

FAQs

1. **Q:** What are the benefits of investing in the Shari'ah Fixed Income Fund ("SFIF")

A:

- a. Stable Income
- b. Capital Appreciation
- c. Enhanced Liquidity
- d. Diversification
- e. Professional Management
- f. Ease of access to Shariah Compliant Securities
- g. Ethical Investing
- h. Low risk profile for investors with low risk appetite

2. How can I invest in the SFIF during and after the Initial Public Offer (IPO)?

A: During the IPO, investors will be required to fill the initial public offering application form, provide KYC documents and transfer money to any of the receiving agents. After the IPO, investors can invest in the Fund by filling the subscription form of our Mutual Funds as well as providing supporting documents (passport photograph, valid means of ID, proof of address and proof of payment). Investors will also be able to invest in the Fund after the IPO through any of our digital channels.

3. What type of securities can the SFIF invest in?

A: The Fund will only invest in Shariah Compliant fixed income securities and investment products that are permissible under Shariah principles. Some of these include:

- i) Sukuk: These are certificates of equal value representing undivided shares in the ownership of tangible assets or special investment activity.
- ii) Ijarah: These are contracts for the lease of certain compliant assets to customers. The investor earns rent by charging rentals on the asset leased to the customer.
- iii) Murabaha: This is the sale of goods at the purchase price plus a margin as agreed upon by the parties concerned.
- iv) Shariah Compliant Fixed Term Investments: This represents fixed term investments with tenors of more than 365 days that adhere to Shariah principles.
- v) Cash and Other Fixed Income Contracts: This represents fixed term investments with tenors less than 365 days that adhere to Shariah principles.

4. How do you ensure the Fund is not in breach of Shariah principles?

A: An Advisory Committee of Experts ("ACE") comprised of renowned Islamic scholars with national and international experience will oversee the investment activities of the Fund. The ACE will issue a certificate of compliance on the Fund annually. The Fund is also overseen by an Independent Trustee who reviews the investments and activities of the Fund on a quarterly basis to provide assurance.

5. Does the Fund have a fixed Tenor?

A: The Fund is an Open-end Collective Investment Scheme with not fixed tenor. Investors can subscribe and redeem from the Fund on a daily basis.

6. Is there a fixed tenor on my investments in the Fund?

A: There is no fixed tenor on your investments in the Fund

7. Is there any penal charge for making early withdrawals from the Fund?

A: There is no penal charge for early withdrawals in the Fund as there is no minimum holding period for investors

8. Are there periodic distributions for investors in the Fund?

A: The Fund will periodically distribute net income to Unitholders in line with guidelines in the Trust Deed

9. Can non-Muslims invest in the Fund?

A: The Fund is not restricted to Muslims. The Fund is suitable for all ethically minded individuals and institutions. For instance, the fund will not invest in securities issued by institutions engaged in conventional finance, gambling, weapons, alcohol, tobacco, adult entertainment etc.

10. Is the SFIF regulated by the Securities and Exchange Commission ("SEC")?

A: All Collective Investment Schemes issued by licensed Fund Manager including SFIF are regulated by the SEC. The Stanbic IBTC Shariah Fixed Income Fund was approved and will be regulated by the SEC.

11. What is the expected return on the Fund?

A: The Fund's return will mirror the return of the universe of Sharaih compliant securities in issue.

12. What is the Management fee for Stanbic IBTC Asset Management Limited and Total Expense Ratio (TER) on the Fund?

A: SIAML's Management fee is 1.50%p.a. of the Net Asset Value ("NAV") while the TER for the Fund is c. 1.80%p.a of NAV.