ASNB ROBO ADVISORY DISCLOSURE STATEMENT

Definition:

"ASNB Robo Advisory" or "ASNB Robo"

Refers to an investment platform licensed under the Digital Investment Management (DIM) framework by the Securities Commission Malaysia (SC).

"Investors"

Refers to the person who invests in ASNB Robo.

"Modern Portfolio Theory (MPT)"

Refers to a technique that is being used to develop a mix of assets (or asset classes) in a portfolio for a given amount of risk.

"Sukuk"

Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts. Local Sukuk must also comply with Shariah principles and concepts endorsed by the Shariah Advisory Council of the SC (SAC).

1. **OVERVIEW OF AMANAH SAHAM NASIONAL BERHAD (ASNB)**

Amanah Saham Nasional Berhad (Registration No. 197901003200 (47457-V)), ("ASNB") a wholly-owned subsidiary company of Permodalan Nasional Berhad (Registration No 197801001190 (38218-X)) ("PNB") and a Capital Markets Services Licence holder licensed for dealing in securities restricted to unit trust and fund management in relation to portfolio management – digital investment management.

As the asset management industry continues to evolve, digital investment management service has surfaced as one of the new means of offering investment products, which ASNB currently offers. ASNB has introduced digital customer-facing services namely ASNB Robo Advisory with the intent to provide advisory services to all Malaysians through the digital platform.

2. ASNB ROBO

ASNB Robo is designed as an automated end-to-end wealth manager, providing an online portfolio management solution that aims to invest Investors' assets by automating investment advisory through a set of risk profiling algorithms. ASNB Robo encourages repetitive investment habits through an engaging digital platform and presence, tailored with necessary and approachable information, enabling investment decisions across all levels of financial background. The target market of ASNB focuses on both existing ASNB customers and new Investors.

3. BUSINESS MODEL PROPOSITION

(a) Customer Value Proposition

ASNB Robo is developed to give convenient and affordable access to trusted investment advisory, and opportunities to diversify investments globally and across asset classes to maximize return potentials at any given risk, to all Malaysians.

(b) Affordable Investment Advisory for All

Leveraging on ASNB's existing scale, presence, and trust of the public, ASNB has the competitive advantage to provide trusted investment advisory for all Malaysians, after serving the nation for over forty (40) years. ASNB aims to provide affordable access to investment advisory and global investments capitalizing on the latest technology.

(c) Semi-Active Investment Made Simple

ASNB Robo portfolio offerings incorporate active underlying funds while adopting the Modern Portfolio Theory (MPT) in formulating the long-term asset allocation strategy to maximize overall returns within an appropriate risk level for the Investors. ASNB Robo will undertake to rebalance the portfolios to meet the asset allocation targets, based on automated rebalancing rules at a specified periodic interval or following pre-defined trigger events such as new deposits and withdrawals.

(d) Portfolio Construction Service

Ready-made optimal portfolios are created and offered by ASNB Robo to cater to a range of risk profiles. These portfolios are created based on MPT which focuses on the allocation of asset classes that are not perfectly positively correlated, to achieve the optimal risk-adjusted return potential.

ASNB Robo will offer six (6) Robo investment portfolios (Robo Portfolios) as follows:

- Very Conservative

- Moderately Conservative

- Moderate

- Moderately Aggressive

- Aggressive

- Very Aggressive

4. INVESTMENT MANAGEMENT APPROACH AND PHILOSOPHY

A key tenet of portfolio management is the balancing of risk and return, based on conventional wisdom that there is a trade-off between the risk of a portfolio and its ability to generate a return. This is typically done by utilizing specific models for portfolio selection, which considers the Investor's objectives and constraints.

The mean-variance approach to portfolio selection, otherwise known as Mean-Variance Optimisation (MVO), developed by Nobel laureates Harry Markowitz and James Tobin, is the most widely accepted model for asset allocation. This concept underpins MPT, which today has become the mainstay starting point approach to portfolio construction.

MVO, introduced by Nobel laureate Harry Markowitz in his 1952 paper "Portfolio Selection," was the first mathematical formalization of the idea of diversification of investments. The framework considers a set of risky assets and calculates portfolios for which the expected return is maximized for a given level of portfolio risk, where risk is measured as the variance (of the portfolio returns); An alternative formulation of the optimization minimizes portfolio risk for a given level of expected return. At each given portfolio risk level, an optimized portfolio may be constructed which maximizes returns; This applies similarly to the alternative formulation, for each given level of expected return. These optimized portfolios compose the "efficient frontier," a collection of portfolios that dominate all other feasible portfolios in terms of their risk-return tradeoff.

Portfolio selection may also be conducted through an asset allocation point of view, an example of which involves the application of MVO towards relevant investment asset classes.

5. ASSET CLASSES

Referring to the ASNB Robo's value proposition, the asset classes are chosen by taking into consideration

the following goals and constraints:

a) Global exposure - One of the main objectives of the ASNB Robo is to provide Investors with access to the global financial markets. This includes funds listed in developed/developing markets such as the United States of America (USA), Europe, Japan, and China.

b) Liquidity - It is important that the ASNB Robo portfolio has sufficient liquidity to cater to the withdrawals by the Investors.

c) Diversification - The portfolios recommended to the Investors will have a mix of asset classes comprising equities, and bonds, which are constructed based on MPT to match their risk profiles.

Asset Classes	Why it is chosen	Benchmark
Domestic Equities	Helps Investors participate in the long-term growth of the Malaysian equity market.	FTSE Bursa Malaysia Top 100 Index (FBM100)
Global Equities	Helps Investors participate in the long-term growth of the global equity market	Morgan Stanley Capital International (MSCI) All-Country World Index
Sukuk	Helps Investors achieve portfolio diversification, given that Sukuk as an asset class has had a historically low correlation with stocks.	Maybank twelve (12)-Months Islamic Fixed Deposit-I Rate
CASH *RM denominated*	Liquidity and rebalancing purposes	Maybank Basic Savings Account

6. **RISKS INVOLVED**

Going digital on the aspects of the investment portfolio and platform have their own risks. The following are the risks associated when Investors are using and investing in portfolios of ASNB Robo. Please be advised that the risks stated below are a non-exhaustive list of the risks associated with the investment portfolio and platform.

Portfolio-related risks:

Liquidity Risk	Liquidity risk is the ability to readily convert an investment into cash. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.
Performance Risk	The returns of the investment portfolios are not guaranteed and may be subject to loss of capital. The rate of return may vary based on the portfolios chosen by the Investors and may differ from past returns.
Market Risk	The value of the investment portfolio and the level of income generated might continually be affected by the level of changes in financial markets due to economic conditions, governmental policies, or political changes. It also could be affected by other factors such as technological development, movement in a currency, geographical aspects, volatility of interest rate, and changes in market sentiment.
Non-Compliance Risk	The operation and administration of ASNB Robo are governed by all applicable laws and regulations. Non-adherence may potentially lead to financial losses, business disruptions, reputational damage, as well as suspension/revocation of the operating license.

Platform-related risks:

Advisory risk	ASNB does not guarantee that ASNB Robo's judgment, models, or investment decisions about specific securities or asset classes will necessarily produce the intended or expected results. There is a potential that ASNB Robo's judgment may prove to be incorrect, and the Investors might not achieve the Investor's investment objective due to the algorithm design failure of ASNB Robo platform. ASNB is not responsible for any Investors' losses unless caused by ASNB breaching a duty or breaching a contract.
Regulatory Risk	Any changes made by the laws or guidelines/regulations from a related regulatory body or government might affect the company and its accompanying securities including the return on investments.
Force Majeure Risk	It is the risk that there will be an event beyond the control of ASNB: a) acts of God (such as but not limited to, fires, explosions, earthworks, drought, tidal waves, and floods); b) war, hostilities (whether war be declared or not), invasion, the act of foreign enemies, mobilization, requisition, embargo, rebellion, revolution, insurrection or military or usurped power or civil war; c) contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active

	toxic explosive, or other hazardous properties of any explosive nuclear assembly; d) riot, commotion, strikes, go-slows, lockouts, or disorder, unless restricted to employees of the ASNB; e) acts or threats of terrorism; f) pandemics, epidemics, local disease outbreaks, public health emergencies, quarantines, government restrictions in the form of movement control orders (whether conditional or not), lockdowns (whether full, partial, or conditional), or any other restricted movement order as may be implemented by the government from time to time; and g) any other emergency circumstances that materially and adversely prevent the ASNB from operating normally. ASNB will undertake appropriate action to mitigate the risks, which among others include insurance coverage and alternate recourse to resume operations in the event of the above-mentioned risks.
Technology Risk	It is the risk that there will be an event or any potential for technology failures to disrupt the business such as information security incidents or service outages and may lead to application failure.

7. **ASNB Robo Minimum Investment and Annual Wrap Fee:**

With a vision to further democratize advisory to the mass and encourage adoption across all Malaysians, ASNB Robo strives to be competitive in its wrap fees and enables Investors to start at a small amount with no initial sales charge equivalent on the onset.

a) Minimum Investment Amount of RM100.00 For Every Deposit

    i. The minimum amount for every deposit in ASNB Robo portfolios will be set at RM100.00, which is in line with the objective to democratize advisory to the masses. There will be no payment for gateway costs to be incurred by the Investors upon deposit transactions, ensuring maximum value to the Investors when investing.

b) Flat Annual Wrap Fee of 0.30%

    i. There will be no initial sales charge or trading fees for underlying funds and instruments charged to Investors of ASNB Robo. However, it is to note that executing its investment strategy using some of the underlying instruments could carry some transaction costs to ASNB. In facilitating to obtain of the best net returns to Investors, ASNB considers balancing the costs from underlying unit trust funds and investment instruments (including Exchange-Traded Funds (ETFs), with the fees charged for using ASNB Robo.