

# PRODUCT HIGHLIGHTS SHEET

## PACIFIC DANA MURNI

### RESPONSIBILITY STATEMENT

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

### STATEMENT OF DISCLAIMER

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

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

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

### PRODUCT HIGHLIGHTS SHEET

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

### BRIEF INFORMATION ON THE PRODUCT

#### 1. What Is This Product About?

<b>Product Type</b>	Unlisted unit trust fund (open-ended)
<b>Manager</b>	Pacific Mutual Fund Bhd (336059-U)
<b>Trustee</b>	MTrustee Berhad (163032-V) (Formerly known as AmTrustee Berhad)

### PRODUCT SUITABILITY

#### 2. Who Is This Product Suitable For?

An investor who is seeking steady returns higher than general investment accounts with reasonable protection of capital, while complying with Shariah requirements. It is suitable for investor seeking a regular income<sup>□</sup> stream and moderate capital growth.

<sup>□</sup> *Income is in reference to the Fund's distribution, which could be in the form of cash or units.*

**Unit prices and distributions payable, if any, may go down as well as up. The investor may not get back the full amount invested and the principal amount invested may be at risk.**

## KEY PRODUCT FEATURES

### 3. (a) What Am I Investing In?

<b>Fund Category</b>	Bond (Islamic)
<b>Fund Type</b>	Income
<b>Base Currency</b>	Ringgit Malaysia (RM)
<b>Distribution</b>	Income, if any, will be distributed annually.
<b>Financial Year End</b>	31 March
<b>Issuance Date</b>	25 March 2003
<b>Issuance Price</b>	RM0.5000

#### INVESTMENT OBJECTIVE

The Fund aims to achieve a stable income<sup>□</sup> stream with reasonable protection of capital by investing in a diversified portfolio of Islamic private debt securities and other liquid assets which comply with Shariah principles. The Fund may also provide some degree of capital growth potential over a medium to long-term period.

□ *Income is in reference to the Fund's distribution, which could be in the form of cash or units.*

#### INVESTMENT POLICY AND STRATEGY

To attain the Fund's objective of achieving a stable income stream with reasonable protection of capital, the Fund will invest in a diversified portfolio of predominantly sukuk, which generally produce higher yield than government sukuk and Islamic money market instruments.

In ensuring compliance with Shariah requirements for fund management, the Fund will be invested solely in sukuk as approved by the Securities Commission. With this, investors of the Fund will benefit not only from the higher returns of sukuk but also are assured that their investments comply with Shariah requirements at all times.

#### Asset Allocation

The Fund may invest up to 95% (minimum sukuk allocation is 70%) of its NAV in sukuk. An internal allocation for cash and other Shariah-compliant liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.

While the maximum limit for sukuk investments is 95% of the Fund's NAV, asset allocation employed varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions.

#### • Sukuk And Islamic Money Market Investment Strategy

In managing the Fund's investments in sukuk, our strategy hinges on the need for a well-diversified portfolio and focus on the credit qualities of Shariah-compliant securities in the portfolio. The sukuk portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of any specific sukuk.

Interest rates are a general indicator that will have an impact on the management of a fund regardless of whether it is a Shariah-compliant 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.

**Performance Benchmark**

The benchmark for the Fund is the Maybank GIA Tier II 12-Month rate and available from [www.maybank2u.com.my](http://www.maybank2u.com.my). It will also be published as a comparison against the Fund's total return at least on a monthly basis in our publications and on our website.

GIA refers to General Investment Account. It is similar to conventional fixed deposits for benchmarking purpose except it is structured based on Shariah principles. The Tier II 12-month rate refers to the 12-month rate offered to placements in excess of RM1 million. Only placements within RM1 million qualify for the board rate or Tier I rate which is higher than the Tier II rate.

The Fund invests in a portfolio comprising short to long-term sukuk and Islamic money market instrument (including and especially private issuer) that are inherently of higher risk than one-year GIA placement. In this regard, the Fund bears relatively higher risk than one-year GIA placements. Therefore, the Fund is expected to outperform the performance benchmark.

**3. (b) Who Am I Investing With?**

<b>Manager</b>	Pacific Mutual Fund Bhd (336059-U)
<b>Trustee</b>	MTrustee Berhad (163032-V) (Formerly known as AmTrustee Berhad)
<b>Auditors</b>	Ernst & Young
<b>Tax Advisers</b>	Ernst & Young Tax Consultants Sdn Bhd (179793-K)
<b>Shariah Adviser</b>	BIMB Securities Sdn Bhd (290163-X)

**4. What Are The Possible Outcomes Of My Investment?**

- The quantum of potential returns of the Fund would depend on the Fund's asset allocation decisions and performance of the underlying investments of the Fund.
- This is a non-guaranteed Fund and the investor may not get back the full amount invested and the principal amount invested may be at risk. Returns are also not fixed or guaranteed.

**KEY RISKS****5. What Are The Key Risks Associated With This Product?****SPECIFIC RISK OF THE FUND**

**Credit risk** – This risk refers to changes in the financial conditions of deposit-taking financial institutions as well as financial institutions issuing sukuk / Islamic money market instruments and Islamic deposit placements, which may affect their credit worthiness. This in turn may lead to default in the repayment/payment of principal and profit. These events can lead to loss of capital and/or delayed or reduced income for the Fund resulting in a reduction in the Fund's asset value and thus unit price. This risk is mitigated by active credit analyses and diversification in the sukuk / Islamic money market instruments issued by different companies, deposit-taking financial institutions and financial institutions.

**PRINCIPAL RISKS OF THE FUND**

- **Interest rate risk** – This risk refers to the effect of interest rate changes on the market value of a sukuk portfolio. In the event of rising interest rates, prices of sukuk will generally decrease and vice versa. Sukuk with longer maturity and lower profit rate are more sensitive to interest rate changes. Interest rate movements can lead to fluctuations in sukuk prices resulting in fluctuations in the value of the Fund. In terms of sukuk, particularly those based on contract of exchange such as Murabahah BBA and Ijarah, any fluctuations in conventional interest rates will also affect the indicative/profit rates of these sukuk, hence, will also lead to a rise or fall in prices of sukuk. This risk will be mitigated\* via the management of the duration structure of the portfolio of sukuk.

The interest rate is a general indicator that will have an impact on the management of funds regardless of whether it is a Shariah-compliant unit trust fund or otherwise.

- \* The duration of the sukuk portfolio segment will be kept low by buying more short-term to medium-term sukuk. The value of these short-term to medium-term sukuk are less sensitive to interest rates movements – i.e. in the situation where interest rates rise, their values, as compared to investments with a long duration, will fall less if at all.
- **Liquidity risk** – This risk occurs in thinly traded or illiquid securities. If the Fund needs to sell a relatively large amount of such securities, the act itself may significantly depress the selling price resulting in a decrease in the value of the Fund's assets. The Fund is managed in such a way that a portion of the investments is in Islamic money market instruments that are highly liquid and this allows the Fund to meet sizeable redemptions without jeopardising potential returns.
- **Market risk** – This risk refers to developments in the market environment which typically includes changes in regulations, politics, technology and the economy of the country. Market developments can result in stock market fluctuations which in turn affect the Fund's underlying investments and hence its unit price. In terms of the Fund's concentration in a single market, this risk is reduced by undertaking active asset allocation, i.e. shifting investment direction more into other asset classes such as Islamic money market instruments or cash where risk is heightened.
- **Reinvestment risk** – This is a risk that future proceeds (profit and/or capital) are reinvested at a lower profit rate. Reinvestment risk is especially evident during periods of falling rates where the profit payments (from existing sukuk investments) are reinvested at less than the yield to maturity (actual profit rate) at the time of purchase. Such risk may be mitigated by purchasing zero coupon (deep discount) sukuk which do not pay profits and holding these sukuk to maturity (note however, there is still reinvestment risk upon maturity of the zero coupon sukuk). Risk is also potentially reduced by duration\* management – i.e. increasing duration of the sukuk segment where rates are falling or are expected to fall, and vice versa.

- \* Duration is used as a measure of sensitivity to profit rates, which takes into account the maturity and profit rate of a sukuk.

### Shariah Investment Guidelines Adopted By BSSB

The following guidelines are adopted by BSSB for the Fund:

- The Fund must at all times and all stages of its operation comply with Shariah principles.
- The Fund must be raised, operated, and finally redeemed by the investor on the basis of the contracts which are acceptable in Shariah. The banking facilities and short-term money market instruments used for the Fund have to be those which comply with Shariah principles. Similarly all the fixed-income and variable-income instruments, sukuk, etc. must be those which are Shariah-compliant.
- For Islamic money market instruments and sukuk based on the list readily available at Bank Negara Malaysia (for Islamic money market instruments) and Securities Commission Malaysia (for sukuk) websites.
- The Shariah Adviser for Pacific Dana Murni confirms that the investment portfolios of the Fund comprise instruments which have been classified as Shariah-compliant by the SACSC and, where applicable the Shariah Advisory Council of Bank Negara Malaysia ("SACBNM").

***The investment manager exercises diligence in minimising the above risks to the Fund. However, it is not always possible to cover all investment risks in spite of best efforts as financial markets can be highly unpredictable. Investors are encouraged to consult their advisers such as financial/tax consultants, lawyers or bankers for a further understanding of these risks.***

## FEES AND CHARGES

### 6. What Are The Fees And Charges Involved?

<b>Sales Charge</b>	2.00% of the Fund's NAV per unit.  Investors may negotiate for a lower sales charge.
<b>Annual Management Fee</b>	Up to 1.00% p.a. of NAV of the Fund.  The annual management fee is payable on a monthly basis.
<b>Annual Trustee Fee</b>	Up to 0.07% p.a. of the NAV of the Fund calculated and accrued on a daily basis, subject to a minimum of RM18,000 p.a.  The annual trustee fee is payable on a monthly basis.
<b>Redemption Fee</b>	Nil
<b>Switching Fee</b>	The Manager does not intend to charge any switching fee; however, under certain circumstances, unitholders performing a switching transaction will have to pay the applicable difference in sales charge between the funds to be switched from and the funds to be switched into. Please refer to the master prospectus for the terms and conditions of the switching facility of the Fund.
<b>Transfer Fee</b>	Nil

***Despite the maximum fees and charges permitted by the deed, all current fees and charges are as disclosed above.***

***All fees and charges quoted are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities from time to time.***

**You should NOT make payment in cash to a unit trust consultant or issue a cheque in the name of a unit trust consultant.**

**VALUATIONS AND EXITING FROM INVESTMENT**
**7. How Often Are Valuations Available?**

- The valuation of NAV for the Fund will be conducted at the end of each business day. Daily prices of the Fund will be published on the next business day.
- Fund prices will be published on Pacific Mutual's website at [www.pacificmutual.com.my](http://www.pacificmutual.com.my).

**8. How Can I Exit From This Investment And What Are The Risks And Costs Involved?**

- Investors can exit from the investment by completing the transaction form. The duly completed and accepted original transaction form must reach Pacific Mutual's head office or its branches by 4.00 p.m. on any business day. Pacific Mutual will repurchase units at the Fund's NAV per unit calculated at the end of that business day.
- The investor will receive the prevailing price per unit.
- Transaction forms received after 4.00 p.m. will be treated as having been received on the next business day.
- Payments will be made to investors within 10 days (from the business day the redemption request is accepted).

**Note: If an investor is a first-time investor with Pacific Mutual, the investor is entitled to a cooling-off period of six business days. The refund for every unit with regards to the cooling-off is the sum of the NAV per unit on the day the units were purchased and, sales charge and GST on sales charge per unit originally imposed on the day the units were purchased. Essentially, you will receive a full refund of the initial investment paid by you within 10 days of receipt of the original notice of cooling-off by Pacific Mutual.**

**However, this is not applicable to corporate/institutional investors; staff of Pacific Mutual and Lion Global Investors Limited (formerly known as Lion Capital Management Limited) and their immediate family members; and persons registered with a body approved by the Securities Commission Malaysia to deal in unit trusts.**

**FUND PERFORMANCE (for the financial year ended 31 March)**

Source of fund performance: Lipper for Investment Management

Source of benchmark performance: Maybank [www.maybank2u.com.my](http://www.maybank2u.com.my)

**9. Portfolio Structure**

	2017	2016	2015
<b>Shariah-Compliant Fixed Income Securities</b>	92.24%	92.95%	86.74%
<b>Shariah-Compliant Collective Investment Scheme (CIS)</b>	0.89%	0.95%	-
<b>Cash &amp; Islamic Money Market Instruments</b>	6.87%	6.10%	13.26%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Remarks</b>	<p>The Shariah-compliant fixed income securities allocation (inclusive of Shariah-compliant CIS) of Pacific Dana Murni decreased marginally to 93.13% as at 31 March 2017 from 93.90% recorded in the financial year ended 2016. Allocation was relatively unchanged compared to a year earlier on active reinvestment activities.</p> <p>The unquoted sukuk allocation (inclusive of Shariah-compliant CIS) of Pacific Dana Murni increased to 93.90% as at 31 March 2016 from 86.74% recorded in the financial year ended 2015 due to active reinvestment activities which took place mostly in the second half of the financial year under review and net redemption outflows.</p>		

**10. Performance Data**

**Total Annual Return**

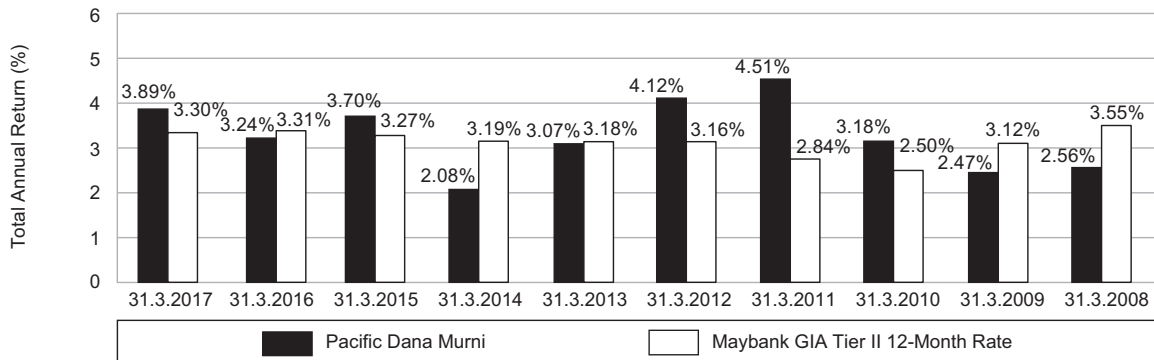
	1.4.2016 To 31.3.2017	1.4.2015 To 31.3.2016	1.4.2014 To 31.3.2015	1.4.2013 To 31.3.2014	1.4.2012 To 31.3.2013	1.4.2011 To 31.3.2012	1.4.2010 To 31.3.2011	1.4.2009 To 31.3.2010	1.4.2008 To 31.3.2009	1.4.2007 To 31.3.2008
<b>Pacific Dana Murni</b>	3.89%	3.24%	3.70%	2.08%	3.07%	4.12%	4.51%	3.18%	2.47%	2.56%
<b>Benchmark<sup>^</sup></b>	3.30%	3.31%	3.27%	3.19%	3.18%	3.16%	2.84%	2.50%	3.12%	3.55%
<b><sup>^</sup> Maybank GIA Tier II 12-Month Rate</b>										

**Average Annual Return**

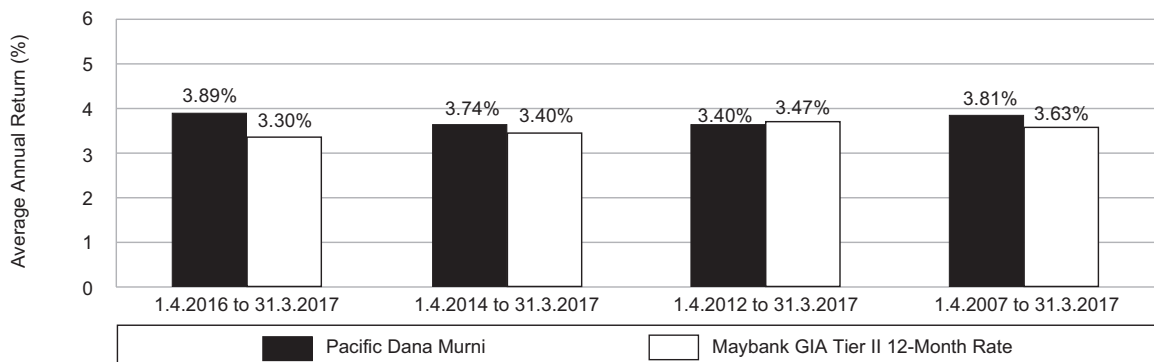
	1 Year's Period 1.4.2016 To 31.3.2017	3 Years' Period 1.4.2014 To 31.3.2017	5 Years' Period 1.4.2012 To 31.3.2017	10 Years' Period 1.4.2007 To 31.3.2017
<b>Pacific Dana Murni</b>	3.89%	3.74%	3.40%	3.81%
<b>Benchmark<sup>^</sup></b>	3.30%	3.40%	3.47%	3.63%
<b><sup>^</sup> Maybank GIA Tier II 12-Month Rate</b>				

**11. Performance Chart**

**Total Annual Return**



**Average Annual Return**



Basis of calculation and assumptions made in calculating the returns:

$$* \quad \text{Percentage growth} = \frac{\text{NAV}_t - \text{NAV}_{t-1}}{\text{NAV}_{t-1}}$$

where t = current year  
 t-1 = previous year

## 12. Distribution

	2017	2016	2015
<b>Gross Distribution Per Unit (sen)</b>	1.70	1.75	1.75
<b>Net Distribution Per Unit (sen)</b>	1.70	1.75	1.75

Distribution is in the form of cash.

## 13. Unit Split

Not applicable.

## 14. Portfolio Turnover Ratio (PTR)

	2017	2016	2015
<b>PTR (times)</b>	0.60	0.48	0.33
<b>Remarks</b>	The PTR for the financial year ended 31 March 2017 was higher compared with the financial year ended 31 March 2016 due to the increase in investing activities.  The PTR for the financial year ended 31 March 2016 was higher compared with the financial year ended 31 March 2015 due to the increase in investing activities.		

Past performance of the Fund is not an indication of its future performance.



**CONTACT INFORMATION**
**15. Who Should I Contact For Further Information Or To Lodge A Complaint?**
**Contact Details Of The Manager**

<b>Head Office</b>	<b>Pacific Mutual Fund Bhd</b> (336059-U) A member of the OCBC Group 1001, Level 10, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Tel: 03-7725 9877 Fax: 03-7725 9860 E-mail: <a href="mailto:customercare@pacificmutual.com.my">customercare@pacificmutual.com.my</a> Website: <a href="http://www.pacificmutual.com.my">www.pacificmutual.com.my</a>
<b>Branches</b>	<b>Pulau Pinang</b> Tel: 04-644 7979 Fax: 04-644 1112 E-mail: <a href="mailto:penang@pacificmutual.com.my">penang@pacificmutual.com.my</a>
	<b>Perak</b> Tel: 05-242 4322 Fax: 05-242 4323 E-mail: <a href="mailto:ipoh@pacificmutual.com.my">ipoh@pacificmutual.com.my</a>
	<b>Melaka</b> Tel: 06-282 8788 Fax: 06-286 8788 E-mail: <a href="mailto:melaka@pacificmutual.com.my">melaka@pacificmutual.com.my</a>
	<b>Sarawak</b> Tel: 082-233 933 Fax: 082-422 733 E-mail: <a href="mailto:kuching@pacificmutual.com.my">kuching@pacificmutual.com.my</a>
	<b>Sabah</b> Tel: 088-251 088 Fax: 088-251 059 E-mail: <a href="mailto:kk@pacificmutual.com.my">kk@pacificmutual.com.my</a>

Please specify the nature of the complaint and the person(s) involved – stating the date, time and place of occurrence.

- (i) For internal dispute resolution, you may contact:  
Pacific Mutual Fund Bhd – Customer Care Hotline: 03-7726 6332
- (ii) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
- (a) via phone to : 03-2282 2280
  - (b) via fax to : 03-2282 3855
  - (c) via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar,  
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
- (iii) You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Investor Affairs & Complaints Department:
- (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - (d) via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
  - (e) via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No. 3 Persiaran Bukit Kiara, Bukit Kiara  
50490 Kuala Lumpur
- (iv) Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
- (a) via phone to : 03-2092 3800
  - (b) via fax to : 03-2093 2700
  - (c) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - (d) via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
  - (e) via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No. 19 Lorong Dungun, Damansara Heights  
50490 Kuala Lumpur

**APPENDIX: GLOSSARY****business day(s)**

A day on which the Bursa Malaysia is open for trading.

**daily unit price / net asset value (NAV) per unit**

The NAV of the Fund divided by the total number of units in circulation, at a particular valuation point.

**GST**

Tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.

**master prospectus / prospectus**

Prospectus in relation to the Fund(s) managed by Pacific Mutual.

**net asset value (NAV)**

The total value of the Fund's assets minus its liabilities at a valuation point.

**SACSC**

Shariah Advisory Council of the Securities Commission Malaysia

**Shariah**

Islamic law, originating from the Qur'an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).

**Shariah adviser**

Means a person or a corporation approved and registered by the Securities Commission Malaysia as Shariah adviser under the Registration of Shariah Advisers Guidelines.

**Shariah Adviser**

BIMB Securities Sdn Bhd (290163-X)

**Shariah requirements**

Is a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah 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.

**short term / medium term / long term**

Short term - below one year; medium term - one year to three years; long term - above three years.

**sukuk**

Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the Securities Commission Malaysia's Shariah Advisory Council.

**Fund**

Pacific Dana Murni