 30% if the sukuk are rated by any domestic or global rating agency to be of the best quality and offer the highest safety for timely payment of profit and principal;
- The value of a fund's investments in units/shares of any Shariah-based collective investment scheme must not exceed 20% of the fund's NAV;
- The value of a fund's investments in sukuk issued by any single issuer must not exceed 20% of the fund's NAV. The single issuer limit may be increased to 30% if the sukuk are rated by any domestic or global rating agency to be of the best quality and offer the highest safety for timely payment of profit and principal; and
- The value of a fund's investments in sukuk issued by any one group of companies must not exceed 30% of the fund's NAV.

Investment Concentration Limit:

- A fund's investments in sukuk must not exceed 20% of the sukuk issued by any single issuer;
- A fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer;
- A fund's investments in Shariah-based collective investment schemes must not exceed 25% of the units/shares of any one Shariah-based collective investment scheme;
- There will be no restriction or limit for securities issued or guaranteed by the Malaysian government or Bank Negara Malaysia; and
- At least 2% of the fund's NAV shall be in Shariah-based deposits.

## DETAILED INFORMATION OF THE FUND (con't)

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The limits and restrictions mentioned herein shall be complied with at all times based on the most up-to-date value of the Fund's investments.

Any entitlement accruing on the investment held may be excluded when determining compliance with the investment restrictions. However, the entitlement should not be exercised if the exercise results in the breach of any restrictions specified. Nevertheless, the right of convertibility may be exercised even if it results in the breach of the restrictions, provided there are justifiable reasons and prior approval of the Trustee has been obtained, and the Management Company takes all necessary steps and actions to rectify the breach within such time as may be agreed between the Management Company and the Trustee.

A 5% allowance in excess of any limit or restriction may be permitted, where the limit or restriction breached occurred through an appreciation or depreciation of the NAV of the Fund, whether as a result of an appreciation or depreciation in the value of the investments, or as a result of repurchase of units or payment made by the Fund. The Management Company should not make any further acquisitions and will take necessary steps and actions to rectify the breach within such time as may be agreed between the Management Company and the Trustee.

### Valuation of Assets

Unquoted sukuk are measured at fair values. The fair values of unquoted sukuk are generally obtained from the indicative market yields quoted by a bond pricing agency. However, where the Manager is of the opinion that the value of the sukuk differs from the indicative yields quoted by the bond pricing agency, the Manager will value the sukuk based on a pricing model that reflects prevailing market conditions.

Valuation for the investment in Shariah-based deposits is based on a reference profit rate accrued on a daily basis.

## FEES AND EXPENSES OF THE FUND

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### Charges Directly Incurred

#### Sales Charge

No sales charge is levied on investments.

#### Repurchase Charge

No repurchase charge is levied for liquidation of units.

### Fees Indirectly Incurred

#### Annual Management Fee

The Management Company is entitled to an annual Management Fee based on the NAV of the Fund, which is accrued daily. The rate is up to 0.50% p.a. of NAV. Please refer to page 16 for an illustration on the calculation of the Management Fee.

#### Annual Trustee Fee

The annual Trustee Fee is based on the NAV of the Fund, which is accrued daily. The rate is up to 0.05% p.a. of NAV. Please refer to page 16 for an illustration on the calculation of the Trustee Fee.

### Other Expenses to Be Paid Out Of the Fund

Apart from the fees payable to the Management Company and the Trustee as described above, the Deed for the Fund provide certain other fees and expenses that are directly related to the operations of the Fund which are to be paid out of the Fund. These include:

- audit fees and brokerage commission/fees;
- tax and duties imposed by the authorities;
- sub-custodian fees/charges (if any);
- valuation fees;
- cost for modification of Deed save where such modification is for the benefit of the Manager and/or the Trustee; and
- cost of convening meetings of Unit Holders other than those incurred by or for the benefit of the Management Company or Trustee.

Where the Management Company or the Trustee have incurred such expenses on behalf of the Fund, it shall be duly reimbursed by the Fund.

### Other Fees and Charges

#### Transfer Fee

No transfer fee is imposed on the transfer of units to another beneficiary and between accounts of the same beneficiary. Transfer between individual account and corporate account is not permitted.

#### Other Charges

In executing transactions upon Unit Holders request, certain charges may be incurred, for instance bank charges on remittance of money. Investors shall bear these transaction charges.

#### Rebate & Soft Commissions

The Management Company will retain soft commissions received from stockbrokers, provided these are of demonstrable benefit to the Unit Holders. The soft commissions may take the form of goods and services such as data and quotation services, computer software incidental to the management of the Fund and investment related publications. Rebates, if any, will be directed to the account of the Fund.

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

## TRANSACTION INFORMATION

### Pricing

#### Valuation Point

A Valuation Point refers to such a time(s) on a Business Day as may be decided by the Management Company wherein the Net Asset Value (“NAV”) of the Fund is calculated. Unit Holders may contact the Management Company or visit our website at [www.oneinvest.com.my](http://www.oneinvest.com.my) to obtain the latest NAV of the Fund.

#### Computation of NAV

The NAV of a Fund is calculated each Business Day and is defined as the total value of the Fund’s investment less any liabilities or provisions. Where applicable investment income, interest payable, fees and other liabilities (including management fee) will be accrued daily in arriving at the NAV of the Fund.

NAV per Unit = NAV of the Fund / Number of units in issue

| Illustration : Computation of NAV |   |        |               |
|-----------------------------------|---|--------|---------------|
|                                   | NAV before deducting Management Fee and Trustee Fee for the day               | RM     | 20,000,000.00 |
| Less :                            | Management Fee for the day (0.50% per annum) $20,000,000 \times 0.50\% / 365$ | RM     | 273.97        |
| Less :                            | Trustee Fee for the day (0.05% per annum) $20,000,000 \times 0.05\% / 365$    | RM     | 27.40         |
|                                   | NAV   | (a) RM | 19,999,698.63 |
|                                   | Units in circulation  | (b)    | 40,000,000    |
|                                   | NAV per unit (a) / (b)  | RM     | 0.4999925     |
|                                   | NAV per unit (rounded up to four decimal places)                              | RM     | 0.5000        |

#### Pricing Policy

- **Single Pricing**

The Management Company adopts the single pricing policy with sales charge or repurchase charge to price the units in relation to investment and liquidation of units. This means that selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and repurchase of units by the Management Company (i.e. when you redeem your units and liquidate your investment) will be carried out at NAV per unit (the actual value of a unit). The sales charge or repurchase charge (if any) would be computed separately based on your net investment/liquidation amount.

- **Forward Pricing**

The single price for investment and liquidation of units shall be the daily NAV per unit at the next valuation point after the Management Company receives the investment or liquidation application (i.e forward prices are used).

- **Incorrect Pricing Policy**

Incorrect pricing refers to pricing discrepancies in the calculation of NAV of the Fund. Should there be any incorrect pricing; the Management Company will take immediate remedial action to rectify any incorrect pricing at the Fund level. The Management Company’s remedial action must extend to the reimbursement of money if the error is at or above the threshold of 0.5% of the NAV per unit, unless the total impact on an individual account is less than RM10.00 in absolute amount, of which no reimbursement of money is required as the reprocessing costs may be greater than the amount of the adjustment. The Management Company is nevertheless allowed to pay any amount to the Unit Holders or former Unit Holders even though it is less than 0.5% of the NAV per unit or RM10.00.

## TRANSACTION INFORMATION (cont')

### How Is the Selling Price Computed

Investors may invest in units of the Fund on any Business Day. The Selling Price per unit during the Initial Offer Period will be the NAV per unit of the Fund. The sales charge is computed separately based on the net investment amount.

The number of units invested is determined by dividing the investment amount (excluding sales charge) with the NAV per unit, and rounded to the nearest two decimal places.

#### Illustration : Determining Investment Amount & Units Entitlement (Initial Offer Period)

|       |                                  |    |           |
|-------|----------------------------------|----|-----------|
|       | Investment amount                | RM | 10,000.00 |
| Add : | Sales Charge (Nil)               |    | NIL       |
|       | Total amount payable by investor | RM | 10,000.00 |

During the Initial Offer Period the NAV per unit is RM0.5000, the number of units invested rounded up to two decimal places would be:

|          |                          |    |           |
|----------|--------------------------|----|-----------|
|          | Value of Investment      | RM | 10,000.00 |
| Divide : | NAV per unit             | RM | 0.5000    |
|          | Number of units invested |    | 20,000.00 |

#### Illustration : Determining Investment Amount & Units Entitlement (After Initial Offer Period)

|       |                                  |    |           |
|-------|----------------------------------|----|-----------|
|       | Investment amount                | RM | 10,000.00 |
| Add : | Sales Charge (Nil)               |    | NIL       |
|       | Total amount payable by investor | RM | 10,000.00 |

For example, if the NAV per unit calculated at the next valuation point was RM0.5010, the number of units invested rounded up to two decimal places would be:

|          |                          |    |           |
|----------|--------------------------|----|-----------|
|          | Value of Investment      | RM | 10,000.00 |
| Divide : | NAV per unit             | RM | 0.5010    |
|          | Number of units invested |    | 19,960.08 |

## TRANSACTION INFORMATION (cont')

### How Is the Liquidation Amount Computed

Investors may liquidate their investment on any Business Day. The liquidation price per unit will be the NAV per unit of the Fund. The repurchase charge is computed separately based on the liquidation amount. The liquidation amount is calculated by multiplying the NAV per unit at the next valuation point after the Management Company receives the liquidation application with the number of units held.

| Illustration : Determining Liquidation Amount |   |    |           |
|---|---|----|-----------|
|   | Number of units to be liquidated  |    | 10,000.00 |
|   | If for example the NAV per unit calculated at the next valuation point was RM0.5010, the liquidation amount would be: |    |           |
| Multiply :                                    | NAV per unit  | RM | 0.5010    |
|   | Liquidation Amount  | RM | 5,010.00  |
| Less :  | Repurchase charge (Nil)   |    | NIL       |
|   | Net amount payable to investor  | RM | 5,010.00  |

### Transaction Details

#### Who Can Invest?

- An individual whose total net personal assets exceed RM3 million or its equivalent in foreign currencies;
- A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
- A unit trust scheme or prescribed investment scheme;
- A company registered as a trust company under the *Trust Companies Act 1949* which has discretion in the investment of trust assets of a trust with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- A corporation that is a public company under the *Companies Act 1965* or under the laws of any other country, which has been allowed by the SC to be a trustee for the purposes of the CMSA and has discretion in the investment of trust assets of a trust with total net assets exceeding RM10 million or its equivalent in foreign currencies;
- A pension fund approved by the Director General of Inland Revenue under section 150 of the *Income Tax Act 1967*;
- A holder of a Capital Markets Services License carrying on the business of dealing in securities;
- Any other Fund Manager;
- A person who acquires securities pursuant to an offer, as principal, if the aggregate consideration for the acquisition is not less than RM250,000 or its equivalent in foreign currencies for each acquisition;
- A licensed institution;
- An Islamic bank; and
- An Insurance company licensed under the *Insurance Act 1996*.

#### How can I Purchase or Redeem an Investment?

Investments can be purchased or liquidated at the Management Company's office in Kuala Lumpur or at our Nationwide Investor Care & Service Centres after completing a declaration form and an application form. Application to invest must be accompanied by either a copy of the applicant's identity card, passport or other identification.

#### Where can I obtain an Application Form?

The Management Company's office in Kuala Lumpur or at our Nationwide Investor Care & Service Centres in the following states:

- Pulau Pinang
- Perak
- Selangor
- Negeri Sembilan
- Melaka
- Johor
- Kelantan
- Sabah
- Sarawak

Please refer to page 38 for full details.

## TRANSACTION INFORMATION (cont')

### How do I pay for an Investment?

- By a crossed cheque, banker's draft, money order or cashier's order made payable to Avenue Invest Berhad.
- By depositing into any of the Management Company's bank accounts in the following states:

#### Maybank:

| Branch               | A/C. No       | Branch               | A/C. No       |
|----------------------|---------------|----------------------|---------------|
| <i>Kuala Lumpur</i>  |               | <i>Kota Kinabalu</i> | 510107-116979 |
| ◇ <i>Ampang Park</i> | 514057-646827 | <i>Kuching</i>       | 511113-431474 |
| <i>Pulau Pinang</i>  | 507068-314127 | <i>Kota Bahru</i>    | 503015-226636 |
| <i>Johor Bahru</i>   | 501123-131150 |                      |               |

#### Standard Chartered Bank:

| Branch              | A/C. No         | Branch               | A/C.No          |
|---------------------|-----------------|----------------------|-----------------|
| <i>Kuala Lumpur</i> | 312-1-4359833-1 | <i>Kota Kinabalu</i> | 390-1-5662987-7 |
| <i>Penang</i>       | 407-1-5668419-3 | <i>Kuching</i>       | 420-1-5659984-6 |
| <i>Johor Bahru</i>  | 388-1-0018931-6 |                      |                 |

Please note that for the purpose of investor's protection and risk management, no cash shall be accepted by any of the Company's representative or staff.

Investors are advised not to make payment in cash when purchasing units of a Fund via any institutional/retail agent.

Minimum Transaction Details for Fund are stipulated in the table below:

| Fund name | Minimum initial investment | Minimum additional investment |                  | Minimum liquidation | Minimum transfer of units & Minimum balance |
|-----------|----------------------------|-------------------------------|------------------|---------------------|---|
|           | (RM)                       | Regular (RM)                  | Non-regular (RM) | (Units)             | (Units)                                     |
| ADS       | 500,000.00                 | —                             | 100,000.00       | 100,000             | 50,000                                      |

### How to Liquidate my Investments

- Units may be liquidated on any Business Day by completing a Liquidation Form.
- For the transaction to take effect on the same day, the Liquidation Form must reach the Management Company before 3.30 pm.
- The liquidation of units will be priced at the NAV per unit calculated at the next valuation point, and payment will be generally made on the third Business Days (T+3) but not later than 10 days, upon receipt of the duly completed original Liquidation Form by the Management Company.
- There is no limit to the number of liquidations that Unit Holders can make.
- Individual, Joint or Corporate/Organisation holder(s) will receive their respective liquidation proceeds based on the opening instruction stated in the Account Opening Form which would be their assigned segregated personal or corporate banking account.
- Any account with a balance of less than 50,000 units is deemed inactive.

### Transfer Facility

Transfer between an individual account and a corporate account is not permitted.

### Switching Facility

As at the date of the issue of this Information Memorandum, no switching facility is available for this Fund.

For the term of this Information Memorandum, the minimum transaction size specified herein may be varied by the Management Company at its absolute discretion.

## TRANSACTION INFORMATION (cont')

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### Cooling-off Policy

If you are a first time investor in any Funds managed by the Management Company, a Cooling-Off period of six (6) Business Days from the date of application for units is provided for your initial investment. You may obtain a full refund of your net investment amount plus the sales charge or repurchase charge (where applicable) which will be refunded within 10 days from the date we receive your notification to exercise this right.

The cooling-off right is only given to an investor, other than those listed below, who is investing in any unit trust fund managed by the Management Company for the first time:

- a corporation or institution
- a staff of the Management Company
- a distributor of the Management Company

### What Are the Important Points to Note before Investment

- Applications received by the Management Company, before 3.30 pm, on any Business Day will have the units issued at the Fund's NAV per unit calculated at the end of that particular Business Day (i.e forward pricing).
- The Management Company reserves the right to accept or reject any application for units if the information is incomplete or is not accompanied by the required documents, or is not signed by authorised investors or where there are any other reasonable grounds to reject it. Unsuccessful applicants will be notified and are entitled to a full refund.

### Anti-Money Laundering

In compliance with the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, the Management Company will conduct a Customer Due Diligence prior to opening an account as and when necessary to help detect any money laundering activities. The Management Company is under an obligation to report to Bank Negara Malaysia should it suspect such activities.

## Distribution Payment

### Distribution Policy and Reinvestment Policy

Given the Fund's objective is to provide regular income, income distribution (if any) is quarterly. In the event the Management Company decides to distribute income, the amount of income to be distributed will vary from period to period, depending on interest rates, market conditions, the performance and the objective of the Fund. Income distribution may be made out of realised capital gains, net interest income and other net income received by the Fund.

It is also the Management Company's policy to automatically reinvest declared income distribution into additional units in the Fund at the end of the distribution day (at ex-distribution price) with no sales charge. Investors, who prefer to receive their income distributions in the form of cash payouts, may liquidate the reinvested units arising from distribution of income on any Business Day.

### Liquidation Reinvestment Policy and Unclaimed Monies Policy

Cheques for payment of liquidation requests which remain unclaimed for six (6) months will at the Management Company's absolute discretion be reinvested into additional units of the Fund with no sales charge. In any event, if not reinvested monies which remain unclaimed after such period as is prescribed by the Unclaimed Money Act, 1965 shall be dealt with in accordance with the provisions of the said Act.

## THE MANAGEMENT COMPANY: AVENUE INVEST BERHAD

### Corporate Profile of the Management Company

Avenue Invest Berhad (AVIB) was incorporated on 27 September 1995 and is licensed by the Securities Commission of Malaysia to undertake the regulated activities of fund management and dealing with unit trusts. AVIB is a member of the ECM Libra Financial Group Berhad, a company listed on Bursa Malaysia.

As at 29 September 2009, AVIB had RM1.97 billion of funds under its management comprising unit trust funds and privately managed funds. AVIB's clients include pension funds, public listed companies, state funds, high net worth individuals and retail investors. AVIB has a team of eight fund managers and analysts specialising in equities, fixed income and alternative investments. Two of AVIB's unit trust funds, SyariahExtra Fund and TacticalExtra Fund, have won Edge-Lipper Malaysia Fund Awards for best performance in their respective fund categories in 2007 and 2009 respectively.

### Staff Strength

As at 29 September 2009, AVIB is backed by a strong team of 64 executives and 12 non-executive staff and has ample financial and human resources with the necessary qualification and experience to undertake the management activity of the unit trust funds and private funds portfolio.

### Summary of Financial Position

Past performance of AVIB based on the audited accounts for the last three financial years ended on 31 January:-

|                     | 2009<br>(RM'000) | 2008<br>(RM'000) | 2007<br>(RM'000) |
|---------------------|------------------|------------------|------------------|
| Paid-up Capital     | 6,500            | 6,500            | 6,500            |
| Shareholders' Funds | 10,152           | 11,403           | 16,503           |
| Operating Revenue   | 10,978           | 16,234           | 22,862           |
| Pre-Tax Profit      | 1,291            | 5,822            | 9,520            |
| After Tax Profit    | 785              | 4,405            | 6,622            |

Past performance of AVIB based on the audited accounts for the last three financial years ended on 31 January:-

|                        | 2009<br>(sen) | 2008<br>(sen) | 2007<br>(sen) |
|------------------------|---------------|---------------|---------------|
| Net Earnings Per share | 12            | 68            | 102           |
| Net Dividend Per share | 34            | 147           | 185           |

### Our Duties and Responsibilities

AVIB is engaged in the business of managing, administering, marketing and distributing unit trust funds. Our main duties are:

- to manage and administer the Funds in a proper and efficient manner in accordance with the respective Deeds of the Funds, the Guidelines and securities laws;
- acceptable and efficacious business practice within the unit trust industry; and
- the internal controls and policies in place at the Management Company.

## Litigation and Arbitration

As at 29 September 2009, AvIB is not engaged in any material litigation and arbitration including those pending or threatened, save for an action filed by the Management Company together with other bondholders of the bonds issued by Pesaka Astana (M) Sdn Bhd (PASB) citing 12 co-defendants in the KL High Court Civil Suit No: D8-22-1810-2005 (“the Suit”) for PASB’s failure to meet its payment obligations. The claim for the Suit is RM149,315,000-00. The Board is of the view that the Suit will not materially affect the business/financial position of the Management Company.

## Roles and Functions of the Directors

The Board of Directors of the Management Company play a part in the affairs of the Management Company and the funds under its management. The Board meets at least once every two months to receive recommendations and reports on investment activities from the Investment Committee of the Funds and the senior representatives of the Management Company. There are 6 directors appointed to the Board of Directors of AvIB.

| Name (s)                       | Designation (Independent / Non-Independent) | Appointment Date |
|--------------------------------|---|------------------|
| Datuk Kamarudin bin Md Ali     | Chairman & Independent Director             | 8 May 2007       |
| Tan Jin Teik                   | Non-Independent Director                    | 3 October 2005   |
| Hoo See Kheng                  | Non-Independent Director                    | 3 October 2005   |
| Khairudin bin Ibrahim          | Independent Director                        | 21 April 2003    |
| Mahadzir bin Azizan            | Independent Director                        | 25 April 2007    |
| Ching Yew Chye @ Chng Yew Chye | Independent Director                        | 23 July 2007     |

## Roles and Functions of the Investment Committee

The Investment Committee is responsible for the Fund’s investment policies and guidelines, and shall review and approve the investment strategies undertaken by the Fund Managers of the Fund. Investment Committee meetings are held monthly or more frequently if required.

The Investment Committee comprises 4 independent members and 2 non-independent members:

| Name                           | Designation (Independent / Non-Independent) |
|--------------------------------|---|
| Mahadzir bin Azizan            | Chairman & Independent Member               |
| Hoo See Kheng                  | Non-Independent Member                      |
| Martin Chu Leong Meng          | Non-Independent Member                      |
| Khairudin bin Ibrahim          | Independent Member                          |
| Datuk Kamarudin bin Md Ali     | Independent Member                          |
| Ching Yew Chye @ Chng Yew Chye | Independent Member                          |

The Investment Committee was appointed on 28 October 2009.

## The Board of Directors and the Investment Committee Members

|                       |  |
|-----------------------|--|
| <b>Name:</b>          | <b>Datuk Kamarudin bin Md Ali</b>  |
| <b>Position:</b>      | Independent Director & Independent Investment Committee Member   |
| <b>Qualification:</b> | Bachelor of Science (Hons) Mechanical Engineering (University of Strathclyde, Glasgow), Masters in Science (University of Birmingham, UK), Certificate Course in Finance and Budgeting (University of Pittsburgh, America) and Post Graduate course (Royal College of Defense Studies, UK)                               |
| <b>Experience:</b>    | He was with the Royal Malaysia Police (RMP) for more than 30 years, serving as its Director of Management before retiring in 2006. He has experience in Logistic and Finance, human resources management, development and training.  |
| <b>Name:</b>          | <b>Tan Jin Teik</b>  |
| <b>Position:</b>      | Managing Director  |
| <b>Qualification:</b> | Fellow of the Association of Chartered Certified Accountants   |
| <b>Experience:</b>    | He has been in the investment industry for over 18 years. Prior to joining Avenue Invest Berhad (formerly Phileo Asset Management) in 1998, he was in investment research where he was Head of Research with Phileo Allied Securities.   |
| <b>Name:</b>          | <b>Hoo See Kheng</b>   |
| <b>Position:</b>      | Executive Director, CEO & Non Independent Investment Committee Member  |
| <b>Qualification:</b> | Bachelor of Commerce (University of New South Wales, Australia), Post-graduate diploma in System Analysis and Design (Japan-Singapore Institute of Software Technology), Certified Information System Auditor (U.S.A), Member of the Malaysian Institute of Accountants and Certified Practising Accountant (Australia). |
| <b>Experience:</b>    | He has over 13 years of fund management experience with Aseambankers, Phileo Asset Management and now with Avenue Invest Berhad.   |
| <b>Name:</b>          | <b>Martin Chu Leong Meng</b>   |
| <b>Position:</b>      | Non-Independent Investment Committee   |
| <b>Qualification:</b> | Master of Science (Management Science) and Bachelor of Science (Hons) (Engineering), Imperial College, University of London)   |
| <b>Experience:</b>    | He has more than twenty (20) years of experience in financial services industry. He is currently the Chief Operating Officer of ECM Libra Investment Bank Berhad. Prior to this, he was the Deputy CEO, Group Management Services Division of EON Bank Berhad.   |
| <b>Name:</b>          | <b>Khairudin bin Ibrahim</b>   |
| <b>Position:</b>      | Independent Director & Independent Investment Committee Member   |
| <b>Qualification:</b> | Degree in Accounting (Hons) (Universiti Kebangsaan Malaysia), Member of the Malaysian Institute of Accountants (MIA) and Certified Practising Accountant (Australia)   |
| <b>Experience:</b>    | He is the Partner of Afrizan Tarmili Khairul Azhar (Chartered Accountants). He has been involved in the Accounting and Auditing Committee And Financial Statements Review Committee of the MIA, Public Practice Committee of CPA (Australia) and in working groups of Malaysian Accounting Standards Board (MASB).       |
| <b>Name:</b>          | <b>Mahadzir bin Azizan</b>   |
| <b>Position:</b>      | Independent Director & Independent Investment Committee Member   |
| <b>Qualification:</b> | Barrister-At-Law (Lincoln's Inn), London   |
| <b>Experience:</b>    | He has more than 25 years experience in corporate legal matters. He is currently a Member of the Investment Committee of Amanah Raya REITs and Director of ECM Libra Investment Bank Berhad, Syarikat Takaful Malaysia Berhad, TH Properties Sdn Bhd, Realmild (M) Sdn Bhd and Safeena Islamic Marine Fund (L) Ltd.      |
| <b>Name:</b>          | <b>Ching Yew Chye @ Chng Yew Chye</b>  |
| <b>Position:</b>      | Independent Director & Independent Investment Committee Member   |
| <b>Qualification:</b> | Bachelor of Science (Queen Mary College, University of London)   |
| <b>Experience:</b>    | He has over 25 years of management and information technology consulting experience in the retail and commercial banking sectors and capital markets. He joined ACCENTURE, UK in 1982 and was transferred to ACCENTURE Solutions Sdn Bhd, Malaysia in 1983. He retired as a senior partner of ACCENTURE in 2007.         |

**Management Staff**

|                       |  |
|-----------------------|--|
| <b>Name:</b>          | <b>Tan Jin Teik</b>  |
| <b>Position:</b>      | Managing Director  |
| <b>Qualification:</b> | Please refer to page 23 for details  |
| <b>Experience:</b>    | Please refer to page 23 for details  |
| <b>Name:</b>          | <b>Hoo See Kheng</b>   |
| <b>Position:</b>      | CEO/Executive Director   |
| <b>Qualification:</b> | Please refer to page 23 for details  |
| <b>Experience:</b>    | Please refer to page 23 for details  |
| <b>Name:</b>          | <b>Jessie Peter</b>  |
| <b>Position:</b>      | Head, Group Compliance   |
| <b>Qualification:</b> | Bachelor of Laws (LLB) (Hons) (UK), Diploma in Business Administration, Association of Business Executives (UK).   |
| <b>Experience:</b>    | She joined AvIB in 2000 and moved to Group Compliance in 2007. She has more than fifteen years of experience in the legal, commercial and financial service industry. She is a licensed company secretary.   |
| <b>Name:</b>          | <b>Lim Geak Ing</b>  |
| <b>Position:</b>      | Manager, Finance and Administration  |
| <b>Qualification:</b> | Member of the Association of Chartered Certified Accountants and Member of the Malaysian Institute of Accountants  |
| <b>Experience:</b>    | She joined AvIB in 2005. She has more than 7 years of experience in audit and finance.   |
| <b>Name:</b>          | <b>Azmi Bin Mohamad</b>  |
| <b>Position:</b>      | Head of Operations   |
| <b>Qualification:</b> | Sijil Pelajaran Malaysia   |
| <b>Experience:</b>    | He joined AvIB in September 2002 and has more than 10 years experience in unit trusts operations with 2 local unit trust management companies. He started his career in 1989 in the treasury department of a local bank before moving on to unit trust operations in 1993. He currently supervises the team at AvIB that handles the operational matters relating to AvIB. |
| <b>Name:</b>          | <b>Lee Kim Ann</b>   |
| <b>Position:</b>      | General Manager, Sales Management  |
| <b>Qualification:</b> | Diploma in Commerce (Business Management) (TAR College), Member of the Institute of Chartered Secretaries and Administration, (UK) and Financial Planning Association of Malaysia, Certified Financial Planner (CFP), (U.S.A)  |
| <b>Experience:</b>    | He joined AvIB in May 2002 has about 12 years experience in the insurance industry and 8 years experience in the unit trust industry.  |
| <b>Name:</b>          | <b>Roslan Harun</b>  |
| <b>Position:</b>      | Director, Institutional Marketing  |
| <b>Qualification:</b> | Bachelor of Business Administration, University of Cincinnati, Ohio, USA   |
| <b>Experience:</b>    | He joined AvIB in July 2007 and has more than 19 years experience in the financial services industry. Prior to joining AvIB, he was the Chief Executive Officer of Amanah Raya Unit Trust Management Sdn Bhd.  |

## Duties and Responsibilities of the Fund Managers

AvIB's Fund Managers are authorized to manage the Fund in accordance with the Fund's stated investment objective. This authority is subject to the requirements of this Information Memorandum, the respective Deeds, Guidelines and securities laws, acceptable and efficacious business practice within the unit trust industry, the policies and internal controls in place of the Management Company. The Fund Managers will report to the Investment Committee of the Fund and will implement the investment strategies selected by this Committee.

## Profile Of Key Investment Personnel

|                       |   |
|-----------------------|---|
| <b>Name:</b>          | <b>Tan Jin Teik</b>   |
| <b>Position:</b>      | Managing Director   |
| <b>Qualification:</b> | Please refer to page 23 for details.  |
| <b>Experience:</b>    | Please refer to page 23 for details.  |
| <b>Name:</b>          | <b>Hoo See Kheng</b>  |
| <b>Position:</b>      | CEO/Executive Director  |
| <b>Qualification:</b> | Please refer to page 23 for details.  |
| <b>Experience:</b>    | Please refer to page 23 for details.  |
| <b>Name:</b>          | <b>Lye Thim Loong</b>   |
| <b>Position:</b>      | Head of Alternative Investments   |
| <b>Qualification:</b> | Certified Financial Planner, Diploma in Banking (Institute Bank Bank Malaysia)  |
| <b>Experience:</b>    | He joined AvIB in 2001. Prior to that he was with PhileoAllied Bank (M) Bhd where his last portfolio was Acting Head of Treasury. He has 15 years of money market and foreign exchange experience.          |
| <b>Name:</b>          | <b>Mohd Fadzil bin Mohamed</b>  |
| <b>Position:</b>      | Head of Fixed Income  |
| <b>Qualification:</b> | Bachelor of Economics and Social Studies in Accounting and Finance (University of Aberstwyth, Wales, UK)  |
| <b>Experience:</b>    | He joined AvIB in 1997 and left in 2001 to widen his experience with other asset management companies. He re-joined AvIB in 2007. He has more than 10 years of experience in the financial services sector. |
| <b>Name:</b>          | <b>Ng Joo Tsong</b>   |
| <b>Position:</b>      | Head of Equities  |
| <b>Qualification:</b> | Bachelor of Commerce (University of New South Wales, Australia), Chartered Financial Analyst (CFA), Certified Practising Accountant, Australia (CPA)  |
| <b>Experience:</b>    | She joined AvIB in 1997 and left in 2000 to join Opus Capital. She then re-joined AvIB in 2002 as an Equity Fund Manager. She has more than 10 years of experience in the investment industry.              |
| <b>Name:</b>          | <b>Mohamed Irfan bin Mohamed Khalif</b>   |
| <b>Position:</b>      | Portfolio Manager - Equities  |
| <b>Qualification:</b> | Bachelor of Science (Economics), London School of Economics & Political Science   |
| <b>Experience:</b>    | He joined AvIB in 2005 has more than 8 years of experience in the financial services industry.  |

## THE SHARIAH ADVISER

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Islamic Banking and Finance Institute Malaysia Sdn Bhd (“IBFIM”) is the Shariah Adviser for Avenue Dana Safa (“the Fund”). The Shariah Adviser’s fee is borne by the Management Company.

### Corporate Profile of the Shariah Adviser

IBFIM was incorporated as a private limited liability company in Malaysia under the Companies Act, 1965 on 13 April 1995. IBFIM’s establishment is in line with Malaysia’s target to become a regional and international centre of Islamic finance. IBFIM promotes and facilitates the understanding and appreciation of the philosophy and principles of Islamic financial system.

IBFIM is registered with the Securities Commission (“SC”) to act as a Shariah Adviser for Shariah-based collective investment schemes and sukuk issuance. IBFIM is also involved in numerous Shariah-based private mandates as well as the Shariah Adviser for prominent Islamic REITs.

IBFIM’s paid-up capital is RM10,000,001.00 and as at 29 September 2009, IBFIM has a total staff strength of 43, made up of 35 executives and 8 non-executives. As at 29 September 2009, it has 62 Shariah-based Unit Trust Funds under its supervision.

### Shareholders

- Bank Negara Malaysia (Special Shareholder)
- BMB Holding Berhad
- AmlInvestment Bank Berhad
- Malayan Banking Berhad
- Alliance Bank Malaysia Berhad
- Affin Bank Berhad
- Bank Muamalat Malaysia Berhad
- EON Bank Berhad
- Hong Leong Islamic Bank Berhad
- Public Bank Berhad
- RHB Islamic Bank Berhad
- CIMB Bank Berhad
- Etiqa Takaful Berhad

### Roles and Responsibilities of IBFIM

As the Shariah Adviser, the role of IBFIM is to ensure that the operations and investments of the Fund is in compliance with Shariah requirements. The Shariah Adviser reviews the Fund’s investments on a monthly basis to ensure compliance with Shariah requirements at all times and meets with the Manager at least on a quarterly basis to review and advised on the Fund’s compliance with Shariah requirements. Final responsibility for ensuring Shariah compliance of the Fund with Shariah requirements in all relevant aspects rests solely with the Manager. In line with the Securities Commission (“SC”) guidelines, the roles of IBFIM as the Shariah Adviser are:

- ensuring that the Shariah-based unit trust funds (“the Funds”) are managed and administered in accordance with the Shariah principles;
- providing expertise and guidance for the Funds in all matters relating to Shariah principles, including on the Funds’ deed and prospectus, its structure and investment process, and other operational and administrative matters;
- consulting the SC who may consult the Shariah Advisory Council where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
- scrutinising the Funds’ compliance report as provided by the compliance officer, transaction report provided by or duly approved by the trustee and any other report deemed necessary for the purpose of ensuring that the Funds’ investments are in line with the Shariah principles;
- preparing a report to be included in the Funds’ interim and annual report certifying whether the Funds have been managed and administered in accordance with the Shariah principles;
- ensuring that the Funds’ comply, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
- vetting and advising on the promotional materials of the Funds;
- assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.

## Person Responsible For Shariah Matters of the Fund

|                       |   |
|-----------------------|---|
| <b>Name:</b>          | <b>Mohd Bakir Haji Mansor</b>   |
| <b>Position:</b>      | Distinguished Shariah Advisor   |
| <b>Qualification:</b> | Shahadah Ulya (Kolej Islam Malaya)  |
| <b>Experience:</b>    | <p>He is a member of the Shariah Supervisory Council of the Bank Islam Malaysia Berhad (BIMB), the Shariah Advisory Body of Syarikat Takaful Malaysia Berhad and sits on the Shariah Panel Committee of Amanah Ikhtiar Malaysia (AIM). He is also the Chairman of the Shariah Advisory Committee of BIMB Securities Sdn. Bhd as well as Shariah Advisory Committee of the Association of Islamic Banking Institute Malaysia (AIBIM).</p> <p>Prior to joining IBFIM, he was the Shariah Coordinator at BIMB, a post he held since 1984. Previously, he served at the National Council for Islamic Religious Affair in the Prime Minister’s Department for 10 years from 1971. He was also one of the Chief Assistant Directors at the Islamic Research Centre for 4 years from 1980.</p> |
| <b>Name:</b>          | <b>Mohd Nasir Ismail</b>  |
| <b>Position:</b>      | Senior Shariah Fellow   |
| <b>Qualification:</b> | Bachelor of Shariah (Hons) (University of Malaya)   |
| <b>Experience:</b>    | <p>He joined the Institute in July 2001. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-based unit trust funds. Before joining IBFIM, he was with Institut Pengajian Ilmu-Ilmu Islam, Kelantan. He is also the designated person responsible for Shariah matters related to the fund.</p>   |
| <b>Name:</b>          | <b>Muhammad Hadi Abdullah</b>   |
| <b>Position:</b>      | Senior Shariah Fellow   |
| <b>Qualification:</b> | Master in Comparative Laws (International Islamic University Malaysia), Bachelor of Shariah Islamiyyah (Hons) (Al-Azhar University, Cairo) and Islamic Financial Planner (IFP) certification  |
| <b>Experience:</b>    | <p>He joined the Institute in January 2005. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-based unit trust funds. He is also the designated person responsible for Shariah matters related to the fund.</p>  |

## TRUSTEE: CIMB TRUSTEE BERHAD

### Corporate Profile of the Trustee

|                          |  |
|--------------------------|--|
| Name of Trustee          | : CIMB Trustee Berhad (167913-M)   |
| Registered Address       | : 5 <sup>th</sup> Floor, Bangunan CIMB<br>Jalan Semantan, Damansara Heights<br>50490 Kuala Lumpur  |
| Date of Incorporation    | : 19 January 1988  |
| Issued / Paid up Capital | : Authorised capital of 100,000 ordinary shares of RM10.00 each  |
| Staff Strength           | : 16 Executives and 3 Non-Executives as at 29 September 2009   |
| Funds under Trusteeship  | : 30 Funds as at 29 September 2009   |
| Directors                | : Tan Sri Dato' Seri Haidar bin Mohamed Nor<br>Mr Loh Shai Weng<br>Datin Norhayati binti Hashim<br>Ms Yap Huey Hoong as alternate director to Mr Loh Shai Weng |
| Chief Operating Officer  | : Ms Khoo Leng Kee   |

### Shareholders and their respective Shareholdings

| Shareholders                          | Percentage |
|---------------------------------------|------------|
| CIMB Bank Berhad                      | 20         |
| BBMB Securities (Holdings) Sdn Bhd    | 20         |
| Bumiputra-Commerce Properties Sdn Bhd | 20         |
| CIMB Holdings Sdn Bhd                 | 20         |
| CIMB Berhad                           | 20         |
| Total                                 | 100        |

### Financial Position

The following is a summary of the past performance of CIMB Trustee Berhad based on audited accounts for the past three (3) financial years ended 31 December:

|                           | 2008   | 2007   | 2006   |
|---------------------------|--------|--------|--------|
|                           | RM'000 | RM'000 | RM'000 |
| Paid-up Capital           | 500    | 500    | 500    |
| Shareholders' funds       | 4,881  | 3,644  | 2,720  |
| Turnover                  | 4,552  | 3,100  | 1,809  |
| Pre-tax Profit / (Loss)   | 1,651  | 1,215  | 264    |
| After tax Profit / (Loss) | 1,234  | 921    | 260    |

## Experience in Trustee Business

As at 29 September 2009, CIMB Trustee acts as trustee to three (3) real estate investment trust funds and sixteen (16) unit trust funds and eleven (11) wholesale funds.

In addition to overseeing these funds, CIMB Trustee also acts as trustee to private debt securities issues such as bonds and notes. Other than being the administrator of deceased's estates, executor of wills, trustee for minors or incapacitated persons, CIMB Trustee also acts as trustee for public, charitable, staff retirement, and pension/gratuity fund scheme, custodian trustee for associations, clubs and others.

## Duties & Responsibilities of the Trustee

The Trustee's functions, duties and responsibilities are set out in the Deed. The general function, duties and responsibility of the Trustee include, but are not limited to, the following:

- a) acting as trustee and safeguarding the rights and interest of the investors;
- b) holding the assets of the Fund for the benefit of the investors; and
- c) exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of the Fund.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of investors.

## Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law.

## Trustee's Declaration

The Trustee is financially independent of the Management Company. The Trustee will carry out transactions on an arm's length basis and on terms which are best available for the Fund, as well as act at all times in the best interest of the Fund's investors. The Trustee also has adequate procedures and processes in place to prevent or control conflicts of interest.

## Trustee's Delegates

CIMB Trustee has appointed CIMB Group Nominees (Tempatan) Sdn Bhd as the custodian of the assets of the Fund. CIMB Group Nominees (Tempatan) Sdn Bhd is a wholly owned subsidiary of CIMB Bank Berhad and assists investment advisors/clients, managers of domestic and international portfolios, lending banks and international custodians in the movement and management of cash and securities. The custodian's custody and clearing services include settlement processing and safekeeping, corporate related services including cash and security reporting, income collection and corporate events processing.

All investments are automatically registered in the name of the Fund. The custodian acts only in accordance with instructions from the Trustee.

## Material Litigations

As at 29 September 2009, the Trustee 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 business or financial position of the Trustee and any of its delegates.

## SALIENT TERMS OF DEED

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ADS was established pursuant to the deed dated 30 September 2009 entered into between the Trustee and the Management Company (Deed).

All Unit Holders are bound by the provisions of the Deed. The Deed and supplemental deeds (if any) will be available for inspection (without charge) during normal business hours at the Management Company's and the Trustee's registered offices.

The Deed may be modified by the Trustee and the Management Company in accordance with the terms of the Deed. Such modification expressed in a supplemental deed shall be deposited with the relevant authorities.

### Recognition of Unit Holders

You shall be recognised as a Unit Holder when you are registered as the holder of units of the Fund.

### Rights

Unit Holders will:

- Be entitled to receive distributions of income in accordance with the discretion of the Management Company in consultation with the Trustee;
- Be entitled to participate in any increase in the value of the units and such other rights and privileges provided for in the Deed;
- Be entitled to be informed of any change in circumstance that is, in the opinion of the Trustee, materially or adversely affecting the right(s) of the Unit Holders; and
- Be entitled to call for a Unit Holders' meeting, and vote for the removal of the Trustee or the Management Company through a special resolution.

### Liabilities

Unit Holders will:

- Not be entitled to request for transfer to them of any assets held by the Fund or be entitled to interfere with the exercise by the Trustee or the Management Company on their behalf, of the rights of the Trustee as registered owner of such assets;
- Not be liable for any amount in excess of the purchase price paid for their units or for any charges payable in relation to those units; and
- Not be obligated to indemnify the Trustee and/or the Management Company in the event that liabilities incurred on behalf of the Fund exceed the net asset value of the Fund.

### Termination of the Trust

The trust shall continue until terminated in accordance with the provisions under the Deed.

The Management Company may determine the trust hereby created and wind up the Fund in accordance with the relevant laws or with the prior approval of the relevant authorities.

Trustee shall terminate the trust in any of the following events:

- If the Management Company has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- If the Management Company has ceased to carry on business; or
- The Management Company has to the prejudice of Unit Holders failed to comply with the provisions of this Deed or contravened any of the provisions of any relevant law.

## SALIENT TERMS OF DEED (con't)

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### Provisions governing Unit Holders' Meetings

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided always that the quorum for a meeting of the Unit Holders convened for the purpose of voting on a Special Resolution shall be five (5) Unit Holders, whether present in person or by proxy, who must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting, and provided further that 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; if the meeting has been convened for the purpose of removing the Management Company and/or the Trustee, 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 at the time of the meeting.

### Meetings directed by Unit Holders

Unless otherwise required or allowed by the relevant laws, the Management Company shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of Unit Holders at the registered office of the Management Company, summon a meeting of the Unit Holders by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Management Company to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Management Company;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed.

provided always that the Management Company shall not be obliged to summon such a meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders.

### Unit Holders meeting convened by the Management Company or Trustee

Unless otherwise required or allowed by the relevant laws, the Management Company or Trustee may convene a Unit Holders' meeting by giving Unit Holders' at least fourteen (14) days written notice specifying the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

## TAXATION ADVISER'S LETTER ON TAXATION OF THE FUND AND UNIT HOLDERS

(Prepared for inclusion in this Information Memorandum)

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### PricewaterhouseCoopers Taxation Services Sdn Bhd

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

### The Board of Directors

Avenue Invest Berhad  
3rd Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur

30 September 2009

## TAXATION OF THE AVENUE DANA SAFA AND UNIT HOLDERS

Dear Sirs

This letter has been prepared for inclusion in the Information Memorandum in connection with the offer of units in the Avenue Dana Safa ("the Fund").

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

### Taxation of the Fund

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

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

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

### Tax Credit

Dividends received by the Fund would have suffered tax deduction at source at 25 per cent, unless specific exemptions apply e.g. pioneer dividends. No additional tax will be payable by the Fund on the dividends. However, such tax or part thereof will be refundable to the Fund if the total tax so deducted at source exceeds the tax liability of the Fund.

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<sup>1</sup>Section 2(7) of the Malaysian Income Tax Act 1967, provides that any reference to interest shall apply, equally 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 Shariah transactions will be given the same tax treatment as interest similar to a conventional transaction.

With effect from 1 January 2008, Malaysia introduced the single tier system where dividends paid by companies would not be taxable in the hands of the recipient. Dividends received from companies that are under the single tier system would be exempted from tax and the expenses incurred on such dividends would be disregarded. There will no longer be any tax refunds for single tier dividends received. However, during the transitional period from 1 January 2008 to 31 December 2013, companies may still elect to maintain the imputation system where dividends paid are taxed at source and tax credits available to recipients.

#### **Exempt Income**

- **Domestic Investments**

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.

With effect from 1 January 2008 dividends received from companies under the single tier system would also be exempted.

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

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

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

- (a) Interest or profit<sup>1</sup> paid or credited by any bank or financial institution licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983; and
- (b) Bonds, other than convertible loan stocks, paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad.

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

- **Foreign Investments**

Income of the Fund in respect of overseas investment is exempt from Malaysian tax by virtue of Para 28 of Schedule 6 of the Act and distributions from such income will be tax exempt in the hands of the Unit Holders. Such income from foreign investments may be subject to foreign taxes or withholding taxes. However, any foreign tax suffered on the income in respect of overseas investment is not tax refundable to the Fund.

- **Tax Deductible Expenses**

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

- **Real Property Gains Tax**

With effect from 1 April 2007, any gains on disposal of real properties or shares in real property companies would not be subject to real property gains tax pursuant to the exemption granted under the Real Property Gains Tax (Exemption) (No. 2) Order 2007.

- **Taxation of Unit Holders**

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

Corporate Unit Holders, resident<sup>2</sup> and non-resident, will generally be liable to income tax at 25 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 27 per cent. Individuals and other non-corporate Unit Holders who are not resident in Malaysia will be subject to income tax at 27 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

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

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

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

Unit 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.

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<sup>2</sup> Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 20 per cent for the first RM500,000 of chargeable income with the balance taxed at 25 per cent.

Under the Finance Act 2009, with effect from year of assessment 2009, the above shall not apply if more than -

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

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

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**

Khoo Chuan Keat  
Senior Executive Director

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as Taxation Adviser in the form and context in which it appears in this Information Memorandum and have not withdrawn such consent prior to the delivery of a copy of this Information Memorandum for approval.

## ADDITIONAL INFORMATION

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### Investors Services

#### FOR MORE INFORMATION ON:

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- The Fund's NAV per unit
- Investment details
- Liquidation details
  
- **Call us during our office hours at:**
  - 03-2089 2800 (Head Office)
  - 04-227 6185 (Pulau Pinang)
  - 05-255 5388 (Ipoh)
  - 03-3341 9400 (Klang)
  - 06-767 7277 (Seremban)
  - 06-286 8289 (Melaka)
  - 07-332 2148 (Johor Bahru)
  - 09-744 4991 (Kota Bharu)
  - 082-235 035 (Kuching)
  - 088-253 030 (Kota Kinabalu)

**Monday to Friday: 8.30 a.m. to 5.30 p.m.**  
**(3.30 p.m cut-off time for unit transactions)**

- **Or visit our website or send an e-mail to us at:**
  - Website : [www.oneinvest.com.my](http://www.oneinvest.com.my)
  - Email : [invest@ecmlibra.com](mailto:invest@ecmlibra.com)
  
- **In addition, the NAV per unit is also available at:**
  - Our Nationwide Investor Care & Service Centres
  - Major leading Malaysian newspaper/periodicals

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#### **WHEN YOU INVEST IN THE FUND, THE MANAGEMENT COMPANY WILL PROVIDE YOU WITH THE FOLLOWING:**

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|----------------------------------|---|
| • Investment Confirmation        | e.g Units holding, NAV, Payment details                         |
| • Details of income distribution | e.g Income Distribution(if any) is quarterly                    |
| • Monthly Statements/Reports     | e.g Units holding, NAV, Investment market value as at month end |
| • Quarterly Reports              | e.g Market review & outlook, Fund performance                   |
| • Annual Reports                 | e.g Market review & outlook, Fund performance                   |

## CONSENTS

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The Trustee, Principal Bankers and Shariah Adviser have granted their written consent to the use of their names in the Information Memorandum. Similar consent has been obtained from the Auditors for use of their names in this Information Memorandum before this Information Memorandum was released. Prior to the issue of the Information Memorandum, the Tax Advisers have given their written approval to include their names and the Taxation Adviser's Letter. None of the aforesaid consents have been withdrawn.

## DOCUMENTS AVAILABLE FOR INSPECTION

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The following documents or copies thereof or other documents as may be required by SC will be available for inspection (without charge) for a period of not less than 12 months during normal business hours at the principal place of business of the Management Company and the Trustee:

- The Deed of the Fund;
- Each material contract or document referred to in the Information Memorandum;
- Latest annual and quarterly reports of the Fund;
- The audited accounts of the Management Company and the Fund (where applicable) for the last three (3) financial years;
- The latest audited accounts of the Management Company and the Fund for the current financial year (where applicable);
- All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Information Memorandum;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in the Information Memorandum; and
- Consent of all experts or persons named in this Information Memorandum.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

**Datuk Kamarudin bin Md Ali (Chairman & Independent Non-Executive Director)**

**Tan Jin Teik (Managing Director)**

**Hoo See Kheng (Chief Executive Officer/Executive Director)**

**Khairudin bin Ibrahim (Independent Non-Executive Director)**

**Mahadzir bin Azizan (Independent Non-Executive Director)**

**Ching Yew Chye @ Chng Yew Chye (Independent Non-Executive Director)**

## COMPANY DIRECTORY

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### Nationwide Investor Care & Services Centres

#### HEAD OFFICE

3rd Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Investor Careline: 603-2089 2800  
General line: 603-2089 2900  
Fax: 603-2089 2808 / 2300

#### PULAU PINANG

2<sup>nd</sup> Floor  
No. 111, Macalister Road  
10400 Pulau Pinang  
Tel: 604-227 6185  
Fax: 604-227 6213

#### PERAK - IPOH

2<sup>nd</sup> Floor  
No. 63, Persiaran Greenhill  
30450 Ipoh  
Tel: 605-255 5388  
Fax: 605-243 8616

#### SELANGOR - KLANG

No. 6/1, Lorong Tiara 1B  
Bandar Baru Klang  
41150 Klang  
Tel: 603-3341 9400  
Fax: 603-3341 9449

#### NEGERI SEMBILAN – SEREMBAN

No. 43, (Bawah)  
Jalan Tunku Hassan  
70000 Seremban  
Tel: 606-767 7277  
Fax: 606-763 3368

#### MELAKA

No. 89, Jalan Melaka Raya 24  
Taman Melaka Raya 1  
75000 Melaka  
Tel: 606-286 8289  
Fax: 606-286 8200

#### JOHOR – JOHOR BAHRU

No. 105, Jalan Meranti Merah  
Taman Melodies  
80250 Johor Bahru  
Tel: 607-332 2148  
Fax: 607-335 0426

#### KELANTAN – KOTA BAHRU

Lot 2-7, Tingkat 2 Bangunan MARA  
Jalan Dato Pati  
15000 Kota Bahru  
Tel: 609-744 4991  
Fax: 609-744 5991

#### SABAH – KOTA KINABALU

Level 8, Wisma Great Eastern  
No 68 Jalan Gaya  
88000 Kota Kinabalu, Sabah  
Tel: 088-253 030  
Fax: 088-263 030

#### SARAWAK – KUCHING

Ground Floor, No. 293, Lot 2654  
Central Park Commercial Centre  
3rd Mile, Rock Road  
93250 Kuching  
Tel: 082-235 035  
Fax: 082-238 035

#### AUTHORISED DISTRIBUTOR:

##### • ECM Libra Investment Bank Berhad

1st & 2nd Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 603-2178 1888  
Fax: 603-2032 5035

##### • Phillip Mutual Berhad

B-2-7, Megan Avenue  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel: 603-2783 0300  
Fax: 603-2711 3036

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