

FIRST REPLACEMENT DISCLOSURE DOCUMENT

THIS FIRST REPLACEMENT DISCLOSURE DOCUMENT IS DATED 28 OCTOBER 2014.

(This First Replacement Disclosure Document replaces the Disclosure Document dated 20 November 2013.)

OnePRS
by **kenanga**

OnePRS Scheme

which was constituted on 29 August 2013 and consists of:

Core Funds:

- Kenanga OnePRS Conservative Fund
- Kenanga OnePRS Moderate Fund
- Kenanga OnePRS Growth Fund

Non-Core Fund:

- Kenanga OnePRS Shariah Equity Fund

PRS PROVIDER

Kenanga Investors Berhad (353563-P)

SCHEME TRUSTEE

Maybank Trustees Berhad (5004-P)

kenanga

Kenanga Investors Berhad
Company No. 353563-P

Members are advised to read and understand the contents of this First Replacement Disclosure Document. If in doubt, please consult a professional adviser.

For information concerning certain risks factors which should be considered by prospective Members, see "Risk Factors" commencing on page 19.



Responsibility Statements

This First Replacement Disclosure Document has been reviewed and approved by the directors of Kenanga Investors Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this First Replacement Disclosure Document false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has approved the Scheme and authorized the Funds under the Scheme, and a copy of this First Replacement Disclosure Document has been registered with the Securities Commission Malaysia.

The approval and authorization, as well as the registration of this First Replacement Disclosure Document should not be taken to indicate that the Securities Commission Malaysia recommends the Scheme or Funds under the Scheme or assumes responsibility for the correctness of any statement made or opinion or report expressed in this First Replacement Disclosure Document.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Kenanga Investors Berhad who is responsible for the Scheme and the Funds under the Scheme, and takes no responsibility for the contents in this First Replacement Disclosure Document. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Replacement Disclosure Document, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

Members should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, Members who are in doubt on the action to be taken should consult professional advisers immediately.

Members are advised to note that recourse for false or misleading statements or acts made in connection with this First Replacement Disclosure Document is directly available through section 92A(3) of the *Capital Markets and Services Act 2007*.

The Kenanga OnePRS Shariah Equity Fund has been certified as being Shariah-compliant by the Shariah Adviser appointed for this Fund.

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1. GLOSSARY OF TERMS

In this First Replacement Disclosure Document, the following abbreviations or words shall have the following definitions unless stated otherwise:

<i>All MGS Index</i>	Rating Agency Malaysia - Quant Shop Malaysian Government Securities All-Index.
<i>Bursa Malaysia</i>	Bursa Malaysia Securities Berhad.
<i>Business day</i>	The day on which Bursa Malaysia is open for trading.
<i>CMSA or the Act</i>	Capital Markets and Services Act 2007 and any amendments made thereto.
<i>contributor</i>	Any persons who make contribution into a private retirement scheme (including OnePRS Scheme) and includes a member or the employer who makes contributions on behalf of the members.
<i>Core Funds/Core Fund</i>	Kenanga OnePRS Growth Fund, Kenanga OnePRS Moderate Fund and Kenanga OnePRS Conservative Fund are collectively called "Core Funds" and individually called "Core Fund".
<i>Cooling-off right</i>	The right of a Member to obtain a refund for every Unit held in the sum of the NAV per Unit on the day the Unit was purchased and the sales charge imposed on that day, if the Member so requests within the cooling-off period. The cooling-off period is 6 Business days from the date of receipt of the Member's 1 st application by the PRS Provider. However, if the Member is a member of another private retirement scheme and has exercised a cooling-off right, this right is no longer available to the Member.
<i>day/days</i>	References to "day" or "days" in this First Replacement Disclosure Document will be taken to mean calendar days unless otherwise stated.
<i>debentures</i>	Has the same meaning as given under the CMSA.
<i>Deed</i>	Deed dated 29 August 2013 as modified by the supplemental deed dated 2 October 2014 in respect of the Scheme and any other supplemental deed that may be entered into between the PRS Provider and the Scheme Trustee and registered with the SC.
<i>default option</i>	Core Funds that will be selected automatically for a Member who does not specify his or her Fund option upon participating in the Scheme.
<i>FBM 100</i>	FTSE Bursa Malaysia 100 Index.
<i>FiMM</i>	Federation of Investment Managers Malaysia.
<i>First Replacement Disclosure Document</i>	Means this disclosure document in relation to the Scheme.
<i>fixed income instruments</i>	Fixed income instruments consists of bonds, notes and any other evidence of indebtedness of a corporation or government for borrowed monies, whether or not constituting a charge of assets of the corporation or government.
<i>Guidelines</i>	The Guidelines on Private Retirement Schemes issued by the SC and any other relevant guidelines issued by the SC, as may be amended from time to time.
<i>Islamic deposits</i>	Has the same meaning as prescribed in the Islamic Financial Services Act 2013.
<i>Kenanga Authorized PRS Distributors</i>	Refers to Kenanga Investors Berhad's Corporate PRS Adviser, Institutional PRS Advisers and PRS Consultants registered with FiMM in accordance with the Guidelines on Registration of PRS Distributors and Consultants to market and distribute the Scheme. <ul style="list-style-type: none"> • Corporate PRS Adviser means a corporate PRS adviser registered with FiMM to market and distribute the Scheme. • Institutional PRS Adviser means an institutional PRS adviser registered with FiMM to market and distribute the Scheme. • PRS Consultant means a PRS consultant registered with FiMM to market and distribute the Scheme.
<i>Initial offer period</i>	21 days commencing from the date Units of the Funds are first offered for sale.

<i>licensed financial institution</i>	<p>If the institution is in Malaysia:</p> <ul style="list-style-type: none"> • a licensed bank; has the same meaning as given under the Financial Services Act 2013; • an Islamic bank; means a bank licensed under the Islamic Financial Services Act 2013; or • a licensed institution; means any institution licensed or deemed to be licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013. <p>If the institution is outside Malaysia, any institution that is licensed / registered / approved / authorized to provide financial services by the relevant banking regulator.</p>
<i>long-term</i>	A period of more than 5 years.
<i>LPD</i>	Means the latest practicable date for the information in this First Replacement Disclosure Document as at 31 August 2014.
<i>MARC</i>	Malaysian Rating Corporation Berhad.
<i>Member</i>	An individual who has a private pension account and holds Units in any one or more Funds.
<i>Net Asset Value (NAV) of the Fund/Fund's NAV</i>	Means the value of all the Fund's assets less the value of all the Fund's liabilities at the valuation point. For the purpose of computing the annual management fee of the Fund, annual scheme trustee fee of the Fund and annual PPA administration fee, the NAV of the Fund must be inclusive of the management fee, Scheme Trustee fee and PPA administration fee for the relevant day.
<i>Net Asset Value (NAV) of the Target Fund/Target Fund's NAV</i>	Means the value of all the Target Fund's assets less the value of all the Target Fund's liabilities at the valuation point. For the purpose of computing the annual management fee of the Target Fund and annual trustee fee of the Target Fund, the NAV of the Target Fund must be inclusive of the management fee and trustee fee for the relevant day.
<i>Non-Core Fund</i>	Kenanga OnePRS Shariah Equity Fund.
<i>OnePRS account</i>	Refers to the Member's account in the Scheme which comprises sub-account A and sub-account B.
<i>Performance benchmark</i>	A benchmark is a standard against which the performance of a Fund can be measured.
<i>pre-retirement withdrawal</i>	<p>Withdrawals from any Fund under the Scheme that occurs prior to a Member reaching the retirement age and for the following reasons:</p> <ul style="list-style-type: none"> • Upon the death of a Member; or • Permanent departure of a Member from Malaysia; or • Withdrawals in respect of the Member's Units held in sub-account B.
<i>private pension account</i>	Means an account opened and maintained by the PPA for each member of a private retirement scheme.
<i>Private Pension Administrator (PPA)</i>	Means the private retirement scheme administrator who is approved under Section 139C of the CMSA to perform the function of record keeping, administration and customer service for members and contributors in relation to contributions made in respect of a private retirement scheme and such other duties and functions as may be specified by the SC.
<i>PRS</i>	private retirement scheme.
<i>PRS Provider</i>	Refers to Kenanga Investors Berhad ("KIB").
<i>PRS Regulations</i>	Means the CMSA (Private Retirement Scheme Industry) Regulations 2012.
<i>RAM</i>	RAM Rating Services Berhad.
<i>redemption charge</i>	The fee chargeable to the Members when redeeming Units from the Fund.
<i>redemption price</i>	Refers to the price payable to a Member for a Unit in the Fund pursuant to a redemption request and it does not include any redemption charge which may be imposed.

THIS IS A PRIVATE RETIREMENT SCHEME

<i>retirement age</i>	Means the age fifty five (55) years or any other age as may be specified by the SC.
<i>RM and sen</i>	Ringgit Malaysia and sen respectively.
<i>SACSC</i>	The Shariah Advisory Council of the Securities Commission Malaysia.
<i>sales charge</i>	The fee chargeable to the Members to purchase Units in the Fund.
<i>SC</i>	The Securities Commission Malaysia.
<i>self selection option</i>	Members choose to contribute according to how they want to meet their retirement funding needs. As such, Members will have the flexibility to choose the Fund(s) based on their retirement funding needs as well as risk and return profile.
<i>Selling price</i>	The selling price for Units should be the NAV per Unit of the Fund as at the next valuation point after the request for Units is received by the PRS Provider, except during the Initial offer period, which is fixed at RM0.5000 per Unit.
<i>Scheme</i>	OnePRS Scheme.
<i>Scheme Trustee</i>	Refers to Maybank Trustees Berhad (5004-P).
<i>Shariah</i>	Means Islamic Law comprising the whole body of rulings pertaining to human conducts derived from sources of Shariah.
<i>Shariah Adviser</i>	Means IBFIM (Company No. 763075-W) or any Shariah adviser appointed for the Fund which includes its permitted assigns, successors in title and any new or replacement Shariah adviser.
<i>Shariah requirements</i>	Is a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
<i>short-term</i>	A period of less than 3 years.
<i>single pricing</i>	Means the pricing of the Fund shall be based on a single price which is the NAV per Unit of the Fund.
<i>sub-account A</i>	Refers to a sub-account maintained by the PRS Provider for each Member which holds 70% of all contributions made to any Fund under the Scheme which is reflected in Units.
<i>sub-account B</i>	Refers to a sub-account maintained by the PRS Provider for each Member which holds 30% of all contributions made to any Fund under the Scheme which is reflected in Units.
<i>sukuk</i>	Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the Shariah Advisory Council.
<i>switching of Funds</i>	Refers to switching between 1 Fund to another Fund within the Scheme.
<i>Target Fund</i>	Refers to Kenanga Syariah Growth Fund.
<i>tax penalty</i>	Refers to a tax penalty of 8% on pre-retirement withdrawal, and any amendments made thereto. The tax penalty would not apply for pre-retirement withdrawals due to death or permanent departure of a Member from Malaysia.
<i>the Funds/the Fund</i>	Refers to the Kenanga OnePRS Conservative Fund, Kenanga OnePRS Moderate Fund, Kenanga OnePRS Growth Fund and Kenanga OnePRS Shariah Equity Fund, and "the Fund" means any one of them.
<i>transferable securities</i>	Refers to equities, debentures and warrants.
<i>Units/Unit</i>	In relation to a Fund under the Scheme, means an undivided share in the beneficial interest and/or right in a Fund and a measurement of the right and/or interest of a Member in the Fund and means a unit of the Fund.

2. CORPORATE DIRECTORY

PRS Provider

Kenanga Investors Berhad (353563-P)

Registered Office:
8th Floor, Kenanga International
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50250 Kuala Lumpur
Tel : 03-2162 1490 Fax : 03-2161 4990

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Tel: 1 800 88 3737
Fax: 03-2161 8807 / 03-2713 5868
Website: www.kenangainvestors.com.my
Email: OnePRS@kenanga.com.my

Board of Directors

Datuk Syed Ahmad Alwee Alsree (Chairman)
Syed Zafilen Syed Alwee (Independent Director)
YM Raja Dato' Seri Abdul Aziz bin Raja Salim (Independent Director)
Peter John Rayner (Independent Director)
Vivek Sharma (Independent Director)
Bruce Kho Yaw Huat
Ismitz Matthew De Alwis

Investment Committee

Bruce Kho Yaw Huat (Chairman)
Syed Zalifen Syed Alwee (Independent Member)
Vivek Sharma (Independent Member)
Peter John Rayner (Independent Member)
Ismitz Matthew De Alwis

Audit Committee

YM Raja Dato' Seri Abdul Aziz bin Raja Salim (Independent Chairman)
Syed Zafilen Syed Alwee (Independent Member)
Vivek Sharma (Independent Member)
Bruce Kho Yaw Huat

Company Secretary

Norliza Abd Samad
MAICSA No 7011089
9th Floor, Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur

Scheme Trustee:

Maybank Trustees Berhad (5004-P)
Registered and business address:
8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel:03-2078 8363 / 8833
Email: mtb@maybank.com.my

Private Pension Administrator Malaysia

Level 6, Menara Mudajaya
Jalan PJU 7/3, Mutiara Damansara
47180 Kuala Lumpur
Tel: 03-6204 8990 Fax: 03-6204 8995
Website: www.ppa.my
Email: askppa@ppa.my

Auditor of the PRS Provider

Ernst & Young (AF:0039)
Business Address:
Level 23A, Menara Millennium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000

Federation of Investment Managers Malaysia

19-06-1, 6th Floor, PNB Damansara
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50490 Kuala Lumpur
Tel: 03-2093 2600 Fax: 03-2093 2700
Website: www.fimm.com.my

Taxation adviser

Ernst & Young Tax Consultants Sdn. Bhd. (179793-K)
Business Address:
Level 23A, Menara Millennium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000

Solicitor

Naqiz and Partners
No.42A, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur

Shariah Adviser (Kenanga OnePRS Shariah Equity Fund)

IBFIM (Company No. 763075-W)
3rd Floor, Menara Takaful Malaysia, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel: 03-2031 1010
Fax: 03-2078 5250
Website: www.ibfim.com

Principal bankers

Standard Chartered Bank Malaysia Berhad
Level 16, Menara Standard Chartered
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50250 Kuala Lumpur

Public Bank Berhad
86 Jalan Raja Chulan
50200 Kuala Lumpur

RHB Bank Berhad
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

3. KEY DATA

This section is only a summary of the salient information of the Scheme. You should read and understand the whole First Replacement Disclosure Document before contributing to the Scheme.

3.1 SCHEME INFORMATION

		Section	Page												
Name of the Scheme	OnePRS Scheme	5	21												
PRS Provider	Kenanga Investors Berhad (353563-P)	9	45												
Scheme Trustee	Maybank Trustees Berhad (5004-P)	10	50												
General Information On The Scheme	The Scheme is a voluntary private retirement scheme managed by the PRS Provider. The Scheme provides a choice of three (3) Core Funds and one (1) Non-Core Fund with different risk and return profiles to meet the needs of the Members at different stages of their life.	5.1	21												
Objective Of The Scheme	The Scheme seeks to facilitate Members' accumulation of savings [^] for retirement. <i>Note: [^] The Funds are neither capital guaranteed funds nor capital protected funds.</i>	5.1	21												
Benefits Of The Scheme	The benefits of the Scheme include: <ul style="list-style-type: none"> • Providing an easy platform for Members to accumulate their retirement funds as well as to facilitate regular post retirement withdrawals from their OnePRS account with the PRS Provider. • Encouraging the habit of regular contribution by Members, helping them to save[^] for their retirement. • Providing Members the flexibility of receiving their post retirement withdrawals either as a lump-sum payment or through regular monthly withdrawals. <i>Note: [^] The Funds are neither capital guaranteed funds nor capital protected funds.</i>	5.2	21												
How Does The Scheme Work?	<p>The Scheme is designed to provide choices to the Members in building their retirement funds.</p> <p>Members can choose to contribute to any Fund according to their risk and return profile.</p> <p>If a Member does not select a Fund, the PRS Provider will allocate the Members' contributions into the prescribed Core Fund (default option) that corresponds to the age of the Members as specified below:</p> <table border="1"> <thead> <tr> <th>Name of the Core Funds</th> <th>Asset Allocation</th> <th>Age Group*</th> </tr> </thead> <tbody> <tr> <td>Kenanga OnePRS Conservative Fund</td> <td>Minimum 80% of the Fund's NAV in fixed income instruments and money market instruments (with minimum 20% of the Fund's NAV in money market instruments).</td> <td>Members aged 50 years and above.</td> </tr> <tr> <td>Kenanga OnePRS Moderate Fund</td> <td>Maximum 60% of the Fund's NAV in equities.</td> <td>Members aged 40 years and above but have not reached 50 years.</td> </tr> <tr> <td>Kenanga OnePRS Growth Fund</td> <td>Maximum 70% of the Fund's NAV in equities.</td> <td>Members aged below 40 years.</td> </tr> </tbody> </table> <p><i>Note: * This age group may be subject to changes as may be determined by the relevant authorities from time to time.</i></p> <p>Notwithstanding the above, where a Member under the default option makes the first contribution to the Scheme a month before the Member attains the age of 40 or 50 years old as the case may be, the PRS Provider must allocate such contribution to the Kenanga OnePRS Moderate Fund or Kenanga OnePRS Conservative Fund as the case may be.</p> <p>All contributions made by a Member will be maintained in two separate sub-accounts by the PRS Provider as follows:</p> <ol style="list-style-type: none"> Sub-account A which is not available for pre-retirement withdrawal*; and Sub-account B which would be available for pre-retirement withdrawal subject to 	Name of the Core Funds	Asset Allocation	Age Group*	Kenanga OnePRS Conservative Fund	Minimum 80% of the Fund's NAV in fixed income instruments and money market instruments (with minimum 20% of the Fund's NAV in money market instruments).	Members aged 50 years and above.	Kenanga OnePRS Moderate Fund	Maximum 60% of the Fund's NAV in equities.	Members aged 40 years and above but have not reached 50 years.	Kenanga OnePRS Growth Fund	Maximum 70% of the Fund's NAV in equities.	Members aged below 40 years.	5.3	21
Name of the Core Funds	Asset Allocation	Age Group*													
Kenanga OnePRS Conservative Fund	Minimum 80% of the Fund's NAV in fixed income instruments and money market instruments (with minimum 20% of the Fund's NAV in money market instruments).	Members aged 50 years and above.													
Kenanga OnePRS Moderate Fund	Maximum 60% of the Fund's NAV in equities.	Members aged 40 years and above but have not reached 50 years.													
Kenanga OnePRS Growth Fund	Maximum 70% of the Fund's NAV in equities.	Members aged below 40 years.													

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	<p>payment of tax penalty of 8% (which is deducted by the PRS Provider) which is imposed by the Inland Revenue Board of Malaysia and also a PPA pre-retirement withdrawal fee.</p> <p>* Please note that request for full withdrawals (from both Sub-account A and Sub-account B) can be done in the following circumstances:</p> <p>(a) the Member reaching the retirement age;</p> <p>(b) following the death of the Member; or</p> <p>(c) due to permanent departure of the Member from Malaysia.</p> <p>Where a Member is allocated to the default option, the PRS Provider will notify the Member in writing that the Member has been allocated to the default option.</p> <p>Under the default option, the PRS Provider must before the end of the next calendar month from the day the Member attains:</p> <p>(a) the age of 40* years old, redeem the Units in the Kenanga OnePRS Growth Fund and purchase Units in the Kenanga OnePRS Moderate Fund, unless the Member instructs otherwise; and</p> <p>(b) the age of 50* years old, redeem the Units in the Kenanga OnePRS Moderate Fund and purchase Units in the Kenanga OnePRS Conservative Fund, unless the Member instructs otherwise.</p> <p><i>Note: * This age limit may be subject to changes as may be determined by the relevant authorities from time to time.</i></p> <p>Note: The PRS Provider will notify the Member in writing one (1) month before the Member attains the age that the Member's investments in a Core Fund will be switched unless the Member instructs otherwise. The notice to the Member will also include general investment advice and outlook of the market.</p>																
<p>Funds under the Scheme</p>	<table border="1"> <thead> <tr> <th align="center">Funds</th> <th align="center">Fund Category</th> </tr> </thead> <tbody> <tr> <td colspan="2">Core Funds</td> </tr> <tr> <td>Kenanga OnePRS Conservative Fund</td> <td>Core (Conservative)</td> </tr> <tr> <td>Kenanga OnePRS Moderate Fund</td> <td>Core (Moderate)</td> </tr> <tr> <td>Kenanga OnePRS Growth Fund</td> <td>Core (Growth)</td> </tr> <tr> <td colspan="2">Non-Core Fund</td> </tr> <tr> <td>Kenanga OnePRS Shariah Equity Fund</td> <td>Feeder Fund (Equity)</td> </tr> </tbody> </table>	Funds	Fund Category	Core Funds		Kenanga OnePRS Conservative Fund	Core (Conservative)	Kenanga OnePRS Moderate Fund	Core (Moderate)	Kenanga OnePRS Growth Fund	Core (Growth)	Non-Core Fund		Kenanga OnePRS Shariah Equity Fund	Feeder Fund (Equity)	<p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p>	<p>22</p> <p>23</p> <p>25</p> <p>26</p>
Funds	Fund Category																
Core Funds																	
Kenanga OnePRS Conservative Fund	Core (Conservative)																
Kenanga OnePRS Moderate Fund	Core (Moderate)																
Kenanga OnePRS Growth Fund	Core (Growth)																
Non-Core Fund																	
Kenanga OnePRS Shariah Equity Fund	Feeder Fund (Equity)																

3.2 FUND INFORMATION

				Section	Page
Fund	Kenanga OnePRS Conservative Fund	Kenanga OnePRS Moderate Fund	Kenanga OnePRS Growth Fund	6.1 – 6.3	22 - 26
Category	Core (Conservative)	Core (Moderate)	Core (Growth)	6.1 – 6.3	22 - 26
Investment Objective	<p>The Fund seeks income^ whilst providing capital preservation*.</p> <p>^ Income distribution (if any) will be reinvested into the Fund.</p> <p>* The Fund is neither a capital guaranteed fund nor a capital protected fund.</p>	<p>The Fund aims to achieve returns over the long-term through investments in equities and/or bonds.</p>	<p>The Fund seeks to provide capital growth.</p>	6.1 – 6.3	22 - 26
Investment policy and strategy	<p>The Fund seeks to achieve its objective by investing a minimum of 80% of the Fund's NAV in fixed income instruments and money market instruments, of which 20% of the Fund's NAV must be in money market instruments.</p> <p>The Fund may also invest in equities, which are limited to a maximum of 20% of the Fund's NAV.</p> <p>However, at the launch of the Fund, the Kenanga OnePRS Conservative Fund aims to meet its objective and asset allocation by investing up to 80% of the Fund's NAV in any one collective investment scheme(s) managed by the PRS Provider that is in line with the Fund's asset allocation. Such investment shall be for a period of five (5) years from the launch of the Fund or upon the Fund reaching RM200 million NAV (whichever is earlier).</p>	<p>The Fund seeks to achieve its objective by investing a maximum of 60% of the Fund's NAV in equities and at least 40% of the Fund's NAV in fixed income instruments and / or money market instruments.</p> <p>However, at the launch of the Fund, the Kenanga OnePRS Moderate Fund aims to meet its objective and asset allocation by investing up to 95% of the Fund's NAV in any one collective investment scheme(s) managed by the PRS Provider that is in line with the Fund's asset allocation. Such investment shall be for a period of five (5) years from the launch of the Fund or upon the Fund reaching RM200 million NAV (whichever is earlier).</p>	<p>The Fund seeks to achieve its objective by investing a maximum of 70% of the Fund's NAV in equities and at least 30% of the Fund's NAV in fixed income instruments and / or money market instruments.</p> <p>However, at the launch of the Fund, the Kenanga OnePRS Growth Fund aims to meet its objective and asset allocation by investing up to 70% of the Fund's NAV in any one collective investment scheme(s) managed by the PRS Provider that is in line with the Fund's asset allocation. Such investment shall be for a period of five (5) years from the launch of the Fund or upon the Fund reaching RM200 million NAV (whichever is earlier).</p>	6.1 – 6.3	22 - 26
Asset Allocation	<p><u>Fixed income instruments and money market instruments:</u> Minimum 80% of the Fund's NAV (with minimum 20% of the Fund's NAV in money market instruments).</p> <p><u>Equities:</u> Maximum 20% of the Fund's NAV.</p> <p><u>Cash and Cash Equivalents:</u> Up to 5% of the Fund's NAV.</p>	<p><u>Equities:</u> Maximum 60% of the Fund's NAV.</p> <p><u>Fixed income instruments and / or money market instruments:</u> At least 40% of the Fund's NAV.</p> <p><u>Cash and Cash Equivalents:</u> At least 5% of the Fund's NAV.</p>	<p><u>Equities:</u> Maximum 70% of the Fund's NAV.</p> <p><u>Fixed income instruments and / or money market instruments:</u> At least 30% of the Fund's NAV.</p> <p><u>Cash and Cash Equivalents:</u> Up to 5% of the Fund's NAV.</p>	6.1 – 6.3	22 - 26
Performance benchmark	<p>A composite of All MGS Index (80%) and FBM 100 (20%).</p> <p>The risk profile of the Fund is not the same as the risk profile of the Performance benchmark.</p>	<p>A composite of All MGS Index (40%) and FBM100 (60%).</p> <p>The risk profile of the Fund is not the same as the risk profile of the</p>	<p>A composite of All MGS Index (30%) and FBM 100 (70%).</p> <p>The risk profile of the Fund is not the same as the risk profile of the</p>	6.1 – 6.3	22 - 26

This First Replacement Disclosure Document replaces the Disclosure Document dated 20 November 2013.

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		Performance benchmark.	Performance benchmark.		
Member's Profile	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> • Seek capital preservation** of the invested capital; and/or • Have low tolerance of investment risks. <p>For Members under the default option who are 50 years old and above, their contributions will be allocated into this Fund.</p> <p>** The Fund is neither a capital guaranteed fund nor a capital protected fund.</p>	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> • Seek capital appreciation; and/or • Have low to moderate risk tolerance and can withstand short-term volatility. <p>For Members under the default option who have attained the age of forty (40) years but are not yet fifty (50) years old, their contributions will be allocated into this Fund.</p>	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> • Seek capital appreciation; and/or • Have moderate risk tolerance and can withstand short-term volatility. <p>For Members under the default option who are below the age of 40 years, their contributions will be allocated into this Fund.</p>	6.1 – 6.3	22 - 26
Distribution Policy	<p>Distribution (if any) will be declared annually and reinvested into the Fund.</p> <p>Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.</p>	<p>Distribution (if any) will be declared annually and reinvested into the Fund.</p> <p>Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.</p>	<p>Distribution (if any) will be declared annually and reinvested into the Fund.</p> <p>Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.</p>	6.1 – 6.3	22 - 26
Principal Risks	Interest rate risk, liquidity risk, credit/default risk, stock-specific risk, derivatives risk and collective investment scheme risk.	Interest rate risk, liquidity risk, credit/default risk, stock-specific risk, derivatives risk and collective investment scheme risk.	Interest rate risk, liquidity risk, credit/default risk, stock-specific risk, derivatives risk and collective investment scheme risk.	4.2	20
Launch Date	20 November 2013	20 November 2013	20 November 2013	-	-
Initial Offer Price	RM0.5000	RM0.5000	RM0.5000	-	-
Financial Year End	31 July	31 July	31 July	6.1 – 6.3	22 - 26

		Section	Page
Fund	Kenanga OnePRS Shariah Equity Fund	6.4	26
Target Fund	Kenanga Syariah Growth Fund		
Category	Feeder Fund (Equity)	6.4	26
Investment Objective	The Fund seeks to provide capital growth by investing in the Target Fund.	6.4	26
Investment policy and strategy	The Fund seeks to achieve its objective by investing a minimum of 95% of the Fund's NAV in the Target Fund that invests in Shariah-compliant equities.	6.4	26
Asset Allocation	<ul style="list-style-type: none"> • Minimum 95% of the Fund's NAV will be invested in the Target Fund. • Maximum 5% of the Fund's NAV will be invested in cash and/ or Islamic money market instruments. 	6.4	26
Performance benchmark	<p>FTSE Bursa Malaysia Emas Shariah Index.</p> <p>The risk profile of the Fund is not the same as the risk profile of the Performance benchmark.</p>	6.4	26
Member's Profile	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> • Seek capital appreciation; • Seek Shariah-compliant investments; and/or • Have moderate risk tolerance and can withstand short-term volatility. 	6.4	26
Distribution Policy	<p>Distribution (if any) will be declared annually and reinvested into the Fund.</p> <p>Members who have reached their retirement age can opt to have the distribution paid to</p>	6.4	26

This First Replacement Disclosure Document replaces the Disclosure Document dated 20 November 2013.

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	them by cheque or to their bank account.		
Principal Risks	Risk associated with investment in the Target Fund and concentration risk.	4.2	20
Launch Date	28 October 2014	-	-
Initial Offer Period	The period of not more than twenty one (21) days commencing from the date of this First Replacement Disclosure Document or the launch date of the Fund whichever is later.	-	-
Initial Offer Price	RM0.5000	-	-
Financial Year End	31 July	6.4	26

3.3 FEES AND CHARGES

The below fees and charges as well as transaction information are relevant to Kenanga Authorized PRS Distributors. Please refer to Section 7 for information on other fees relating to the Funds.

3.3.1 Charges paid to the PRS Provider

The tables below describe the charges that Members directly incur when purchasing or redeeming Units of the Fund under the Scheme.

Name of the Fund	Core Funds			Non-Core Fund	For more information, refer to Section:
	Kenanga OnePRS Conservative Fund	Kenanga OnePRS Moderate Fund	Kenanga OnePRS Growth Fund	Kenanga OnePRS Shariah Equity Fund	
Sales charge (for initial and subsequent contribution)	Up to 1.50% of NAV per Unit of the Fund. (Negotiable)				7.2.1 and 8.4
Redemption charge	Nil.				7.2.1 and 8.5
Transfer fee (to another PRS provider)	RM25 per transaction. (Non-negotiable)				7.2.1 and 8.7
Switching fee (between Funds in this Scheme)	Nil.				7.2.1 and 8.6

All the fees and charges above may be increased. A supplementary or replacement disclosure document disclosing the new fees and charges will be issued should the fees and charges be increased. A notice period of 30 days will be given to the Members prior to the effective date of the new fees and charges, which is in accordance with the Guidelines as may be amended and/or updated from time to time.

3.3.2 Charges paid to PPA

Name of the Fund	Core Funds			Non-Core Fund	For more information, refer to Section:
	Kenanga OnePRS Conservative Fund	Kenanga OnePRS Moderate Fund	Kenanga OnePRS Growth Fund	Kenanga OnePRS Shariah Equity Fund	
PPA account opening fee	RM10.				7.2.2
PPA annual fee	RM8 charged to Members or the employers who make contributions on behalf of the Members. Not payable for the year the OnePRS account is opened and not payable for the year(s) where no contributions are made.				7.2.2
PPA pre-retirement withdrawal fee	RM25 per transaction.				7.2.2 and 8.5.1
PPA transfer fee (to another PRS provider)	RM25 per transaction.				7.2.2 and 8.7

The charges paid to the PPA as mentioned above, may be collected by the PRS Provider acting on behalf of the PPA.

3.3.3 Fees charged to the Fund and other Fund expenses.

This table describes the charges that Members indirectly incur when contributing to the Funds under the Scheme.

Name of the Fund	Core Funds			Non-Core Fund	For more information, refer to Section:
	Kenanga OnePRS Conservative Fund	Kenanga OnePRS Moderate Fund	Kenanga OnePRS Growth Fund	Kenanga OnePRS Shariah Equity Fund	
Annual management fee	1.55% per annum of the Fund's NAV.				7.3.1
Annual scheme trustee fee	0.015% per annum of the Fund's NAV or a minimum fee of RM6,000 per annum per Fund.				7.3.2
PPA administration fee	0.04% per annum of the Fund's NAV.				7.3.3
Other fees payable indirectly by a Member (If any)	Please refer to Section 7.3.4 for more information.				7.3.4
Fund expenses	<ul style="list-style-type: none"> Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes; (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; taxes and other duties charged on the Fund by the government and/or other authorities; costs, fees and expenses properly incurred by the auditor; costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund; costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the PRS Provider and/or the Scheme Trustee; costs, fees and expenses incurred for any meeting of the Members save where such meeting is convened for the benefit of the PRS Provider and/or the Scheme Trustee; Shariah Adviser's fee; and other expenses as permitted under the Deed. 				7.5
<p>The annual management fee, annual scheme trustee fee and PPA administration fee are calculated and accrued daily. Management fee and scheme trustee fee are paid monthly to the PRS Provider and Scheme Trustee respectively, while PPA administration fee is paid annually to the PPA.</p> <p>The annual management fee and annual scheme trustee fee may be increased. A supplementary or replacement disclosure document disclosing the annual management fee and annual scheme trustee fee will be issued should the fees be increased. A notice period of 90 days will be given to the Members prior to the effective date of the new fees and charges, which is in accordance with the Guidelines as may be amended and/or updated from time to time.</p>					

Members can compare the fees and charges of other private retirement schemes by visiting the Private Pension Administrator's website, www.ppa.my.

3.4 TRANSACTIONS

Name of Fund	Core Funds			Non-Core Fund
	Kenanga One PRS Conservative Fund	Kenanga OnePRS Moderate Fund	Kenanga OnePRS Growth Fund	Kenanga OnePRS Shariah Equity Fund
Minimum initial contribution	<ul style="list-style-type: none"> Lump sum: RM1,000 per Fund. Regular contribution plan: RM100 per Fund. 			
Minimum additional contribution	RM100 per Fund.			
Minimum redemption amount	RM250 per Fund or 500 Units per Fund.			
Minimum switching / transfer amount	RM250 per Fund or 500 Units per Fund.			
Regular Withdrawal Program*				
Minimum monthly withdrawal	Minimum Units withdrawn based on last trading day's price equivalent to at least RM250.			

* The Regular Withdrawal Program is only available to Members who have reached their retirement age.

The PRS Provider reserves the right to vary the above minimum amount from time to time by providing at least 30 days notification to the Members in writing before the effective date of the change.

3.5 REDEEMING UNITS FROM THE FUND

Request for withdrawal may be made in the following circumstances and as follows:

For partial or full withdrawal

- After the day the Member reaches the retirement age, withdrawals may be made in part or in full; or
- Prior to the Member reaching retirement age, withdrawals from sub-account B may be made in part or in full.

For full withdrawal

- Following the death of a Member, or
- Permanent departure of a Member from Malaysia.

For more information, please refer to Section 8.5.

3.6 TRANSFERS BETWEEN PRS PROVIDERS

Members may redeem Units of any Fund under the Scheme and transfer the proceeds of such redemption to another PRS operated by another PRS provider prior to a Member reaching the retirement age subject to the satisfaction of the following terms and conditions:

- (a) the request for transfer can only be made after one year has elapsed from the date of the first contribution to the Scheme by the Member;
- (b) a request for transfer to another PRS operated by another PRS provider may only be made once every calendar year; and
- (c) all the proceeds from the redemption of Units of a Fund may only be transferred to one (1) other fund of the PRS operated by another PRS provider.

For more information, please refer to Section 8.7.

3.7 OTHER INFORMATION

Deed	<ul style="list-style-type: none"> • Deed dated 29 August 2013 • Supplemental deed dated 2 October 2014
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How do Members lodge a complaint?

- i. For internal dispute resolution, Members may contact 1300-88-1PRS(1777) or any of the PRS Provider's regional branch office (please refer to Section 19) during office hours. Alternatively, Members can email to OnePRS@kenanga.com.my.
- ii. If Members are dissatisfied with the outcome of the internal dispute resolution process, they may refer their dispute to the Securities Industries Dispute Resolution Corporation (SIDREC) via phone at 03-2282 2280 or email to info@sidrec.com.my. Members can refer to Section 16.5 for alternate source of contacts.
- iii. Members can also direct their complaint to the SC even if they have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department via phone at 03-6204 8999 or email to aduan@seccom.com.my. Members can refer to Section 16.5 for alternate source of contacts.

For advice or more information on the Fund, please contact Kenanga Authorized PRS Distributors, go to the nearest PRS Provider's regional branch office (see list on Section 19) or call 1300-88-1PRS(1777).

This is a private retirement scheme.

There are fees and charges involved and potential Members are advised to consider them before contributing to the Scheme.

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

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

For information concerning certain risk factors which should be considered by prospective Members, see "risk factors" commencing on page 19.

4. RISK FACTORS

When Members contribute to a Fund, they will be exposed to some element of risk. The NAV of a Fund may fall as rapidly as it may rise and Members may sustain a loss in the value of the Units of a Fund.

Therefore before contributing to any Funds, prospective Members should consider the following risk factors in addition to the other information set out in this First Replacement Disclosure Document. Members should consider taking independent professional advice prior to making a contribution into any of the Funds.

4.1 GENERAL RISKS OF CONTRIBUTING TO THE FUNDS

The following are some risks involved when Members contribute to the Funds:

Capital and returns not guaranteed risk

The Funds are neither capital guaranteed funds nor capital protected funds. As such, the capital and returns of the Funds are not guaranteed as market price of investments owned by the Funds may go down or up and Members may sustain a loss to the value of the Units of the Fund.

Risks associated with default option

Where the Member is in the default option, the Member's investments will be automatically switched into the Core Fund that corresponds to the age of the Members upon attaining the relevant age group. However, the NAV per Unit (of the Core Fund in which the Member is currently invested) at the point of switching may be lower than the NAV per Unit when the Member initially contributed into the Core Fund. Hence, the Member may have to suffer losses upon switching out from the Core Fund in which the Member is currently invested. However, the PRS Provider will notify the Member 1 month before the Member attains the minimum age of the next age group as specified in the Guidelines, that the Member's current investments will be automatically switched into another Core Fund. As such, Members can still have the option to stay on with the particular Core Fund before their contributions are switched.

Legal and regulatory risk

The investments of the Fund would be exposed to changes in the laws and regulations made by the government and regulatory bodies. There is a risk that the laws and guidelines relating to PRS may change and this may affect Members' OnePRS account and/or their ability to access their Units in the account. Furthermore, changes in the guidelines may also have an impact on the Fund. For example, the asset allocation of the Core Funds may be changed by the fund manager due to changes to the Guidelines in relation to the asset allocation of the Core Funds. Such changes may change the risk profile of the Fund.

Market risk

The NAV of the Fund may go down or up due to factors affecting the local and global financial markets such as changes to the economic (e.g. interest rates, inflation and exchange rates), political and regulatory environments as well as external shocks such as war and natural disasters. All these may result in uncertainties and fluctuations in the price of the underlying securities of the Funds' investment portfolio.

Inflation risk

This is the risk that the Members' contribution to the Fund may not keep pace with inflation. When this happens, the Member's purchasing power would be reduced even though the value of the Member's OnePRS account in monetary terms has increased.

PRS Provider risk

The Funds are managed by the investment management team of the PRS Provider. Any lack of expertise and experience of the investment management team may result in poor performance of the Funds.

Risk of non-compliance

The operations and administration of the Funds by the PRS Provider are governed by the Deed, all applicable laws, regulations and internal policies and procedures. The breakdown in the PRS Provider's prescribed practices and internal policies and procedures may lead to non-compliance. The breakdown may be the outcome of system failures or human error. The magnitude of such risk and its impact on the Fund and/or Members are dependent on the nature and severity of the non-compliance. However, this risk can be mitigated by internal controls put in place by the PRS Provider.

4.2 SPECIFIC RISKS WHEN CONTRIBUTING TO THE FUNDS

4.2.1 Specific risks when contributing to the Core Funds

Interest rate risk

This refers to the effect of interest rate changes on the market value of a bond, which the Fund invests in. In the event of rising interest rates, prices of bonds may decline and vice versa. As such, a Fund that has more exposure to bonds in its portfolio will be affected more by the changes in interest rates as compared to other Funds with less exposure to bonds.

Bonds with longer maturity and lower coupon rate are more sensitive to interest rate changes. This risk can be mitigated by managing the duration* of the bond portfolio via shorter or longer tenured bonds depending on the PRS Provider's view of the future interest rate trend, which is based on its continuous fundamental research and analysis.

* Duration is a measure of how sensitive is the price of a bond to a change in interest rates, expressed as a number of years.

Liquidity risk

Liquidity risk refers to the possibility that a security may be sold at an unfavourable price, as there may not be a buyer, or sufficient buyers, available for the security. This, in turn, will adversely affect the NAV of the Fund. The risk can be mitigated through the process of security selection and portfolio diversification.

Credit/ Default risk

The Fund could lose money if the issuer or guarantor (if any) of a bond that the Fund invests in is unable or unwilling to make timely principal and/or interest payments. Bonds are subject to varying degrees of credit/default risk, which are often reflected in credit ratings. This risk can be mitigated by selecting bonds with a minimum rating of "investment grade" i.e. BBB3 by RAM or equivalent rating by MARC.

Stock-specific risk

The price of each individual stock that the Fund invests in may decline for a number of reasons such as the management performance, financial position and reduced demand for the company's goods and services. This risk is mitigated through portfolio diversification by investing in various companies across different industries or sectors in the management of the Fund.

Derivatives risk

Derivatives such as warrants are subject to risks such as market risk and liquidity risk. Moreover, the use of derivatives results in a leveraged / geared portfolio which may cause the price movements of the Funds to be much more volatile as compared to Funds without derivatives. As such, investing into derivatives like warrants may result in higher volatility of the Fund's NAV.

Collective Investment Scheme risk

The Funds may invest substantially into collective investment schemes managed by the PRS Provider at the launch of the Funds. As such, the Funds are subject to the risks faced by the respective collective investment schemes. For example, the performance of the Fund is dependent solely on the performance of the collective investment scheme(s). As such the Fund is exposed to the price fluctuations of the securities that the collective investment scheme(s) invest(s) in. Furthermore, in the situation where the collective investment scheme(s) has insufficient liquidity to meet large and frequent redemptions made by other unit holders of the collective investment scheme(s), the fund managers of the collective investment scheme(s) may be forced to sell large volumes of the collective investment scheme(s)'s portfolio at unfavourable prices to meet such requests.

4.2.2 Specific risks when contributing to the Non-Core Fund

Risk associated with investment in the Target Fund

As the Fund will invest at least 95% of its NAV in the Target Fund, the performance of the Fund depends on the experience, expertise and ability of the manager of the Target Fund to generate returns. Lack of any of the above may adversely affect the performance of the Fund.

Concentration risk

This risk arises because the Fund investing heavily into the Target Fund. Any adverse effect on the Target Fund will impact the NAV of the Fund.

4.2.3 Specific risks associated with the Target Fund

Market risk*

Liquidity risk*

Stock-specific risk*

Reclassification of Shariah status risk

The risk that the currently held Shariah-compliant securities in the portfolio of the Target Fund may be reclassified to be non Shariah-compliant in the periodic review by the SACSC, the Shariah Adviser or the Shariah adviser for the Shariah boards of the relevant Islamic indices. If this occurs, the PRS Provider will take the necessary steps to dispose of such securities.

* Please refer to Sections 4.1 and 4.2.1 for details on each risk.

5. SCHEME DETAILS

Name of the Scheme: OnePRS Scheme.

5.1 WHAT IS THE SCHEME?

The Scheme is a voluntary private retirement scheme managed by Kenanga Investors Berhad.

The Scheme seeks to facilitate Members' accumulation of savings[^] for retirement.

The Scheme provides a choice of three (3) Core Funds and one (1) Non-Core Fund with different risk and return profiles to meet the needs of the Members at different stages of their life.

5.2 BENEFITS OF THE SCHEME

The benefits of the Scheme include:

- Providing an easy platform for Members to accumulate their retirement funds as well as to facilitate regular post retirement withdrawals from their OnePRS account with the PRS Provider.
- Encouraging the habit of regular contribution by Members, helping them to save[^] for their retirement.
- Providing Members the flexibility of receiving their post retirement withdrawals either as a lump-sum payment or through regular monthly withdrawals.

5.3 HOW DOES THE SCHEME WORK?

The Scheme is designed to provide choices to the Members, in building their retirement funds.

Option 1 – Default option

Under the default option, Members do not select any Fund. The PRS Provider will allocate the Members' contribution into the prescribed Core Fund (default option) that corresponds to the age of the Members as specified below:

Core Funds (default option):

1. Kenanga OnePRS Conservative Fund - Age 50 years and above*
2. Kenanga OnePRS Moderate Fund - Age 40 years and above but have not reached 50 years*
3. Kenanga OnePRS Growth Fund - Age below 40 years*

*Note * - This age group may be subject to changes as may be determined by the relevant authorities from time to time.*

Notwithstanding the above, where a Member under the default option makes the first contribution to the Scheme a month before the Member attains the age of 40 or 50 years old as the case may be, the PRS Provider must allocate such contribution to the Kenanga OnePRS Moderate Fund or Kenanga OnePRS Conservative Fund as the case may be.

Option 2 – Self selection option

Alternatively, Members can choose to invest in any Fund according to their risk and return profile. Members who are investing under this option are advised to understand how much risk they are able to tolerate as this corresponds to the potential returns they are seeking.

Core Funds:

1. Kenanga OnePRS Conservative Fund
2. Kenanga OnePRS Moderate Fund
3. Kenanga OnePRS Growth Fund

Non-Core Fund:

1. Kenanga OnePRS Shariah Equity Fund

[^] The Funds are neither capital guaranteed funds nor capital protected funds.

6. DETAILS OF THE FUNDS

6.1 KENANGA ONEPRS CONSERVATIVE FUND

Category	Core (Conservative)						
Investment objective	<p>The Fund seeks income* whilst providing capital preservation**.</p> <p>Any material changes to the investment objective of the Fund would require Members' approval.</p> <p>* Income distribution (if any) will be reinvested into the Fund. ** The Fund is neither a capital guaranteed fund nor a capital protected fund. Therefore "capital preservation" does not mean that Members' capital is guaranteed or protected.</p>						
Asset allocation	<table border="1"> <tr> <td>Fixed income instruments and money market instruments:</td> <td>Minimum 80% of the Fund's NAV in fixed income instruments and money market instruments (with minimum 20% of the Fund's NAV in money market instruments)</td> </tr> <tr> <td>Equities:</td> <td>Maximum 20% of the Fund's NAV</td> </tr> <tr> <td>Cash and cash equivalents:</td> <td>Up to 5% of the Fund's NAV</td> </tr> </table>	Fixed income instruments and money market instruments:	Minimum 80% of the Fund's NAV in fixed income instruments and money market instruments (with minimum 20% of the Fund's NAV in money market instruments)	Equities:	Maximum 20% of the Fund's NAV	Cash and cash equivalents:	Up to 5% of the Fund's NAV
Fixed income instruments and money market instruments:	Minimum 80% of the Fund's NAV in fixed income instruments and money market instruments (with minimum 20% of the Fund's NAV in money market instruments)						
Equities:	Maximum 20% of the Fund's NAV						
Cash and cash equivalents:	Up to 5% of the Fund's NAV						
Investment policy and strategy	<p>The Fund seeks to achieve its objective by investing a minimum of 80% of the Fund's NAV in fixed income instruments and money market instruments, of which 20% of the Fund's NAV must be in money market instruments.</p> <p>The Fund may also invest in equities, which are limited to a maximum of 20% of the Fund's NAV.</p> <p>The fixed income instruments invested by the Fund will have a minimum rating of "investment grade" (i.e. BBB3) as rated by RAM or equivalent rating by MARC.</p> <p>The fixed income instruments may consist of Malaysian government securities, Cagamas bonds, Bank Negara Malaysia certificates, Malaysian treasury bills, government investment certificate and negotiable certificates of deposits and private debt securities.</p> <p>The Fund will employ both top-down and bottom-up approach to evaluate its investments in equities and fixed income instruments.</p> <p>In the top-down approach, the fund manager will evaluate the global growth and economic outlook in Malaysia.</p> <p>In the bottom-up strategy, the fund manager will rely on fundamental research where the financial health, industry prospects, management quality and past track records of the companies are considered.</p> <p>The trading of both the equities and fixed income instruments will be based on the market conditions and also the judgement of the fund manager and also guided by the internal policies of the PRS Provider and the investment committee of the PRS Provider.</p> <p>However, at the launch of the Fund, the Kenanga OnePRS Conservative Fund aims to meet its objective and asset allocation by investing up to 80% of the Fund's NAV in any one collective investment scheme(s) managed by the PRS Provider that is in line with the Fund's asset allocation. Such investment shall be for a period of five (5) years from the launch of the Fund or upon the Fund reaching RM200 million NAV (whichever is earlier).</p>						
Risk management strategies and techniques	<p>The PRS Provider adopts an active investment management by conducting research on macro fundamentals, market valuations, sector outlook, company's financial position and valuation, as well as the bonds structure to mitigate investment risks.</p> <p>Risks associated with investing in this Fund i.e. stock specific risk and liquidity risk, can be mitigated to some extent by having different level of exposure in certain asset classes, sectors or companies at different points of an economic cycle based on the PRS Provider in-depth fundamental research. In addition, risk management tools are used to perform pre-trade compliance checks and performance attribution to ensure investment risks are identified, understood and that the fixed income instruments are appropriately priced given the risk identified.</p>						
Performance benchmark	<p>A composite of All MGS Index (80%) and FBM 100 (20%). The composition of the benchmark is reflective of the equity exposure and fixed income instruments exposure of the Fund.</p> <p>Information on All MGS Index and FBM 100 can be obtained from www.quantshop.com and www.bursamalaysia.com respectively. Members may also obtain information on the Performance</p>						

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	<p>benchmark from the PRS Provider.</p> <p>Please note that the risk profile of the Fund is not the same as the risk profile of the Performance benchmark. The Performance benchmark may be reviewed to reflect any material changes to the Fund's asset allocation range from time to time.</p>
Members' profile	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> • Seek capital preservation** of the invested capital; and/or • Have low tolerance of investment risks. <p>For Members under the default option who are 50 years old and above, their contributions will be allocated into this Fund.</p> <p>** The Fund is neither a capital guaranteed fund nor a capital protected fund. Therefore "capital preservation" does not mean that Members' capital is guaranteed or protected.</p> <p><i>Note: Where a Member under the default option makes the first contribution to the Scheme a month before the Member attains the age of 50 years old, the Member's contribution will be allocated into this Fund.</i></p>
Distribution (if any)	<p>Distribution (if any) will be declared annually and reinvested into the Fund.</p> <p>Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.</p>
Financial year end	31 July

6.2 KENANGA ONEPRS MODERATE FUND

Category	Core (Moderate)							
Investment objective	<p>The Fund aims to achieve returns over the long-term through investments in equities and/or bonds.</p> <p>Any material changes to the investment objective of the Fund would require Members' approval.</p>							
Asset allocation	<table border="1"> <tr> <td>Equities</td> <td>Maximum 60% of the Fund's NAV</td> </tr> <tr> <td>Fixed income instruments and / or money market instruments</td> <td>At least 40% of the Fund's NAV</td> </tr> <tr> <td>Cash and cash equivalents:</td> <td>At least 5% of the Fund's NAV</td> </tr> </table>		Equities	Maximum 60% of the Fund's NAV	Fixed income instruments and / or money market instruments	At least 40% of the Fund's NAV	Cash and cash equivalents:	At least 5% of the Fund's NAV
Equities	Maximum 60% of the Fund's NAV							
Fixed income instruments and / or money market instruments	At least 40% of the Fund's NAV							
Cash and cash equivalents:	At least 5% of the Fund's NAV							
Investment policy and strategy	<p>The Fund seeks to achieve its objective by investing a maximum of 60% of the Fund's NAV in equities and at least 40% of the Fund's NAV in fixed income instruments and / or money market instruments. The Fund will not invest outside of Malaysia.</p> <p>The fixed income instruments invested by the Fund will have a minimum rating of "investment grade" (i.e. BBB3) as rated by RAM or equivalent rating by MARC.</p> <p>The fixed income instruments may consist of Malaysian government securities, Cagamas bonds, Bank Negara Malaysia certificates, Malaysian treasury bills, government investment certificate and negotiable certificates of deposits and private debt securities.</p> <p>The equities portion will consist of a mixture of both growth and dividend stocks.</p> <p>The Fund will employ both top-down and bottom-up approach to evaluate its investments in equities and fixed income instruments.</p> <p>In the top-down approach, the fund manager will evaluate the global growth and economic outlook of Malaysia.</p> <p>In the bottom-up strategy, the fund manager will rely on fundamental research where the financial health, industry prospects, management quality and past track records of the companies are considered.</p> <p>The trading of both the equities and fixed income instruments will be based on the market conditions and also the judgement of the fund manager and also guided by the internal policies of the PRS Provider and the investment committee of the PRS Provider.</p>							

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	<p>However, at the launch of the Fund, the Kenanga OnePRS Moderate Fund aims to meet its objective and asset allocation by investing up to 95% of the Fund's NAV in any one collective investment scheme(s) managed by the PRS Provider that is in line with the Fund's asset allocation. Such investment shall be for a period of five (5) years from the launch of the Fund or upon the Fund reaching RM200 million NAV (whichever is earlier).</p>
Risk management strategies and techniques	<p>The PRS Provider adopts an active investment management by conducting research on macro fundamentals, market valuations, sector outlook, company's financial position and valuation, as well as the bonds structure to mitigate investment risks.</p> <p>Risks associated with investing in this Fund i.e. stock specific risk and liquidity risk, can be mitigated to some extent by having different level of exposure in certain asset classes, sectors or companies at different points of an economic cycle based on the PRS Provider in-depth fundamental research. In addition, risk management tools are used to perform pre-trade compliance checks and performance attribution to ensure investment risks are identified, understood and that the fixed income instruments are appropriately priced given the risk identified.</p>
Performance benchmark	<p>A composite of All MGS Index (40%) and FBM 100 (60%). The composition of the benchmark is reflective of the equity exposure and fixed income instruments exposure of the Fund.</p> <p>Information on All MGS Index and FBM 100 can be obtained from www.quantshop.com and www.bursamalaysia.com respectively. Members may also obtain information on the Performance benchmark from the PRS Provider.</p> <p>Please note that the risk profile of the Fund is not the same as the risk profile of the Performance benchmark. The Performance benchmark may be reviewed to reflect any material changes to the Fund's asset allocation range from time to time.</p>
Members' profile	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> • Seek capital appreciation; and/or • Have low to moderate risk tolerance and can withstand short-term volatility. <p>For Members under the default option who have attained the age of forty (40) years but are not yet fifty (50) years old, their contributions will be allocated into this Fund.</p> <p><i>Note: Where a Member under the default option makes the first contribution to the Scheme a month before the Member attains the age of 40 or 50 years old as the case may be, the Member's contribution will be allocated into the Kenanga OnePRS Moderate Fund or Kenanga OnePRS Conservative Fund as the case may be.</i></p>
Distribution (if any)	<p>Distribution (if any) will be declared annually and reinvested into the Fund.</p> <p>Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.</p>
Financial year end	31 July

6.3 KENANGA ONEPRS GROWTH FUND

Category	Core (Growth)						
Investment objective	<p>The Fund seeks to provide capital growth.</p> <p>Any material changes to the investment objective of the Fund would require Members' approval.</p>						
Asset allocation	<table border="1"> <tr> <td>Equities</td> <td>Maximum 70% of the Fund's NAV</td> </tr> <tr> <td>Fixed income instruments and / or money market instruments</td> <td>At least 30% of the Fund's NAV</td> </tr> <tr> <td>Cash and cash equivalents:</td> <td>Up to 5% of the Fund's NAV</td> </tr> </table>	Equities	Maximum 70% of the Fund's NAV	Fixed income instruments and / or money market instruments	At least 30% of the Fund's NAV	Cash and cash equivalents:	Up to 5% of the Fund's NAV
Equities	Maximum 70% of the Fund's NAV						
Fixed income instruments and / or money market instruments	At least 30% of the Fund's NAV						
Cash and cash equivalents:	Up to 5% of the Fund's NAV						
Investment policy and strategy	<p>The Fund seeks to achieve its objective by investing a maximum of 70% of the Fund's NAV in equities and at least 30% of the Fund's NAV in fixed income instruments and / or money market instruments. The Fund will not invest outside of Malaysia.</p> <p>The fixed income instruments invested by the Fund will have a minimum rating of "investment grade" (i.e. BBB3) as rated by RAM or equivalent rating by MARC.</p> <p>The fixed income instruments may consist of Malaysian government securities, Cagamas bonds, Bank Negara Malaysia certificates, Malaysian treasury bills, government investment certificate and negotiable certificates of deposits and private debt securities.</p> <p>The equities portion will consist of a mixture of both growth and dividend stocks.</p> <p>The Fund will employ both top-down and bottom-up approach to evaluate its investments in equities and fixed income instruments.</p> <p>In the top-down approach, the fund manager will evaluate the global growth and economic outlook of Malaysia.</p> <p>In the bottom-up strategy, the fund manager will rely on fundamental research where the financial health, industry prospects, management quality and past track records of the companies are considered.</p> <p>The trading of both the equities and fixed income instruments will be based on the market conditions and also the judgement of the fund manager and also guided by the internal policies of the PRS Provider and the investment committee of the PRS Provider.</p> <p>However, at the launch of the Fund, the Kenanga OnePRS Growth Fund aims to meet its objective and asset allocation by investing up to 70% of the Fund's NAV in any one collective investment scheme(s) managed by the PRS Provider that is in line with the Fund's asset allocation. Such investment shall be for a period of five (5) years from the launch of the Fund or upon the Fund reaching RM200 million NAV (whichever is earlier).</p>						
Risk management strategies and techniques	<p>The PRS Provider adopts an active investment management by conducting research on macro fundamentals, market valuations, sector outlook, company's financial position and valuation, as well as the bonds structure to mitigate investment risks.</p> <p>Risks associated with investing in this Fund i.e. stock specific risk and liquidity risk, can be mitigated to some extent by having different level of exposure in certain asset classes, sectors or companies at different points of an economic cycle based on the PRS Provider in-depth fundamental research. In addition, risk management tools are used to perform pre-trade compliance checks and performance attribution to ensure investment risks are identified, understood and that the fixed income instruments are appropriately priced given the risk identified.</p>						
Performance benchmark	<p>A composite of All MGS Index (30%) and FBM 100 (70%). The composition of the benchmark is reflective of the equity exposure and fixed income instruments exposure of the Fund.</p> <p>Information on All MGS Index and FBM 100 can be obtained from www.quantshop.com and www.bursamalaysia.com respectively. Members may also obtain information on the Performance benchmark from the PRS Provider.</p> <p>Please note that the risk profile of the Fund is not the same as the risk profile of the Performance benchmark. The Performance benchmark may be reviewed to reflect any material changes to the Fund's asset allocation range from time to time.</p>						

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Members' profile	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> • Seek capital appreciation; and/or • Have moderate risk tolerance and can withstand short-term volatility. <p>For Members under the default option who are below the age of 40 years, their contributions will be allocated into this Fund.</p> <p><i>Note: Where a Member under the default option makes the first contribution to the Scheme a month before the Member attains the age of 40 years old, the Member's contribution will be allocated into the Kenanga OnePRS Moderate Fund instead.</i></p>
Distribution (if any)	<p>Distribution (if any) will be declared annually and reinvested into the Fund.</p> <p>Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.</p>
Financial year end	31 July

6.4 KENANGA ONEPRS SHARIAH EQUITY FUND

Category	Feeder Fund (Equity)
Investment objective	<p>The Fund seeks to provide capital growth by investing in the Target Fund.</p> <p>Any material changes to the investment objective of the Fund would require Members' approval.</p>
Asset allocation	<ul style="list-style-type: none"> • Minimum 95% of the Fund's NAV will be invested in the Target Fund. • Maximum 5% of the Fund's NAV will be invested in cash and/ or Islamic money market instruments.
Investment policy and strategy	The Fund seeks to achieve its objective by investing a minimum of 95% of the Fund's NAV in the Target Fund that invests in Shariah-compliant equities.
Risk management strategies and techniques	The risk management strategies and techniques employed at the Target Fund level, where the manager of the Target Fund adopts financial techniques and instruments to manage the overall risk of the Target Fund's portfolio as described in Section 6.5.4. The PRS Provider reserves the right to seek an alternative collective investment scheme that is consistent with the objective of the Fund.
Performance benchmark	<p>FTSE Bursa Malaysia Emas Shariah Index.</p> <p>Information on FTSE Bursa Malaysia Emas Shariah Index can be obtained from www.bursamalaysia.com. Members may also obtain information on the Performance benchmark from the PRS Provider.</p> <p>Please note that the risk profile of the Fund is not the same as the risk profile of the Performance benchmark.</p>
Members' profile	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> • Seek capital appreciation; • Seek Shariah-compliant investments; and/or • Have moderate risk tolerance and can withstand short-term volatility.
Distribution (if any)	<p>Distribution (if any) will be declared annually and reinvested into the Fund.</p> <p>Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.</p>
Financial year end	31 July
Shariah Adviser	IBFIM
Target Fund	Kenanga Syariah Growth Fund

6.5 INFORMATION ON THE TARGET FUND, KENANGA SYARIAH GROWTH FUND

6.5.1 General information on the Target Fund

Kenanga Syariah Growth Fund ("Target Fund") is managed by the PRS Provider, Kenanga Investors Berhad ("Manager"). The Target Fund is a Malaysian-domiciled fund which was established on 8 January 2002 and authorized by the SC.

Please refer to Section 9 – The PRS Provider for information of the Manager.

6.5.2 External fund manager of the Target Fund

The Manager has delegated the investment management functions for the Target Fund to Kenanga Islamic Investors Berhad ("KIIB"), an Islamic fund management company. KIIB shall manage, realize, invest, reinvest or deal with the Target Fund according to the objective of the Target Fund and requirements of the Shariah. KIIB is a wholly-owned subsidiary of KIB. Pursuant to the K & N Kenanga Holdings Berhad group of companies ("Kenanga Group") business plans for KIIB to become a fully operational Islamic fund management business, KIIB received its Islamic fund management licence from the SC in April 2012. KIIB is the Kenanga Group's Islamic fund management arm focused on exclusively providing Shariah-compliant investment products to both domestic and regional markets.

As at 31 August 2014, KIIB has a staff strength of five (5) employees and the total asset under management of KIIB stands at approximately RM1.26 billion.

6.5.3 Investment objective

The objective of the Target Fund is to provide unit holders with long-term capital growth by investing principally in equities that comply with Shariah requirements.

6.5.4 Principal investment strategies

The Target Fund's assets are actively invested in a diversified portfolio of Shariah-compliant equities of Malaysian companies^ listed on the Bursa Malaysia and equity-related securities* of companies with sustainable business model and trading at a discount to its intrinsic value.

While the Target Fund does not practice active asset allocation but seeks to fill the portfolio up with companies that satisfy the twin criteria of sustainable business model and trading at discount to its intrinsic value. Under extreme market volatility and/or when market is trading at valuation deem unsustainable, the Target Fund will judiciously scale back its Shariah-compliant equities and equity-related securities* exposure.

Under normal market conditions, the Target Fund's Shariah-compliant equities and equity-related securities* exposure is expected to range from 75% to 95% of the Target Fund's NAV with the balance in Islamic money market instruments, Islamic deposits and/or cash.

Accordingly, the asset allocation of the Target Fund will be as follows:

- 75% to 95% of the Target Fund's NAV - Shariah-compliant equities and equity-related securities*
- 5% to 25% of the Target Fund's NAV - Islamic liquid assets

Investment Method	Types and Characteristics Of Instruments/Risks Involved	Asset Allocation Strategy	Risk Management Strategies	Temporary Defensive Measures
The Target Fund is built up on a stock by stock basis.	The Target Fund invests in the Shariah-compliant equities of Malaysian companies^ listed on the Bursa Malaysia and equity-related securities* of companies with sustainable business model and trading at a discount to their intrinsic value. The Target Fund is style neutral and does not differentiate between growth or value stocks, small-cap, mid-cap or big-cap.	The Target Fund does not practice active asset allocation but seek to fill the portfolio up with companies that satisfy the twin criteria of sustainable business model and trading at discount to its intrinsic value.	Risk management is central to the investment process of the Target Fund. The portfolio is continuously subjected to two risk management overlays and a rigid sell discipline. The first overlay is a series of investment limits check, while the second overlay is a statistical check on the volatility of the portfolio to ensure that it is below the market level.	In times of extreme market volatility and/or when market valuation is at a level deem unsustainable, the Target Fund will judiciously scale back its Shariah-compliant equities exposure to below its normal operating range of 75% to 95% of the Target Fund's NAV. The cash will be placed into short-term Islamic money market instruments and/or Islamic deposits.

[^] “*Malaysian companies*” refers to companies domiciled in Malaysia and/ or have operation in Malaysia.

^{*} “*Equity related securities*” refers to warrants, convertible loan stocks, transferable subscription rights and depository receipts.

6.5.5 Performance benchmark

FTSE Bursa Malaysia Emas Shariah Index source from www.bursamalaysia.com.

Please note that the risk profile of the Target Fund is not the same as the risk profile of the performance benchmark.

6.5.6 Permitted investments

The Target Fund may invest in the following types of Shariah-compliant investments, including but not limited to:

- Shariah-compliant securities of Malaysian companies[^] listed on the Bursa Malaysia;
- Units of Islamic real estate investment trusts listed on the Bursa Malaysia;
- Government Investment Issues;
- Islamic deposits (Malaysian currency) with Islamic banks or other financial institutions including investment certificates;
- Unlisted Shariah-compliant securities that are permitted by the SC for the listing and quotation on the Bursa Malaysia, which are offered directly by the company approved for listing, by way of private placement or on a tender basis;
- Islamic accepted bill, Cagamas sukuk, or other sukuk which are carrying at least BBB3 rating by RAM; and
- Any other kinds of Shariah-compliant investments as may be allowed by the relevant authorities from time to time.

In conformity with Shariah requirements, the securities of companies engaged in the following activities or producing the following categories of products shall not be included in the portfolio of the Target Fund:-

- All conventional banking, insurance and financial services;
- Gaming;
- Alcoholic beverages;
- Non-halal food products;
- Interest bearing money market instruments; and
- Any further restrictions as may be determined by the SACSC and/or the Target Fund's Shariah adviser from time to time.

[^] “*Malaysian companies*” refers to companies domiciled in Malaysia and/ or have operation in Malaysia.

6.5.7 Investment restrictions and limits

The investments of the Target Fund must be relevant and consistent with its investment objective and cannot exceed the following limits or any other limits as may be prescribed by the SC and/or the Target Fund's Shariah adviser from time to time:

- (i) The value of the Target Fund's investments in ordinary Shariah-compliant shares issued by any single issuer must not exceed 10% of the Target Fund's NAV.
- (ii) The value of the Target Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Target Fund's NAV.
- (iii) The value of the Target Fund's placements in Islamic deposits with any single financial institution must not exceed 50% of the Target Fund's NAV if the Target Fund's NAV is less than RM10 million.
- (iv) The value of the Target Fund's investments in transferable Shariah-compliant securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Target Fund's NAV.
- (v) The Target Fund's investments in Shariah-compliant transferable securities (other than Islamic debentures) issued by any single issuer must not exceed 10% of the Shariah-compliant securities issued.
- (vi) The Target Fund's investments in Islamic debentures must not exceed 20% of the debentures issued by any single issuer.
- (vii) The value of the Target Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Target Fund's NAV.
- (viii) The aggregate value of the Target Fund's investments in transferable Shariah-compliant securities, Islamic money market instruments and Islamic deposits issued or placed with (as the case may be) any single issuer/ institution must not exceed 25% of the Target Fund's NAV.
- (ix) The Target Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.
- (x) The value of the Target Fund's investments in units/shares of any Shariah-compliant collective investment scheme must not exceed 20% of the Target Fund's NAV.
- (xi) A Target Fund's investments in Shariah-compliant collective investment schemes must not exceed 25% of the units/shares in any one Shariah-compliant collective investment scheme.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Target Fund's investments and instruments. However, a 5% 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 Target Fund's NAV (as a result of an appreciation or depreciation in value of investments or as a result of the purchase of Units or payment made from the Target Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

There are no restrictions and limits imposed on Shariah-compliant securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

6.5.8 Target Fund's performance

Average Total Returns	1 year 31/12/12 - 31/12/13 (%) Return	3 years 31/12/10 – 31/12/13 (%) Return	5 years 31/12/08 – 31/12/13 (%) Return	10 years 31/12/03 – 31/12/13 (%) Return
Target Fund	12.14	23.36	12.82	26.88
Benchmark (%)	11.85	11.80	1.88	14.07

Source : Lipper IM

6.5.9 Fees, charges and expenses

Direct Fees charged by the Target Fund

Application fee: Up to 5.50% of the Target Fund's NAV

Repurchase charge: Nil

All initial charges that may be charged by the Target Fund are waived by the Manager of the Target Fund.

Indirect Fees charged by the Target Fund

Management fee: 1.50% of the Target Fund's NAV per annum.

Trustee fee: 0.08% of the Target Fund's NAV per annum, subject to a minimum of RM18,000 per annum.

PLEASE TAKE NOTE THAT MANAGEMENT FEE WILL ONLY BE CHARGED ONCE AT THE FUND LEVEL. THE MANAGEMENT FEE CHARGED BY THE TARGET FUND WILL BE PAID OUT OF THE ANNUAL MANAGEMENT FEE CHARGED BY THE PRS PROVIDER AT THE FUND LEVEL. THERE IS NO DOUBLE CHARGING OF MANAGEMENT FEE.

AS THE FUND WILL BE INVESTING IN THE TARGET FUND, THE FUND WILL INCUR CERTAIN INDIRECT FEES CHARGED BY THE TARGET FUND, FOR EXAMPLE, THE ADMINISTRATION FEE. ACCORDINGLY, MEMBERS SHOULD BE AWARE THAT THEY WILL BE SUBJECTED TO HIGHER FEES ARISING FROM THE LAYERED INVESTMENT STRUCTURE.

6.6 TEMPORARY DEFENSIVE MEASURES FOR THE FUNDS

The Funds may take temporary defensive positions that may be inconsistent with the Funds investment strategy by increasing its allocation to cash or money market instruments, in an attempt to respond to adverse market conditions.

6.7 PERMITTED INVESTMENTS OF THE FUNDS

The Funds are allowed by the Deed to invest in any of the following investments which are permitted by the SC and is consistent with the objective and asset allocation of the Funds:

Kenanga OnePRS Conservative Fund, Kenanga OnePRS Moderate Fund and Kenanga OnePRS Growth Fund

- Transferable securities;
- Deposits and money market instruments;
- Collective investment schemes;
- Malaysian government securities, Cagamas bonds, Bank Negara Malaysia certificates, Malaysian treasury bills, Malaysian government investment certificates and other Malaysian government approved/guaranteed securities;
- Fixed income instruments and private debt securities;
- Derivatives for hedging purposes;
- Unlisted securities; and
- Any other form of investments as may be agreed upon by the PRS Provider, the Scheme Trustee and permitted by the SC from time to time.

Kenanga OnePRS Shariah Equity Fund

- One Shariah-compliant investment scheme, the Target Fund;

- Islamic deposits with financial institutions; and
- Any other form of Shariah-compliant investments as may be agreed upon by the PRS Provider, the Scheme Trustee and permitted by the SC from time to time.

6.8 INVESTMENT RESTRICTIONS AND LIMITS OF THE FUND

6.8.1 Kenanga OnePRS Conservative Fund

The Fund is subject to the following investment restrictions and limits stipulated in the Guidelines:

- (a) The value of a Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV;
- (b) The value of a Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (c) The value of a Fund's investments in debentures issued by any single issuer must not exceed 20% of the Fund's NAV;
- (d) The single issuer limit in paragraph (iii) above may be increased to 30% of the Fund's NAV if the debentures are rated by any domestic rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;
- (e) The value of a Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV;
- (f) 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 a Fund's over-the-counter ("OTC") derivatives transaction with any single counterparty must not exceed 10% of the Fund's NAV.
- (g) The aggregate value of a Fund's investments in transferable securities, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV. Where the single issuer limit for debentures is increased to 30% of the Fund's NAV pursuant to paragraph (iv), the aggregate value of a Fund's investment must not exceed 30% of the Fund's NAV;
- (h) The value of a Fund's investments in debentures issued by any 1 group of companies must not exceed 30% of the Fund's NAV;
- (i) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- (j) The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;
- (k) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. However, the above limit does not apply to money market instruments that do not have a pre-determined issue size; and
- (l) Investment outside Malaysia is not permitted for this Fund.

In addition to the above, the Fund must comply with the following restrictions imposed by the SC:

- (a) Investments in debentures/fixed income instruments must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of Kenanga OnePRS Conservative Fund's NAV (the 5% Limit). In the event the 5% Limit is exceeded, whether as a result of:-
 - a downgrade of any debenture/fixed income instrument to below BBB3/P2;
 - an increase in the aggregate value of debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated; or
 - a decrease in the NAV of Kenanga OnePRS Conservative Fund,The PRS Provider must reduce such investments to comply with 5% Limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interests of Members;
- (b) Use of derivatives is for hedging purposes only;
- (c) No investment in warrants except as a result of Kenanga OnePRS Conservative Fund's holdings in equities;
- (d) No investment in products with embedded derivatives;
- (e) No exposure to foreign currency; and
- (f) No investment in RM-denominated foreign debentures/fixed income instruments.

6.8.2 Kenanga OnePRS Moderate Fund and Kenanga OnePRS Growth Fund

- (a) The value of each Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV, however, the said limit does not apply to unlisted securities that are:
 - equities not listed or quoted on a stock exchange but have been approved by relevant regulatory authority for such listing and quotation, and are offered directly to that Fund by the issuer;
 - debentures traded on an organised over-the-counter ("OTC") market; and
 - structured products.
- (b) The value of each Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of that Fund's NAV;
- (c) The value of each Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of that Fund's NAV;
- (d) The value of each of the Fund's placement in deposits with any single institution must not exceed 20% of that Fund's NAV;
- (e) For investments in derivatives:
 - the exposure to the underlying assets of that derivative must not exceed the investment spread limits stipulated in the Guidelines; and
 - the value of each Fund's OTC derivative transaction with any single counter-party must not exceed 10% of that Fund's NAV;
- (f) Each Fund's exposure from derivatives position should not exceed that Fund's NAV at all times;

- (g) The value of each of the Fund's investment in structured products issued by a single counterparty must not exceed 15% of that Fund's NAV;
- (h) The aggregate value of each Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of that Fund's NAV;
- (i) The collective investment scheme has to be regulated and registered or authorised or approved by the relevant regulatory authority in its home jurisdiction;
- (j) The investments in collective investment schemes must operate on the principle of prudent spread of risk and comply with the general investment principles and/or requirements of the Guidelines;
- (k) There must not be any cross-holding between a Fund and the collective investment schemes;
- (l) The warrants a Fund invests in must carry the right in respect of a security traded in or under the rules of an eligible market;
- (m) The value of each Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of that Fund's NAV;
- (n) Each Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- (o) Each Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer; and
- (p) Each Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size.

6.8.3 Kenanga OnePRS Shariah Equity Fund

- (a) The Fund will only invest in a single Shariah-compliant investment scheme that is authorized by the SC. The PRS Provider will provide to the Shariah Adviser the offering document of the Target Fund for the Shariah Adviser's endorsement;
- (b) The Fund's property must only consist of units/shares of a single Shariah-compliant investment scheme;
- (c) The Fund must not invest in:-
 - a fund-of-funds;
 - a feeder fund; and
 - any sub-fund of an umbrella fund which is a fund-of-funds or a feeder fund.
- (d) The target fund must:-
 - be regulated by a regulatory authority;
 - if the target fund is constituted in Malaysia, be authorized by the SC; and
 - operate on the principle of prudent spread of risk and its investments do not diverge from the general investment principles of the Guidelines.
- (e) The PRS Provider must ensure that:-
 - there is no cross-holding between the Fund and the Target Fund;
 - all initial charges on the Target Fund are waived; and
 - the management fee must only be charged once, either at the Fund or the Target Fund.

Other Investment Restrictions and Limits

The PRS Provider has sought for a variation from complying with the requirements of Section 3(a) of Schedule A1 of the Guidelines which states that the investment of Core Funds into one or more collective investment schemes of the same PRS Provider (target funds) is permitted for a five-year period from the launch of the Scheme or upon reaching RM200 million NAV (whichever is earlier) provided that the value of a Core Fund's investment in any of the target fund(s) must not exceed 40% of the Core Fund's NAV. The SC has on 14 November 2013 approved the variation to allow the PRS Provider to invest as follows:

- a) Kenanga OnePRS Conservative Fund: Up to 80% NAV in any one collective investment scheme.
- b) Kenanga OnePRS Moderate Fund: Up to 95% NAV in a single collective investment scheme.
- c) Kenanga OnePRS Growth Fund: Up to 70% in any one collective investment scheme.

The abovementioned investment limits and restrictions shall be complied with at all times based on the up-to-date value of each Fund, and the value of their investments and instruments, unless the SC grants the exemption or variation. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments of the Fund, repurchase of Units or payments made from the Fund). The PRS Provider must not make any further acquisitions to which the relevant limit is breached and must within a reasonable period of not more than 3 months from the date of such breach, take all necessary steps and actions to rectify the breach. Such limits and restrictions, however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

6.9 VALUATION OF ASSETS

The PRS Provider will ensure that all the assets of the Fund will be valued at fair value and at all times be in compliance with the Guidelines.

- (i) Valuation of listed securities which are quoted on an approved exchange shall be based on the last done market price of the securities at the end of a particular Business day.
- (ii) Valuation of unlisted RM-denominated bonds or sukuk shall be calculated on a daily basis using price quoted by a bond pricing agency ("BPA") registered with the SC. Where the PRS Provider is of the view that the price quoted by the BPA for

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a specific bond or sukuk differs from the market price by more than 20 basis points, the PRS Provider may use the market price, provided that the PRS Provider adheres to the Guidelines.

- (iii) Valuation of OTC derivatives/structured products is marked-to-market using prices quoted by the issuer and is valued at least once a week. Exchange traded derivatives positions shall be marked-to-market at the close of each trading day.
- (iv) Investments in collective investment schemes which are quoted on an approved exchange shall be valued daily based on the same manner as other listed securities as described above. Investments in unlisted collective investment schemes shall be valued daily based on the last published repurchase price.
- (v) Investments in money market instruments and deposits placed with licensed financial institutions shall be valued each day by reference to the value of such investments and the shared interest accrued thereon for the relevant period.
- (vi) Suspended securities will be valued at their last done price prior to suspension. In the event of a suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Scheme Trustee, then the securities should be valued at fair value, as determined in good faith by the PRS Provider and verified by the auditor of the Fund, based on the methods or bases approved by the Scheme Trustee after appropriate consultation.

6.10 VALUATION POINT FOR THE FUNDS

The Funds will be valued on every Business day (or "trading day" or "T" day). The Funds adopt forward pricing which means that the prices of Units will be calculated based on the NAV of the Fund at the next valuation point after the application for Units or request for redemption is received by the PRS Provider or PPA.

If applications for Units with cleared funds are received or redemptions requests are received by the PRS Provider and authorized by the PPA (where applicable) before the cut-off time of 4.00 p.m. on a Business Day ("T" day), the price of Units in respect of those applications and requests will be calculated based on the NAV of each Fund derived at the valuation conducted at the close of business of Bursa Malaysia on T day. The prices of the Units will be published on the following Business Day, T+1, as the Funds do not have any foreign investments

6.11 BORROWING POLICY

The Core Fund is permitted to borrow cash to meet redemption requests. The period of borrowing must not exceed 1 month. At the time borrowings incurred, the aggregate borrowing amount must be less than 10% of the Fund's NAV. Borrowing can only be made from licensed financial institutions.

As for Kenanga OnePRS Shariah Equity Fund, the Fund shall seek an Islamic financing facility to meet the abovesaid conditions.

6.12 SHARIAH INVESTMENT GUIDELINES ADOPTED BY IBFIM, CLEANSING PROCESS AND ZAKAT (TITHE)

1. Shariah Investment Guidelines

The following matters are adopted by IBFIM in determining the Shariah status of investments of the Fund.

Investment in Malaysia

Equity:

Reference for investment in local securities is based on the list of Shariah-compliant securities issued by the SACSC twice yearly on the last Friday of May and November which is readily available at the Securities Commission's website.

However, for Initial Public Offering ("IPO") companies that have yet to be determined the Shariah status by the SACSC, IBFIM adopts the following analysis as a temporary basis in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.

- Core Business Activities Analysis

Companies whose activities are not contrary to the Shariah will be classified as Shariah-compliant securities. On the other hand, companies will be classified as Shariah non-compliant if they are involved in the following core business activities:

- (a) Conventional financial services;
- (b) Gambling and gaming;
- (c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
- (d) Manufacture or sale of tobacco-based products or related products;
- (e) Pornography;
- (f) Weaponry;
- (g) Entertainment activities that are not permitted by the Shariah; and
- (h) Other activities considered non-permissible according to the Shariah.

- Mixed Business Activities Analysis

This First Replacement Disclosure Document replaces the Disclosure Document dated 20 November 2013.

For companies with activities comprising both permissible and non-permissible elements, IBFIM applies two analyses before they can be classified as Shariah-compliant. The analyses are as follows:

(i) **Qualitative Analysis**

In this analysis, IBFIM will look into aspects of general public perception of the companies' images, core businesses which are considered important and *maslahah* (beneficial) to the Muslim ummah and the country, the non-permissible elements are very small and involve matters like *umum balwa* (common plight and difficult to avoid), *'uruf* (custom) and rights of the non-Muslim community which are accepted by the Shariah.

(ii) **Quantitative Analysis**

Companies which passed the above qualitative analysis will be further subjected to quantitative analysis. IBFIM deduces the following to ensure that they are lower than the Shariah tolerable benchmarks:

(a) **Business Activity Benchmarks**

The 5% benchmark would be applicable to the following business activities:

- Conventional banking;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;
- Shariah non-compliant entertainment;
- Interest income from conventional accounts and instruments;
- Tobacco and tobacco-related activities; and
- Other activities considered non-compliant according to Shariah.

The 20% benchmark would be applicable to the following activities:

- Hotel and resort operations;
- Share trading;
- Stockbroking business;
- Rental received from Shariah non-compliant activities; and
- Other activities considered non-compliant according to Shariah.

The contribution of Shariah non-compliant activities to the overall revenue/sales/turnover/income and profit before tax of the companies will be calculated and compared against the relevant business activity benchmarks.

(b) **Financial Ratio Benchmarks**

The financial ratios applied are as follows:

- Cash over Total Assets

Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.

- Debt over Total Assets

Debt will only include interest-bearing debt whereas Islamic debt/financing or sukuk will be excluded from the calculation.

Both ratios, which are intended to measure riba and riba-based elements within a companies' balance sheet, must be lower than 33%.

Should any of the above deductions fail to meet the benchmarks, IBFIM will not accord Shariah-compliant status for the companies.

Sukuk and Islamic Money Market Instruments:

IBFIM will select any sukuk and/or Islamic money market instruments based on the data available at Bond Info Hub (www.bondinfo.bnm.gov.my) and Fully Automated System For Issuing/Tendering (<https://fast.bnm.gov.my>).

2. Cleansing Process for the Fund

(a) **Wrong Investment**

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

(b) **Reclassification of Shariah Status of the Fund's Investment**

Reclassification of Shariah status refers to security which is reclassified as Shariah non-compliant by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. The said security will be disposed soonest practical, once the total amount of dividends is received and the market value held equals the original investment costs.

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

3. Zakat (tithe) for the Fund

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

7. FEES, CHARGES AND EXPENSES

7.1 HOW NET ASSET VALUE IS CALCULATED

The Net Asset Value (NAV) of the Fund is determined at the end of each Business day and is the value of all the Fund's assets less the value of all the Fund's liabilities at the valuation point. The NAV of the Fund's liabilities must be inclusive of the annual management fee, annual scheme trustee fee and PPA administration fee for the relevant day.

Please note that the example below is for illustration only:

The NAV for Kenanga OnePRS Growth Fund is calculated as follows:

	RM
Current investment portfolio of Kenanga OnePRS Growth Fund	30,000,000.00
Add: Cash (uninvested)	10,000.00
(Less): Liabilities	(5,000.00)
NAV before deducting management fee and scheme trustee fee	30,005,000.00
(Less) Annual management fee for the day (at 1.55% per annum of the Fund's NAV)	(1,274.18)
(Less) Annual scheme trustee fee for the day (at 0.015% per annum of the Fund's NAV)	(12.33)
(Less) PPA administration fee for the day (at 0.04% per annum of the Fund's NAV)	(32.88)
NAV of Kenanga OnePRS Growth Fund	<u>30,003,680.61</u>

If the Units in circulation for Kenanga OnePRS Growth Fund at the end of the Business day were 60,000,000, the NAV per Unit for Kenanga OnePRS Growth Fund would be RM30,003,680.61 divided by 60,000,000 Units to result in RM0.5006 per Unit.

7.2 FEES AND CHARGES DIRECTLY INCURRED

The following tables describe the fees and charges that Members may directly incur when contributing and redeeming Units of the Funds. It applies for contributions and redemptions made through any of Kenanga Authorized PRS Distributors.

7.2.1 Charges paid to the PRS Provider

Sales charge (for initial and subsequent contribution)	Up to 1.50% of NAV per Unit of the Fund.
Redemption charge	Nil.
Transfer fee (to another PRS provider)	RM25 per transaction.
Switching fee (between Funds in this Scheme)	Nil.
Switching fee (between funds in another private retirement scheme managed by the PRS Provider)	Not applicable.

Note:

- The sales charge is negotiable while the transfer fee is non-negotiable.
- Please refer to Section 8.4 for illustration on sales charge and allocation of Units as well as Section 8.5 for illustration on redeeming Units from the Fund.
- Please refer to Section 8.7 for illustration on transfer between PRS provider as well as Section 8.6 for illustration on switching of Funds.

All the fees and charges above may be increased. A supplementary or replacement disclosure document disclosing the new fees and charges will be issued should the fees and charges be increased. A notice period of 30 days will be given to the Members prior to the effective date of the new fees and charges, which is in accordance with the Guidelines as may be amended and/or updated from time to time.

7.2.2 Charges paid to PPA

PPA account opening fee	RM10.
PPA annual fee	RM8 charged to Members or the employers who make contributions on behalf of the Members. Not payable for the year the OnePRS account is opened and not payable for the year(s) where no contributions are made.
PPA pre-retirement withdrawal fee	RM25 per transaction.
PPA transfer fee (to another PRS provider)	RM25 per transaction.

The charges paid to the PPA as mentioned above, may be collected by the PRS Provider acting on behalf of the PPA.

7.3 FEES AND CHARGES INDIRECTLY INCURRED

The following table describes the fees and charges that Members indirectly incur when contributing to the Funds.

Annual management fee	1.55% per annum of the Fund's NAV.
Annual scheme trustee fee	0.015% per annum of the Fund's NAV or a minimum fee of RM6,000 per annum per Fund.
PPA administration fee	0.04% per annum of the Fund's NAV.

7.3.1 Annual management fee

The annual management fee is calculated and accrued daily but payable at the end of each month to the PRS Provider.

Please note that the example below is for illustration only:

Assuming that the NAV before deducting the management fee and scheme trustee fee of Kenanga OnePRS Growth Fund is RM10 million. The calculation of annual management fee based on total NAV in Kenanga OnePRS Growth Fund is:

$$\frac{\text{RM10 million} \times 1.55\%}{365 \text{ days}} = \text{RM424.66 per day}$$

7.3.2 Annual scheme trustee fee

The annual scheme trustee fee is calculated and accrued daily but payable at the end of each month to the Scheme Trustee.

Please note that the example below is for illustration only

NAV before deducting management fee and scheme trustee fee of Kenanga OnePRS Growth Fund	:	RM100,000,000
Rate	:	0.015% per annum of the Fund's NAV.
Accrued scheme trustee fee (on daily basis)	=	$\frac{\text{RM100,000,000} \times 0.015\%}{365 \text{ days}}$
	=	RM41.10 per day

The annual management fee and annual scheme trustee fee may be increased. A supplementary or replacement disclosure document disclosing the annual management fee and annual scheme trustee fee will be issued should the fees be increased. A notice period of 90 days will be given to the Members prior to the effective date of the new fees and charges, which is in accordance with the Guidelines as may be amended and/or updated from time to time.

7.3.3 PPA administration fee

The PPA administration fee is calculated and accrued daily but payable annually to PPA. The PPA administration fee is computed based on 0.04% per annum of the NAV of the Funds under the Scheme.

Please note that the example below is for illustration only

NAV before deducting management fee and scheme trustee fee of Kenanga OnePRS Growth Fund	:	RM100,000,000
Rate	:	0.04% per annum of the Fund's NAV.
Accrued PPA administration fee (on daily basis)	=	$\frac{\text{RM100,000,000} \times 0.04\%}{365 \text{ days}}$
	=	RM109.59 per day

Members can compare the fees and charges of other private retirement schemes by visiting the PPA's website, www.ppa.my.

7.3.4 Other fees payable indirectly by a Member

There are other fees and charges indirectly incurred by a Member if the Fund invests in collective investment scheme(s). These fees and charges include the annual trustee fees and transaction fees which are incurred at the collective investment scheme level as further described in detail in the relevant collective investment scheme's prospectus.

Other fees borne by the collective investment scheme(s) include operating and related expenses including but not limited to, stamp duties, taxes, commissions and other dealing costs, bank charges, registration fees in relation to investments, insurance and security costs, fees and expenses of the auditor, all expenses incurred in the collection of income and certain other expenses incurred in the administration of the collective investment scheme(s) and in the acquisition, holding and disposal of investments. The collective investment scheme(s) will also be responsible for the costs of preparing, translating, printing and distributing all its statements, notices, accounts, prospectuses and reports. Excluding transaction costs and fees arising from portfolio trading, the fees and expenses of the collective investment scheme(s) set above will not be more than 0.5% of the

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NAV of the Fund. All fees and charges are imputed into the calculation of the collective investment scheme(s)'s NAV. As such, Members of the Scheme are indirectly bearing the above fees and expenses charged at the collective investment scheme(s) level.

Members may be subjected to higher fees arising from the layered investment structure.

7.4 OTHER CHARGES

Certain charges may be incurred when the PRS Provider executes a transaction for the Members. These may include courier and bank charges such as commission for outstation cheques, telegraphic charges etc. These charges, if any, shall be borne by the Members and would be deducted accordingly from the transaction proceeds.

For contribution payment through direct debit, Members will be charged RM5 for any unsuccessful transactions notified to the PRS Provider by the bank. These charges are borne by the Members and will be deducted from the next auto debit deduction. The balance will then be invested into the Fund.

All the fees and charges above may be increased. A supplementary or replacement disclosure document disclosing the new fees and charges will be issued should the fees and charges be increased. A notice period of 30 days will be given to the Members prior to the effective date of the new fees and charges, which is in accordance with the Guidelines as may be amended and/or updated from time to time.

7.5 THE EXPENSES OF THE FUND

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- costs, fees and expenses properly incurred by the auditor;
- costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the PRS Provider and/or the Scheme Trustee;
- costs, fees and expenses incurred for any meeting of the Members save where such meeting is convened for the benefit of the PRS Provider and/or the Scheme Trustee;
- costs, commissions, fees and expenses of the sale, purchase, insurance/takaful and any other dealing of any asset of the Fund;
- costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluating any proposed investment of the Fund;
- costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- costs, fees and expenses incurred in the winding-up of the Fund or the removal of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider;
- costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Scheme Trustee or the PRS Provider by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the PRS Provider decides otherwise;
- costs, fees and expenses deemed by the PRS Provider to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- Shariah Adviser's fee; and
- costs, fees and charges payable to the PPA by the Fund.

7.6 STOCKBROKING REBATES AND SOFT COMMISSIONS

The PRS Provider will direct any stock broking rebates to the account of the Fund. The PRS Provider may receive goods or services by way of soft commissions provided always that the goods or services are of demonstrable benefit to the Fund and Members. Examples of soft commission include but not limited to research materials, data services and investment related publications.

There are fees and charges involved and potential Members are advised to consider them before contributing to the Scheme.

8. TRANSACTION INFORMATION

8.1 CONTRIBUTIONS AND REDEMPTIONS

Contributions and redemptions of Units of the Fund (except during the Initial offer period) are transacted based on the NAV per Unit of the Fund at the end of each Business day[#], where the valuation and pricing of Units normally take place. This is done after the PRS Provider has received and accepted the Member's application and authorized redemption (where applicable) for Units. During the Initial offer period, the contributions are transacted at RM0.5000 per Unit.

[#] Please note that the contributions and redemptions of Units of the Fund are transacted based on the NAV per Unit of the Fund at the end of each Business Day based on the following:

(a) Contributions submitted at the PRS Provider's offices before 4.00 p.m. on any Business day will be based on NAV per Unit of the relevant Fund determined at the end of the same Business day. Contributions submitted after 4.00 p.m. will be based on the NAV determined at the end of the next Business day.

(b) Redemption requests will be carried out at the NAV per Unit of the Fund at the end of each Business day upon receiving PPA's authorization (where applicable) before 4.00 p.m. at the end of the Business day.

8.2 SINGLE PRICING POLICY

The PRS Provider adopts single pricing for contribution to and redemption of Units from the Fund.

The sales charge or redemption charge (if any) would be calculated based on Members' contribution or redemption amount.

Please refer to Section 8.1 – Contributions and Redemptions for more information on the contributions and redemption of Units of the Funds.

The PRS Provider shall ensure that the Fund and the Units are correctly valued and priced according to the Deed and all relevant laws. Where there is an error in the valuation of the Fund, any incorrect pricing of Units which is deemed to be significant will involve the reimbursement (less any tax penalty which may be imposed by the relevant tax authorities for sub-account B, if applicable) in the following manner:

- (a) if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Member;
- (b) if there is an over valuation and/or pricing in relation to the redemption of Units, the PRS Provider shall reimburse the Fund;
- (c) if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the PRS Provider shall reimburse the Fund; and
- (d) if there is an under valuation and/or pricing in relation to the redemption of Units, the Fund shall reimburse the Member or former Member.

However, reimbursements shall only apply if the error is at or above the significant threshold of 0.5% of the NAV per Unit and the total amount to be reimbursed is RM 10.00 or more.

8.3 POLICY ON ROUNDING ADJUSTMENTS

The NAV per Unit for the Fund is rounded to 4 decimal points. When a Member contributes to the Fund, the contribution amount payable to the PRS Provider is rounded to 2 decimal points. The Units allocated into the Member's OnePRS account are also rounded to 2 decimal points. The Member's redemption value is also rounded to 2 decimal points.

Please note that the example below is for illustration only.

Assuming a Member requests for a RM10,000 withdrawal from OnePRS account and the NAV per Unit at end of Business day is RM0.5230 (rounded to 4 decimal places).

Calculation of number of Units redeemed
 = Withdrawal value / NAV per Unit
 = RM10,000.00 / RM0.5230
 = 19,120.4588 Units
 = 19,120.46 Units (rounded to 2 decimal points)

8.4 CONTRIBUTING TO THE FUND

When contributing to the Fund, the selling price of Units will be the NAV per Unit of the Fund as at the next valuation point after the request for Units is received by the PRS Provider. The sales charge as stipulated on Section 7.2.1 is charged separately.

All contributions made to the Fund will be split and maintained in sub-account A and sub-account B.

Please note that the example below is for illustration only. It applies for contributions made through any of the Kenanga Authorized PRS Distributors:

Assuming that the sales charge for Kenanga OnePRS Growth Fund is 1.50% of the NAV per Unit and the NAV per Unit is RM0.5000. If a Member intends to invest RM10,000.00 in the Fund, below is the amount incurred for the Member's investment:

	RM
Contribution into Kenanga OnePRS Growth Fund	10,000.00
Sales charge payable*	150.00
Amount payable to the PRS Provider	<u>10,150.00</u>

- The Member's OnePRS account will be allotted the following Units: RM10,000.00 / RM0.5000 = 20,000.00 Units (rounded to 2 decimal points)
- The Member's OnePRS account will be maintained in 2 separate sub-accounts by the PRS Provider as follows:

	Units
Sub-account A = 20,000.00 Units x 70%	14,000.00
Sub-account B = 20,000.00 Units x 30%	6,000.00
Total Units allotted	<u>20,000.00</u>

The number of Units allotted to a Member's OnePRS account will be determined based on the amount contributed divided by the selling price per Unit computed at the end of the Business day.

* Sales charge payable = NAV per Unit x number of Units allotted x sales charge = RM0.5000 x 20,000.00 Units x 1.50% = RM150.00.

- **All contributions made to the Scheme will be allocated and maintained in 2 sub-accounts:**
 - (a) **70% of all contributions made to any Funds under the Scheme is held in sub-account A*, which is not available for pre-retirement withdrawal; and**
 - (b) **while the remaining 30% is held in sub-account B*. Members are allowed to withdraw their Units prior to retirement age from sub-account B* once per calendar year, after 12 months of making the 1st contribution to any Funds under the Scheme. The PRS Provider will deduct 8% tax penalty of the withdrawal amount which is imposed by the Inland Revenue Board of Malaysia for pre-retirement withdrawal from sub-account B* before making payment to Members. The tax penalty would not be applicable for pre-retirement withdrawals due to death or permanent departure of a Member from Malaysia.**
- *Please note that request for full withdrawals (from both Sub-account A and Sub-account B) can be done in the following circumstances:**
- (a) **the Member reaching the retirement age;**
 - (b) **following the death of the Member; or**
 - (c) **due to permanent departure of the Member from Malaysia.**
- **The value of sub-accounts A and B can increase or decrease according to the NAV per Unit of the Fund.**
 - **Units are priced daily.**
 - **Please refer to Section 8.5 – Redeeming Units from the Fund, item (a) and (b) for more information on how withdrawals can be made from sub-account A and sub-account B.**

8.5 REDEEMING UNITS FROM THE FUND

Members redeem Units from the Funds at NAV per Unit as at the next valuation point after PPA's authorization (where applicable) is received by the PRS Provider. The following table describes the fees and charges that Members incur when redeeming Units from the Funds.

	Pre-retirement withdrawal	Retirement withdrawal
Redemption charge (by the PRS Provider)	Nil.	Nil.
PPA pre-retirement withdrawal fee	RM25 per transaction*.	Not applicable.
Tax penalty (imposed by the Inland Revenue Board of Malaysia)	8% of the withdrawal amount.	Nil.

* Note:

- The PPA pre-retirement withdrawal fee is non-negotiable. The tax penalty would not be applicable for pre-retirement withdrawals due to death or permanent departure of a Member from Malaysia.
- Any fees to be charged by the PPA to the Members or the employers who make contributions on behalf of the Members may be collected by the PRS Provider acting on behalf of the PPA.

The net redemption proceeds payable to the Member will be determined based on the Units redeemed multiplied by the redemption price per Unit computed at the end of the Business day. Please refer to Section 8.5.1 for illustration on the calculation of the net redemption proceeds.

(a) Withdrawal from the Scheme

Request for withdrawal may be made in the following circumstances and as follows:

- After the day the Member reaches the retirement age, withdrawals may be made in part or in full;
- Following the death of a Member, only full withdrawal may be made;
- Prior to the Member reaching retirement age, withdrawals from sub-account B may be made in part or in full; or
- Permanent departure of a Member from Malaysia, only full withdrawals may be made.

(b) Pre-retirement withdrawal from the Scheme

- Pre-retirement withdrawals from sub-account B can only be requested by a Member after one (1) year has elapsed from the date of the first contribution to any Fund within the Scheme. Subsequent pre-retirement withdrawals from sub-account B may be requested once every calendar year beginning with the calendar year immediately following the calendar year in which the first request for the pre-retirement withdrawals from Sub-account B was made to one or more private retirement schemes (including the Scheme). Member cannot make pre-retirement withdrawals from sub-account B if the Member has already made pre-retirement withdrawals from another private retirement scheme in the same year.
- For pre-retirement withdrawals, the PRS Provider must obtain prior authorization from the PPA before issuing instructions to the Scheme Trustee to cancel Units. Any redemption of Units will be at a price that is the NAV per Unit of the Fund as at the next valuation point after the PPA’s authorization is received by the PRS Provider.
- The PRS Provider will deduct 8% tax penalty on the withdrawal amount which is imposed by the Inland Revenue Board of Malaysia for pre-retirement withdrawal from sub-account B before making payment to Members. The tax penalty would not apply for pre-retirement withdrawals due to death or permanent departure of a Member from Malaysia.

Please note that the example below is for illustration only:

8.5.1 Pre-retirement withdrawal

Assuming that the NAV per Unit of Kenanga OnePRS Growth Fund is RM0.5000 at the end of Business day when the PPA’s authorization is received by the PRS Provider. If a Member redeems 2,000 Units from the Member’s sub-account B of Kenanga OnePRS Growth Fund at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM895.00* from their sub-account B within 10 calendar days from the day the PRS Provider receives PPA’s authorization.

* Net redemption proceeds is calculated as follows:	RM
Withdrawal amount (2,000 Units x RM0.5000)	1,000.00
(Less) PPA pre-retirement withdrawal fee	25.00
(Less) Tax penalty (Withdrawal amount x tax penalty = RM1,000 x 8 %)	80.00
Net redemption proceeds	895.00

8.5.2 Retirement withdrawal

When the Member reaches the retirement age, the Member is allowed to redeem Units from both sub-account A and sub-account B.

Assuming that the NAV per Unit of Kenanga OnePRS Growth Fund is RM0.5000. If a Member redeem 2,000 Units from Kenanga OnePRS Growth Fund account at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM1,000* from the Member’s OnePRS account within 10 calendar days after the PRS Provider has received and accepted the Member redemption request.

* Proceeds of redemption are calculated as follows:	RM
2,000 Units x RM0.5000	1,000.00
(Less) PPA pre-retirement withdrawal fee	0.00
(Less) Tax penalty	0.00
Net redemption proceeds	1,000.00

The minimum redemption must be at least RM250 or 500 Units. If partial redemption is made, the Member’s OnePRS account must have a minimum balance of RM250 or 500 Units to remain invested in the Fund.

8.6 SWITCHING OF FUNDS

Switching is a facility that the PRS Provider offers to its Members. This facility is a convenient way of switching from 1 Fund to another Fund under this Scheme to meet the changing lifestyle need and/or risk profile of Members. Switching between Funds

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THIS IS A PRIVATE RETIREMENT SCHEME

must be either from sub-account A of 1 Fund to sub-account A of another Fund and/or from sub-account B of 1 Fund to sub-account B of another Fund.

Members are allowed to switch Funds under this Scheme anytime at no extra charge. If Members are contributing under the default option and did not instruct the PRS Provider otherwise, their contribution will be switched in accordance to the rules of the default option within the next calendar month from the day they attain the age of 40 and 50 years respectively.

- There is no switching fee and no limit to the number of switching in a year imposed on the Members.
- The minimum switching amount is RM250 per Fund.

All the fees and charges above may be increased. A supplementary or replacement disclosure document disclosing the new fees and charges will be issued should the fees and charges be increased. A notice period of 30 days will be given to the Members prior to the effective date of the new fees and charges, which is in accordance with the Guidelines as may be amended and/or updated from time to time.

Please note that the example below is for illustration only:

A Member wants to switch from Kenanga OnePRS Moderate Fund to Kenanga OnePRS Growth Fund.

The assumptions for this example are as follows:

A Member wants to switch 2,000 Units of Kenanga OnePRS Moderate Fund into Kenanga OnePRS Growth Fund.

The NAV per Unit of Kenanga OnePRS Moderate Fund is RM1.0102 and the sales charge is 1.50% of NAV per Unit.

The NAV per Unit of Kenanga OnePRS Growth Fund is RM0.5185 and the sales charge for Kenanga OnePRS Growth Fund is 1.50% of NAV per Unit.

Switching value (2,000 Units of Kenanga OnePRS Moderate Fund x RM1.0102)	RM 2,020.40
(Less) switching fee	0.00
Amount switched into Kenanga OnePRS Growth Fund	<u>2,020.40</u>
Number of Units in Kenanga OnePRS Growth Fund account (RM2,020.40 / RM0.5185 per Unit) =	<u>3,896.6248 Units</u> <u>3,896.62 Units</u> (rounded to 2 decimal points)

The switching of any Funds must be either from sub-account A to another sub-account A or/and from sub-account B to another sub-account B.

Switching from Kenanga OnePRS Shariah Equity Fund to a conventional fund is discouraged for Muslim members.

Members are advised to read and understand the contents of this First Replacement Disclosure Document before switching to any Funds. If in doubt, please consult a professional adviser.

8.7 TRANSFERS BETWEEN PRS PROVIDERS

A Member may redeem Units of any Fund under the Scheme and transfer the proceeds of such redemption to another PRS operated by another PRS provider prior to a Member reaching the retirement age subject to the satisfaction of the following terms and conditions:

- (a) the request for transfer can only be made after one year has elapsed from the date of the first contribution to the Scheme by the Member;
- (b) a request for transfer to another PRS operated by another PRS provider may only be made once every calendar year; and
- (c) all the proceeds from the redemption of Units of a Fund may only be transferred to one (1) other fund of the PRS operated by another PRS provider.

The transfer can be made in the following manner:

- (a) from one or more Funds of the PRS Provider to one or more funds of another PRS provider; or
- (b) be a consolidation of all units held in all private retirement schemes to one PRS. The consolidation is only possible if the Member is also a member of all private retirement schemes for more than one year and provided that no transfer of units has been made by a Member from a particular PRS provider in that calendar year.

The transfer will be from sub-account A to another sub-account A or / and from sub-account B to another sub-account B.

The PRS Provider shall pay the proceeds of such redemption to the other PRS provider by way of cheque or telegraphic transfer within 5 Business Days from the date the PRS Provider receives a completed transfer form from the PPA.

A Member is not allowed to transfer any Units held by the Member to any other person.

Please note that the example below is for illustration only:

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A Member wants to transfer RM10,000 from sub-account A of Kenanga OnePRS Growth Fund to sub-account A of DEF fund of ABC PRS provider.

	RM
Transfer of Units from Kenanga OnePRS Growth Fund	10,000.00
(Less) Transfer fee charged by the PRS Provider	25.00
(Less) Transfer fee charged by PPA	25.00
Amount of Units transferred into DEF fund of ABC PRS provider	9,950.00

Note:

- The transfer fee charged are non-negotiable and retained by the PRS Provider and PPA respectively.
- Any fees to be charged by the PPA to the Members or employers who make contributions on behalf of the Members may be collected by the PRS Provider acting on behalf of the PPA.

8.8 HOW TO PURCHASE, REDEEM, SWITCH AND TRANSFER BETWEEN PRS PROVIDERS

Transaction	Requirements	Minimum Amount
Minimum initial contribution	<ul style="list-style-type: none"> • Member account opening & application form • Legible photocopy of identity card/passport of each applicant. • Payment. 	<ul style="list-style-type: none"> • RM1,000 to open OnePRS account; if lump sum/one-off payment, or • RM100 to open OnePRS account, if monthly regular payment.
Minimum additional contributions	<ul style="list-style-type: none"> • Transaction form. • Payment. 	<ul style="list-style-type: none"> • RM100 per Fund.
Regular contributions	<ul style="list-style-type: none"> • Transaction form. • Direct debit services form. 	<ul style="list-style-type: none"> • RM100 per Fund. • A fee of RM5 is charged for each unsuccessful auto debit deduction.
Redemptions	<ul style="list-style-type: none"> • Transaction form. 	<ul style="list-style-type: none"> • Minimum RM250 per Fund or 500 Units per Fund. • Retirement redemption charge: Nil.
Minimum monthly withdrawal (post retirement withdrawal)	<ul style="list-style-type: none"> • Transaction form. 	<ul style="list-style-type: none"> • Minimum Units withdrawn based on last trading day's price equivalent to at least RM250.
Switching	<ul style="list-style-type: none"> • Transaction form. 	<ul style="list-style-type: none"> • Minimum RM250 per Fund or 500 Units per Fund. • Switching fee: Nil.
Transfer to another PRS provider	<ul style="list-style-type: none"> • Transaction form. 	<ul style="list-style-type: none"> • Minimum RM250 per Fund or 500 Units per Fund. • Transfer fee: RM25 per transaction.

The PRS Provider reserves the right to vary such conditions e.g. the minimum transaction amount from time to time, by providing at least 30 days notification to the Members in writing before the effective date of the change.

8.9 DISTRIBUTION CHANNELS

The Funds are distributed through Kenanga Authorized PRS Distributors. The PRS Provider's regional branch offices are listed on Section 19.

Members are advised not to make payment in cash when purchasing Units of a Fund under the Scheme via any institutional/retail agent.

8.10 COOLING-OFF

Members are given one (1) Cooling-off right when they make a contribution to the Scheme for the 1st time and are given a cooling-off period. The cooling-off period is 6 Business days from the date of receipt of their 1st application by the PRS Provider. This Cooling-off right is only given to a first time member registered with PPA who is investing with any PRS provider.

After a Member has requested for a refund within the cooling-off period, the Member will receive the total refund as per Cooling-off right (please refer to below example) within 10 calendar days upon receiving PPA's authorization, subject to the clearance of the Member's cheque by the bank. Please note that this Cooling-off right is not applicable to the following type of Members:

- Staff of the PRS Provider; or
- A person registered with a body approved by the SC to deal in private retirement schemes.

Please note that the example below is for illustration only:

The assumptions for this example are as follows:
 A Member contributes RM1,000.00 into Kenanga OnePRS Growth Fund.
 The NAV per Unit of Kenanga OnePRS Growth Fund is RM0.5000 and the sales charge is 1.50% of NAV per Unit.

	RM
Total initial contribution amount into Kenanga OnePRS Growth Fund	1,000.00
Add sales charge paid*	15.00
Total refund as per Cooling-off right	1,015.00

Therefore, if a Member decides to exercise the Cooling-off right, the PRS Provider will refund the amount of RM1,015.00.

* Sales charge paid = NAV per Unit x number of Units allotted[^] x sales charge = RM0.5000 x 2,000.00 Units x 1.50% = RM15.00
[^] Number of Units allotted = Initial contribution / NAV per Unit = RM1,000.00 / RM0.5000 = 2,000.00 Units.

8.11 POLICY ON DISTRIBUTION AND UNCLAIMED MONIES

• Distribution

Distribution (if any) will be declared annually and reinvested into the Fund.

For Members who have not reached their retirement age, all distribution will be reinvested into the Fund. Distribution, if any, will be reinvested to purchase additional Units in the respective Fund at NAV per Unit without sales charge. Distributions for the Funds will be reinvested on the day the distribution is declared.

For Members who have reached their retirement age, they can opt to have the distribution paid to them by cheque or to their bank account (according to their instruction on the mode of payment). Distribution (if any) will be paid within 2 months from the date of the distribution declaration. If Members decide to change their distribution mode of payment instruction, they must notify the PRS Provider in writing at least 14 Business days prior to the payment dates.

Distribution of less than RM250 (applicable for Members who have reached their retirement age)

Distribution of less than RM250 per Fund will be automatically reinvested on the Member's behalf at the NAV per Unit of the Fund on the date the distribution is declared.

• Unclaimed Monies

- (1) Subject to point (2) below, where the Member of the Scheme has not made any transaction or instruction in relation to the Scheme for more than 12 months subsequent to attaining the age of 80 years, the Scheme Trustee may pay any unclaimed moneys held by the Scheme Trustee to the Registrar of Unclaimed Monies, in accordance with the provisions of the *Unclaimed Moneys Act 1965*.
- (2) Prior to paying the unclaimed moneys to the Registrar of Unclaimed Monies, the Scheme Trustee must obtain approval of the PPA.

9. THE PRS PROVIDER

9.1 BOARD OF DIRECTORS

The functions of the board of directors are to elaborate, decide, endorse or resolve all matters pertaining to the PRS Provider and the Funds at the Board meetings that are held formally four times yearly or as circumstances require.

Datuk Syed Ahmad Alwee Alsree (Chairman)
Date of Appointment: 11 October 2006

Datuk Syed Ahmad Alwee Alsree was appointed Chairman of KIB on 1 January 2008 after having been appointed to the Board in October 2006. He was appointed as a Non-Executive Director of K&N Kenanga Holdings Berhad on 28 August 2009 and had, on 26 July 2011, re-designated as Deputy Chairman. Datuk Syed Ahmad Alwee Alsree is also the Group Executive Director of Cahya Mata Sarawak Berhad (CMSB). He had earlier joined CMSB in February 2004 as Group General Manager – Human Resources where he was responsible for the smooth operations and integration of the various human resource departments within CMS Group. He was appointed as Deputy Group Managing Director of CMSB in September 2006 and subsequently re-designated as Group Executive Director in August 2008. Datuk Syed Ahmad graduated with a Bachelor of Law (LL.B.) from the National University of Singapore, and practiced law in Singapore for over ten (10) years prior to joining CMS Group.

Apart from K&N Kenanga Holdings Berhad and CMSB, Datuk Syed Ahmad is a director of KKB Engineering Berhad, Kenanga Investment Bank Berhad and SIG Gases Berhad. He is the Chairman of Samalaju Aluminium Industries Sdn Bhd (formerly known as Similajau Aluminium Industries Sdn Bhd) and a director of several CMS subsidiaries in financial services, property development and education.

Syed Zafilen Syed Alwee (Independent Director)
Date of Appointment: 12 May 2008

Syed Zafilen Syed Alwee was appointed as the Director of KIB on 12 May 2008. He has spent his career in managing various sectors of operations of companies such as sales, marketing, technical, management, finance in local listed companies as well as multinational including Patimas, Lityan, Cahya Mata Sarawak, Lucent Technologies, Motorola, Mobil and others as well as being ownership of two other companies. He is currently undergoing an MBA programme in Finance at the University of Manchester.

YM Raja Dato' Seri Abdul Aziz bin Raja Salim (Independent Director)
Date of Appointment: 24 February 2012

YM Raja Dato' Seri Abdul Aziz bin Raja Salim was appointed as the Director of KIB on 24 February 2012. He is an Honorary Fellow of the Malaysian Institute of Taxation, Fellow of the Chartered Association of Certified Accountants, United Kingdom, Fellow of the Chartered Institute of Management Accountants ("CIMA"), United Kingdom and a Chartered Accountant (Malaysia).

He served as Director General of Inland Revenue Malaysia from 1980 to 1990 and Accountant General Malaysia from 1990 to 1994. After his retirement from the Government service, he was appointed as Chairman of BSN Commercial Bank (M) Berhad from 1995 to 1999. He was a Board Member of several Government agencies and organisations as well as Deputy Chairman of the Employees Provident Fund and Deputy Chairman of the Universiti Pertanian Malaysia Council. YM Raja Dato' Seri Abdul Aziz was the President of CIMA, Malaysia from 1976 to 1993 and a council member of CIMA, United Kingdom from 1990 to 1996. He was awarded the CIMA Gold Medal in recognition of his outstanding service to the Accounting Profession. He was a council member of the Malaysian Institute of Accountants ("MIA") until September 2005 and still sits on many MIA committees.

YM Raja Dato' Seri Abdul Aziz is a Director of K & N Kenanga Holdings Berhad, Kenanga Islamic Investors Berhad (Formerly known as Kenanga Fund Management Berhad), Hong Leong Industries Berhad, Panasonic Manufacturing Malaysia Berhad and Southern Steel Berhad.

Vivek Sharma (Independent Director)
Date of Appointment: 1 October 2012

Vivek Sharma was appointed as the director of KIB on 1 October 2012. He has over 20 years experience in building and leading businesses in South East Asia in the fields of higher education, insurance, wealth management and real estate. He is currently managing director of VS Development, a company which focuses on property development. In financial services, he was a Director of Investments at Merrill Lynch and a business leader at Cigna in South East Asia. He was also Executive Director, Asia for Laureate Higher Education Group, as well as Director of Development, Asia for INSEAD business school.

He holds a Bsc. Economics from International Institute for Management Development (IMD) in Lausanne, Switzerland.

Peter John Rayner (Independent Director)
Date of Appointment: 11 November 2010

Peter John Rayner was appointed a Director (and investment committee member) of KIB on 11 November 2010. He has over thirty (30) years successful experience in building & leading businesses in the fields of Chartered Accounting, Stock Broking, Private Equity and Asset Management. He has held many senior positions including as Chief Executive Officer of both, Allianz

Global Investors and Saltbush Funds Management in Australia, Executive Director of private equity firm Audant Capital, Head of Institutional Investment at Perpetual Investments and National Chief Financial Officer of a major Australian hospital group. He is currently also a Trustee of the Rookwood General Cemeteries Trust in Sydney, and a Director of two Australian private family companies. He holds a business degree (majoring in Accounting & Finance) from Charles Sturt University in Australia, and is a Certified Practising Accountant (CPA).

Bruce Kho Yaw Huat

Date of Appointment: 29 June 2010

Bruce Kho Yaw Huat was appointed as the Director of KIB on 29 June 2010. Bruce has significant experience in building and leading financial management firms. His experience spans thirty-five (35) years within the fields of finance and management, twenty four (24) of which were as the Chief Executive Officer, and later Chairman, of the Allianz Group's Asian asset management business, a market leader in the provision of asset management services.

Ismitz Matthew De Alwis

Interim Chief Executive Officer and Executive Director

Date of Appointment: 12 August 2014

Ismitz Matthew De Alwis was appointed as interim chief executive officer and executive director of KIB on 12 August 2014. He has been providing executive oversight for various divisions, including retail business development, finance and administration, investment operations, product development and marketing, strategic business planning, as well as risk management and governance. He joined KIB in 2013 as deputy chief executive officer. Prior to this, he was with ING Funds Berhad ("ING Funds"), where he was there since 2003 and is part of the pioneer team who is responsible for the exponential growth of ING Funds in Malaysia. His last position in ING Funds was as an acting chief executive officer, where besides assuming the additional strategic and executive oversight of ING Funds, he also continued to spearhead nationwide distribution, product management and business development for retail, corporate and institutional markets. He started his career as an investment analyst with a regional research & advisory firm, where he obtains vast regional exposure in Hong Kong, Philippines, Dubai and Singapore. He was responsible for research, marketing, distribution and product development. Upon his return to Malaysia, he joined a local established financial institution and investment management company before joining ING Funds. He brings with him 20 years of experience and multiple expertise in the field of financial and investment management.

Mr De Alwis holds a MBA from Southern Cross University where he graduated with distinction and a Bachelor Degree (H) in Business Administration from RMIT. In addition, he holds two other professional qualifications, one from the Chartered Institute of Marketing UK (CIM UK) and is a Certified Financial Planner. Mr. De Alwis is also a Capital Markets Services Representative's Licence (CMSRL) holder for investment advice, fund management and dealing in private retirement schemes approved by the SC.

9.2 KEY MANAGEMENT STAFF

Ismitz Matthew De Alwis

Interim Chief Executive Officer and Executive Director

Ismitz Matthew De Alwis's biography has been mentioned under Section 9.1 above.

Lee Sook Yee

Chief Investment Officer

Lee Sook Yee joined the PRS Provider as the Chief Investment Officer ("CIO") in March 2013, bringing with her more than twelve (12) years of experience in local and regional equities investment. Prior to this, Sook Yee was Head of Equities at Meridian Asset Management ("Meridian"), where she led an experienced team of fund managers/analysts in managing equities portfolios of more than RM1 billion in assets under management. At Meridian, she managed various local and regional funds. Before joining Meridian, Sook Yee was Vice President/Senior Portfolio Manager at Credit-Suisse Asset Management in Singapore where she co-managed mutual funds focusing on emerging Asian markets. She was also Associate Director/Portfolio Manager with UOB-OSK Asset Management.

Andrew Chan Yee Kok

Chief Financial Officer

Mr Chan joined the PRS Provider in June 2013 to head the Finance & Investment Operations team. Prior to this, Mr Chan was with ING Funds Berhad ("ING Funds"), where he joined since 2004. He has been with ING Funds since the company's inception and is one of the pioneers during the company's green field set-up.

Mr Chan has more than 20 years of experience in the business management, finance and accounting field. He started his accounting career in Australia. Upon his return, he joined a public-listed company as a senior accountant. His last stint prior to joining ING Funds was with an established unit trust management company where he was responsible for all financial reporting and management.

Mr Chan is a Certified Practising Accountant (CPA), Aust and holds a Bachelor of Economics from La Trobe University, Melbourne, Australia.

Mariam Veronica Abu Bakkar Seddek
Senior Vice President, Institutional Business

Mariam Veronica Abu Bakkar Seddek joined the PRS Provider in July 2012 and assumed the role of the Senior Vice President, Institutional Business in March 2014. She was previously the Head of Compliance in KIB. Mariam brings with her over 13 years of extensive experience in the areas of asset management, unit trust and audit. She has worked in Securities Commission Malaysia as well as one of the top asset management companies in Malaysia. She graduated with a Bachelor of Science in Accounting from University of Wales Cardiff, United Kingdom in 1998.

Rizal Abdullah
Head, Compliance

Rizal joined the PRS Provider in March 2014 as Head of Compliance. He graduated with an LLB Laws from King's College London, United Kingdom in 1998. He was called to the Malaysian Bar in 2000 and joined the SC in the same year. He served the SC for 5 years where he was involved in the investigation and prosecution of breaches of the Securities laws. Thereafter, he served in various other positions, including as a Group Chief Compliance officer for a public trustee, Head of Legal for a fund management company and General Counsel and Corporate Secretary for a non-profit organization under Bank Negara Malaysia.

Rizal is the designated person responsible for compliance matters for the Funds.

9.3 THE PRS PROVIDER'S TRACK RECORD AND EXPERIENCE

Pursuant to a vesting order granted by the High Court of Malaya on 25 April 2013, ING Funds Berhad has transferred its entire business including all assets and liabilities to the PRS Provider with effect from 8 June 2013.

The PRS Provider, KIB was incorporated as a public limited company on 2 August 1995 under the Companies Act 1965 with an authorised share capital of RM25,000,000.00 comprising 15,000,000 ordinary shares of RM1.00 each and 10,000,000 preference shares of RM1.00 each of which 13,465,300 ordinary shares and 5,000,000 preference shares are issued and fully paid up. KIB is 100% owned by Kenanga Investment Bank Berhad which is a wholly-own subsidiary of K & N Kenanga Holdings Berhad.

KIB is licensed and authorised to deal in securities (restricted to unit trust), fund management, investment advisory and dealing in private retirement schemes on behalf of corporate, institutional and individual clients under the Act. KIB established its maiden fund, the Kenanga Premier Fund, on 26 November 1996 and has since then been managing an array of unit trust funds and private mandates. As at 31 August 2014, the PRS Provider manages 28 unit trust funds, 1 private retirement scheme (consisting of 3 funds), 11 wholesale funds and other funds from government agencies, pension funds, insurance, corporate and individual clients with a total fund size of more than RM5 billion. The PRS Provider has the services of 86 experienced personnel (75 executives and 11 non-executives).

9.4 SUMMARY OF FINANCIAL POSITION FOR THE LAST 3 YEARS

The audited financial results of KIB for the financial years ended 31 December 2011 to 31 December 2013 are summarized below:

	Year ended 31 Dec 2013 RM'000	Year ended 31 Dec 2012 RM'000	Year ended 31 Dec 2011 RM'000
Paid-up capital	18,465	6,765	6,765
Shareholders' funds	35,583	11,036	12,777
Revenue	35,551	12,178	10,234
Profit / (loss) before taxation	14,138	(1,914)	(1,473)
Profit / (loss) after taxation	12,847	(1,741)	(1,290)

9.5 ROLES, DUTIES AND FUNCTIONS OF THE PRS PROVIDER

The PRS Provider is responsible for the day-to-day operations of the Funds in accordance with the provisions of the Deed, First Replacement Disclosure Document, securities laws, Guidelines and investment management standards set by the SC approved self-regulatory organization.

Its main responsibilities include:

- (1) At all times exercise its powers for a proper purpose and in good faith in the best interest of the Members as a whole;
- (2) Exercise the degree of care and diligence that a reasonable man would exercise if he was in the private retirement scheme provider's position;
- (3) In the performance of its function and the management and operation of the Scheme, act in accordance with the provisions and covenants of the Deed, the provisions of the Act, PRS Regulations and Guidelines issued by the SC;

This First Replacement Disclosure Document replaces the Disclosure Document dated 20 November 2013.

- (4) Give priority to the interest of Members as a whole over its own interest in the event of a conflict between the interest of Members as a whole and its own interest;
- (5) Keep records of all transactions relating to the Funds and ensure that all accounts and records kept are complete and accurate;
- (6) Make all financial records or other books of the Funds available for inspection by:
 - (i) the Scheme Trustee;
 - (ii) an officer or employee of the Scheme Trustee authorized by the Scheme Trustee to carry out the inspection; or
 - (iii) an auditor appointed by the Scheme Trustee to carry out the inspection,and give such persons carrying out the inspection any information, explanation or other assistance that they may require in relation to those records;
- (7) Not to make improper use of its position in managing the Scheme to gain directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interests of Members of the Scheme;
- (8) Not to invest any monies available under the Deed in any securities, derivatives, property or assets in which or from which the PRS Provider or any of its officer derives a benefit without the prior approval of the Scheme Trustee; and
- (9) Carry out any other duties or responsibilities as may be specified by the SC.

9.6 MATERIAL LITIGATION AND ARBITRATION

As at LPD, save as disclosed below, the PRS Provider is not engaged in any litigation or arbitration proceedings, either as plaintiff or defendant which has a material effect on the financial position of the PRS Provider, and the board of directors is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any such proceedings which might materially and adversely affect the position or business of the PRS Provider.

An ex-employee of the PRS Provider who was dismissed by the PRS Provider has filed an action under section 20(3) of the Industrial Relations Act 1967 to challenge his dismissal. The ex-employee contends that his dismissal was without just cause or excuse and is seeking to be reinstated to his former position without any loss of salary and benefits.

The matter came up for further submissions on 31 January 2011 before the Industrial Court in Kuching. The learned chairman then adjourned the matter and informed us that he will be handing down his written decision on the above matter in due course. As at 31 August 2014, the learned chairman has yet to deliver his decision on the case.

The directors of the PRS Provider are of the opinion that the claim has no bearing on the performance of the Funds and that it has no adverse effect on the capability of the PRS Provider in discharging its duties and responsibilities to the Members of the Funds.

9.7 INVESTMENT COMMITTEE MEMBERS

The investment committee's roles and responsibilities include the following:

- (a) Selecting appropriate strategies to achieve the proper performance of the Fund in accordance with the fund management policies;
- (b) Ensuring that the strategies selected are properly and efficiently implemented by the PRS Provider; and
- (c) Actively monitor, measure and evaluate the fund management performance of the PRS Provider.

The Committee meets four times yearly or as circumstances require.

The members of the investment committee for the Fund consist of:

- Bruce Kho Yaw Huat (**Chairman**)
- Syed Zafilen Syed Alwee (**Independent Member**)
- Vivek Sharma (**Independent Member**)
- Peter John Rayner (**Independent Member**)
- Ismitz Matthew De Alwis

** please refer to "The Board of Director" section for details of their profiles.*

9.8 AUDIT COMMITTEE MEMBERS

The audit committee is responsible for protecting the interest of stakeholders and to assist the board of directors in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control of the PRS Provider in

line with regulatory requirements. Specifically, the audit committee will review and report on the effectiveness of the PRS Provider's internal control system.

The audit committee meets at least once every quarter and shall report to the board on the nature and extent of its functions and may make recommendations to the board on any audit and financial reporting matters as it may think fit.

The audit committee comprises the following members:

- YM Raja Dato' Seri Abdul Aziz bin Raja Salim (**Independent Chairman**)
- Syed Zafilen Syed Alwee (**Independent Member**)
- Vivek Sharma (**Independent Member**)
- Bruce Kho Yaw Huat

** please refer to "The Board of Director" section for details of their profiles.*

9.9 INVESTMENT MANAGEMENT TEAM

The investment management team is responsible to actively manage the Funds in accordance with the investment objective of the Funds and the provision of the Deed. The investment management team shall have discretionary authority over the investment of the Funds subject to the rules and guidelines issued by the relevant authorities. Chief Investment Officer, Ms Lee Sook Yee heads the investment management team. She is assisted by a team of investment management professionals.

The team will report on the investment strategy and performance of the Funds to the investment committee at monthly intervals for review.

Lee Sook Yee, Chief Investment Officer

Ms Lee Sook Yee is the designated fund manager of the Funds.

** please refer to "Key Management Staff" section for details of her profile.*

10. SCHEME TRUSTEE**MAYBANK TRUSTEES BERHAD**

Maybank Trustees Berhad (5004-P) is the Scheme Trustee of the Funds with its registered office at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

The Scheme Trustee was incorporated on 12 April 1963 and registered as a trust company under the Trust Companies Act 1949 on 11 November 1963. It was one of the 1st local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

10.1 SUMMARY OF MAYBANK TRUSTEES BERHAD'S FINANCIAL POSITION

Summary of the Scheme Trustee's financial figures for the past 3 years:

	31 Dec 2013 (RM)	31 Dec 2012 (RM)	31 Dec 2011* (RM)
Issued and paid-up capital	500,000	500,000	500,000
Shareholders' funds	21,002,473	12,107,452	8,678,875
Revenue	21,316,197	14,047,931	6,506,087
Pretax profit	11,826,263	4,571,241	3,242,278
After tax profit	8,895,021	3,428,577	2,439,413

* Change of financial year to 31 December by Maybank Group with effect from 1 July 2011.

10.2 EXPERIENCE IN TRUSTEE BUSINESS

With more than 22 years of experience as trustee to unit trust funds/schemes, the Scheme Trustee has under its trusteeship a total of fifty eight (58) unit trust funds, four (4) wholesale funds, one (1) private retirement scheme (consisting of three (3) funds) and four (4) real estate investment trust/ property trust funds as at 31 August 2014.

10.3 BOARD OF DIRECTORS

1. En Zainal Abidin Jamal - Non Independent Non-Executive Director & Chairman
2. Dato' Mohd. Hanif bin Suadi - Non Independent Non-Executive Director
3. Dato' Dr Tan Tat Wai - Independent Non-Executive Director
4. Ms Ong Sau Yin - Independent Non-Executive Director

10.4 KEY PERSONNEL

As at 31 August 2014, the Scheme Trustee has a total of thirty three (33) staff, comprising twenty six (26) executives and seven (7) non-executives.

Mr Samuel Hwa
Officer in Charge
Head, Business Development & Strategies

Mr Samuel Hwa joined the Scheme Trustee in August 2013. He holds a Bachelor of Law degree from the University of London and a Bachelor of Science in Business from Pennsylvania State University double majoring in Finance and Marketing/Management. He started his career in America as a business analyst and later joined an insurance company in Malaysia. Prior to joining Maybank, he was with CIMB Investment Bank Berhad. Samuel has worked in the securities services industry for over five (5) years. He is responsible for the overall business direction and management of the Scheme Trustee.

Ms Bernice K.M Lau
Head, Operations

Ms Bernice Lau was appointed as Head, Operations in November 2013. Prior to her appointment, she was the Head, Corporate Trust. She joined the Scheme Trustee in December 2008. Prior to joining the Scheme Trustee, she was a Legal & Compliance Officer of UOB Trustees Bhd which subsequently merged with OSK Trustees Berhad. She has more than eight (8) years of experience in trustee industry.

She holds a LL.B (Hons) from University of London and a Certificate in Legal Practice from Legal Profession Qualifying Board, Malaysia.

**Ms Lim San San
Head, Unit Trust**

Ms Lim San San joined the Scheme Trustee in June 2011. She has more than thirteen (13) years of experience in financial services and unit trust industry. She is a fellow member of ACCA and a Chartered Accountant of MIA.

10.5 ROLES, DUTIES AND RESPONSIBILITIES OF THE SCHEME TRUSTEE

The Scheme Trustee's role is mainly to act as custodian of the Funds under the Scheme and to exercise all due diligence and vigilance in carrying out its functions and duties and to safeguard the rights and interests of the Members. Apart from being the legal owner of the assets of the Funds under the Scheme, the Scheme Trustee is responsible for ensuring that the PRS Provider performs its obligations in accordance with the provisions of the Deed and the relevant laws.

The Scheme Trustee has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Custody Services ("MCS"), a unit within Malayan Banking Berhad. MCS commenced operations in 1983 and has been appointed as custodian of unit trust funds since 1989. MCS provides clearing and custody services for Malaysian equity and fixed income securities to domestic and foreign institutional clients. In addition, MCS offers global custody services to domestic institutions/clients that have foreign investments.

The custodian acts only in accordance with instructions from the Scheme Trustee.

10.6 SCHEME TRUSTEE'S STATEMENT OF RESPONSIBILITY

The Scheme Trustee has given their willingness to assume the positions and all the obligations that come along with them under the Deed of the Scheme and all relevant written laws. The Scheme Trustee is entitled to be indemnified out of the assets of the Funds under the Scheme for any liability incurred by the Scheme Trustee in performing or exercising any of its powers or duties in relation to the Scheme. This indemnity is in addition to any indemnity allowed by law. However, it does not extend to liabilities arising from a breach of trust or failure to show the due care and diligence required of the Scheme Trustee having regard to its powers, authorities and discretions under the Deed.

10.7 MATERIAL LITIGATION AND ARBITRATION

Save for the suits mentioned herein below, the Scheme Trustee is not engaged in any material litigation as plaintiff or defendant and the Scheme Trustee 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 financial position or business.

1. The bondholders of the Al-Bai Bithaman Ajil ("ABBA") Bonds ("bondholders") issued by Pesaka Astana (M) Sdn Bhd ("PASB") have sued PASB for its failure to meet its bonds payment obligations under Kuala Lumpur High Court Civil Suit No. D5(D6)-22-1810-2005 ("the ABBA Suit") and cited the Scheme Trustee as one of 12 co-defendants in the ABBA Suit. The claim in the ABBA Suit is for RM149,315,000.00 or any other sum that the Court deems fit. The other defendants in the ABBA Suit include among others the Arranger, PASB's Chief Executive Officer, one of PASB's directors and associate companies of the Chief Executive Officer and the said director. The Scheme Trustee has defended the ABBA Suit and its trial has concluded.

The Scheme Trustee had appealed against the decision made by the High Court on 30 June 2010 in respect of the ABBA Suit in awarding judgement against it and another Defendant. The appeals proceeded on 22, 23, 26, 27, 28, 29 and 30 September 2011 and 3 October 2011. The Court of Appeal had on 8 November 2011 awarded the Scheme Trustee and the Arranger a limited indemnity against PASB, PASB's Chief Executive Officer, one of PASB's directors and associate companies of the Chief Executive Officer and the said director (collectively "PASB And The Associated Defendants") but found the Scheme Trustee and the Arranger equally liable to the bondholders. The Federal Court had on 5 April 2012 granted the Scheme Trustee leave to appeal to the Federal Court against certain parts of the decision of the Court of Appeal ("Federal Court Appeal"). The Federal Court Appeal was heard on 6, 7, 8, 20, 21 and 23 November 2012 and on 2, 3 and 4 January 2013. The hearing dates of 17 to 19 October 2012 and 19 November 2012 were vacated.

The Federal Court had on 10 February 2014 delivered its decision ("Decision") wherein it had, among others, allowed the Scheme Trustee a full indemnity against PASB And Their Associated Defendants and reduced the judgement sum against the Scheme Trustee to approximately RM107 million without apportionment of liability against the Arranger.

PASB's Chief Executive Officer and associate companies of the Chief Executive Officer have filed an application for the Federal Court to review its decision against them ("Review Application 1"). The Review Application 1 is fixed for hearing on 29 September 2014.

Most of the bondholders have filed an application for the Federal Court to grant leave to review its Decision in finding the Arranger not liable ("Review Application 2"). Review Application 2 is fixed for hearing on 29 September 2014.

2. Connected to the ABBA Suit, Amanah Short Deposits Berhad [now MIDF Amanah Investment Bank Berhad ("MIDF")], a Noteholder of the Combined Commercial Papers and/or Medium Term Notes/Letters of Credit/Financial Guarantee Facilities ("CP/MTN") totaling RM13 million and issued by PASB, has also sued PASB for full payment under the CP/MTN

THIS IS A PRIVATE RETIREMENT SCHEME

arising from a cross-default by PASB under its ABBA Bonds, under Kuala Lumpur High Court Civil Suit No. D2-22-1085-2006 ("the CP/MTN Suit"). The Scheme Trustee was cited as one of 5 co-defendants in the CP/MTN Suit. The claim in the CP/MTN Suit is for RM13 million or any other sum that the Court deems fit and damages. The other defendants in the CP/MTN Suit are the Facility Agent, PASB's Chief Executive Officer and one of PASB's directors. The Scheme Trustee is defending the CP/MTN Suit. Trial dates will be fixed by the High Court upon determination of Review Application 2.

The Scheme Trustee has obtained leave of the court to proceed with the actions against PASB given that further to an unrelated suit a provisional liquidator had been appointed against PASB. The Scheme Trustee has also obtained leave of the court to proceed with the actions against PASB following the court's order to wind-up PASB further to the unrelated suit.

In any event, any successful claim that may be established against the Scheme Trustee will be covered by the Scheme Trustee's insurer and/or Malayan Banking Berhad as the ultimate holding company of the Scheme Trustee. As such, the ABBA Suit and the CP/MTN Suit will not materially affect the business or financial position of the Scheme Trustee.

3. Several holders of the bonds ("bondholders") issued by Aldwich Berhad [In Receivership] ("Aldwich") have sued Aldwich for its failure to settle its indebtedness to the bondholders following the default of the said bonds in 2010 and cited the Scheme Trustee as one of six co-defendants under Kuala Lumpur High Court Suit No. D-22NCC-1622-11/2012 ("the Aldwich Bondholders' Suit"). The claim against the Scheme Trustee is for the sum of RM177,248,747.31 or any other sum that the Court deems fit. The other defendants are the holding company of Aldwich, the chief executive officer of the holding company of Aldwich, the security agent and the reporting accountant. The Scheme Trustee does not admit liability to the Aldwich Bondholders' Suit and shall defend it. Trial has commenced. Trial is adjourned to 10 November 2014. The Aldwich Bondholders' Suit will not materially affect the business or financial position of the Scheme Trustee.

11. IBFIM

IBFIM has been appointed as the Shariah adviser for the Non-Core Fund. IBFIM is scheduled to meet the PRS Provider and/or the investment committee of the Non-Core Fund every quarter, where IBFIM will advise the PRS Provider on the selection of investment tools to be adopted. IBFIM will also counsel the mechanism of the operations of the Non-Core Fund's activities to ensure that the operations of the Non-Core Fund comply with Shariah requirements.

11.1 GENERAL INFORMATION OF IBFIM

IBFIM was incorporated as a company limited by guarantee and not having share capital in Malaysia under the Companies Act, 1965 on 15 February 2007.

11.2 EXPERIENCE IN ADVISORY AND SERVICES

IBFIM is registered with the SC to act as a Shariah adviser for Shariah-compliant collective investment schemes and sukuk issuance. IBFIM is also involved in numerous Shariah-compliant private mandates as well as the Shariah adviser for Islamic REITs and Islamic asset management houses.

As at 31 August 2014, IBFIM has total staff strength of 61 employees, and has 82 funds under its supervision.

11.3 ROLES AND RESPONSIBILITIES OF IBFIM AS THE SHARIAH ADVISER

As the Shariah adviser, the role of IBFIM is to ensure that the operations and investments of the Non-Core Fund are in compliance with Shariah requirements. The Shariah Adviser reviews the Non-Core Fund's investments on a monthly basis to ensure compliance with Shariah requirements at all times and meets with the PRS Provider on a quarterly basis to review and advise on the Non-Core Fund's compliance with Shariah requirements. The final responsibility for ensuring Shariah compliance of the Non-Core Fund with Shariah requirements in all relevant aspects rests solely with the PRS Provider.

In line with the SC Guidelines, the roles of IBFIM as the Shariah adviser are;

1. ensuring that the Non-Core Fund is managed and administered in accordance with the Shariah principles;
2. providing expertise and guidance for the Non-Core Fund in all matters relating to Shariah principles, including on the Non-Core Fund's deed and disclosure document, its structure and investment process, and other operational and administrative matters;
3. consulting the SC who may consult the Shariah Advisory Council where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. scrutinising the Non-Core Fund's compliance report as provided by the compliance officer, transaction report provided by or duly approved by the trustee and any other report deemed necessary for the purpose of ensuring that the Non-Core Fund's investments are in line with the Shariah principles;
5. preparing a report to be included in the Non-Core Fund's quarterly and annual report certifying whether the Non-Core Fund has been managed and administered in accordance with the Shariah principles;
6. ensuring that the Non-Core Fund comply, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
7. vetting and advising on the promotional materials of the Non-Core Fund; and
8. assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.

11.4 PROFILE OF THE SHARIAH TEAM

IBFIM's Shariah team consists of the following personnel;

Dato' Mohd Bakir Bin Haji Mansor (*Distinguished Shariah Advisor*)

Dato' Mohd Bakir Bin Haji Mansor is a member of the Shariah Supervisory Council of Bank Islam Malaysia Berhad ("BIMB"), the Shariah Advisory Body of Syarikat Takaful Malaysia Berhad and sits on the Shariah Panel Committee of Amanah Ikhtiar Malaysia. He is also the Chairman of the Shariah Advisory Committee of the Employees Provident Fund and the Shariah Advisory Committee of BIMB Securities Sdn. Bhd.

Prior to joining IBFIM, Dato' Mohd Bakir was the Shariah Coordinator at BIMB, from 1984 to 2001. Previously, he served at the National Council for Islamic Religious Affairs in the Prime Minister's Department for 10 years from 1971. He was also a Chief Assistant Director at the Islamic Research Centre for 4 years from 1981. He holds a Shahadah Ulya from Kolej Islam Malaya.

Dato' Mohd Bakir was awarded "Tokoh Maulidur Rasul 1434H/2013M" by the government of Malaysia for his contributions in promoting the Islamic finance industry.

Mohd Nasir Bin Ismail (Shariah Advisor)

Mohd Nasir Bin Ismail, IFP, has been with IBFIM since its incorporation. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds. Prior to joining IBFIM, he was with Institut Pengajian Ilmu-Ilmu Islam, Kelantan. He graduated with a Bachelor of Shariah (Honours) from the University of Malaya in 1998. He is also the designated person responsible for Shariah matters related to the Fund.

Ahmad Zakirullah Bin Mohamed Shaarani (Senior Shariah Officer)

Ahmad Zakirullah Bin Mohamed Shaarani joined IBFIM in February 2008. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds. Prior to joining IBFIM, he served at University Sains Islam Malaysia before joining PTPL College. He obtained his Master in Islamic Revealed Knowledge and Human Sciences from International Islamic University Malaysia (Honours), Bachelor of Shariah Islamiyyah (Honours) from Al-Azhar University, Egypt and Diploma of Shariah Islamiyyah (Honours) from Higher Institute of Islamic and Arabic Language (MADIWA). He is also the designated person responsible for Shariah matters related to the Fund.

Budeeman Mana (Senior Shariah Officer)

Budeeman Mana joined IBFIM in July 2011. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds. Prior to joining IBFIM, he served at Sri Cempaka School, Damansara Heights. He graduated with a Bachelor of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) (Honours) from International Islamic University Malaysia in 2010. He is also the designated person responsible for Shariah matters related to the Fund.

12. SALIENT TERMS OF THE DEED

12.1 MEMBERS' RIGHTS

A Member has the right, amongst others:

- to receive income distributions, if any, of a Fund;
- to participate in any increase in the value of the Units of a Fund;
- to call for Members' meetings and to vote for the removal of the Scheme Trustee through special resolution;
- to exercise the cooling-off right (only for qualified members); and
- to receive annual and interim reports on a Fund.

No Member shall be entitled to require the transfer to him of any of the assets of a Fund or be entitled to interfere with or question the exercise by the Trustee, or the PRS Provider on its behalf, of the rights of the Trustee as the registered owner of such assets.

12.2 MEMBERS' LIABILITIES

No Member shall by reason of any provision of the Deed and the relationship created hereby between the PRS Provider, the Scheme Trustee and the Members, or in any event whatsoever, be liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.

A Member shall not be under any obligation to indemnify the PRS Provider and/or the Scheme Trustee in the event that the liabilities incurred by the PRS Provider and/or the Scheme Trustee 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 value of the assets of the Fund, and any right of indemnity of the PRS Provider and/or the Scheme Trustee shall be limited to recourse to the Fund.

12.3 MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

Sales charge*	8.00% of the NAV per Unit of the Fund.
Redemption charge*	5.00% of the NAV per Unit of the Fund.
Annual management fee*	5.00% per annum of the NAV of the Fund.
Annual scheme trustee fee*	0.015% per annum of the NAV of the Fund, subject to a minimum fee of RM6,000 per annum per Fund.

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Members' approval. A supplemental deed proposing a modification to the Deed to increase the aforesaid maximum fees and charges is required to be submitted for registration with the SC accompanied by a special resolution passed by the Members at a Members' meeting duly convened and held according to the provisions of the Deed sanctioning the proposed modification to the Deed.

12.4 PROCEDURES TO INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES STIPULATED IN THIS FIRST REPLACEMENT DISCLOSURE DOCUMENT

Sales Charge

A higher sales charge than that disclosed in this First Replacement Disclosure Document may only be imposed by the PRS Provider if:

- (a) the PRS Provider has notified the Scheme Trustee and the SC in writing of and the effective date for the higher charge;
- (b) a supplemental/replacement disclosure document in respect of the Scheme setting out the higher charge is issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental/replacement disclosure document.

Redemption Charge

A higher redemption charge than that disclosed in this First Replacement Disclosure Document may only be imposed by the PRS Provider if:

- (a) the PRS Provider has notified the Scheme Trustee and the SC in writing of and the effective date for the higher charge;
- (b) a supplemental/replacement disclosure document in respect of the Scheme setting out the higher charge is issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental/replacement disclosure document.

This First Replacement Disclosure Document replaces the Disclosure Document dated 20 November 2013.

Management Fee

The PRS Provider may not charge an annual management fee at a rate higher than that disclosed in this First Replacement Disclosure Document unless:

- (a) the PRS Provider has come to an agreement with the Scheme Trustee on the higher rate in accordance with clause 17.1.3 of the Deed;
- (b) the PRS Provider has notified the Members of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplemental/replacement disclosure document stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental/replacement disclosure document is issued.

Scheme Trustee Fee

The Scheme Trustee may not charge an annual Scheme Trustee fee at a rate higher than that disclosed in this First Replacement Disclosure Document unless:

- (a) the PRS Provider has come to an agreement with the Scheme Trustee on the higher rate;
- (b) the PRS Provider has notified the Members of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplemental/replacement disclosure document stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental/replacement disclosure document is issued.

12.5 PERMITTED EXPENSES PAYABLE BY THE FUNDS

Only the expenses (or parts thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- costs, fees and expenses properly incurred by the auditor;
- costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the PRS Provider and/or the Scheme Trustee;
- costs, fees and expenses incurred for any meeting of the Members save where such meeting is convened for the benefit of the PRS Provider and/or the Scheme Trustee;
- costs, commissions, fees and expenses of the sale, purchase, insurance/takaful and any other dealing of any asset of the Fund;
- costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluating any proposed investment of the Fund;
- costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- costs, fees and expenses incurred in the winding-up of the Fund or the removal of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider;
- costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Scheme Trustee or the PRS Provider by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the PRS Provider decides otherwise;
- costs, fees and expenses deemed by the PRS Provider to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; and
- costs, fees and charges payable to the PPA by the Fund.

12.6 RETIREMENT OR REPLACEMENT OF THE PRS PROVIDER

Subject to the approval of the SC, the PRS Provider shall have the power to retire in favour of some other corporation and as necessary under any written law upon giving to the Scheme Trustee six (6) months' notice in writing of its desire so to do, or such other period as the PRS Provider and the Scheme Trustee may agree and subject to the conditions as stated in the Deed.

The Scheme Trustee shall, with the prior approval of the SC, take all reasonable steps to replace the PRS Provider:

- (a) if the PRS Provider has failed or neglected to carry out its duties to the satisfaction of the Scheme Trustee and the Scheme Trustee considers that it would be in the interests of the Members for it to do so after the Scheme Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the PRS Provider in respect of that opinion, and after consultation with the SC;
- (b) unless expressly directed otherwise by the SC, if the PRS Provider is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a private retirement scheme provider under the relevant law; or
- (c) The PRS Provider has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business;

and the PRS Provider shall not accept any extra payment or benefit in relation to such replacement.

In any of the events set out in paragraphs 11.6(a), (b) and (c) above occurs, the PRS Provider shall upon receipt of a written notice from the SC cease to be the private retirement scheme provider of the Scheme by the mere fact of the PRS Provider's receipt of the notice. The Scheme Trustee shall, at the same time, by writing appoint some other corporation already approved by the SC to be the private retirement scheme provider of the Scheme; such corporation shall have entered into such deed or deeds as the Scheme Trustee may consider to be necessary or desirable to secure the due performance of its duties as the private retirement scheme provider for the Scheme.

12.7 RETIREMENT, REMOVAL OR REPLACEMENT OF THE SCHEME TRUSTEE

The Scheme Trustee may retire upon giving six (6) months' notice to the PRS Provider of its desire to do so, or such other period as the PRS Provider and the Scheme Trustee may agree upon which shall in any event not be less than three (3) months. Upon the retirement of the Scheme Trustee, the PRS Provider shall appoint in writing some other corporation approved by the SC to be the scheme trustee of the Scheme.

Provided always that the PRS Provider has in place a corporation approved by the SC to act as the scheme trustee of the Scheme, the Scheme Trustee may be removed and such corporation may be appointed as scheme trustee of the Scheme by special resolution of the Members at a duly convened meeting.

The PRS Provider shall notify the SC and replace the Scheme Trustee with another scheme trustee as soon as practicable after becoming aware that:

- (a) the Scheme Trustee has ceased to exist;
- (b) the approval granted to the Scheme Trustee has been withdrawn under section 139ZE of the Act;
- (c) the Scheme Trustee has failed or refused to act as scheme trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (d) a receiver, a receiver and manager or an equivalent is appointed over the whole or a substantial part of the assets or undertaking of the Scheme Trustee and has not ceased to act under that appointment;
- (e) a petition has been presented for the winding up of the Scheme Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Scheme Trustee becomes or is declared insolvent); or
- (f) the Scheme Trustee has contravened the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

12.8 TERMINATION OF THE SCHEME AND WINDING-UP OF FUND

The Scheme shall not be terminated unless the PRS Provider or the Scheme Trustee has obtained the prior approval of the SC.

Any Fund shall be wound up if the SC's authorization of the Fund is revoked for any reason.

Upon the termination or winding-up of the Scheme or the Fund, the PRS Provider shall as soon as practicable, give to each Member of the Scheme or the Fund being terminated or wound up notice of such termination or winding-up; the PRS Provider shall notify the Members in writing of the following options:

- (a) to switch to another Fund under the Scheme or another fund under another private retirement scheme managed by another private retirement scheme provider upon such terms and conditions as shall be set out in the written notification; or
- (b) to choose any other alternative as may be proposed by the PRS Provider.

12.9 MEMBER'S MEETING

A Members' meeting may be called by the PRS Provider, Scheme Trustee and/or Members. Any such meeting must be convened in accordance with the Deed and the relevant laws.

Every question arising at any Member's meeting shall be decided in the first instance by a show of hands unless a poll is demanded. On a show of hands every Member who is present in person or by proxy shall have one vote. Upon a poll every Member present in person or by proxy shall have one vote for every Unit held by him.

The quorum required for a meeting of the Members of the Scheme shall be five (5) Members of the Scheme, whether present in person or by proxy, provided always if the meeting has been convened for the purpose of voting on a special resolution, the quorum shall be five (5) Members of the Scheme, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the Units of the Scheme in circulation at the time of the meeting; similarly, the quorum required for a meeting of the Members of a Fund shall be five (5) Members of the Fund, whether present in person or by proxy, provided always if the meeting has been convened for the purpose of voting on a special resolution, the quorum shall be five (5) Members of the Fund, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the Units of the Fund in circulation at the time of the meeting.

12.10 PERMITTED WITHDRAWALS AND PRE-RETIREMENT WITHDRAWALS

Subject always to the prior authorization of the PPA and the receipt of satisfactory evidence by the PRS Provider and/or the PPA, a full withdrawal from the Scheme may be requested and made only in the following circumstances:

- (a) after a Member has reached the retirement age;
- (b) following the death of a Member; or
- (c) the permanent departure of a Member from Malaysia.

Subject always to the prior authorization of the PPA (if applicable) and the receipt of satisfactory evidence by the PRS Provider and/or the PPA, a partial withdrawal from the Scheme may be requested and made:

- (a) after a Member has reached the retirement age; or
- (b) prior to a Member reaching the retirement age, in respect of all or some of the Member's Units held in sub-account B.

Subject always to the prior authorization of the PPA, a partial withdrawal under paragraph (b) above shall only be allowed subject to the following conditions:

- (a) the first request for a partial withdrawal may only be made after one year has elapsed from the date of the first contribution to the Scheme; and
- (b) subsequent requests for partial withdrawals may only be made once every calendar year beginning with the calendar year immediately following the calendar year in which the first request for a partial withdrawal was made to one or more private retirement scheme(s) (including the Scheme).

12.11 SWITCHING OF FUNDS UNDER THE SCHEME

Switching between Funds under the Scheme shall be subject to such terms and conditions as shall be adequately disclosed in this First Replacement Disclosure Document.

12.12 TRANSFERS OF UNITS IN A FUND UNDER THE SCHEME TO ANOTHER PRIVATE RETIREMENT SCHEME PROVIDER*

A Member, who may also be a member of another private retirement scheme, may redeem Units of any Fund under the Scheme and transfer the proceeds of such redemption to another private retirement scheme operated by another PRS provider subject to the satisfaction of the following terms and conditions:

- (a) the request for transfer can only be made after one year has elapsed from the date of the first contribution to the Scheme by the Member;
- (b) a request for transfer to another PRS operated by another PRS provider may only be made once every calendar year; and

THIS IS A PRIVATE RETIREMENT SCHEME

- (c) all the proceeds from the redemption of units of a fund may only be transferred to one (1) other fund of the private retirement scheme operated by another PRS provider.

**Note:*

The transfer can be made in the following manner:

- (a) *from one or more funds of a PRS provider to one or more funds of another PRS provider; or*
(b) *be a consolidation of all units held in all private retirement schemes to one PRS provided that no transfer of units has been made by a Member from a particular PRS provider in that calendar year.*

13. APPROVALS AND CONDITIONS

The Scheme has been approved and the Funds have been authorized by the SC on 17 July 2012, subject to the following conditions:

- (1) Appointment of a Scheme Trustee (as defined in the Capital Markets and Services Act 2007) duly approved by the SC;
- (2) Implementation and maintenance of appropriate oversight arrangements (per chapter 6 of the Guidelines) as follows:
 - (a) Appointment of an investment committee for each Core Fund; and
 - (b) Appointment of an audit committee of the Scheme.
- (3) A Deed of the Scheme (encompassing the Core Funds) which complies with the requirements of the Guidelines, must be in force at all times;
- (4) With regard to the Kenanga OnePRS Conservative Fund, the following prohibitions and requirements must be complied with at all times:
 - (a) Investments in debentures/fixed income instruments must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of Kenanga OnePRS Conservative Fund's NAV (the 5% Limit). In the event the 5% Limit is exceeded, whether as a result of:
 - (i) a downgrade of any debenture/fixed income instrument to below BBB3/P2;
 - (ii) an increase in the aggregate value of debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated; or
 - (iii) a decrease in the NAV of Kenanga OnePRS Conservative Fund, PRS Provider must reduce such investments to comply with 5% Limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interests of Members;
 - (b) Use of derivatives is for hedging purposes only;
 - (c) No investment in warrants except as a result of Kenanga OnePRS Conservative Fund's holdings in equities;
 - (d) No investment in products with embedded derivatives;
 - (e) No exposure to foreign currency; and
 - (f) No investment in RM-denominated foreign debentures/fixed income instruments.
- (5) The disclosure document of the Scheme must be registered with the SC.

The PRS Provider has sought for a variation from complying with the requirements of Section 3(a) of Schedule A1 of the Guidelines which states that the investment of Core Funds into one or more collective investment schemes of the same PRS Provider (target funds) is permitted for a five-year period from the launch of the Scheme or upon reaching RM200 million NAV (whichever is earlier) provided that the value of a Core Fund's investment in any of the target fund(s) must not exceed 40% of the Core Fund's NAV. The SC has on 14 November 2013 approved the variation to allow the PRS Provider to invest as follows:

- (a) Kenanga OnePRS Conservative Fund: Up to 80% NAV in any one collective investment scheme.
- (b) Kenanga OnePRS Moderate Fund: Up to 95% NAV in a single collective investment scheme.
- (c) Kenanga OnePRS Growth Fund: Up to 70% in any one collective investment scheme.

14. RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

14.1 RELATED-PARTY TRANSACTIONS

As at the LPD, the PRS Provider is not aware of any existing or potential related party transactions involving the Funds, the Scheme Trustee, promoters, vendors and/or persons connected to them.

14.2 POLICY ON CONFLICT OF INTEREST

The directors, investment committee and staff of the PRS Provider must be alert and avoid or declare any conflict of interest situations to the company secretary. A situation of conflict of interest may erode the trust and confidence of the public in dealing with the PRS Provider.

All conflict of interest situations, if any, will be forwarded to the investment committee for verification before a fair and equitable decision is reached. The decision from the investment committee will be final.

Employees Dealing in Securities

- (a) Trading in securities by an employee for his/her personal account or for a connected person or under the name of a nominee is not encouraged and if done so, he/she should ensure that the dealing is not taking advantage or be viewed as taking advantage of information not generally known to the public ("Chinese Wall" provision = artificial barriers to the flow of information).
- (b) Dealings by employees in their own name but on behalf, and for the benefit, of another person may only be carried out with the prior approval of a director and/or chief executive officer.
- (c) An employee when dealing in securities whether for the PRS Provider, the client or personal account shall consistently adhere to ethical standards in such dealings. An employee shall not engage in share dealing transactions of a nature that is questionable or illegal and therefore shall not engage in share dealing transactions, either by himself or with others which are, or which will give resemblance of false trading, market rigging or market manipulation.

14.3 DETAILS OF THE PRS PROVIDER'S DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' DIRECT AND INDIRECT INTEREST IN OTHER CORPORATIONS CARRYING ON A SIMILAR BUSINESS

As at the LPD, none of the PRS Provider's directors or substantial shareholders have any direct or indirect interest in other corporations carrying on a similar business as the PRS Provider.

14.4 OTHER DECLARATIONS

The solicitors, auditors and tax adviser confirm that there are no existing or potential conflicts of interest in their respective capacity as advisors for the PRS Provider.

15. TAXATION ADVISERS' LETTER

Taxation adviser's letter in respect of the taxation
of the funds under a private retirement scheme, members and members' employers (prepared for inclusion in this
disclosure document)

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Pusat Bandar Damansara
50490 Kuala Lumpur

23 July 2014

The Board of Directors
Kenanga Investors Berhad
8th Floor, Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur

Dear Sirs

OnePRS Scheme

Taxation of the funds under a private retirement scheme ("PRS"), members and members' employers

This letter has been prepared for inclusion in this First Replacement Disclosure Document in connection with the offer of units in the funds under OnePRS Scheme (hereinafter referred to as "the Scheme"). The funds under the Scheme comprise of the following funds (hereinafter referred to as "the Funds") which are structured as unit trust funds:

1. Kenanga OnePRS Conservative Fund;
2. Kenanga OnePRS Moderate Fund;
3. Kenanga OnePRS Growth Fund; and
4. Kenanga OnePRS Shariah Equity Fund.

The funds are offered under the PRS approved by the Securities Commission in accordance with the Capital Markets and Services Act 2007.

The purpose of this letter is to provide an overview of the impact of taxation on the Funds under the Scheme, members of the Scheme and their employers.

Taxation of the Funds

The taxation of the Funds which are structured as unit trust funds is subject to the provisions of the Malaysian Income Tax Act 1967 ("MITA"), particularly Sections 61 and 63B.

Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*,

The effect of this is that any gains or profits received (hereinafter referred to as "profits") and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*, will be accorded the same tax treatment as if they were interest.

Subject to certain exemptions, the income of the Funds comprising interest (profits) and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax, which is currently imposed at the rate of 25%¹.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

¹ In the 2014 Budget announcement, it was proposed that this income tax rate be reduced to 24% with effect from the year of assessment 2016. This proposal has yet to be legislated.

“Permitted expenses” refer to the following expenses incurred by the Funds which are not deductible under Section 33(1) of the MITA:-

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:-

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
 - B is gross income consisting of dividend², interest and rent chargeable to tax for that basis period; and
 - C is the aggregate of the gross income consisting of dividend² and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

Exempt income

The following income of the Funds is exempt from income tax:-

- **Malaysian sourced dividends**

Tax exempt dividends received from investments in companies which had previously enjoyed or are currently enjoying certain tax incentives provided under the relevant legislation.

Any dividends paid, credited or distributed to any person where the company paying such dividends is not entitled to deduct tax under Section 108 of the MITA (commonly referred to as single tier dividends).

Paragraph 12B, Schedule 6 of MITA states that exempt dividend includes any dividend paid, credited or distributed to any person where the company paying such dividend is not entitled to deduct tax under Section 108 of MITA.

- **Malaysian sourced interest (profits)**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or Islamic securities, (other than convertible loan stock) approved by the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks or financial institutions licensed under the Banking and Financial Institutions Act, 1989 or the Islamic Banking Act, 1983³;
- (v) interest from Islamic securities originating from Malaysia, other than convertible loan stock issued in any currency other than Ringgit and approved by Securities Commission or Labuan Offshore Financial Services Authority (LOFSA)⁴;
- (vi) interest received from bonds or securities issued by Pengurusan Danaharta Nasional Berhad; and

² Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

³ The Banking and Financial Institutions Act 1989 and the Islamic Banking Act 1983 were repealed and replaced with the Financial Services Act 2013 and the Islamic Financial Services Act 2013, respectively, with effect from 30 June 2013. Pursuant to Section 272(h) of the Financial Services Act 2013 and Section 283(h) of the Islamic Financial Services Act 2013, any reference to the Banking and Financial Institutions Act 1989 and the Islamic Banking Act 1983 in any written law shall generally be construed as a reference to the Financial Services Act 2013 and the Islamic Financial Services Act 2013, respectively.

⁴ Pursuant to Section 4 of the Finance Act 2011, with effect from 11 February 2010, 'LOFSA' refers to Labuan Financial Services Authority (LFSA).

(vii) interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the Malaysian Exchange of Securities Dealing and Automated Quotation Berhad (MESDAQ)⁵.

• **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

Foreign sourced income

Dividends, interest and other income derived from sources outside Malaysia and received in Malaysia by a resident fund is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Funds and hence, are not subject to income tax. Such gains may be subject to real property gains tax ("RPGT") under the Real Property Gains Tax Act, 1976 ("RPGT Act"), if the gains are derived from the sale of chargeable assets, as defined in the RPGT Act.

Taxation of members

1. Distribution of income

Distribution of income to the members of the PRS⁶ is exempt from income tax in their hands.

2. Tax relief on contribution

Pursuant to Section 49(1D) of the MITA, individual members who are Malaysian tax residents who have made contributions in a basis period for a year of assessment to a private retirement scheme or paid premium for deferred annuity are allowed to claim a tax relief of the aggregate amount of the payments or contribution or both or a tax relief of RM3,000 whichever is less for that year of assessment. This tax relief is applicable effective from year of assessment 2012 until year of assessment 2021.

3. Withdrawal of contributions

Pursuant to Section 109G of the MITA, withdrawal of contribution from the Scheme by an individual member before reaching the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death or permanently leaving Malaysia) would be subject to withholding tax of 8% on the amount of contributions withdrawn before making payment to the individual member. The withholding tax deducted by the PRS provider has to be remitted to Director General of the Inland Revenue Board within one month after making payment to the individual members. Where the PRS provider fails to remit the withholding tax by the due date, a 10% penalty on the unpaid amount will be imposed on the PRS provider and the increased sum shall be a debt due from the PRS provider to the Government.

Deductibility of contributions by employers

Pursuant to Section 34(4) of the MITA, employers are eligible to claim a tax deduction up to 19% of an employee's remunerations in respect of contributions made by employers to approved schemes (including contributions to Employees Provident Fund, private retirement scheme or any provident fund, scheme or society approved by the Director General under Section 150 of the MITA).

⁵ MESDAQ was replaced by FTSE Bursa Malaysia ACE with effect from 3 August 2009, therefore any interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the MESDAQ should still qualify for an exemption up to 2 August 2009. However, from 3 August 2009 and up to the date of this letter, there is no new gazette order issued to exempt interest derived from bonds paid or credited by a company listed in the new FTSE Bursa Malaysia ACE.

⁶ Income for an approved scheme is exempted from income tax under Paragraph 20, Schedule 6 of the MITA. Pursuant to Section 2 of the MITA, Private Retirement Scheme (PRS) is defined as a retirement scheme approved by the Securities Commission in accordance with the Capital Markets and Services Act 2007. Approved scheme is defined to include the Employees Provident Fund, private retirement scheme or any pension or provident fund, scheme or society approved by the Director General under Section 150 of the MITA.

THIS IS A PRIVATE RETIREMENT SCHEME

We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to members of the Scheme. As the particular circumstances of each member may differ, we recommend that members of the Scheme obtain independent advice on the tax issues associated with the Scheme.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd

Julie Thong
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this First Replacement Disclosure Document and has not withdrawn such consent before the date of issue of this First Replacement Disclosure Document.

16. ADDITIONAL INFORMATION

16.1 WHERE DO MEMBERS GET DETAILED INFORMATION ABOUT THE SCHEME?

Members may visit the website www.kenangainvestors.com.my, call 1300 88 1PRS (1777) or visit KIB's regional branch offices for a copy of the product highlights sheet and First Replacement Disclosure Document.

16.2 HOW DO MEMBERS OPEN THEIR OnePRS ACCOUNT?

Units of the Funds can be purchased from Kenanga Authorized PRS Distributors. Members are welcome to seek their advice on the important features of the Funds, the risks, transactional procedures as well as fees and charges.

1. Read and understand the product highlights sheet and First Replacement Disclosure Document of the Scheme.
2. Complete and sign the Member account opening & application form.
3. Return the completed Member account opening & application form together with the cheque (made payable Kenanga Investors Berhad) to Kenanga Authorized PRS Distributors or KIB's regional branch office.

Members are advised not to make payment in cash when purchasing Units of a Fund under the Scheme via any institutional/retail agent.

16.3 HOW DO MEMBERS MANAGE THEIR CONTRIBUTIONS?

Members of the Scheme are allowed to exercise the Cooling-off right, top-up/make regular monthly contributions, switch between Funds, make pre-retirement withdrawal or transfer their investments from the Scheme to another private retirement scheme of another PRS provider.

1. Visit KIB's regional branch offices or call 1 800 88 3737 to obtain a copy of the transaction form.
2. Complete and sign the transaction form.
3. Return the completed transaction form to Kenanga Authorized PRS Distributors or KIB's regional branch office. (For topping-up contributions, enclose the cheque together with the transaction form).

Top-up / Regular monthly contributions

Members are allowed to top-up their contribution anytime or make regular monthly contribution.

16.4 HOW DO MEMBERS KEEP TRACK OF THEIR CONTRIBUTIONS?

Members can also check the current value of their investments by calling 1300-88-1PRS (1777) or any Kenanga Authorized PRS Distributors as well as in the PRS Provider's website.

Members are also able to access their personal details and information of their OnePRS account's transaction from the PPA's website at www.ppa.my.

In addition, when Members make any transactions in their OnePRS account, the PRS Provider will send them a transaction advice stating that their transaction has been processed in accordance with their instructions and during any particular financial year, they will receive:

- An audited annual report for the financial year-end and unaudited 6 months interim report of the Fund; and
- A tax voucher showing details required for submission to the Inland Revenue Department at every income distribution (if any) of the Fund.

16.5 HOW DO MEMBERS LODGE A COMPLAINT?

- (i) For internal dispute resolution, Members may contact the PRS Provider at 1300 88 1PRS (1777) or walk in to the PRS Provider's offices as listed in Section 19 of this First Replacement Disclosure Document during office hours, from Monday to Friday from 8.30am to 5.30pm. Alternative, Members can also email to OnePRS@kenanga.com.my or fax to 03-2161 8807.
- (ii) If Members are dissatisfied with the outcome of the internal dispute resolution process, they may refer their dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):

- | | |
|-------------------|--|
| (a) via phone to | : 03-2282 2280 |
| (b) via fax to | : 03-2282 3855 |
| (c) via email to | : info@sidrec.com.my |
| (d) via letter to | : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A |

This First Replacement Disclosure Document replaces the Disclosure Document dated 20 November 2013.

Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
5900 Kuala Lumpur

(iii) They can also direct their complaint to the SC even if they have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

- (a) via phone to the Aduan Hotline at : 03-6204 8999
- (b) via fax to : 03-6204 8991
- (c) via email to : aduan@seccom.com.my
- (d) via online complaint form available at : www.sc.com.my
- (e) via letter to : Investor Affairs & Complaints Department
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

16.6 POLICY ON MONEY LAUNDERING

Money laundering is a process intended to conceal the benefits derived from unlawful activities which are related, directly or indirectly, to any serious offence so that they appear to have originated from a legitimate source.

The Anti-Money Laundering and Anti-Terrorism Financing Act 2001 ("AMLA") is the act that provides for the offence of money laundering and also the measures to be taken for the prevention of money laundering and terrorism financing offences. The Financial Intelligence and Enforcement Department ("FIED") of Bank Negara Malaysia has been established to carry out the functions as the competent authority under the AMLA. All market intermediaries under the Capital Markets and Services Act 2007 and management companies approved by the Securities Commission under the Capital Markets and Services Act 2007 are obliged to comply with the provisions of the AMLA.

Under the AMLA, any person who:

- (a) engages in, or attempts to engage in; or
- (b) abets the commission of,

money laundering, commits an offence and shall on conviction be liable to a fine not exceeding five million ringgit or to imprisonment for a term not exceeding five years or both.

When opening new accounts and entering into a transaction with a client, the PRS Provider identifies and verifies the client through documents such as identity card, passport, birth certificate, driver's license, constituent documents or any other official documents, whether in the possession of a third party or otherwise. Such documents shall be filed by the PRS Provider in accordance with relevant laws. Where the PRS Provider suspects that a particular transaction may not be genuine, a report will be made to the FIED.

16.7 DISCLOSURE OF MATERIAL CONTRACTS

Save and except for the following contract, there are no material contracts (including those not reduced in writing), not being contracts entered in the ordinary course of business, entered within 2 years preceding the date of this First Replacement Disclosure Document:

A business transfer agreement dated 19 April 2013 was entered into between the PRS Provider and ING Funds Berhad for the transfer of the whole business of ING Funds Berhad to the PRS Provider. The consideration for the purchase of ING Funds Berhad's business under the business transfer agreement shall be the sum in Ringgit Malaysia (RM) equivalent to the net asset value of ING Funds Berhad (on a consolidated basis) as at the last day of the calendar month immediately preceding the completion of the sale and purchase of ING Funds Berhad's business. The purchase price shall be recorded as an amount owing by the PRS Provider to ING Funds Berhad.

16.8 REGIONAL BRANCH OFFICES

Units of the Fund can be purchased or redeemed through any of Kenanga Authorized PRS Distributors or at the PRS Provider's regional branch offices listed on Section 19.

17. CONSENT

The Scheme Trustee, auditor, taxation adviser, Shariah Adviser and solicitor have given their written consent to the inclusion of their names and / or letter / report in the form and context and to act in their respective capacity and have not subsequently withdrawn their consent to the inclusion of their names and/or letter/report in the form and context in which it appears in this First Replacement Disclosure Document.

18. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof, where applicable, may be inspected, without charge at the registered office of the PRS Provider or such other place as the SC may determine for a period of not less than twelve (12) months:

- the Deed(s);
- any material contracts or documents referred to in this First Replacement Disclosure Document;
- the latest annual and interim reports for the Funds;
- all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this First Replacement Disclosure Document;
- latest audited financial statements of the PRS Provider and the Funds for the current financial year (where applicable);
- the audited financial statements of the PRS Provider and the Funds (where applicable) for the last three (3) financial years or from the date of incorporation/inception, if less than three (3) years, preceding the date of this First Replacement Disclosure Document;
- writ and relevant cause papers for all current material litigation and arbitration disclosed in this First Replacement Disclosure Document (if any); and
- any consent given by experts or persons named in this First Replacement Disclosure Document.

19. REGIONAL BRANCH OFFICES

<p>Kuala Lumpur Suite 12.02, 12th Floor, Kenanga International, Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 1 800 88 3737 Fax: 03-2161 8807</p> <p>Petaling Jaya Unit B-6-2, Sunway Giza Mall Dataran Sunway, PJU 5/14 Kota Damansara, 47810 Petaling Jaya, Selangor Tel: 03-6148 1871, 6150 3983 Fax: 03-6148 1872</p> <p>Penang 16th Floor, Menara Boustead Penang, 39, Jalan Sultan Ahmad Shah 10050 Penang Tel: 04-227 3788 Fax: 04-210 6644</p> <p>Johor Bahru Lot 11.03, 11th Floor, Menara MSC Cyberport 5 Jalan Bukit Meldrum 80300 Johor Bahru , Johor Tel: 07-223 7505 / 4798 Fax: 07-223 4802</p> <p>Ipoh Suite 1, 2nd Floor 63 Persiaran Greenhill 30450 Ipoh , Perak Darul Ridzuan Tel: 05-254 7573 / 7570 Fax: 05-254 7606</p>	<p>Melaka No. 25-1 Jalan Kota Laksamana 2/17 Taman Kota Laksamana Seksyen 2 75200 Melaka Tel: 06-281 8913, 282 0518 Fax: 06-281 4286</p> <p>Kota Kinabalu A-03-11, 3rd Floor Block A Warisan Square, Jalan Tun Fuad Stephens 88000 Kota Kinabalu, Sabah Tel: 088-447 089, 448 106 Fax: 088-447 039</p> <p>Kuching 1st Floor, No 71, Lot 10900, Jalan Tun Jugah 93350 Kuching, Sarawak Tel: 082-572 228 Fax: 082-572 229</p> <p>Klang No. 12 Jalan Batai Laut 3, Taman Intan 41300 Klang, Selangor Darul Ehsan Tel:03-3341 8818, 3348 7889 Fax:03-3341 8816</p> <p>Seremban 2nd Floor, No. 1D-2 Jalan Tuanku Munawir 70000 Seremban Tel: 06-761 5678 Fax: 06-761 2242</p>
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Kenanga Investors Berhad

Head Office
Suite 12.02, 12th Floor
Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur

Website

www.kenangainvestors.com.my

Email

OnePRS@kenanga.com.my

Toll Free Line

1-300-88-1PRS (777)



This First Supplemental Disclosure Document dated 31 March 2015 should be read in conjunction with the First Replacement Disclosure Document dated 28 October 2014.

FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT

In respect of the

OnePRS Scheme

which was constituted on 29 August 2013 and consist of:

Core Funds:

- Kenanga OnePRS Conservative Fund
- Kenanga OnePRS Moderate Fund
- Kenanga OnePRS Growth Fund

Non-Core Fund:

- Kenanga OnePRS Shariah Equity Fund

PRS Provider:

Kenanga Investors Berhad (353563-P)

Scheme Trustee:

Maybank Trustees Berhad (5004-P)

MEMBERS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT DATED 31 MARCH 2015 WHICH SHOULD BE READ IN CONJUNCTION WITH THE FIRST REPLACEMENT DISCLOSURE DOCUMENT DATED 28 OCTOBER 2014. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

This First Supplemental Disclosure Document dated 31 March 2015 should be read in conjunction with the First Disclosure Document dated 28 October 2014.

RESPONSIBILITY STATEMENTS

This First Supplemental Disclosure Document has been reviewed and approved by the directors of Kenanga Investors Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the First Supplemental Disclosure Document false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has approved the Scheme and authorized the Funds under the Scheme, and a copy of this First Supplemental Disclosure Document has been registered with the Securities Commission Malaysia.

The approval and authorization, as well as the registration of this First Supplemental Disclosure Document should not be taken to indicate that the Securities Commission Malaysia recommends the Scheme or Funds under the Scheme or assumes responsibility for the correctness of any statement made or opinion or report expressed in this First Supplemental Disclosure Document.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Kenanga Investors Berhad, the private retirement scheme provider responsible for the Scheme and the Funds under the Scheme, and takes no responsibility for the contents in this First Supplemental Disclosure Document. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplemental Disclosure Document, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

Members are advised to note that recourse for false or misleading statements or acts made in connection with the First Supplemental Disclosure Document is directly available through section 92A(3) of the *Capital Markets and Services Act 2007*.

The Kenanga OnePRS Shariah Equity Fund has been certified as being Shariah-compliant by the Shariah Adviser appointed for the Fund.

This First Supplemental Disclosure Document dated 31 March 2015 should be read in conjunction with the First Disclosure Document dated 28 October 2014.

Unless otherwise provided in this First Supplemental Disclosure Document, all the capitalized terms used herein shall have the same meanings as ascribed to them in the First Replacement Disclosure Document dated 28 October 2014.

EXPLANATORY NOTE:

This First Supplemental Disclosure Document has been issued to inform Members and prospective Members of the following:

- (i) All fees and charges payable to the PRS Provider and Scheme Trustee are subject to goods and services tax ("GST") as may be imposed by the government or other authorities from time to time; and
- (ii) Changes to the information relating to the board of directors, investment committee, audit committee and key management staff:

The amendments to the First Replacement Disclosure Document dated 28 October 2014 are as follows:

A. CHANGES IN CORPORATE DIRECTORY (page 10 of the First Replacement Disclosure Document)

(1) CHAPTER 2 – AMENDMENT TO BOARD OF DIRECTORS

Information pertaining to YM Raja Dato' Seri Abdul Aziz bin Raja Salim and Vivek Sharma under the Board of Directors are hereby deleted.

(2) CHAPTER 2 – AMENDMENT TO INVESTMENT COMMITTEE

Information pertaining to Vivek Sharma under the Investment Committee is hereby deleted.

(3) CHAPTER 2 – AMENDMENT TO AUDIT COMMITTEE

Information pertaining to YM Raja Dato' Seri Abdul Aziz bin Raja Salim and Vivek Sharma under the Audit Committee are hereby deleted.

B. CHANGES IN THE KEY DATA

(1) SECTION 3.3 – FEES AND CHARGES (page 17 of the First Replacement Disclosure Document) – INCLUSION OF THE GST STATEMENT

The following statement is inserted at the end of section 3.3.3:

All fees and charges payable to the PRS Provider and the Scheme Trustee are subject to goods and services tax as may be imposed by the government or other authorities from time to time.

(2) SECTION 3.7 – OTHER INFORMATION (page 18 of the First Replacement Disclosure Document) – CHANGE OF INFORMATION IN RELATION TO THE DEED

The information on the Deed is hereby deleted and replaced with the following:

Deed	<ul style="list-style-type: none">• Deed dated 29 August 2013• Supplemental Deed dated 2 October 2014• Second Supplemental Deed dated 16 February 2015
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This First Supplemental Disclosure Document dated 31 March 2015 should be read in conjunction with the First Disclosure Document dated 28 October 2014.

C. CHANGES TO DETAILS OF THE FUNDS

SECTION 6.5.9 – FEES, CHARGES AND EXPENSES (page 29 of the First Replacement Disclosure Document) – INCLUSION OF THE GST STATEMENT

The following statement is inserted at the end of section 6.5.9:

All fees and charges payable to the PRS Provider and the Scheme Trustee are subject to goods and services tax as may be imposed by the government or other authorities from time to time.

D. CHANGES IN FEES, CHARGES AND EXPENSES

SECTION 7.3 – FEES AND CHARGES INDIRECTLY INCURRED (page 36 of the First Replacement Disclosure Document) – INCLUSION OF THE GST STATEMENT

The following statement is inserted at the end of section 7.3.3:

All fees and charges payable to the PRS Provider and the Scheme Trustee are subject to goods and services tax as may be imposed by the government or other authorities from time to time.

E. CHANGES IN THE PRS PROVIDER

(1) SECTION 9.1 – BOARD OF DIRECTORS (pages 45 and 46 of the First Replacement Disclosure Document) – AMENDMENT TO THE BOARD OF DIRECTORS

- (i) Information pertaining to YM Raja Dato' Seri Abdul Aziz bin Raja Salim and Vivek Sharma are hereby deleted in its entirety.
- (ii) Information pertaining to Ismitz Matthew De Alwis is hereby deleted in its entirety and replaced with the following:

**Ismitz Matthew De Alwis (Non-independent Director)
Executive Director and Chief Executive Officer
Date of Appointment: 25 February 2015**

Ismitz Matthew De Alwis was appointed as the Chief Executive Officer for Kenanga Investors Berhad (KIB) in February 2015. He is responsible for the overall asset and investment management business of KIB and its subsidiaries. He joined KIB in June 2013 as Deputy Chief Executive following the acquisition of ING Funds Berhad ("ING Funds") by KIB. He was responsible for the company's retail business, finance, strategic business planning, risk management and governance, business development, operations and IT functions. He was with ING Funds since 2003 and was part of the pioneer team who was responsible for the exponential growth of ING Funds in Malaysia. He was the Executive Director and country head for ING Funds. Before assuming the strategic and executive oversight of ING Funds; he was responsible for nationwide distribution, product management and business development for retail, corporate and institutional markets.

Matthew started his career as an Investment Analyst with a regional research & advisory firm, where he obtains vast regional exposure in Hong Kong, Philippines, Dubai and Singapore. He was responsible for research, marketing, distribution and product development. Upon his return to Malaysia, he joined a local established financial institution and investment management company before joining ING Funds. He brings with him 21 years of experience, multiple expertise and several leadership roles in the fields of financial and investment management.

Matthew has attended the Advanced Business Management Program (ABMP) by International Institute for Management Development (IMD), Lausanne, Switzerland and holds a MBA from Southern Cross University where he graduated with distinction. In

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addition, he has a Bachelor Degree (H) in Business Administration from RMIT and holds two other professional qualifications from the Chartered Institute of Marketing UK (CIM UK), and is a Certified Financial Planner (CFP). Matthew also holds a Capital Markets Services Representative's Licence (CMSRL) from the SC for fund management and investment advice.

(2) SECTION 9.2 – KEY MANAGEMENT STAFF (pages 46 and 47 of the First Replacement Disclosure Document) – AMENDMENT TO THE KEY MANAGEMENT STAFF

- (i) Information pertaining to Ismitz Matthew De Alwis is hereby deleted in its entirety and updated with the following:

Ismitz Matthew De Alwis
Executive Director and Chief Executive Officer

Ismitz Matthew De Alwis's biography has been mentioned under section 9.1 above.

- (ii) Information pertaining to Rizal Abdullah is hereby deleted in its entirety and is replaced with the information pertaining to Dr. Sahar Effendi bin Hj Daud as follows:

Dr. Sahar Effendi bin Hj Daud
Head, Compliance

Dr. Sahar joined KIB on 3 November 2014 as the Head of Compliance. He started his career in 1997 with an international affiliated accounting firm before joining the SC in 2001. Whilst with the SC, he was attached to the Trust and Investment Management Department for about 2 years prior to joining the Investigation Department until his departure from the SC in October 2014. During his tenure with the Investigation Department, he was exposed to numerous high profile cases in various areas involving insider trading, market manipulation, illegal investment schemes, corporate fraud and forensic accounting as well as money laundering related offences.

Dr. Sahar, a Chartered Accountant (Malaysia), holds a Bachelor of Accountancy (Hons) from Universiti Putra Malaysia, MBA (Management and Finance) and Doctor of Business Administration (Accounting: Financial Disclosure, Corporate Governance and Performance Measurement); both from Universiti Utara Malaysia. Dr. Sahar is also a member of the Malaysian Institute of Accountants (MIA), Chartered Tax Institute of Malaysia (CTIM), Association of Certified Fraud Examiner (ACFE) as well as the Certified Financial Investigator Alumni (CFIA).

Dr Sahar is the designated person responsible for compliance matters for the Funds.

(3) SECTION 9.7 – INVESTMENT COMMITTEE MEMBERS (page 48 of the First Replacement Disclosure Document) – AMENDMENT TO THE INVESTMENT COMMITTEE MEMBERS

Information pertaining to Vivek Sharma is hereby deleted.

(4) SECTION 9.8 – AUDIT COMMITTEE MEMBERS (page 49 of the First Replacement Disclosure Document) – AMENDMENT TO THE AUDIT COMMITTEE MEMBERS

Information pertaining to YM Raja Dato' Seri Abdul Aziz bin Raja Salim and Vivek Sharma is hereby deleted.

This First Supplemental Disclosure Document dated 31 March 2015 should be read in conjunction with the First Disclosure Document dated 28 October 2014.

F. CHANGES IN SALIENT TERMS OF THE DEED

SECTION 12.3 – MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED (page 55 of the First Replacement Disclosure Document) – INCLUSION OF THE GST STATEMENT

The following statement is hereby inserted at the end of section 12.3:

All fees and charges payable to the PRS Provider and the Scheme Trustee are subject to goods and services tax as may be imposed by the government or other authorities from time to time.

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