



# PROSPECTUS

## PB DYNAMIC ALLOCATION FUND

This Prospectus is dated 19 June 2012 and expires on 29 April 2013

**Date of Constitution of the Fund: 19 June 2012**

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 13.**

DISTRIBUTOR:



**PUBLIC BANK**  
(6463-H)

Excellence Is Our Commitment

THE MANAGER:



**PUBLIC MUTUAL**  
(2349-A)

WHOLLY-OWNED SUBSIDIARY OF PUBLIC BANK

TRUSTEE

**AmanahRaya Trustees Berhad (766894-T)**

## **Responsibility Statement**

This Prospectus has been reviewed and approved by the directors of Public Mutual Berhad 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, there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading.

## **Statements of Disclaimer**

The Securities Commission Malaysia has approved the issue of, offer for subscription or purchase, or issue an invitation to subscribe for or purchase units of the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

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

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

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

## **Additional Statements**

Investors are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through sections 248, 249 and 357 of the *Capital Markets and Services Act 2007*.

**No units will be issued or sold based on this Prospectus after the expiry date of this Prospectus.**

## PREFACE

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PB Dynamic Allocation Fund (PBDYNAF) seeks to achieve capital growth over the medium to long-term period by investing in equities and fixed income securities in domestic and foreign markets. Its equity content may range between 30% to 98% of the NAV of the Fund. The balance of the Fund's NAV may be invested in fixed income securities and liquid assets which include money market instruments and deposits. Principal risks associated with the Fund include market risk, specific security risk, interest rate risk, credit risk, liquidity risk, derivative risk, currency risk, and country risk. PBDYNAF is suitable for investors with aggressive risk-reward temperament i.e. the investor's risk disposition favouring high capital growth and its corresponding high risk.

A service charge of up to 5.5% of NAV per unit is levied for PBDYNAF upon the purchase of units of the Fund by investors. There is no repurchase charge levied on the redemption of units of the Fund by investors. A switching fee of 0.75% of NAV per unit or a minimum of RM50 is imposed if units are switched out of PBDYNAF within 90 days from the date of purchase of units/switching into PBDYNAF.

The annual management fee of PBDYNAF is 1.65% per annum of NAV. The annual trustee fee of the Fund is 0.06% per annum of NAV, subject to a minimum fee of RM18,000 and a maximum fee of RM600,000 per annum.

You may refer to *pages 8 to 12 of Chapter 1: Key Features of the Fund* for a better understanding of the objective and key strategies of the Fund, risks of investing in the Fund, profile of investors suitable to invest in the Fund and fees and charges payable when investing in the Fund, and to help you to decide if the Fund is compatible with your personal investment temperament and long term financial goals.

Units of the Fund can be bought or sold at our branches listed on *pages 61 to 63* of this Prospectus and the branches of our appointed IUTA(s) listed on *page 64* of this Prospectus.

Yeoh Kim Hong  
Chief Executive Officer

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## GLOSSARY OF TERMS/ABBREVIATIONS

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ART	AmanahRaya Trustees Berhad (766894-T)
Bursa Malaysia	Bursa Malaysia Berhad
Bursa Securities	Bursa Malaysia Securities Berhad
Business Day(s)	Each weekday in which Bursa Securities is open for dealing.  <i>Note: The Manager may declare certain Business Day to be a non Business Day, although Bursa Securities is open for business, if one or more of the markets in which the Fund is invested therein are closed for business. This is to ensure that investors will be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund.</i>
CMSA 2007	Capital Markets and Services Act 2007
Cooling-off right	The right of a unitholder who is investing with Public Mutual for the first time, to change his mind and cancel an investment within 6 Business Days from the date of receipt of the application form and payment by Public Mutual, and obtain a full refund of the said investment within 10 days of receipt of cooling-off notice by Public Mutual.  The cooling-off right, however, does not extend to a corporation or institution, the staff of Public Mutual, and persons registered to deal in unit trust funds.
Eligible Market	A market that – (a) is regulated by a regulatory authority; (b) operates regularly; (c) is open to the public; and (d) has adequate liquidity for the purposes of the fund in question.
Extraordinary Resolution	A resolution passed at a meeting of unitholders duly convened and held in accordance with the provisions of the Deed and carried by a majority consisting of not less than three quarters of the unitholders voting thereat upon a show of hands or if a poll is duly demanded and taken by a majority consisting of not less than three-quarters in number of the votes given on such poll. For the purposes of termination or winding-up of a fund, an extraordinary resolution is passed by a majority in number representing at least three-fourth of the value of the units held by unitholders at the meeting duly convened and held in accordance with the provisions of the Deed.
FIMM	The Federation of Investment Managers Malaysia
IUTA	Institutional Unit Trust Agent  IUTA is an institution, corporation or organisation that is registered with the FIMM to market and distribute unit trust funds.
Forward Pricing	The selling or buying of units is based on the NAV per unit next determined or calculated after the application/repurchase order from unitholder(s) is received by the Manager in proper form.
Fund Manager	Designated Fund Manager/co-Fund Manager of the Fund.
NAV	Net Asset Value (“NAV”) of the fund is determined by deducting the value of all the fund’s liabilities (include all amounts payable by the fund, accrued expenses and taxes, and any appropriate provisions for contingencies) from the value of the fund’s assets, at the valuation point. For the purpose of computing the annual management fee and the annual trustee fee, the NAV of the fund should be inclusive of the management fee and trustee fee for the relevant day.

## **GLOSSARY OF TERMS/ABBREVIATIONS (CONT'D)**

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NAV per unit	The NAV per unit is the NAV of a fund divided by the number of units in circulation at the valuation point. It forms the basis upon which the prices of units of a fund are calculated.
PBDYNAF or the Fund	PB Dynamic Allocation Fund
PB Series of Funds	This series of funds comprises the PB Dynamic Allocation Fund and twenty four other unit trust funds namely the PB Growth Fund, PB Asia Equity Fund, PB ASEAN Dividend Fund, PB Euro Pacific Equity Fund, PB China Pacific Equity Fund, PB China ASEAN Equity Fund, PB China Australia Equity Fund, PB Singapore Advantage-30 Equity Fund, PB Asia Pacific Enterprises Fund, PB Islamic Equity Fund, PB Islamic Asia Equity Fund, PB Islamic Asia Strategic Sector Fund, PB Balanced Fund, PB Asia Real Estate Income Fund, PB Australia Dynamic Balanced Fund, PB Indonesia Balanced Fund, PB Fixed Income Fund, PB Infrastructure Bond Fund, PB Islamic Bond Fund, PB Cash Management Fund and PB Islamic Cash Management Fund which are governed by a separate master prospectus dated 30 April 2011 and expires on 29 April 2012 and PB Asia Emerging Growth Fund, PB Bond Fund and PB Sukuk Fund which are governed by a separate prospectus dated 6 September 2011 and expires on 29 April 2012.
Public Bank	Public Bank Berhad (6463-H)
Public Mutual or the Manager	Public Mutual Berhad (23419-A)
RM	Ringgit Malaysia
SC	Securities Commission Malaysia
SC Guidelines	Guidelines on Unit Trust Funds issued by SC on 3 March 2008, and shall include any Guidance Notes, Circulars, schedules, appendices and guidelines contained therein or made pursuant thereto.
the Deed	The Deed means the master deed dated 9 August 2002 and all supplemental deeds entered into between the Trustee and the Manager for the registered holders of the funds.
UIC	Units in circulation ("UIC") refers to the total number of units in issue and fully paid at a point in time.
Valuation point	<p>Valuation point refers to such a time(s) on a Business Day as may be decided by the Manager wherein the Net Asset Value ("NAV") of the Fund is calculated. Under normal circumstances, only one valuation is conducted on each Business Day.</p> <p>For PBDYNAF, the valuation of the Fund will be conducted after the close of business of Bursa Securities for the relevant day as certain of the foreign markets in which the Fund may invest in have yet to close due to the different time zones of these countries. As such, the valuation point will thus be after the close of Bursa Securities but not later than 9:00 a.m. (or any other such time as may be permitted by the relevant authorities from time to time) on the following day in which the Manager is open for business.</p>

## DISTRIBUTOR, MANAGER, TRUSTEE AND ADVISERS

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### DISTRIBUTOR OF PB SERIES OF FUNDS

#### **Public Bank Berhad (6463-H)**

Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur  
Tel: 03-2176 6000 / 2176 6666  
Fax: 03-2163 9917  
Customer Service Hotline: 1800-22-9999  
Web: [www.publicbank.com.my](http://www.publicbank.com.my)

### MANAGER

#### **Public Mutual Berhad (23419-A)**

Registered and business address:  
Block B, Sri Damansara Business Park  
Persiaran Industri, Bandar Sri Damansara  
52200 Kuala Lumpur  
Tel: 03-6279 6800 Fax: 03-6277 9800  
Hotline: 03-6207 5000  
e-mail: [customer@publicmutual.com.my](mailto:customer@publicmutual.com.my)  
Web: <http://www.publicmutual.com.my>

#### **Board of Directors**

Tan Sri Dato' Sri Dr. Teh Hong Piow (*Non-Executive Director/Chairman*)  
Tan Sri Datuk Seri Utama Thong Yaw Hong (*Non-Executive Independent Director/Co-Chairman*)  
Tan Sri Dato' Sri Tay Ah Lek (*Non-Executive Director*)  
Dato' Sri Lee Kong Lam (*Non-Executive Director*)  
Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff (*Non-Executive Independent Director*)  
Dato' Haji Abdul Aziz Bin Dato' Dr. Omar (*Non-Executive Independent Director*)  
Mr. Quah Poh Keat (*Non-Executive Independent Director*)  
Ms. Yeoh Kim Hong (*Chief Executive Officer /Executive Director*)

#### **Members of the Investment Committee**

Tan Sri Datuk Seri Utama Thong Yaw Hong (*Independent*)  
Tan Sri Dato' Sri Tay Ah Lek  
Dato' Sri Lee Kong Lam  
Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff (*Independent*)  
Dato' Haji Abdul Aziz Bin Dato' Dr. Omar (*Independent*)  
Mr. Quah Poh Keat (*Independent*)  
Ms. Yeoh Kim Hong

#### **Members of the Audit and Compliance Committee**

Tan Sri Datuk Seri Utama Thong Yaw Hong  
Tan Sri Dato' Sri Tay Ah Lek  
Dato' Sri Lee Kong Lam  
Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff  
Dato' Haji Abdul Aziz Bin Dato' Dr. Omar  
Mr. Quah Poh Keat



## **DISTRIBUTOR, MANAGER, TRUSTEE AND ADVISERS (CONT'D)**

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### **Company Secretaries**

Ms. Tang Pueh Fong (MIA 8078)  
c/o Public Mutual Berhad  
2<sup>nd</sup> Floor, Block B, Sri Damansara Business Park  
Persiaran Industri, Bandar Sri Damansara  
52200 Kuala Lumpur

Ms. Pang Siew Han (MIA 6968)  
c/o Public Mutual Berhad  
2<sup>nd</sup> Floor, Block B, Sri Damansara Business Park  
Persiaran Industri, Bandar Sri Damansara  
52200 Kuala Lumpur

### **TRUSTEE**

#### **AmanahRaya Trustees Berhad (766894-T)**

*Registered address:*  
Tingkat 11, Wisma AmanahRaya  
No. 2, Jalan Ampang  
50508 Kuala Lumpur  
*Tel: 03-2055 7388*  
*Web: <http://www.amanahraya.com.my>*

*Business address:*  
Tingkat 2, Wisma TAS  
No. 21, Jalan Melaka  
50100 Kuala Lumpur  
*Tel: 03-2036 5000 Fax: 03-2072 0322*  
*Web: <http://www.amanahraya.com.my>*

#### **Trustee's Delegate**

##### **Citibank, NA, Singapore Branch**

*Registered Address:*  
8 Marina View  
#21-00 Asia Square Tower 1  
Singapore 018960  
*Tel: 65-66571064*  
*Web: <http://www.citibank.com>*

*Business address:*  
8 Marina View  
#16 Asia Square Tower 1  
Singapore 018960  
*Tel: 65-66571064*  
*Web: <http://www.citibank.com>*

### **AUDITORS**

#### **Ernst & Young**

Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

### **TAX AGENT**

#### **KPMG Tax Services Sdn Bhd**

Level 10, KPMG Tower  
8, First Avenue  
Bandar Utama  
47800 Petaling Jaya  
Selangor, Malaysia

### **LEGAL ADVISER**

#### **Soon Gan Dion & Partners**

1<sup>st</sup> Floor, No. 73 Jalan SS 21/1A  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

## ***DISTRIBUTOR, MANAGER, TRUSTEE AND ADVISERS (CONT'D)***

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### **PRINCIPAL BANKER**

**Public Bank Berhad**  
Menara Public Bank  
No. 146, Jalan Ampang  
50450 Kuala Lumpur

### **FEDERATION OF INVESTMENT MANAGERS MALAYSIA**

19-07-3, 7<sup>th</sup> Floor  
PNB Damansara  
No 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

The Distributor, Trustee and Delegate, Auditors, Tax Agent, Legal Adviser and Principal Banker have given and have not withdrawn their written consent to the inclusion in this Prospectus of their names and statements in the manner and context in which such names and statements appear.

# 1 KEY FEATURES OF THE FUND

## 1.1 SUMMARY OF KEY DATA OF THE FUND

The Manager Public Mutual Berhad (23419-A)

<b>Name of Fund</b>	PB Dynamic Allocation Fund
<b>Category of Fund</b>	Mixed asset fund
<b>Type of Fund</b>	Capital growth
<b>Launch Date</b>	19 June 2012
<b>Approved Fund Size</b>	300 million units
<b>Financial Year End</b>	30 April
<b>Fund Objective</b>	To achieve capital growth over the medium to long-term period by investing in equities and fixed income securities in domestic and foreign markets.  <i>Note: Medium to long-term refers to a period of 3 years or more.</i>
<b>Risk Profile of Fund</b>	High risk
<b>Investor Profile</b>	Medium to long-term investors with aggressive risk-reward temperament i.e. the investor's risk disposition favouring high capital growth and its corresponding high risk.
<b>Investment Strategy</b>	The Fund seeks to achieve its goal of providing capital growth by adopting a tactical asset allocation strategy of investing in equities and fixed income securities in domestic and foreign markets. Its equity content may range between 30% to 98% of the NAV of the Fund. The balance of the Fund's NAV may be invested in fixed income securities and liquid assets which include money market instruments and deposits.
<b>Benchmark</b>	70% MSCI AC Far-East Ex-Japan Index; and 30% 3-Month Kuala Lumpur Interbank Offered Rates.
<b>Principal Risks</b>	Market risk, specific security risk, interest rate risk, credit risk, liquidity risk, currency risk and country risk.
<b>Manager</b>	Public Mutual Berhad (23419-A)
<b>Trustee</b>	AmanahRaya Trustees Berhad (766894-T)
<b>Designated Fund Managers</b>	Mr. Lum Ming Jang and Mr. Julian Ng Eng Lee
<b>Initial Offer Period</b>	21 days commencing from 19 June 2012 to 9 July 2012.
<b>Initial Issue Price</b>	RM1.0000
<b>Service Charge per Unit during Offer Period</b>	Up to 5.5% of the Initial Issue Price of the Fund.

This section is only a summary of the salient information about the Fund and investors should read and understand the whole Prospectus before making investment decisions.

## KEY FEATURES OF THE FUND (CONT'D)

The Fund Profile, Fund Type, Investor Profile, Investment Objective, Policy and Strategy of the Fund are tabulated in **Chapter 3: Detailed Information on The Fund**. Reading this chapter will provide you with a better understanding of the characteristics and objective of the Fund, and help you to decide on the Fund that is most compatible with your personal investment temperament and long term financial goals.

The profiles of the designated Fund Managers of the Fund are set out on pages 42 and 47 respectively of **Chapter 7: The Manager**. For more information on the Trustee, please refer to **Chapter 8: The Trustee**.

There are risks involved in investing with the Fund. The general risks of investing with unit trust funds is tabulated in **Chapter 2: About Unit Trust Funds**, while information on specific fund risks are presented in **Chapter 3: Detailed Information on The Fund**.

The Fund is governed by a master deed dated 9 August 2002, a seventh supplemental master deed dated 27 June 2007, a twelfth supplemental master deed dated 17 March 2008, a thirteenth supplemental master deed dated 11 April 2008 and a twenty first supplemental master deed dated 15 November 2011.

### 1.2 FEES AND CHARGES

A summary of all fees and charges of the Fund are shown below:

#### *Charges Imposed on Sale or Purchase of Units*

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

Charges	% / RM
<b>Service Charge per Unit</b>	Purchase of units through IUTA: Up to 5.5% of NAV per unit. Purchase of units through the Manager: Up to 5.5% of NAV per unit.  The Manager may at its discretion charge a lower service charge based on the size of investment and/or other criterion as may be determined from time to time.
<b>Repurchase Charge per Unit</b>	Nil.
<b>Switching Charges</b>	Unitholders may incur charges on their switching transactions. Please refer to <i>page 11</i> for the charges that are involved.
<b>Transfer Charges</b>	An administration fee of RM25 will be charged for each transfer transaction.

Bank charges, courier charges and any other indirect charges incurred as a result of redemptions will be borne by the investor.

## KEY FEATURES OF THE FUND (CONT'D)

### Fees Incurred on Investing in The Fund

There are annual operating expenses involved in running a fund such as the management fee, fees for trustee, custodian, audit, and other direct administrative costs. These expenses are deducted from the gross income of the fund.

This table describes the fees that you may **indirectly** incur when you invest in the Fund.

Fees	% / RM
<b>Annual Management Fee</b>	1.65% per annum of the NAV.
<b>Annual Trustee Fee</b>	0.06% per annum of NAV, subject to a minimum fee of RM18,000 and a maximum fee of RM600,000 per annum.
<b>Any other fees payable by an investor</b>	Nil.

For more details on fees, charges and expenses of the Fund, you may refer to **Chapter 5: Transaction Information** and **Chapter 6: Fees, Charges and Expenses**.

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

### 1.3 INFORMATION ON TRANSACTION OF UNITS

#### Unit Transactions

Units may be bought or sold daily on any Business Day\*.

Public Mutual buys from and sells units to unitholders during Business Days. This ensures that there will always be a market for the units.

There is a single price for the buying and selling of units of the Fund which is at NAV per unit of the Fund. Upon the purchase of units of the Fund by investors, a service charge of up to 5.5% of NAV per unit is levied.

The Manager may at its discretion charge a lower service charge based on the size of investment and/or other criterion as may be determined from time to time. The Manager does not impose a repurchase charge on the sale of units of the Fund by investors. *(Please refer to pages 30 and 31 for illustrations on purchase and redemption of units by investors).*

Unit prices of the Fund are published daily under the Unit Trusts Column in major newspapers\*\*.

*Note: The Manager may declare certain days to be non Business Days, although Bursa Securities is open for business, if one or more of the markets in which the Fund is invested therein are closed for business. This is to ensure that investors will be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund. A notice will be posted on Public Mutual's website to notify investors. (Please refer to page 23 for more information on valuation of investments in such circumstances).*

Notes:

\* In the event that purchase and repurchase requests are received by the Manager on days which are non-Business Days, then such requests will automatically be carried forward to the first Business Day following therefrom. This elaboration holds particular significance on the issue of entitlement to distribution payable by a fund at the close of its financial year/period.

\*\* While the Manager can ensure that the prices forwarded to the press for publication are accurate, it, however, cannot be held liable for any error in prices finally published in the press since that would be beyond its realm of control. Investors may contact the Customer Service or branch to further confirm the unit prices if they so desire.

## KEY FEATURES OF THE FUND (CONT'D)

<b>Minimum Initial Investment</b>	RM1,000
<b>Minimum Additional Investment</b>	RM100
<b>Minimum Account Balance</b>	1,000 units
<b>Cooling-off Period</b>	<p>Investors who are investing with Public Mutual for the first time may exercise their cooling-off right within 6 Business Days from the date of receipt of the application form and payment by Public Mutual and receive a full refund of the investment paid within 10 days of receipt of cooling-off notice by the Manager. This cooling-off right, however, shall not extend to a corporation or institution, the staff of Public Mutual, and persons registered to deal in unit trust funds. <i>(Please refer to page 31 for more information on cooling-off proceeds).</i></p>
<b>Repurchase of Units</b>	<p>Unitholders may redeem units on any Business Day and receive payment of repurchase proceeds within 10 days. <i>There is no restriction on the frequency of repurchase.</i></p>
<b>Minimum Repurchase Units</b>	<p>1,000 units.</p> <p>In the case of partial repurchase, the Manager may elect to repurchase the entire account if the effect thereof would be that the unitholder holds less than 1,000 units in his account with the Fund.</p>
<b>Switching Between Funds</b>	<p>Switching of units is considered a withdrawal/redemption of investment from a unit trust fund and an application to purchase units of another unit trust fund.</p> <p>During the offer period, switching transactions involving the Fund are not allowed other than for switching of low-load units of bond and money market funds under the PB Series of Funds into PBDYNAF.</p> <p>After the offer period, unitholders may switch their investments between PBDYNAF and other funds under the PB Series of Funds on any Business Day subject to terms and conditions.</p> <p>Minimum transaction per switch is 1,000 units.</p> <p>Switching fee of 0.75% of NAV per unit or a minimum of RM50 will be imposed if units are switched out of PBDYNAF within 90 days from the date of purchase of units/switching into PBDYNAF. Switching fee of RM25 will be imposed if units are switched out of PBDYNAF after 90 days from the date of purchase of units/switching into PBDYNAF.</p> <p>The Manager reserves the right to reject any switching requests of unitholders of PBDYNAF if it regards the switching requests as disruptive to efficient portfolio management of the targeted fund or if deemed by the Manager to be contrary to the best interest of the targeted fund. Switching requests that are rejected by the Manager would be treated as a redemption of units.</p>
<b>Transfer of Units</b>	<p>A unitholder may fully or partially transfer his units in the Fund to another unitholder. An administration fee of RM25 will be charged for each transaction.</p> <p>The minimum transaction per transfer is 1,000 units.</p>

## KEY FEATURES OF THE FUND (CONT'D)

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### 1.4 DISTRIBUTION POLICY

Consistent with the objective of PBDYNAF to achieve capital growth, distributions will therefore be incidental, i.e. the main focus of the Fund will be on securing capital growth. Any distribution(s) so paid will be subject to the availability of income and/or realised gains and the provisions of the SC Guidelines. Distribution, if any, is declared at the end of each financial year, or for any specified period as may be approved by the Trustee.

Distribution (if any) will be reinvested unless unitholders opt for distribution to be paid out.

Distribution reinvestments will be reinvested at NAV per unit, computed at the close of the first Business Day following the distribution date. No service charge will be imposed on distribution reinvestments.

Unitholders may opt for distribution to be paid out to them by selecting the appropriate option in the Application Form. Distribution cheques will be forwarded to unitholders at their latest address(s) shown in the Register. Unitholders may also opt for 'e-distribution' by providing their bank accounts details to the Manager.

A unitholder must notify the Manager within 14 Business Days prior to each date fixed for the distribution of any change in his distribution instructions.

#### *Auto-Reinvestment of Distribution Amount of Less Than RM100*

Payment of distribution, if any, of an amount less than RM100 per account will automatically be reinvested (as deemed uneconomical to pay out) on behalf of the unitholder at NAV per unit, computed at the close of the first Business Day following the distribution date.

#### *Auto-Reinvestment of Distribution Upon Lapse of Six Months Cheque Validity Period*

For distribution cheques which are unrepresented by unitholders after expiry of the six months cheque validity period (from the date of the distribution cheque), the Manager shall reinvest the distributions through the purchase of additional units of the Fund on their behalf. The reinvestment will be executed based on the NAV per unit of the Fund on the closing of the fifteenth day of the following month or such earlier date as may be determined by the Manager.

#### *Unclaimed Monies*

Any monies payable to unitholders which remain unclaimed after such period (currently being 1 year) will be paid to Register of Unclaimed Monies by the Manager in accordance with the provisions of the Unclaimed Moneys Act 1965 and (Amendment) 2002.

**Prospective unitholders should read and understand the contents of the Prospectus and, if necessary, consult their adviser(s).**

**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 13.**

# 2 ABOUT UNIT TRUST FUNDS

## 2.1 THE UNIT TRUST FUND

A unit trust fund is a professionally managed, collective investment scheme that pools unitholders' monies and invests it toward a specific goal as declared by the investment objective of the scheme. Such a scheme usually aims to provide above-average returns in the form of income distribution and capital growth with reasonable risks, to medium-to-long term investors through investing in a broadly diversified portfolio of stocks and bonds, or other specialised instruments.

A unit trust scheme may be illustrated as a tripartite relationship between the Manager, the trustee and unitholders governed by a legally binding deed registered with the SC. The SC regulates the industry as well as the operations and administration of unit trust schemes through the CMSA 2007 and the Guidelines on Unit Trust Funds.

## 2.2 BENEFITS OF INVESTING IN UNIT TRUSTS

Besides the potential for capital growth over the long-term period, unit trusts also provides other recognised benefits that makes them attractive relative to other investment avenues. Among them are as follows:

1. **Diversification:** Diversification involves the process of spreading risk over a broad portfolio of stocks and bonds in different companies, sectors, countries or regions. This can only be done with substantial amounts of monies to buy a wide variety of stocks. Unit trusts facilitate the diversification process through providing small investors with an avenue to pool their savings for the purchase of a diversified portfolio of stocks and bonds that will bring returns at lower risks to unitholders compared with investing directly in stock markets.
2. **Professional Management:** Unit trusts are managed by professional fund managers with the expertise and resources to manage the assets of the fund. The investors thus benefit from this professional fund management of their investments in the fund at an affordable (shared) cost.
3. **Liquidity:** Unitholders may redeem all or part of their units on any Business Day and have their proceeds mailed to them within 10 days.
4. **Ease of Transactions:** Unit trusts do not require cumbersome administrative or paperwork or record keeping on the part of unitholder in managing his investments.
5. **Capital Gains:** Through participation in securities, unit trust investments provide the opportunity to reap capital growth as part of the return on a unitholder's investment.

## 2.3 RISK FACTORS

Any investment carries with it an element of risk. Keeping one's savings in fixed deposits may probably be the safest on an investment risk-return continuum, but it, nevertheless, carries with it the risk of negative return when the rate of inflation is higher than the rate of interest return received on fixed deposits, leading thus to the loss in purchasing power per Ringgit principal to the saver; otherwise known as the inflation or purchasing power risk. Direct investment in the share market or stocks will subject the investor to the specific risk of falling share prices without reprieve offered by the benefit of portfolio diversification or fund management expertise available under collective investment schemes.

A unit trust fund is exposed to a variety of risks by nature of the investment schemes it is engaged in.

Where the unit trust participates in stock market-related investments, the following risks become key considerations:

1. **Market Risk:** The purchase of equities represents a risk since the prices of stocks underlying the NAV of the fund fluctuate in response to various factors. Stock prices fluctuate in response to the circumstances affecting individual companies as well as general market or economic conditions. Such movements in the underlying prices of the shares of the investment portfolio will cause the fund's NAV or prices of units to fall as well as rise.
2. **Specific Security Risk:** Adverse price movements of a particular security invested by the fund may adversely affect the fund's NAV and unit price. This impact can, however, be mitigated through the process of portfolio diversification by the fund managers.
3. **Liquidity Risk:** Liquidity risk is defined as the ease with which a security can be disposed at or near its fair



## ABOUT UNIT TRUST FUNDS (CONT'D)

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value depending on the volume traded on the market. If the fund has a large portfolio of securities that are less liquid or difficult to dispose, the securities may have to be sold at a discount to fair value, hence affecting the value of the fund. In the event that the fund experiences large redemptions, the fund manager may be required to liquidate the fund's holdings of securities at prevailing prices to meet the redemption requirement. This impact can, however, be mitigated through the process of security selection and portfolio diversification by the fund managers.

The fund's investments in warrants, options, futures and over-the-counter (OTC) options (if any) may result in the following risks:

1. **Derivatives Risk:** Derivatives allow for the use of leverage which may increase the volatility of the fund's NAV during periods of adverse market movements. The use of non-exchange traded or over-the-counter (OTC) derivatives involve counterparty risk arising from counterparty default or a decline in the latter's credit rating. In such circumstances, efforts will be taken to liquidate the derivative position or another counterparty will be sought to provide a similar derivative exposure. The use of derivatives also present liquidity risk, whereby an illiquid market could impact the efficient pricing of derivative products or prevent the fund from closing out its derivative position.

Further, investment in bonds brings forth the following specific investment risks:

1. **Interest Rate Risk:** Interest rates movements impact bond valuations with bond prices moving inversely with interest rates. When interest rates rise, bond prices decline and this will lower the market value of a bond fund's investment in bonds. The reverse applies when interest rates fall.
2. **Credit Risk:** Credit risk refers to an issuer's ability to make timely payments of interest and principal. In the event that the issuer of an instrument defaults in the payment of interest and principal, the value of the fund may be adversely affected. Credit risk can be managed by holding a diversified portfolio of bonds and monitoring the issuers' fundamentals on an ongoing basis.

In addition to the above, investors of unit trust funds need also to consider the following:

1. **Manager's Risk:** The risk that investment decisions pertaining to asset allocation and stock selection undertaken by the Manager may adversely impact the performance of the fund if market movements are not in tandem with the investment strategy adopted.
2. **Loan Financing Risk:** It is considered not advisable for unitholders to finance the purchase of fund units through borrowings. The price/value of units will fluctuate with the underlying fund portfolio and unitholders may find themselves faced with the scenario of being forced to provide additional funds to top up on their loan margins when the market goes down, or suffer the higher cost of financing when interest rates trend upwards; both these events increase the potential for capital loss. In addition, the returns on unit trusts are not guaranteed and may not be earned evenly over time.
3. **Risk of Non-Compliance:** The risk arising from non-conformance with regulations and internal policies and procedures by the Manager due to situations such as system failures and oversight may adversely affect the investment of unitholders. However the risk can be mitigated by internal controls put in place by the Manager.
5. **Currency Risk:** If the fund is invested in foreign currency or assets denominated in foreign currency, the fund may be exposed to currency fluctuation risks. Fluctuations in foreign exchange rates will affect the value of the fund's foreign investments upon conversion to local currency and subsequently impact the value of the unitholders' investments.
6. **Country Risk:** Overseas investments of the fund may be affected by changes in the political and economic conditions of the country in which the investments are made. Such political and economic factors may influence the growth and development of business enterprises and impact the financial markets (i.e. equity and/or bond markets).

Please refer to **Chapter 3: Detailed Information on The Fund** for information on the fund specific risks and risk management.

## ABOUT UNIT TRUST FUNDS (CONT'D)

### 2.4 DOLLAR-COST AVERAGING PRINCIPLE

The Principle of Dollar-Cost Averaging involves a disciplined regular investment technique which may be applied to maximum effect in unit trust investing. Based on this principle, all that an investor has to do is to invest a regular sum of money with a selected unit trust fund over a period of time. This way, he does not have to worry about market timing, or where shares prices or interest rates are headed. **His regular investment amount will buy him less units when the market is up, and more units when the market is down. He will thus be able to accumulate units at an average cost which is lower than the average NAV per unit over the same period. This represents the dollar-cost averaging effect.**

**However, investors should note that regular investments do not assure a profit and do not protect against loss in declining markets. Since such regular investment technique involves continuous investment in a selected unit trust fund, investors should consider their financial ability to continue purchases through periods of low price levels. Past performance is no guarantee of future results.**

Let's take a walk through the illustration below and see for yourself the benefits of dollar-cost averaging through regular savings/investments in a unit trust fund called Fund A.

#### **Illustration:**

*Let us assume that Investor A decided to invest a monthly savings of RM400 with the fund over a period of 24 months.*

As shown in the tables below, with monthly investments of RM400, Investor A was able to buy/accumulate more units per investment amount of RM400 per month when the NAV per unit was lower, and less units when the NAV per unit was higher. In the first 12 months (Table 1), Investor A thus managed to accumulate a total of 8,026.47 units at an average cost of RM0.5980 per unit when the market was on the uptrend. **Note that the units have an average cost of RM0.5980 whereas the average NAV per unit over the period was higher at RM0.6008.** During the next 12 months (Table 2), Investor A managed to accumulate a total of 9,270.36 units at an average cost of RM0.5178 per unit when the market was on a downtrend. **Once again, note that the units have an average cost of RM0.5178 which is lower than the average NAV per unit over the period at RM0.5183.**

By regularly investing the same amount of money in the fund irrespective of price fluctuations, the units will be bought at an actual cost which is lower than the average NAV per unit over the same period. This represents the dollar-cost averaging effect of regular investments.

Although the dollar-cost averaging process can work with a series of lump sum investments, it operates better with investments made on a regular basis (ideally monthly) to maximise the advantage of the averaging process.

## ABOUT UNIT TRUST FUNDS (CONT'D)

**Table 1 : Upmarket Scenario**

Month	NAV Per Unit (RM)	Monthly Investment (RM)	No. of Units Credited	Units Accumulated
1	0.5453	400.00	733.54	733.54
2	0.5461	400.00	732.47	1,466.01
3	0.5553	400.00	720.33	2,186.34
4	0.5615	400.00	712.38	2,898.72
5	0.5695	400.00	702.37	3,601.09
6	0.6115	400.00	654.13	4,255.22
7	0.6225	400.00	642.57	4,897.79
8	0.6248	400.00	640.20	5,537.99
9	0.6315	400.00	633.41	6,171.40
10	0.6338	400.00	631.11	6,802.51
11	0.6415	400.00	623.54	7,426.05
12	0.6662	400.00	600.42	8,026.47

*First 12 months:*

Principal investment (RM400x12)	=	RM4,800
Units accumulated	=	8,026.47
Average cost of units procured	=	RM0.5980
Average NAV per unit over the period	=	RM0.6008

**Table 2 : Downmarket Scenario**

Month	NAV Per Unit (RM)	Monthly Investment (RM)	No. of Units Credited	Units Accumulated
13	0.5453	400.00	733.54	733.54
14	0.5450	400.00	733.94	1,467.48
15	0.5330	400.00	750.47	2,217.95
16	0.5320	400.00	751.88	2,969.83
17	0.5210	400.00	767.75	3,737.58
18	0.5200	400.00	769.23	4,506.81
19	0.5185	400.00	771.46	5,278.27
20	0.5100	400.00	784.31	6,062.58
21	0.5025	400.00	796.02	6,858.60
22	0.4997	400.00	800.48	7,659.08
23	0.4970	400.00	804.83	8,463.91
24	0.4960	400.00	806.45	9,270.36

*Next 12 months:*

Principal investment (RM400x12)	=	RM4,800
Units accumulated	=	9,270.36
Average cost of units procured	=	RM0.5178
Average NAV per unit over the period	=	RM0.5183

# 3 DETAILED INFORMATION ON THE FUND

The forthcoming paragraphs under this Chapter provides further information on the Fund's profile (paragraph 3.1), investment risks (paragraph 3.2), permitted investments (paragraph 3.3), investment restrictions (paragraph 3.4), valuation of permitted investments (paragraph 3.5) and policy on gearing (paragraph 3.6).

## 3.1 FUND PROFILE

The following section lays out the investment objective, policy, strategy and other key features of the Fund to assist the investor in making an informed judgement of the distinctive features of the Fund in relation to his/her personal investment and financial goals. Investors are requested to read the profile carefully before making an investment decision.

### PB DYNAMIC ALLOCATION FUND (PBDYNAF)

#### Fund Profile

<b>Category of Fund</b>	Mixed asset fund
<b>Type of Fund</b>	Capital growth
<b>Equity Range of Fund</b>	30% to 98%
<b>Investment Assets Selection Profile of Fund</b>	Blue chip stocks, index stocks, growth stocks, fixed income securities, money market instruments and deposits
<b>Distribution Policy *</b>	Incidental
<b>Investor's Risk Profile **</b>	Aggressive
<b>Suggested Minimum Investment Period ***</b>	3 years
<b>Designated Fund Managers</b>	Lum Ming Jang and Julian Ng Eng Lee

*The Fund may adopt temporary defensive strategies by lowering its equity exposure below the above stated range and increasing its investments in fixed income securities and liquid assets which include money market instruments and deposits if the investment climate is deemed to be unfavourable and weakness in the equity markets is expected. If the outlook for fixed income securities and money market instruments is also unfavourable, the Fund will move its investments into deposits.*

#### Notes:

- \* **Incidental distribution** implies that the main focus of the Fund will be on securing capital growth.
- \*\* **Aggressive** indicates an investor's risk disposition favouring high capital growth and its corresponding high risk.
- \*\*\* **Suggested minimum investment period** is a guide only. Investors should review their investment in the Fund on a regular basis to ensure it continues to meet their investment needs or goals.

#### Fund Objective

To achieve capital growth over the medium to long-term period by investing in equities and fixed income securities in domestic and foreign markets.

Note: Any material changes to the investment objective of the Fund would require unitholders' approval.





## DETAILED INFORMATION ON THE FUND (CONT'D)

### Selected Performance Benchmark for PBDYNAF

The benchmarks of the Fund and their respective percentages are as follows:

- 70% MSCI AC Far-East Ex-Japan Index\*, and
- 30% 3-Month Kuala Lumpur Interbank Offered Rates (KLIBOR)

As PBDYNAF adopts a tactical asset allocation strategy with equity exposure range between 30% to 98% of the Fund's NAV, the benchmark chosen for PBDYNAF is a composite benchmark index comprising a hypothetical investment in the MSCI AC Far-East Ex-Japan Index and 3-Month KLIBOR in a ratio of 70:30. Therefore, the returns for the benchmark index for any given period of time would comprise of 70% from the returns of the MSCI AC Far-East Ex-Japan Index and 30% from 3-Month KLIBOR interest earned for the same period of time. The MSCI AC Far-East Ex-Japan Index is selected as the Fund's equity benchmark as it is more representative of the foreign markets that the Fund invests in which include China, Hong Kong, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand. This composite benchmark index of 70% in MSCI AC Far-East Ex-Japan Index and 30% in 3-Month KLIBOR represents an appropriate performance benchmark for PBDYNAF as it is reflective of the Fund's asset allocation which will typically be 70% of NAV in equities over the medium to long-term.

\* As indices which focus on Asia Pacific markets have a relatively high index weight for Japanese and Australia stocks, an index which excludes the Japan and Australia markets is used as the Fund's equity benchmark as it is more representative of the Fund's investment strategy.

Information on the 3-Month KLIBOR is provided by Bank Negara Malaysia, which is published in the business sections of the daily newspapers. The daily closing index for the MSCI AC Far-East Ex-Japan Index is available on Bloomberg L.P. The performance of the Fund and its benchmark is available on Public Mutual's website at [www.publicmutual.com.my](http://www.publicmutual.com.my).

### 3.2 INVESTMENT RISKS

#### Specific Risks of PBDYNAF

Risks of investing in PBDYNAF include market risk, specific security risk, interest rate risk, credit risk, liquidity risk, derivatives risk, currency risk and country risk which have been described on *pages 13 and 14* of this Prospectus.

### 3.3 PERMITTED INVESTMENTS

The Manager has absolute discretion, subject to the Deeds, the investment policy for the Fund and the requirements of the SC and other regulatory body, as to how the assets of the Fund are invested.

The Fund may invest in the following:

- Equity securities and warrants of companies listed in Eligible Markets;
- Initial Public Offerings (IPOs) of companies seeking a listing in Eligible Markets;
- Unlisted equity securities whether or not approved for listing and quotation in Eligible Markets, which are offered directly by the company to the Fund;
- Listed fixed income securities traded in Eligible Markets;
- Unlisted fixed income securities traded in Eligible Markets;
- Sovereign bonds traded in Eligible Markets;
- Malaysian Government Securities, Treasury Bills, Bank Negara Monetary Notes, Government Investment Issues and other Government approved/guaranteed securities;
- Deposits and money market instruments with licensed domestic and foreign financial institutions;
- Listed and unlisted loan stocks;

## DETAILED INFORMATION ON THE FUND (CONT'D)

- x. Units of other collective investment schemes and/or exchange traded funds;
- xi. Futures contracts and options traded in the futures and options market of an exchange company approved, or exempt futures and options market declared, by the Minister under the CMSA 2007;
- xii. Participation notes of equity securities of companies listed in Eligible Markets; and
- xiii. Any other form of investments as may be agreed upon by the Manager and the Trustee from time to time.

The Fund may participate in lending of securities within the meaning of the Securities Commission Guidelines on Securities Borrowing and Lending when permitted by the SC and other relevant authorities.

### 3.4 INVESTMENT RESTRICTIONS

The Fund is subject to the following investment restrictions in the course of execution of its investment policies and strategies:

(i) *Investment Spread Limits*

- (a) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (b) The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV;
- (c) The value of the Fund's placements in deposits with any single institution must not exceed 20% of the Fund's NAV;
- (d) For investments in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section; and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- (e) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;
- (f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with any single issuer/institution must not exceed 25% of the Fund's NAV;
- (g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV; and
- (h) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.

(ii) *Investment Concentration Limits*

- (a) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- (b) The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;
- (c) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer;

*Note: The limit in (c) does not apply to money market instruments that do not have pre-determined issue size.*

- (d) The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

*Note: Transferable securities refer to equities, debentures and warrants.*



## DETAILED INFORMATION ON THE FUND (CONT'D)

### (iii) General

- (a) The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV. This exposure limit does not apply to:
  - i. equities not listed or quoted on a stock exchange but have been approved by the relevant authority for such listing and quotation, and are offered directly to the Fund by the issuer;
  - ii. debentures traded on an organized over-the-counter (OTC) market; and
  - iii. structured products.
- (b) Holdings in foreign investments of the Fund shall not exceed 98% of the Fund's NAV; and
- (c) The Fund's exposure from derivative position must not exceed the NAV of the Fund.

***The limits and restrictions stated shall be complied with at all times based on the most up-to-date value of the Fund, and the value of its investments and instruments. However, a 5 per cent allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the Fund's investment or instruments, or as a result of repurchase of units or payment made from the Fund. The Manager should, within a reasonable period of not more than 3 months from the date of the breach, take all necessary steps and actions to rectify the breach.***

***Such limits and restrictions, however, do not apply to securities that are issued or guaranteed by the Government or Bank Negara Malaysia.***

### 3.5 VALUATION OF PERMITTED INVESTMENTS

**Listed equities, warrants and options** – valuation is based on the last done market price of the respective exchanges.

**Unlisted equities** - valuation is based on methods deemed to be fair and reasonable that are acceptable to the Manager, verified by the Auditor and approved by the Trustee.

**Listed and Unlisted fixed income securities** – for listed fixed income securities, the last traded prices quoted on a recognised exchange will be used. In the case of unlisted domestic fixed income securities, valuations are carried out on a daily basis using fair value prices quoted by a Bond Pricing Agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific bond differs from the 'market price' by more than 20 basis points, the Manager may use the 'market price' provided that the Manager adheres to the requirements stipulated by the SC. Market price for bonds are derived from market quotations obtained from the panel of at least three active financial institutions that are governed by the Banking and Financial Institutions Act (BAFIA). Foreign unlisted fixed income securities are valued daily based on fair value by reference to the average indicative yield quoted by at least three independent and established institutions.

**Money market instruments** – Tradable money market instruments are marked to market daily using rates/yields obtainable from the Electronic Trading Platform (ETP) maintained by Bursa Malaysia Berhad, Kuala Lumpur Inter-bank Offered Rate (KLIBOR) and the average tender rates of new issues of money market instruments with comparable credit ratings and tenures. The valuation basis reflects the daily market prices of tradable money market instruments as the latest market transactions are reflected in these information sources.

**Cash/Fixed deposits** - the value of such investments which are deposits placed with banks and other financial institutions and bank bills, shall be determined each day by reference to their nominal values and the accrued interest thereon for the relevant period.

**Units in other collective investment schemes** - the last published repurchase price per unit or if not available, based on methods deemed to be fair and reasonable as agreed upon by the Manager and Trustee.

**Futures** – all futures contracts are marked-to-market at the end of each trading day. Any gains or losses are immediately reflected upon marking to market.

## DETAILED INFORMATION ON THE FUND (CONT'D)

**Suspended securities** - will be valued at their suspended price unless there is conclusive evidence to indicate that the value of such shares have gone below the suspended price, whereupon their value will be ascertained in a manner as agreed upon by the Manager and Trustee.

If no market price is available or valuation based on market price does not represent the fair value of investments, the securities will be based on methods deemed to be fair and reasonable as agreed upon by the Manager and Trustee.

All foreign securities and assets are translated into Ringgit based on the bid exchange rate quoted by Bloomberg at United Kingdom time 4.00 p.m. the same day.

*Note:*

*The valuation of the Fund will be conducted after the close of business of Bursa Securities for the relevant day as certain foreign markets in which the Fund may invest in have yet to close due to the different time zones of these countries. Thus, the valuation point may be after the close of Bursa Securities but not later than 9:00 a.m. (or any other such time as may be permitted by the relevant authorities from time to time) on the following day in which the Manager is open for business. As a result of having a valuation point later than 5:00 p.m., the daily prices of the Fund will not be published on the next Business Day but instead will be published the next following Business Day (i.e. the prices will be 2 days old).*

***Illustration:***

*For the market close of 15 February 2012, the valuation date will be next day in which the Manager is open for trading, that is, 16 February 2012. Thus the newspaper publication date for the prices as at 15 February 2012 will be 17 February 2012.*

*Investors may obtain the latest prices of units of the Fund by contacting the Manager directly.*

The Manager may declare certain Business Days to be a non-Business Day, although Bursa Securities is open for business, if one or more of the markets in which the Fund is invested therein are closed for business. This is to ensure that investors will be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund.

### 3.6 POLICY ON GEARING

Save and except where permitted or approved by the SC, the Fund is prohibited from gearing or borrowing cash or other assets (including the borrowing of securities) to finance the purchase of investments.

# 4 GETTING STARTED WITH PUBLIC MUTUAL

## 4.1 INVESTING WITH PUBLIC MUTUAL

Units of the Fund are available for sale at branches of appointed IUTA(s) throughout the country. Investors are welcome to make enquiries about the Fund at the branch information counters. You will be duly advised on the important features of the Fund, the risks, and all transactional procedures by a corporate representative before you begin investing with the Fund. Corporate representatives are staff of the IUTA(s) who have been appointed and trained to deal in unit trust funds, and are registered with FIMM. Please refer to *page 64* of the Prospectus for the list of appointed IUTA(s).

Public Mutual branch offices are located throughout the state capitals and major towns of Malaysia to service unitholders who may need to do an enquiry or a transaction with us. Please refer to the Directory of Public Mutual Branch Offices on *pages 61 to 63* of the Prospectus for details of their addresses and telephone numbers.

## 4.2 HOW TO BUY, SELL OR SWITCH UNITS OF THE FUND

### *Read and Understand the Prospectus of the Fund*

It is important that you should understand fully about unit trust investments, and what investing with the Fund would mean to you in terms of the potential benefits and risks. First ask the corporate representative attending to you for information on the Fund, and be sure to request for a copy of the Prospectus. It is important that you read the Prospectus carefully, and seek further clarification on any matter that may concern you.

In reading the Prospectus, do make sure that you understand fully:

- the nature of collective investment schemes;
- the Fund category, objective and its distribution policy;
- the types of Fund transactions available;
- your rights as a unitholder;
- the nature and amount of fees and expenses of the Fund which you would have to bear;
- the reports that you will receive as a unitholder which keeps you fully informed about the performances of the Fund.

### *To Open an Account*

**For prospective investors of the Fund**, you would need only to complete the Fund Application Form that comes with the Prospectus obtainable free upon request. Your application form, together with the investment amount made out in a cheque in favour of Public Mutual Berhad followed by the new NRIC number of the first holder (*e.g. Public Mutual Berhad (New NRIC No.)*), can then be submitted to any of the Public Bank branches. You are advised to write down your name, new NRIC/Passport Number and telephone number at the back of the cheque. Please retain the bank-in slip issued by the bank for your record and future reference.

If you are a first time investor of Public Mutual, you are also required to complete the New Investor Form.

**For non-individual or corporate applicants**, the application must be submitted together with the requisite statutory documents. Please refer to the New Investor Form for details of the documents required by the different customer types i.e. a Malaysian company, partnership, sole proprietor or others. Please contact the corporate sales desk at 03-6279 6829 should you need further assistance.

**Minimum Initial Investment** - Please refer to *page 11 of Chapter 1: Key Features of The Fund*.

### *Adding Regularly to Your Account*

You may invest regularly into your investment account. This can be easily done through issuing Direct Debit Authorisation with Public Bank. Ask your corporate representative about investing regularly and get a head start on the benefits of dollar-cost-averaging that comes with the regular purchase of units.

## GETTING STARTED WITH PUBLIC MUTUAL (CONT'D)

Alternatively, you may add to your investment account as and when you feel so inclined by depositing your cash/cheque made in favour of Public Mutual Berhad followed by your fund account number, into the collection accounts maintained at Public Bank.

**Minimum Additional Investment** - Please refer to *page 11 of Chapter 1: Key Features of The Fund*.

*Under the Deed, the Manager is given the exclusive right to effect the issue of units for the account of the fund and has absolute discretion to accept or reject in whole or in part any application for units.*

**Investors who wish to pay in cash are advised to do so personally at any Public Bank branch.**

### **Exercise of Cooling-off Right**

For investors who are investing with Public Mutual for the first time, the request to exercise your cooling-off right must be submitted to the Public Bank branch at which you purchased your units within 6 Business Days from the date of receipt of the application form and payment by Public Mutual. You will be paid a full refund of your investment principal within 10 days from the date of exercise of this cooling-off right.

Corporates or institutions, staff of the Manager and persons/agents registered to deal in unit trust funds are not entitled to the cooling-off right.

### **Exercise of Repurchase, Switching and Transfer of Units**

#### **Repurchase**

Should you later need to partially or fully redeem your units, you would only need to complete and submit the Repurchase Form to your nearest Public Mutual or Public Bank branch office or Public Mutual Head Office. You will be paid the repurchase proceeds within 10 days from our receipt of your repurchase request.

#### **Switching**

You may move your investments between various funds under the PB Series of Funds in response to changing financial goals or market conditions subject to the fees and conditions for switching laid out on *page 11 of Chapter 1: Key Features of The Fund*. You need only to complete and return the Switching Form to your nearest Public Mutual or Public Bank branch office or Public Mutual Head Office.

#### **Transfer**

For transfer of units, you need to complete and submit the Transfer Form. An administration fee of RM25 is charged on each transfer transaction.

You can also execute your repurchase and switching requests using our e-commerce service, Public Mutual Online. Please refer to *page 28* for more information on Public Mutual Online.

#### **Minimum Transaction Amount for Repurchase, Switching and Transfer**

The minimum transaction per repurchase, switching or transfer is 1,000 units.

### **Minimum Account Balance**

Whatever you may do by way of repurchase, transfer or switching of funds, you must always ensure that you leave a minimum balance of 1,000 units in your account at all times in order to stay invested with the Fund.

In the case of partial repurchase, the Manager may elect to repurchase the entire account if the effect thereof would result in the unitholder holding less than 1,000 units in his/her account with the Fund.

## GETTING STARTED WITH PUBLIC MUTUAL (CONT'D)

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### ***Pledging of Units as Collateral***

Units held by you may be pledged as collateral for securing financing with Public Bank under the Unit Trust Flexi-Loan Express (UNIFLEX) Plan. The UNIFLEX Plan has many advantages. For more details on the UNIFLEX Plan, you may call Public Bank Hotline: 1800-22-9999. Investors should be aware of the loan financing risk as stated on page 14 of this Prospectus and are advised to read and understand the Loan Financing Risk Disclosure Statement that forms part of the Fund Application Form.

### ***Borrowing to Purchase Units***

Unit trusts are considered long term savings vehicles which should generally provide better returns compared to bank deposits through its investments in equities or other market-related securities. Investing in unit trusts involves market risks and it would be considered unwise for the unitholder to undertake borrowing to purchase his units as it may serve to accentuate any capital loss incurred by him in the event of prolonged weak (bear) market conditions. Consequently, investing in a unit trust fund with borrowed money is more risky than investing with your own savings.

Investors are advised to read and understand fully the Loan Financing Risk Disclosure Statement that forms part of the Fund Application Form before signing off on the form.

*It is Our Company's Policy to Discourage the Use of Loan Financing in the Purchase of Units.*

## **4.3 STATEMENTS AND REPORTS**

### ***Statements to Confirm and Record Transactions***

Computer-generated Statements will be issued to provide you a record of each and every transaction made in your account so that you may confirm the status and accuracy of your transactions, as well as an updated record of your investment account(s) with us.

### ***Annual/Interim Statement of Investment***

In addition, you will receive annual and interim Statements of Investment, sent together with the Fund's interim/annual reports, which will provide you with the latest status of your investment account.

For Mutual Gold Elite and Mutual Gold Members, additional Monthly Statement and Quarterly Statement of Accounts respectively will be generated as part of the Manager's Priority Client Service.

### ***Annual and Interim Reports***

The investment strategies, performances, portfolio holdings and accounts of the Fund are detailed twice a year in annual and interim reports which are sent to all unitholders within 2 months from the close of each financial year or interim period.

### ***Statement of Distribution of Returns***

If distribution of returns is declared by the Fund, you will receive Statements of Distribution of Returns, detailing the nature and amount of returns distributed by the Fund.

You may refer to page 12, paragraph 1.4 Distribution Policy of Chapter 1: Key Features of The Fund for more information on the mode of distributions and policies and procedures on unclaimed monies/distributions.





# 5 TRANSACTION INFORMATION

## 5.1 DETERMINATION OF PRICES

### Valuation Point

Valuation point refers to such a time(s) on a Business Day as may be decided by the Manager wherein the Net Asset Value ("NAV") of the fund is calculated.

Valuation of PBDYNAF will be conducted after the close of business of Bursa Securities for the relevant day, as certain of the foreign markets in which the Fund may invest in have yet to close due to the different time zones of these countries. As such, the valuation point will thus be after the close of Bursa Securities but not later than 9:00 a.m. (or any other such time as may be permitted by the relevant authorities from time to time) on the following day in which the Manager is open for business.

### NAV per Unit

The NAV per unit is obtained by dividing the NAV of the Fund by the number of units in issue.

### Illustration 1: Computation of NAV per unit

The following is a hypothetical example of the valuation carried out for PBDYNAF for the Business Day of 21 February 2012:

Total NAV (RM)	135,250,000
UIC (units)	270,500,000
NAV per unit (RM) (Total NAV/UIC)	0.50000000

### Forward Pricing for both Buy and Sell Transactions

Both the buy and sell transactions are traded at prices *next determined*. A transaction issued today by an investor to purchase units of the fund will be carried out at a price next determined i.e. to be *calculated at the next valuation point after the application to purchase units is received and accepted by the Manager*. Similarly, a transaction to redeem units by an investor will be done at the price next determined i.e. at the next valuation point after the repurchase request is received by the Manager.

Investments banked in over the counter through Public Bank branches on any Business Day will be processed based on the price determined for the same Business Day. Investments transacted via electronic channels before or at 4:00 p.m. on any Business Day will be processed based on the price determined for the same Business Day; whilst investments transacted after 4:00 p.m. via these channels will be processed based on the price determined for the next Business Day. Any investment made on a non-Business Day will be treated as investments made on the following Business Day.

In the event of any incorrect pricing of units of the Fund, the Manager shall take immediate remedial action where that incorrect pricing –

- (i) is equal or more than zero point five per centum (0.5%) of the NAV per unit; and
- (ii) results in a sum total of Ringgit Malaysia Ten (RM10.00) or more to be reimbursed to the affected unitholder for each sale or repurchase transaction.

Subject to any regulatory requirements, the Manager shall have the right to amend, vary or revise the abovesaid limits or threshold from time to time.



## TRANSACTION INFORMATION (CONT'D)

### 5.2 COMPUTATION OF PRICES

Buying and selling of units are quoted and transacted at a single price, which is at the NAV per unit of the Fund. Service charge and repurchase charge (if any) that are to be levied on the purchase and sale of units by investors will not be incorporated in the quoted prices of the Fund. These charges will be computed and charged separately.

#### Making an Investment

Buying of units by investors is transacted at the NAV per unit of the Fund. Upon the purchase of units of the Fund by investors, a service charge of up to 5.5% of NAV per unit is levied.

#### Illustration 2: Purchase of Units by Investors

Let us assume that on 21 February 2012, Investor A decides to invest RM10,000 in PBDYNAF. Following through on illustration 1, the NAV per unit of PBDYNAF is at RM0.50000000. The service charge levied on the purchase of units in the Fund is 5.5%.

Based on the above, Investor A would have 20,000 units credited into his investment account as shown below:

			<u>Units credited to investor's account</u>
$\frac{\text{Amount invested}}{\text{NAV per unit}}$	=	$\frac{\text{RM10,000}}{\text{RM0.50000000}}$	20,000 units
Service charge per unit	=	NAV per unit x Service Charge (%)	
	=	RM0.50000000 x 5.5%	
	=	RM0.02750000	
Total service charge incurred by Investor A	=	Service Charge per unit x Units credited to investor	
	=	RM0.02750000 x 20,000 units	
	=	RM550	

Following the above, the total amount payable by Investor A:

$$\begin{aligned} &= \text{Amount invested in PBDYNAF} + \text{Service charge incurred} \\ &= \text{RM10,000} + \text{RM550} \\ &= \text{RM10,550} \end{aligned}$$

**Investors who wish to pay in cash are advised to do so personally at any Public Bank branch.**

#### Redeeming an Investment

Redemption of units by investors is transacted at the NAV per unit of the Fund. The Manager does not impose a repurchase charge on the redemption of units of the Fund by investors.

## TRANSACTION INFORMATION (CONT'D)

### Illustration 3: Redemption of Units by Investors

Let us assume that Investor B decides to redeem 20,000 units of PBDYNAF. He submits his Repurchase Form to a branch office of Public Mutual. There is no repurchase charge levied on the sale of units of the Fund by the investor.

$$\begin{aligned} \text{Based on the above, the amount redeemed from PBDYNAF} &= \text{Units redeemed} \times \text{NAV per unit} \\ &= 20,000 \text{ units} \times \text{RM0.50000000} \\ &= \text{RM10,000} \end{aligned}$$

$$\begin{aligned} \text{Repurchase charge per unit} &= \text{NAV per unit} \times \text{Repurchase Charge (\%)} \\ &= \text{RM0.50000000} \times 0\% \\ &= \text{Nil} \end{aligned}$$

$$\begin{aligned} \text{Total repurchase charge incurred by Investor B} &= \text{Repurchase Charge per unit} \times \text{Units redeemed} \\ &= \text{RM0} \times 20,000 \text{ units} \\ &= \text{Nil} \end{aligned}$$

Following the above, the repurchase proceeds received by Investor B within 10 days from the Manager's receipt of his repurchase request:

$$\begin{aligned} &= \text{Amount redeemed from PBDYNAF} - \text{Repurchase Charge Incurred} \\ &= \text{RM10,000} - \text{RM0} \\ &= \text{RM10,000} \end{aligned}$$

### 5.3 COMPUTATION OF COOLING-OFF PROCEEDS

A cooling-off period of 6 Business Days is accorded to an investor who is investing with Public Mutual for the first time. During the cooling-off period, the investor, upon changing his mind about the unit trust investment that he has made, may proceed to exercise his cooling-off right by submitting a cooling-off request (directly) to the Public Bank branch at which he purchased the units.

**Under the cooling-off request, the refund for every unit held by the unitholder will be the sum of:**

- (a) the price of a unit on the day the units were purchased; and**
- (b) the sales charge imposed on the day the units were purchased.**

Essentially, the investor will receive a full refund of the initial amount paid by him on his purchase of units within 10 days of receipt of cooling-off notice by the Manager.

# 6 FEES, CHARGES AND EXPENSES

## 6.1 CHARGES IMPOSED ON SALE AND PURCHASE OF UNITS

Buying and selling of units are quoted and transacted at a single price, which is at the NAV per unit of the fund. Service charge and repurchase charge (if any) that are to be levied on the purchase and sale of units by investors will not be incorporated in the quoted prices of the fund. These charges will be computed and charged separately. For the purpose of calculating service charge and repurchase charge, the computation is based on the NAV per unit of the fund that has not been rounded up.

### *Service Charge*

Service charge levied upon the purchase of units of PBDYNAF by investors is as follows:

Purchase of units through IUTA: Up to 5.5% of NAV per unit.

Purchase of units through the Manager: Up to 5.5% of NAV per unit.

The Manager may at its discretion charge a lower service charge based on the size of investment and/or other criterion as may be determined from time to time.

### *Illustration 1: Computation of Service Charge*

Let us assume that Investor A decides to invest in PBDYNAF when the NAV per unit of the Fund is at RM0.50000000. The service charge levied on the purchase of units in the Fund is 5.5%.

$$\begin{aligned} \text{Service charge per unit} &= \text{NAV per unit} \times \text{Service Charge (\%)} \\ &= \text{RM0.50000000} \times 5.5\% \\ &= \text{RM0.02750000} \end{aligned}$$

### *Repurchase Charge*

The Manager does not impose a repurchase charge on the sale of units of the Fund by investors.

### *Illustration 2: Computation of Repurchase Charge*

Let us assume that Investor A decides to redeem units of PBDYNAF when the NAV per unit of the Fund is at RM0.50000000. There is no repurchase charge levied on the sale of units of the Fund by investors.

$$\begin{aligned} \text{Repurchase charge per unit} &= \text{NAV per unit} \times \text{Repurchase Charge (\%)} \\ &= \text{RM0.50000000} \times 0\% \\ &= \text{Nil} \end{aligned}$$

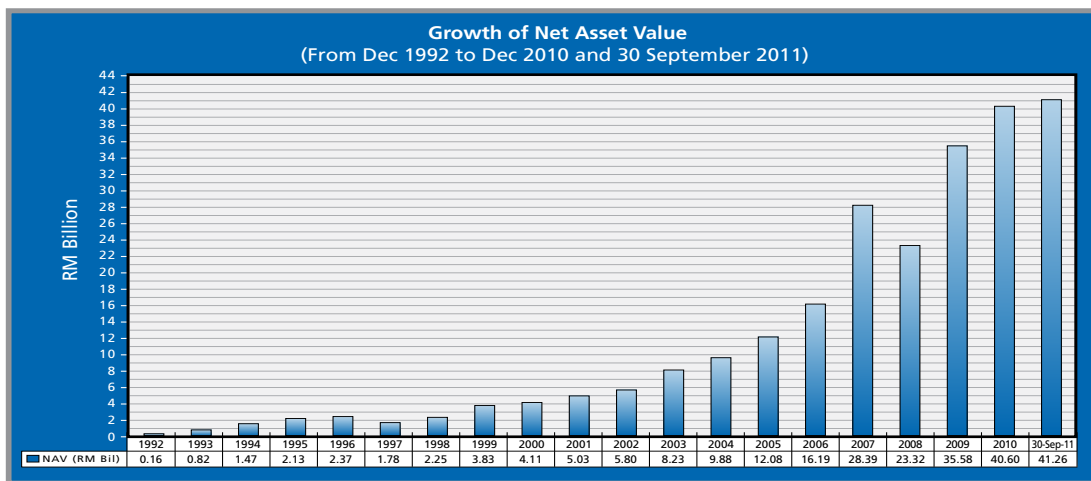
### *Charges on Switching and Transfer of Units*

There are charges involved for switching and transfer transactions. Please refer to *page 11 of Chapter 1: Key Features of The Fund* for more information.



## 7.1 CORPORATE PROFILE OF PUBLIC MUTUAL

PBDYNAF is managed by Public Mutual, a wholly owned subsidiary of Public Bank Berhad. Public Mutual is a licensed fund manager and is the largest private unit trust manager in terms of NAV. Incorporated on 21 July 1975 under its former name Kuala Lumpur Mutual Fund Berhad, Public Mutual began its operations on 2 July 1980 and was among the early pioneers of the industry. Public Mutual has been managing unit trust funds in Malaysia for over two decades. The graph below shows the rapid growth in net asset value managed by Public Mutual since the early 1990s when the unit trust industry came under the purview of the Securities Commission of Malaysia. Public Mutual currently manages eighty nine (89) unit trust funds with a total NAV of over RM41.2 Billion (as at 30 September 2011) from over 2,600,000 account holders. In terms of NAV and market position within the Malaysian private unit trust industry, Public Mutual maintains the largest market share of assets under management<sup>1</sup>.



## 7.2 ORGANISATION OF PUBLIC MUTUAL

### Staff Strength

Public Mutual maintains a staff strength of approximately 750 personnel as of 30 September 2011 to manage and administer its unit trust schemes.

### Sales Network

Sale of the Public Series of Funds and Public Series of Shariah-Based Funds are conducted through Public Mutual's dedicated direct sales agency force comprising individual unit trust consultants registered with the FIMM. The PB Series of Funds is distributed by Public Mutual's appointed IUTA(s).

Public Mutual has a broad network of branches located in state capitals and major towns to service its unitholders and markets. This comes in addition to a national web of support networks comprising the branches of Public Bank that act as collection centres for the banking-in of investments by unitholders.

### Customer Service, Mutual Gold and Public Mutual Online

Customer Service of Public Mutual attends to unitholders' enquiries on the status of their investment transactions, statements, distributions and other matters pertaining to their investments with the funds. Unitholders can also conduct transactions and access to their account details through Public Mutual Online.

Priority clients may access the *exclusive Mutual Gold Service* for value-added, time saving services.

**Call our Hotline: 03-6207 5000 for direct access to Customer Service and Mutual Gold.**

<sup>1</sup>Source: The Edge, Lipper Fund Table, 29 August 2011

## THE MANAGER (CONT'D)

### 7.3 UNIT TRUST FUNDS UNDER PUBLIC MUTUAL

Public Mutual manages 89 unit trust funds spread over various fund categories as shown below:

	Category of Fund	Approved Size of Fund (Billion Units)	Net Asset Value as at 30.9.11 (RM Billion)	Units In Circulation as at 30.9.11 (Billion Units)
<b>Public Series of Funds</b>				
Public Savings Fund	Equity	2.25	1.097	1.894
Public Growth Fund	Equity	4.50	0.903	2.065
Public Index Fund	Equity	2.25	0.822	1.264
Public Industry Fund	Equity	1.00	0.165	0.317
Public Aggressive Growth Fund	Equity	1.50	0.414	0.727
Public Regular Savings Fund	Equity	4.50	2.153	3.811
Public SmallCap Fund	Equity	1.30	0.545	0.870
Public Equity Fund	Equity	5.00	0.656	2.430
Public Focus Select Fund	Equity	1.85	0.267	1.097
Public Dividend Select Fund	Equity	4.50	0.713	2.746
Public Far-East Select Fund	Equity	3.50	0.308	1.575
Public Regional Sector Fund	Equity	3.00	0.225	1.284
Public Global Select Fund	Equity	3.00	0.086	0.511
Public Far-East Dividend Fund	Equity	7.50	0.453	2.122
Public China Select Fund	Equity	15.00	0.910	6.062
Public Far-East Property & Resorts Fund	Equity	3.375	0.347	1.623
Public South-East Asia Select Fund	Equity	7.50	0.481	1.923
Public Sector Select Fund	Equity	3.00	0.456	1.685
Public Far-East Consumer Themes Fund	Equity	1.50	0.158	0.676
Public China Titans Fund	Equity	1.50	0.067	0.352
Public Far-East Telco & Infrastructure Fund	Equity	1.50	0.066	0.262
Public Select Alpha-30 Fund	Equity	1.50	0.059	0.198
Public Natural Resources Equity Fund	Equity	1.50	0.220	1.094
Public Australia Equity Fund	Equity	2.25	0.298	1.300
Public Far-East Alpha-30 Fund	Equity	1.50	0.147	0.666
Public Optimal Growth Fund	Equity	1.50	0.031	0.123
Public Indonesia Select Fund	Equity	1.50	0.083	0.335
Public Singapore Equity Fund	Equity	1.50	0.163	0.704
Public Balanced Fund	Balanced	1.50	0.358	0.566
Public Far-East Balanced Fund	Balanced	3.80	0.246	1.272
Public Global Balanced Fund	Balanced	1.50	0.057	0.293
Public Bond Fund	Bond	2.50	1.374	1.390
Public Institutional Bond Fund	Bond	3.00	1.669	1.631
Public Enhanced Bond Fund	Bond	1.00	0.298	0.289
Public Select Bond Fund	Bond	2.25	1.581	1.541
Public Strategic Bond Fund	Bond	0.75	0.318	0.302
Public Money Market Fund	Money Market	1.50	0.409	0.408
<b>Public Series of Shariah-Based Funds</b>				
Public Ittikal Fund	Equity	3.75	2.538	3.317
Public Islamic Equity Fund	Equity	6.00	1.460	4.818
Public Islamic Opportunities Fund	Equity	1.50	0.261	0.976
Public Islamic Dividend Fund	Equity	9.00	2.089	6.498
Public Asia Ittikal Fund	Equity	5.00	0.322	1.330
Public Islamic Asia Dividend Fund	Equity	6.50	0.502	2.313
Public Islamic Sector Select Fund	Equity	4.375	0.746	2.723

## THE MANAGER (CONT'D)

	Category of Fund	Approved Size of Fund (Billion Units)	Net Asset Value as at 30.9.11 (RM Billion)	Units In Circulation as at 30.9.11 (Billion Units)
<b>Public Series of Shariah-Based Funds (cont'd)</b>				
Public China Ittikal Fund	Equity	7.50	0.522	3.269
Public Islamic Select Treasures Fund	Equity	5.00	0.854	3.233
Public Islamic Optimal Growth Fund	Equity	5.00	1.001	3.945
Public Islamic Select Enterprises Fund	Equity	3.375	0.730	2.229
Public Islamic Asia Leaders Equity Fund	Equity	1.50	0.059	0.259
Public Islamic Alpha-40 Growth Fund	Equity	1.50	0.102	0.434
Public Islamic Treasures Growth Fund	Equity	1.50	0.043	0.177
Public Islamic Balanced Fund	Balanced	3.00	0.425	1.589
Public Islamic Asia Balanced Fund	Balanced	1.50	0.070	0.336
Public Islamic Bond Fund	Bond	1.80	0.738	0.677
Public Islamic Enhanced Bond Fund	Bond	0.50	0.072	0.065
Public Islamic Select Bond Fund	Bond	0.50	0.137	0.134
Public Islamic Income Fund	Fixed Income	0.75	0.526	0.508
Public Islamic Infrastructure Bond Fund	Bond	0.50	0.132	0.125
Public Islamic Strategic Bond Fund	Bond	0.50	0.210	0.200
Public Sukuk Fund	Bond	0.50	0.055	0.054
Public Islamic Money Market Fund	Money Market	1.00	0.595	0.585
<b>PB Series of Funds</b>				
PB Growth Fund	Equity	1.35	0.709	0.995
PB Asia Equity Fund	Equity	2.00	0.102	0.554
PB Islamic Equity Fund (Shariah-based)	Equity	2.00	0.159	0.721
PB Islamic Asia Equity Fund (Shariah-based)	Equity	2.00	0.122	0.634
PB ASEAN Dividend Fund	Equity	2.25	0.223	0.926
PB Euro Pacific Equity Fund	Equity	2.25	0.116	0.666
PB Islamic Asia Strategic Sector Fund (Shariah-based)	Equity	1.50	0.049	0.309
PB China Pacific Equity Fund	Equity	5.00	0.277	1.912
PB China ASEAN Equity Fund	Equity	1.50	0.161	0.787
PB China Australia Equity Fund	Equity	1.50	0.097	0.597
PB Singapore Advantage-30 Equity Fund	Equity	1.50	0.112	0.483
PB Asia Pacific Enterprises Fund	Equity	1.50	0.055	0.274
PB Asia Emerging Growth Fund	Equity	1.50	0.015	0.060
PB Balanced Fund	Balanced	0.75	0.374	0.496
PB Asia Real Estate Income Fund	Balanced	1.50	0.030	0.121
PB Australia Dynamic Balanced Fund	Balanced	1.50	0.083	0.286
PB Indonesia Balanced Fund	Balanced	1.50	0.110	0.447
PB Fixed Income Fund	Bond	1.50	1.064	0.992
PB Infrastructure Bond Fund	Bond	0.50	0.125	0.119
PB Bond Fund	Bond	0.50	0.098	0.098
PB Islamic Bond Fund (Shariah-based)	Bond	0.45	0.416	0.358
PB Sukuk Fund (Shariah-based)	Bond	0.50	0.169	0.169
PB Cash Management Fund	Money Market	2.00	0.116	0.115
PB Islamic Cash Management Fund (Shariah-based)	Money Market	1.00	0.046	0.046
<b>Wholesale Funds</b>				
PBB MTN Fund 1	Bond	0.20	0.049	0.047
PB Cash Plus Fund	Money Market	3.00	2.218	2.210
PB Islamic Cash Plus Fund (Shariah-based)	Money Market	3.00	1.361	1.354
<b>Capital Protected Funds</b>				
PB Capital Protected Resources Fund	Fixed Income	0.20	0.012	0.011
<b>TOTAL</b>		<b>224.075</b>	<b>41.260</b>	<b>102.989</b>

## THE MANAGER (CONT'D)

### 7.4 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager of a unit trust scheme pools together the collective investments of unitholders and professionally invests the monies within prescribed limits, restrictions and guidelines to meet the objective of the unit trust scheme. The Manager is under a fiduciary duty to act in good faith and to avoid advancing a conflicting interest and to exercise due care and diligence when managing the monies of a unitholder and when making any investments for the unit trust scheme. The fund management function of funds under the management of Public Mutual is carried out internally by Public Mutual.

The general functions, duties and responsibilities of the Manager include, but is not limited to, the following:-

- to ensure that a unit trust scheme is managed within the ambit of the Deed, the CMSA 2007, the securities laws and the relevant guidelines at all times;
- any application to the Securities Commission e.g. to increase the size of the unit trust scheme, the renewal of the Prospectus etc.;
- the success in the launch and sales of any unit trust scheme, and to provide customer support and distribution agency networks to best serve the unitholders of the scheme;
- to keep the unitholders informed of the management and performance of the unit trust scheme through the interim and annual reports;
- to ensure that the interest of the unitholders is best served and protected at all times.

### 7.5 COMPLIANCE UNIT

The Internal Audit and Compliance Department in Public Mutual maintains strict oversight of the compliance practices within each unit trust scheme and also that of the Manager in order to ensure compliance with the stringent requirements of the CMSA 2007 and Guidelines on Unit Trust Funds. The department, thus, is responsible for ensuring that Public Mutual and its unit trust schemes observe, comply, and practise high standards of regulatory and operational compliance in keeping with the fiduciary duties and responsibilities.

The profile of the designated person responsible for compliance matters is as set out below:

#### **Assistant General Manager - Internal Audit and Compliance**

**En. Abdul Samad B. Jaafar**, is a Certified Internal Auditor and chartered member of the Institute of Internal Auditors Malaysia. He holds a BA (Hons) degree in Accounting and Management Control from Sheffield Hallam University, UK and a Master in Business Administration from International Islamic University Malaysia. He joined Public Mutual in 1998. He has more than fifteen years working experience in audit, compliance, finance and treasury operations. He first joined Public Mutual as the Internal Audit Manager and assumed his present post in 2010.

### 7.6 FINANCIAL PERFORMANCE OF PUBLIC MUTUAL

The following is a summary of the past performance of Public Mutual based on the audited financial statements for the past three (3) financial years ended 31 December:

	2008 RM'000	2009 RM'000	2010 RM'000
Paid-Up Capital	6,000	6,000	6,000
Shareholders' Funds	48,530	73,943	99,388
Turnover	539,752	580,908	736,621
Pretax Profit	183,325	218,881	273,838
Profit After Tax	155,367	187,413	235,445

As at 30 September 2011, the Manager is not engaged in any material litigation and arbitration, either as plaintiff or defendant, and is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its business or financial position.

















## THE MANAGER (CONT'D)

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### **Portfolio Manager – Investment, Equities Section**

**En. Shahnaz bin Saiful Mulok** - En. Shahnaz obtained his Capital Markets Services Representative's license on 5 October 2006.

En. Shahnaz holds a Bachelor of Accountancy (Hons) from Universiti Teknologi MARA and is an affiliate of The Association of Chartered Certified Accountants (ACCA), United Kingdom. He joined Public Mutual in 2006 as Assistant Manager – Investment, Equities Section and was promoted to Deputy Manager – Investment, Equities Section in 2008.

Prior to joining Public Mutual, En. Shahnaz was attached to a local asset management company. He started off in the asset management company as an investment analyst. His investment research experience include assessing corporate earnings growth prospects, evaluating management track record, computation of stock valuations and financial analysis of listed companies on the Bursa Securities. His fund management experience include formulating investment strategy and management of equity and fixed income portfolios.

### **Portfolio Manager – Investment, Equities Section**

**Mr. Loo See Seong** – Mr. Loo obtained his Capital Markets Services Representative's license on 20 January 2008.

Mr. Loo graduated with a Bachelor of Economics from the University of Putra. He joined Public Mutual in 2001 as an Executive in the Investment Department. He was assigned to supervise the generation of statistics reports on stock valuation, fund and benchmark returns and fund attribution analysis. In 2004, his responsibilities were widened to include analysis of domestic and regional telecommunications stocks. He was subsequently promoted to Assistant Manager – Investment in 2005 and his stock coverage was expanded. In 2008, his job scope was further expanded to include portfolio management and he was promoted to the position of Deputy Manager – Investment in 2011.

### **Portfolio Manager – Investment, Equities Section**

**Mr. Lum Meng Seng** – Mr. Lum obtained his Capital Markets Services Representative's license on 25 October 2008.

Mr. Lum holds a Bachelor of Economics (Hons) from the University of Malaya. He joined Public Mutual in 2007 as Assistant Manager – Investment, Equities Section. Mr. Lum has more than nine years of experience in the Malaysia equity and fixed income markets. Prior to joining Public Mutual, Mr. Lum was attached to a local investment management company as an Assistant Manager in Investment, responsible for assisting in management of equity and fixed income portfolios. He started off his career as an investment analyst in an asset management company in 2000, responsible for equity research in the Malaysian capital market.

### **Portfolio Manager – Investment, Equities Section**

**Mr. Liew Mun Hon** – Mr. Liew obtained his Capital Market Services Representative's license on 7 November 2008.

Mr. Liew holds an honours degree in Business from the Nanyang Technological University of Singapore and is a Chartered Financial Analyst. He joined Public Mutual in 2008 as Deputy Manager – Investment, Equities Section. Mr. Liew assumed his position of Portfolio Manager – Investment, Equities Section in 2008. Prior to joining Public Mutual, Mr. Liew was attached to a foreign insurance company as a Fund Manager. His fund management experience includes setting the investment strategy, constructing and rebalancing various investment mandates to achieve its stated objectives. Mr. Liew was also previously an Investment Analyst/Fund Manager at a local unit trust and asset management company where he was actively involved in the areas of portfolio management and equity research. Mr. Liew has more than 10 years of experience in the Malaysian equity market.

### **Portfolio Manager – Investment, Equities Section**

**Mr. Andrew Seah Saik Weng** - Mr. Seah obtained his Capital Market Services Representative's license on 25 October 2008.

Mr. Seah graduated with a Bachelor of Social Science, majoring in Economics from Universiti Sains Malaysia. He joined Public Mutual in 2008 as Deputy Manager – Investment, Equities Section and assumed his present position of Portfolio Manager – Investment, Equities Section in 2008.



## THE MANAGER (CONT'D)

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Mr. Seah has worked in various local stockbroking companies and a regional research house as an equity analyst before moving on to the fund management industry. Prior to joining Public Mutual, Mr. Seah was attached to a foreign owned insurance company as a Fund Manager, where he specialised in Malaysian and Singapore equities. Mr. Seah has more than 10 years of experience in the Malaysian equity market.

### **Portfolio Manager – Investment, Equities Section**

**En. Mohd Isa bin Ibrahim** - En. Mohd Isa obtained his Capital Market Services Representative's license on 19 September 2008.

En. Mohd Isa holds a Masters in Business Administration majoring in Applied Finance & Investment from Universiti Kebangsaan Malaysia (UKM) and BBA (Hons) in Finance from Universiti Teknologi MARA. He joined Public Mutual in August 2008 as Deputy Manager – Investment, Equities Section. En. Mohd Isa assumed his position of Manager – Investment, Equities Section in 2011.

En. Mohd Isa has more than 10 years of experience in the Malaysian equity and fixed income markets. Prior to joining Public Mutual, he was attached to a local life insurance company as a designated Fund Manager and responsible for the portfolio management and asset allocation decisions for fixed income and equity funds. En. Mohd Isa was also previously attached to a local asset management company as a designated Fund Manager for Islamic equity funds as well as responsible in managing money market and fixed income portfolios. In his previous position, he was also involved in equity research which include assessing corporate earnings growth prospects, computation of stock valuations and financial analysis of listed companies on Bursa Securities.

### **Portfolio Manager – Investment, Fixed Income Section**

**En. Azahari bin Ariffin** - En. Azahari obtained his Capital Market Services Representative's license on 12 February 2009.

En. Azahari bin Ariffin holds a Bachelor of Finance (Hons) degree from Universiti Teknologi MARA. He joined Public Mutual in December 2007 as Assistant Manager – Investment, Fixed Income Section.

Prior to joining Public Mutual, En. Azahari was attached to a local asset management company where he assisted in the portfolio management and asset allocation decisions for the money market fund. His experience also involved proposing various investment strategies for the assets under management and liaising with corporate clients on matters related to the fixed income funds. He was also attached to a local investment bank where he was responsible for dealing in money market and fixed income instruments of both conventional and Shariah-based markets.

### **Portfolio Manager – Investment, Fixed Income Section**

**Mr. Ng Boon Hoa** – Mr. Ng obtained his Capital Market Services Representative's license on 3 June 2009.

Mr. Ng is a CFA charterholder, a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysian Institute of Accountants. He joined Public Mutual in 2007 as Deputy Manager – Investment, Fixed Income Section overseeing the credit analysis and fixed income research functions of the section. He assumed his present position of Portfolio Manager – Investment, Fixed Income Section in 2010.

Mr. Ng has more than 10 years of working experience in various capacities which include serving as the Financial Controller of a subsidiary in a public listed group and subsequently as the Financial Controller of an international public relations company. Mr. Ng commenced his career in a local public accounting firm in 1994 before joining an international public accounting firm in 1995. His previous work experience includes auditing, business process advisory, due diligence review, debt restructuring as well as managing the financial, taxation, human resources and administrative matters of various companies.

### **Portfolio Manager – Investment, Equities Section**

**Mr. Tan Kok Keong** – Mr. Tan obtained his Capital Market Services Representative's license on 23 December 2010.

Mr. Tan graduated with a Bachelor of Business from the Charles Sturt University, Australia. He joined Public Mutual in 2007 as a Senior Analyst in the Investment Department. Mr. Tan was promoted to Assistant Manager – Investment, Equities Section in 2011.

## THE MANAGER (CONT'D)

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Prior to joining Public Mutual, Mr. Tan was attached to a local stock broking house and an asset management company as an investment analyst responsible for equity research in the Malaysian capital market.

### **Portfolio Manager – Investment, Equities Section**

**Mr. Julian Ng Eng Lee** – Designated co-Fund Manager of PBDYNAF in addition to other Public Mutual funds. Mr. Ng obtained his Capital Market Services Representative's license on 9 March 2011.

Mr. Ng graduated with an Honours degree in Accounting and Finance from the Liverpool John Moores University, United Kingdom and a MBA in Finance from the University of Hull, United Kingdom. He joined Public Mutual in 2010 as Manager – Investment, Equities Section and assumed his present position of Portfolio Manager – Investment, Equities Section in 2011.

Mr. Ng has 17 years of experience in the local and foreign financial services industry. Prior to joining Public Mutual, he was attached to established local and foreign stockbroking firms and involved in institutional sales in local and foreign markets. He was also previously attached to a local asset management company covering ASEAN and regional markets.

### **Senior Manager – Investment, Economic Research & Communications Section**

**Mr. Long Shih Rome** - Mr. Long obtained his Capital Markets Services Representative's license on 26 September 2007.

Mr. Long holds a Bachelor of Science Honours degree majoring in International Trade & Economic Development from the London School of Economics, London. He joined Public Mutual in 2003 as Manager in the Investment Department and assumed his present capacity as Senior Manager in 2007. Mr Long oversees the economics team which has developed statistical models and databases for economic research covering various regional economies. On the communications front, Mr Long is responsible for updating the company's agents and unitholders with investment talks and regular publications about the market and economic outlook for local and foreign markets.

Prior to joining Public Mutual, Mr Long was the managing editor of an established investment magazine and had written articles covering stock market investments, unit trusts, financial planning and economics. Mr Long was also previously a senior investment analyst with 10 years of experience covering various sectors of the Malaysia and Singapore equity markets.

## 7.10 INVESTMENT MANAGEMENT FUNCTION OF THE MANAGER

Public Mutual's investment team comprises a group of portfolio managers and investment research analysts who possess the necessary expertise and experience to undertake the fund management of its unit trust funds. The investment methodology that is applied is mainly based on fundamental analysis. The overall responsibility to oversee and review the portfolio strategies recommended by the Fund Managers rests with the Investment Committee.

### **Investment Committee**

The Investment Committee oversees the investment process of the funds, particularly with regard to reviewing the asset allocation and investment strategies proposed by the Fund Manager and his team.

### **Members of the Investment Committee**

Tan Sri Datuk Seri Utama Thong Yaw Hong (*Independent*)  
Tan Sri Dato' Sri Tay Ah Lek  
Dato' Sri Lee Kong Lam  
Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff (*Independent*)  
Dato' Haji Abdul Aziz Bin Dato' Dr. Omar (*Independent*)  
Mr. Quah Poh Keat (*Independent*)  
Ms. Yeoh Kim Hong

For profiles of the members of the Investment Committee, please refer to pages 39 to 41.

## THE MANAGER (CONT'D)

The Committee meets twice a month and keeps in purview the achievement of the long-term investment objective of the funds. The detailed functions of the Investment Committee are as follows:

- Review the performance and portfolios of the funds.
- Review the performance of the markets and their respective outlook.
- Review and approve the portfolio strategies recommended by the Investment Department.
- Review the foreign portfolio strategies of the funds.
- Review the reports on weekly sale and purchase of investments.

### Fund Management and the Investment Process

The investment management of the unit trust funds under the management of Public Mutual is undertaken by the Investment Department which is headed by Mr. Lum Ming Jang, Senior General Manager – Investment. He reports directly on the management of the funds to the Chief Executive Officer. Mr. Lum is assisted by Mr. Tan Yan Heong, General Manager – Investment, Mr. Chiang Kang Pey, Assistant General Manager – Investment, Equities Section and Mr. Chan Kam Khoon, Assistant General Manager – Investment, Fixed Income Section. The team also includes several Senior Portfolio Managers and Portfolio Managers who are involved in the portfolio management of the various unit trust funds managed by Public Mutual. Additional team members comprising Senior Managers, Manager, Deputy Managers, Assistant Managers, Senior Executives and Executives provide further support in the monitoring of macro-economic variables and developments and financial analysis of various listed companies.

### Organisation Structure of the Investment Department



## **THE MANAGER (CONT'D)**

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### **Key Job Functions of the Investment Department**

#### **Chief Executive Officer**

- Responsible for the overall direction and asset allocation of the unit trust funds under Public Mutual.
- Reviews and monitors the performance of the funds.
- Evaluates and approves strategic investment decisions and policies recommended by the Senior General Manager - Investment.
- Oversees the daily management of the funds.

#### **Senior General Manager – Investment**

- Responsible for the daily portfolio management of the unit trust funds under Public Mutual.
- Recommends strategic investment decisions and policies to the Chief Executive Officer for approval.
- Responsible in ensuring that the investments of the funds comply with their investment guidelines.
- Oversees and supervises the administration of the Investment Department.
- Presents economic and stockmarket views at investment seminars for the agency force and unitholders.

#### **General Manager – Investment**

- Assists the Senior General Manager – Investment in overseeing the key portfolio management functions of the Investment Department.
- Responsible for providing feedback on the fundamental outlook of the equity and fixed income markets.
- Assists the Senior General Manager – Investment in overseeing and supervising the administration of the Investment Department.
- Oversees the information management system of the Investment Department.

#### **Assistant General Manager – Investment, Equities Section**

- Assists the Senior General Manager – Investment in overseeing the key portfolio management functions of the Investment Department.
- Responsible for providing feedback on the fundamental outlook of the equity markets.
- Presents market updates and outlook at investment seminars for the agency force and unitholders.

#### **Assistant General Manager – Investment, Fixed Income Section**

- Oversees the key management functions of the fixed income portfolios of the funds.
- Responsible for providing feedback on the fundamental outlook of the domestic fixed income market.
- Oversees the preparation of fixed income investment reports to unit trust holders.
- Presents updates and outlook on the bond market at investment seminars for the agency force and unitholders.

#### **Senior Portfolio Managers and Portfolio Managers – Investment, Equities Section**

- Involves in the daily and key portfolio management functions.
- Analyses and prepares reports on the performance of the funds for distribution to unitholders and unit trust consultants.
- Provides research and market intelligence feedback on the market and stocks.

#### **Senior Portfolio Manager and Portfolio Managers – Investment, Fixed Income Section**

- Assists in the daily management of the fixed income portfolios of the funds.
- Manages the daily placement and withdrawal of funds with approved financial institutions.
- Provides feedback on the trading activities in the money markets to facilitate the management of the bond portfolios.

## THE MANAGER (CONT'D)

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### **Senior Managers, Manager, Deputy Managers, Assistant Managers, Senior Executives and Executives – Investment**

- Carries out the financial analysis of listed companies and monitors the performance of the economy to facilitate portfolio rebalancing and other investment decisions.
- Monitors corporate developments and performs in-depth evaluation of companies through site visits and meetings with the management.
- Assists in the preparation of investment reports for the investment team and for dissemination to unit trust holders and unit trust consultants.

### **7.11 RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST**

All transactions carried out for or on behalf of the Fund are executed on terms that are best available to the Fund and which are no less favourable than arm's length transactions between independent parties.

The related-party transactions of the Fund may include:

- dealings on sale and purchase of investment securities and instruments by the Fund.
- money market deposits and placements by the Fund.
- holding of units in the Fund by related parties.

All related-party transactions of the Fund are transacted at arms length and are established on terms and conditions that are stipulated in the applicable regulations of respective stock exchanges and/or other applicable laws and market convention.

Where a conflict of interest arises due to the Investment Committee member or director holding substantial shareholding or directorships of public companies, and the Fund invests in that particular share or stock belonging to a public listed company, the said committee member or director shall abstain from any decision making relating to that particular share or stock of the Fund.

Employees of the Manager who are directly involved in the investment management of the Fund or who have direct and timely access to the daily trades done by the Fund Managers, are required to declare their dealings in securities.

### **7.12 POLICIES AND PROCEDURES ON MONEY LAUNDERING ACTIVITIES**

The Manager has established a set of policies and procedures to counter the risk involving money laundering and financing of terrorism, in compliance with the provisions of Anti-Money Laundering Act, 2001 (AMLA). The policies and procedures encompassed the following key initiatives:

- Provision of training and education on the subject matter to all employees, with emphasis on front-line personnel and members of the agency force;
- Setting up specific measures and controls with regard to customer identification and acceptance which include verification of the identity of customer via relevant identification documents;
- Ensuring prompt reporting of suspicious transactions to the Financial Intelligence Unit of Bank Negara Malaysia.

## **THE MANAGER (CONT'D)**

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### **7.13 DOCUMENTS AVAILABLE FOR INSPECTION**

For a period of not less than 12 months from the date of this Prospectus, the following documents or copies of them or other documents as may be required by the SC (where applicable) is available for inspection at the registered office of the Manager or such other place as the SC may determine:

- (a) The master deed and supplemental deeds;
- (b) Each material contract or document referred to in this Prospectus (if any);
- (c) The latest annual and interim reports of the Fund;
- (d) The audited financial statements of the Fund and the Manager for the current financial year (where applicable) and last 3 financial years or from the date of establishment/incorporation, if less than 3 years, preceding the date of this Prospectus;
- (e) All reports, letters or other documents, valuation and statements by any expert referred to in this Prospectus (if any);
- (f) Writ and relevant cause papers for all current material litigation and arbitration disclosed in this Prospectus (if any); and
- (g) All consents given by experts disclosed in this Prospectus.

## 8.1 THE TRUSTEE'S WILLINGNESS TO ASSUME POSITION

AmanahRaya Trustees Berhad ("ART") has indicated its willingness to assume the position of Trustee to PBDYNAF and to undertake all the obligations that are attached to it under the Deed, all relevant written laws and rule of law.

## 8.2 DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

The Trustee of the Fund will perform among others, the following duties and responsibilities:

1. To act as the custodian of the Fund and safeguard the interest of the unitholders;
2. To exercise all due diligence and vigilance in carrying out its functions and duties in accordance with the Deed, SC Guidelines, CMSA 2007 and securities laws;
3. To ensure that the Manager manages and administers the Fund in accordance with the Deed, SC Guidelines, CMSA 2007 and securities laws;
4. To ensure proper records are kept of all transactions, dividends, interest and income received and distributed in respect of the Fund;
5. To ensure that the Manager keeps the Trustee fully informed of the details of the Manager's policies in investments and any changes thereof; and
6. To ensure the accounts are audited at the end of each accrual period by the auditors and the Manager, on behalf of the Trustee forwards to the unitholders (at their last known registered address) a copy of the audited annual accounts within two months after the financial year end.

## 8.3 PROFILE OF AMANAHRAYA TRUSTEES BERHAD ("ART")

ART was incorporated under the Companies Act 1965 on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949. ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the Minister of Finance (Incorporated). ART took over the corporate trusteeship functions of ARB and acquired ARB's experience of more than 45 years in trustee business. ART has been registered and approved by the SC to act as trustee to unit trust funds and has 158 unit trust funds under its trusteeship. As at 30 September 2011, ART has 75 staff (52 Executives and 23 Non-Executives).

ART has an authorised capital of RM5,000,000. Its issued and paid-up share capital is RM2,000,000 and RM1,000,000 respectively.

The shareholders of ART are:

	<u>% of equity</u>
Amanah Raya Berhad (344986-V)	20
Amanah Raya Nominees (Tempatan) Sdn Bhd (434217-U)	20
Amanah Raya Capital Sdn Bhd (549057-K)	20
AmanahRaya Capital Group Sdn Bhd (760289-U)	20
AmanahRaya Modal Sdn Bhd (760322-X)	10
Amanah Raya Nominees (Asing) Sdn Bhd (684546-P)	10

## THE TRUSTEE (CONT'D)

### Financial Performance

The following is a summary of ART's performance based on its audited financial statements for the financial years ended 31 December since incorporation on 23 March 2007:

	2008 RM'000	2009 RM'000	2010 RM'000
Paid-up share capital	1,000	1,000	1,000
Shareholders' funds	5,999	3,624	3,214
Turnover	17,282	20,024	24,847
Pretax profit	11,783	14,340	18,265
After tax profit	8,597	10,625	13,590

As at 30 September 2011, the Trustee and its delegate are not engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.

### Board of Directors

Datuk Idrus Bin Harun – Chairman  
Dato' Ahmad Rodzi Bin Pawanteh – Director  
Datin Aminah Binti Pit Abd Raman – Director  
Tuan Haji Ab. Gani Bin Haron – Director  
Dato' Haji Ahmad Kamal Bin Abdullah Al-Yafii – Director  
Dato' Saripuddin Bin Kasim-Director  
Tuan Haji Mansor Bin Salleh-Director

### Chief Executive Officer

Hajjah Habsah Binti Bakar

### Delegation of Custodian Function

ART has delegated its custodian function for the foreign investments of the Fund to Citibank N.A, Singapore branch. Citibank N.A in Singapore began providing a security service in the mid-1970's and a fully operational global custody product was launched in the early 1990's. To date their securities services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.

The roles and duties of the trustee's delegate, Citibank N.A, Singapore, are as follows:

- To act as sub-custodian for the selected cross-border investment of the Fund including the opening of cash and custody accounts and to hold in safe keeping the assets of the Fund such as equities, bonds and other assets.
- To act as paying agent for the selected cross-border investment which include trade settlement and fund transfer services.
- To provide corporate action information or entitlements arising from the above underlying assets and to provide regular reporting on the activities of the invested portfolios.



## 9.1 UNITHOLDERS' RIGHTS AND LIABILITIES

***A unitholder is a person registered in the register as a holder of units or fractions of units in a fund which automatically accord him rights and interests in the fund.***

Unitholders shall be entitled to receive the distributions of the Fund (if any), participate in any increase in the capital value of the units, and to other rights and privileges as are provided for in the Deed.

Unitholders are vested with the powers to call for a unitholders' meeting, and to vote for the removal of the Trustee or the Manager through an Extraordinary Resolution.

Investors who are investing with Public Mutual for the first time are entitled to a cooling-off period of 6 Business Days from the date of receipt of the application form and payment by Public Mutual. During this period of cooling-off, the unitholder, upon changing his mind about the unit trust investment that he had made, may exercise his cooling-off right by issuing a cooling-off request to Public Mutual and he will be paid a full refund of his investment principal within 10 days. This cooling-off right, however, shall not extend to a corporation or institution, the staff of Public Mutual, and persons registered to deal in unit trust funds.

In addition, unitholders shall receive annual and interim reports of the Fund which are sent out within two months from the close of each financial year/period.

No unitholder shall be entitled to require the transfer to him of any of the assets comprised in the Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on his behalf of the rights of the Trustee as owner of such assets.

No unitholders shall by reason of the provisions of the Deed and the relationship created thereby between the unitholders, the Trustee and the Manager be liable for any amount in excess of the purchase price paid for the unit, and shall not be under any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the assets of the Fund, and any right of indemnity of the Trustee and/or Manager will be limited to recourse to the Fund.

## 9.2 JOINTHOLDERS

Units may be registered in the name of more than one unitholder subject to a maximum number of two jointholders. If the units are held by jointholders of whom one is a minor, the first registered unitholder must be an adult who is not less than 18 years of age.

In the event of the demise of a jointholder, the Manager shall only recognise the surviving jointholder as the rightful person having title or right of interest to the units in the account. However, if the surviving jointholder is a minor, the units in the account shall be vested in the estate of the deceased jointholder upon receipt by the Manager of the necessary documentation.

## 9.3 MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

### **Management Fee**

2.0% per annum of the NAV.

### **Trustee Fee**

Not exceeding 0.08% per annum, calculated daily on the NAV, but subject to a minimum fee of RM18,000 per annum (inclusive of the custodian fee).

### **Service Charge**

7% of the NAV per unit.

## **SALIENT TERMS OF THE DEED (CONT'D)**

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### **Repurchase Charge**

3% of NAV per unit.

A lower fee and/or charges than what is stated in the Deed may be charged. All current fees and charges are disclosed in the Prospectus.

Any increase of the fees and/or charges above that stated in the current Prospectus may be made provided that a supplemental prospectus is issued and the maximum stated in the Deed shall not be breached.

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

### **9.4 PERMITTED EXPENSES PAYABLE OUT OF THE FUND**

Only expenses directly related and necessary in operating and administering a fund may be paid out of the fund. The major expenses that are recoverable directly from the Fund include:

- (i) commission/fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- (ii) (where the custodial function is delegated by the relevant Trustee for foreign markets investment), charges/fees paid to the sub-custodian;
- (iii) tax and other duties charged on the Fund by the Government and other authorities;
- (iv) the fee and other expenses properly incurred by the Auditor and all professional and accounting fees and disbursements approved by the relevant Trustee;
- (v) fees for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (vi) costs incurred for the modification of the Deed other than those for the benefit of the Manager or the Trustee;
- (vii) costs incurred for any meeting of unitholders other than those convened by the Manager or Trustee for its own benefit;
- (viii) the costs of printing and dispatching to unitholders the accounts of the Fund, tax certificates, distribution warrants, notices of meeting of unitholders, newspaper advertisement and such other similar costs as may be approved by the relevant Trustee; and
- (ix) any other expenses properly incurred by the relevant Trustee in the performance of its duties and responsibilities.

### **9.5 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER**

The Manager may retire upon giving twelve (12) months notice to the Trustee of its desire to do so, or such shorter period as the Manager and the Trustee shall agree upon, in favour of some other corporation.

The Manager may be removed and another corporation appointed as manager by Extraordinary Resolution of the unitholders at a unitholders' meeting convened in accordance with the Deed either by the Trustee or the unitholders.

The Trustee shall take reasonable steps to remove and replace the Manager as soon as practicable after becoming aware of any such circumstances:

- (a) An Extraordinary Resolution to that effect has been duly passed by the unitholders at a meeting called for that purpose;
- (b) The Manager is in breach of its obligations under the Deed;
- (c) The Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of unitholders for it to do so, after the Trustee has given notice and reasons and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the unitholders; or
- (d) The Manager has gone into liquidation (except a voluntary liquidation for the purpose of amalgamation or reconstruction or some similar purpose) or has had a receiver appointed or has ceased to carry on business,









## **TAXATION OF THE FUND AND UNITHOLDERS (CONT'D)**

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Any gains realised by the unit holders (other than financial institutions, insurance companies and those dealing in securities) from the transfers or redemptions of the units are treated as capital gains which are not subject to income tax in Malaysia.

The tax position is based on the Malaysian tax laws and provisions as they stand at present. All prospective investors should not treat the contents of this letter as advice relating to taxation matters and are advised to consult their own professional advisers concerning their respective investments.

Yours faithfully

Ong Guan Heng  
*Executive Director*

KPMG Tax Services Sdn Bhd

## NETWORK OF PUBLIC MUTUAL BRANCH OFFICES

### Head Office

Block B, Sri Damansara Business Park,  
Persiaran Industri, Bandar Sri Damansara,  
52200 Kuala Lumpur.  
Tel: 03-62796800 Fax: 03-62779800  
Hotline: 03-62075000  
Web: <http://www.publicmutual.com.my>

### Mutual Gold Centre

No. 1 & 3, 3<sup>rd</sup> Floor,  
Jalan Solaris 1,  
Solaris Mont Kiara,  
50480 Kuala Lumpur.  
Tel: 03-62075000  
Fax: 03-62036682

### Financial Planning Centre

15<sup>th</sup> Floor, Bangunan PBB,  
No. 6 Jalan Sultan Sulaiman,  
50000 Kuala Lumpur.  
Tel: 03-20316300  
Fax: 03-22732188

### Branches

#### West Malaysia

##### Northern Region

##### Alor Star

1888A & 1888B, Jalan Stadium,  
05100 Alor Star, Kedah.  
Tel: 04-7291500 Fax: 04-7310178  
*Senior Branch Manager: Khaw Bee Ruh*

##### Butterworth

4223, Jalan Bagan Luar,  
12000 Butterworth, Penang.  
Tel: 04-7291500 Fax: 04-3317775  
*Senior Branch Manager: Charmane Chew Hui Hsia*

##### Ipoh

37 & 39, Persiaran Greentown 4,  
Greentown Business Centre, 30450 Ipoh, Perak.  
Tel: 05-2106500 Fax: 05-2559859  
*Senior Branch Manager: Foong Kuan Mun*

##### Penang

16, Lintang Burma,  
10250 Pulau Tikus, Penang.  
Tel: 04-7291500 Fax: 04-2295171  
*Senior Branch Manager: Vincent Seow Weng Sim*

##### Sungai Petani

9D & 9E, Jalan Kampung Baru,  
08000 Sungai Petani, Kedah.  
Tel: 04-7291500 Fax: 04-4230663

##### Bukit Mertajam

2646 - 2648, 2<sup>nd</sup> Floor  
Jalan Che Bee Noor, 14000 Bukit Mertajam  
Seberang Prai Tengah, Penang.  
Tel : 04-7291500 Fax : 04-5376580  
*Branch Manager: Oon Lay Pheng*

##### Central Region

##### Bangsar

11 & 15, Jalan Bangsar Utama 3,  
Bangsar Utama, 59000 Kuala Lumpur.  
Tel: 03-62075000 Fax: 03-22835739  
*Senior Branch Manager: Chooi Chan Yen*

##### Cheras

44-2, 44-3, 44-4 & 42-4,  
Cheras Commercial Centre, Jalan 5/101C,  
Off Jalan Kaskas, 56100 Cheras, Kuala Lumpur.  
Tel: 03-62075000 Fax: 03-91321022  
*Senior Branch Manager: Khoo Peng Seng*

##### Damansara Perdana

1 & 3, Jalan PJU 8/5 I,  
Perdana Business Centre,  
Bandar Damansara Perdana,  
47820 Petaling Jaya, Selangor.  
Tel: 03-62075000 Fax: 03-77222475  
*Branch Manager: Dennis Loong Tien Poh*

##### Klang

28, 30 & 32, Lorong Batu Nilam 3B,  
Bandar Bukit Tinggi,  
41200 Klang, Selangor.  
Tel: 03-62075000 Fax: 03-33235632  
*Branch Manager: Bryan Koh Yi Earl*

##### Shah Alam

54 & 56, Jalan Pahat G15/G,  
Kompleks Otomobil,  
Persiaran Selangor, Seksyen 15,  
40200 Shah Alam, Selangor.  
Tel: 03-62075000 Fax: 03-55139288  
*Senior Branch Manager: Ong Chen Hung*



## NETWORK OF PUBLIC MUTUAL BRANCH OFFICES (CONT'D)

### Southern Region

#### Batu Pahat

119, Jalan Chengal,  
Taman Makmur  
83000 Batu Pahat, Johor.  
Tel: 07-4325688 Fax: 07-4326588  
*Branch Manager: Rui Lee Chong Siew*

#### Kluang

3, Jalan Dato Teoh Siew Khor  
86000 Kluang, Johor.  
Tel: 07-7736193/4 Fax: 07-7736195  
*Branch Manager: Tan Kheng Aun*

#### Muar

46, Jalan Sayang,  
84000 Muar, Johor.  
Tel: 06-9542323/5323 Fax: 06-9536830  
*Branch Manager: Angie Ng Seow Mai*

#### Johor Bahru

30<sup>th</sup> Floor, Public Bank Tower,  
19, Jalan Wong Ah Fook ,  
80000 Johor Bahru, Johor.  
Tel: 07-2281098 Fax: 07-2271098  
*Senior Branch Manager : Teng Lee Yen*

#### Melaka

173, 173-A, 173-B, 172 & 172-A  
Jalan Merdeka, Taman Melaka Raya, 75000 Melaka.  
Tel: 06-2837654 Fax: 06-2837354  
*Senior Branch Manager: Carl Wong Yon Lian*

#### Seremban

1A & 1B, Jalan Tuanku Munawir,  
70000 Seremban, Negeri Sembilan.  
Tel: 06-7616663 Fax: 06-7644237  
*Branch Manager: Michael Wong Cheong Tee*

### East Coast Region

#### Kota Bharu

PT304 and PT305, Jalan Kebun Sultan,  
15300 Kota Bharu, Kelantan.  
Tel: 09-7476021 Fax: 09-7476026  
*Branch Manager: Puan Abiesharni Abdul Kadir*

#### Kuantan

73, Jalan Haji Abdul Aziz,  
25000 Kuantan, Pahang.  
Tel: 09-5178115 Fax: 09-5161223

#### Kuala Terengganu

1-C, Jalan Air Jernih,  
20300 Kuala Terengganu, Terengganu.  
Tel: 09-6317020 Fax: 09-6317030  
*Branch Manager: Wee Suat Hwee*

#### Temerloh

10, 11 & 12, 2<sup>nd</sup> Floor, Jalan Ahmad Shah,  
Bandar Sri Semantan,  
28000 Temerloh, Pahang.  
Tel: 09-2968068 Fax: 09-2968060

### East Malaysia

#### Sabah

##### Kota Kinabalu

Lot 1-0-10  
Ground & 1<sup>st</sup> Floor  
Lorong Api-Api 1  
Api-Api Centre,  
88000 Kota Kinabalu, Sabah.  
Tel: 088-231080/2 Fax: 088-238389  
*Branch Manager: Lim Shaw Siang*

##### Tawau

TB 4437, Lot 28, Block D,  
Sabindo Square  
Jalan Dunlop,  
91000 Tawau, Sabah.  
Tel: 089-765325 Fax: 089-765326  
*Branch Manager: Janice Chong Mui Lin*

##### Sandakan

Lot 16, Block B, Ground Floor  
Bandar Maju Commercial Centre  
Mile 1.5, North Road  
90000 Sandakan, Sabah.  
*Postal Address :*  
*Public Mutual Berhad, Sandakan Branch*  
*P.O. Box No. 3488, 90739 Sandakan, Sabah.*  
Tel: 089-222922 Fax: 089-222889  
*Senior Branch Manager: Jonathan Yong Lok Sang*



## ***DISTRIBUTION POINT OF THE FUND***



Units of the Fund can be bought or sold at the branches of the following distributor:

**Public Bank Berhad (6463-H)**

Menara Public Bank

146 Jalan Ampang

50450 Kuala Lumpur

Tel: 03-2176 6000 / 2176 6666

Hotline: 1800 22 9999

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DISTRIBUTOR OF THE FUND  
Public Bank Berhad (6463-H)

HEAD OFFICE ADDRESS  
Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur

TELEPHONE  
03 2176 6000 / 03 2176 6666

FACSIMILE  
03 2163 9917

WEBSITE  
[www.pbebank.com.my](http://www.pbebank.com.my)

CUSTOMER SERVICE HOTLINE  
1800 22 9999

MANAGER OF THE FUND  
Public Mutual Berhad (23419-A)  
(Incorporated in Malaysia under the Companies Act 1965)

HEAD OFFICE ADDRESS  
Block B, Sri Damansara Business Park  
Persiaran Industri, Bandar Sri Damansara  
52200 Kuala Lumpur

TELEPHONE  
03 6279 6800

FACSIMILE  
03 6277 9800

WEBSITE  
[www.publicmutual.com.my](http://www.publicmutual.com.my)

CUSTOMER SERVICE HOTLINE  
03 6207 5000