

FIRST REPLACEMENT DISCLOSURE DOCUMENT

THIS FIRST REPLACEMENT DISCLOSURE DOCUMENT IS DATED 2 FEBRUARY 2021.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

OnePRS

Private Retirement Scheme

by **kenanga**

Shariah OnePRS Scheme

which was constituted on

30 November 2015 and consists of:

Core Funds:

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

PRS PROVIDER

Kenanga Investors Berhad 199501024358 (353563-P)

SCHEME TRUSTEE

CIMB Islamic Trustee Berhad 198801000556 (167913-M)

kenanga

Kenanga Investors

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 15.



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 authorised 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 authorisation, 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 Shariah OnePRS Conservative Fund, Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund have been certified as being Shariah-compliant by the Shariah Adviser appointed for the Funds.

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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>Bursa Malaysia</i>	Bursa Malaysia Securities Berhad.
<i>Business Day</i>	A 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>Conditionally Vested Unit</i>	A Unit which accords a Member with entitlement to the Unit that is conditional upon fulfilment of conditions stipulated in a Vesting Schedule.
<i>contributor</i>	Any person who contributes into a PRS (including this Scheme) and includes a Member or an employer who makes contribution into the Scheme on behalf of his employees.
<i>Core Fund</i>	Kenanga Shariah OnePRS Growth Fund, Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Conservative Fund, hereinafter collectively called "Core Funds" and individually called "Core Fund".
<i>Cooling-off right</i>	The right of a Member to obtain a refund of the Member's investment in the Fund, 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</i>	A calendar day, unless otherwise stated.
<i>debentures</i>	Has the same meaning as given under the CMSA.
<i>Deed(s)</i>	Deed dated 30 November 2015 as modified by the first supplemental deed dated 7 July 2020 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 EMAS Shariah Index</i>	FTSE Bursa Malaysia EMAS Shariah Index.
<i>FIMM</i>	Federation of Investment Managers Malaysia.
<i>Funds</i>	Collectively, Kenanga Shariah OnePRS Conservative Fund, Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund, and individually referred to as "Fund".
<i>Guidelines</i>	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>healthcare</i>	Illness listed in section 15.5 of this First Replacement Disclosure Document or any other illnesses as may be specified by the SC including all medical equipment and/or medication prescribed, in writing, by medical practitioners in relation to such illnesses.
<i>housing</i>	Means: <ul style="list-style-type: none">(a) financing the building or purchase of a residential property in Malaysia;(b) redeeming or reducing a housing loan in Malaysia; or(c) financing a rent-to-own scheme or any other housing schemes in Malaysia as may be specified by the SC.

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<i>immediate family</i>	A Member's: <ul style="list-style-type: none"> (a) spouse; (b) biological child, step-child, adopted child; (c) biological parent, parent-in-law, adopted parent, step-parent; or (d) sibling.
<i>Islamic deposits</i>	Has the same meaning as prescribed in the Islamic Financial Services Act 2013.
<i>Kenanga Authorised 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>licensed financial institution</i>	<p>a) 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; that is, a bank licensed under the Islamic Financial Services Act 2013; or • a licensed institution; that is, any institution licensed or deemed to be licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013. <p>b) If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator.</p>
<i>long-term</i>	A period of more than 5 years.
<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>mental disability</i>	Bipolar disorder, major depression or schizophrenia.
<i>Net Asset Value (NAV) of the Fund or Fund's NAV</i>	The value of all the Fund's assets less the value of all the Fund's liabilities at the valuation point.
<i>Nominee</i>	<p>The person nominated by a Member to receive the accrued benefits as-</p> <p>a) a beneficiary in the case of a non-Muslim Member; or</p> <p>b) an executor in the case of a Muslim Member</p> <p>upon the death of the Member.</p>
<i>permanent total disablement</i>	Has the meaning assigned to it in the Employees' Social Security Act 1969 [Act 4].
<i>pre-retirement withdrawal</i>	<p>Refers to 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; • permanent departure of a Member from Malaysia; • permanent total disablement; • serious disease; • mental disability; • withdrawals in respect of the Member's Units held in sub-account B; • for healthcare purpose; or • for housing purpose.

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<i>private pension account</i>	An account opened and maintained by the PPA for each member of a private retirement scheme.
<i>Private Pension Administrator (PPA)</i>	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 or KIB</i>	Kenanga Investors Berhad.
<i>PRS Regulations</i>	CMSA (Private Retirement Scheme Industry) Regulations 2012.
<i>RAM</i>	RAM Rating Services Berhad.
<i>retirement age</i>	The age of 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>SC</i>	Securities Commission Malaysia.
<i>Scheme</i>	Shariah OnePRS Scheme.
<i>Scheme Trustee</i>	CIMB Islamic Trustee Berhad 198801000556 (167913-M).
<i>serious disease</i>	Has the meaning assigned to it in the Income Tax Act 1967.
<i>Shariah</i>	Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of Shariah.
<i>Shariah Adviser or KIBB</i>	Kenanga Investment Bank Berhad 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-compliant transferable securities</i>	Refers to Shariah-compliant equities, Shariah-compliant debentures and Shariah-compliant warrants.
<i>Shariah OnePRS account</i>	A Member's account in the Scheme which comprises sub-account A and sub-account B.
<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>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 SACSC or the Shariah Adviser.
<i>Unit(s)</i>	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.
<i>Vested Unit</i>	A Unit which accords a member with unconditional entitlement to such Unit.
<i>Vesting Schedule</i>	The schedule that determines the entitlement of an employee's accrued benefits based on terms of service.

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2. Corporate Directory

PRS Provider

Kenanga Investors Berhad

Company No. 199501024358 (353563-P)
Registered Office:
Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-2172 2888 Fax : 03-2172 2999

Business Address:

Level 14, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 1 300 88 1777
Fax: 03-2172 3080
Website: www.kenangainvestors.com.my
Email: oneprs@kenanga.com.my

Board of Directors

Datuk Syed Ahmad Alwee Alsree (Chairman/Non-Independent Non-Executive Director)
Syed Zafilen Syed Alwee (Independent Director)
Peter John Rayner (Independent Director)
Imran Devindran Bin Abdullah (Independent Director)
Norazian Binti Ahmad Tajuddin (Independent Director)
Ismitz Matthew De Alwis (Executive Director)

Investment Committee

Peter John Rayner (Chairman/Independent Member)
Syed Zafilen Syed Alwee (Independent Member)
Imran Devindran Bin Abdullah (Independent Member)
Norazian Binti Ahmad Tajuddin (Independent Member)
Ismitz Matthew De Alwis (Non-Independent Member)

Audit and Risk Committee

Syed Zafilen Syed Alwee (Chairman/Independent Member)
Peter John Rayner (Independent Member)
Imran Devindran bin Abdullah (Independent Member)
Norazian Binti Ahmad Tajuddin (Independent Member)

Federation of Investment Managers Malaysia

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

Taxation adviser

Ernst & Young Tax Consultants Sdn. Bhd.
Company No.198901002487 (179793-K)
Business Address:
Level 23A, Menara Millennium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000

Scheme Trustee

CIMB Islamic Trustee Berhad

Company No. 198801000556 (167913-M)
Registered Office:
Level 13, Menara CIMB
Jalan Stesen Sentral 2, Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel:03-2261 8888
Fax: 03-2261 0099

Business Address:

Level 21, Menara CIMB
Jalan Stesen Sentral 2, Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel:03-2261 8888
Fax: 03-2261 9889

Scheme Trustee's Delegate:

CIMB Islamic Bank Berhad

Company No. 200401032872 (671380-H)
Registered Office:
Level 13, Menara CIMB
Jalan Stesen Sentral 2, Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : 03 - 2261 8888
Fax: 03 -2261 8889
Web: www.cimb.com

Business Address:

Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : 03 - 2261 8888
Fax: 03-2261 9892

Company Secretary

Norliza Abd Samad
MAICSA No 7011089
Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

Auditor of the PRS Provider

Ernst & Young PLT (202006000003 (LLP0022760-LCA) & AF 0039)
Business Address:
Level 23A, Menara Millennium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000

Solicitor

Wei Chien & Partners
D-20-02 Menara Suezcap 1
No.2 Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Kuala Lumpur

Shariah Adviser

Kenanga Investment Bank Berhad
Company No. 197301002193 (15678-H)
Level 16, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2172 2727
Fax: 03- 2172 2897
Website: www.kenanga.com.my

Private Pension Administrator Malaysia

Level 13A, Bangunan Tierra Crest
Jalan SS 6/3
47301 Petaling Jaya
Selangor
Website: www.ppa.my
Email: askppa@ppa.my

Principal bankers

Standard Chartered Bank Malaysia Berhad
Level 16, Menara Standard Chartered
No. 30 Jalan Sultan Ismail
50250 Kuala Lumpur

Public Bank Berhad
78 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

Name of the Scheme	Shariah OnePRS Scheme									
PRS Provider	Kenanga Investors Berhad 199501024358 (353563-P)									
Scheme Trustee	CIMB Islamic Trustee Berhad 198801000556 (167913-M)									
General information on the Scheme	<p>The Scheme is a voluntary PRS to facilitate Members' accumulation of savings[^] for retirement. The Scheme provides a choice of three (3) Core Funds with different risk and return profiles to meet the needs of the Members at different stages of their life.</p> <p>[^]The Funds are neither capital guaranteed funds nor capital protected funds.</p>									
Benefits Of The Scheme	<p>The benefits of the Scheme include:</p> <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 Shariah 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. <p>Note: [^] The Funds are neither capital guaranteed funds nor capital protected funds.</p>									
Brief description on the operations of the Scheme	<p>The Scheme is designed to provide choices to the Members in building their retirement funds. 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 (under the 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>Age Group*</th> </tr> </thead> <tbody> <tr> <td>Kenanga Shariah OnePRS Conservative Fund</td> <td>Members aged 55 years and above.</td> </tr> <tr> <td>Kenanga Shariah OnePRS Moderate Fund</td> <td>Members aged 45 years and above but have not reached 55 years.</td> </tr> <tr> <td>Kenanga Shariah OnePRS Growth Fund</td> <td>Members aged below 45 years.</td> </tr> </tbody> </table> <p>Note: * This age group may be subject to changes as may be determined by the relevant authorities from time to time.</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 45 or 55 years old as the case may be, the PRS Provider must allocate such contribution to the Kenanga Shariah OnePRS Moderate Fund or Kenanga Shariah OnePRS Conservative Fund as the case may be.</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> <ol style="list-style-type: none"> the age of 45* years old, redeem the Units in the Kenanga Shariah OnePRS Growth Fund and purchase Units in the Kenanga Shariah OnePRS Moderate Fund, unless the Member instructs otherwise; and the age of 55* years old, redeem the Units in the Kenanga Shariah OnePRS Moderate Fund and purchase Units in the Kenanga Shariah OnePRS Conservative Fund, unless the Member instructs otherwise; <p>* referred to as "Switch-in Date". This age limit may be subject to changes as may be determined by the relevant authorities from time to time.</p>		Name of the Core Funds	Age Group*	Kenanga Shariah OnePRS Conservative Fund	Members aged 55 years and above.	Kenanga Shariah OnePRS Moderate Fund	Members aged 45 years and above but have not reached 55 years.	Kenanga Shariah OnePRS Growth Fund	Members aged below 45 years.
Name of the Core Funds	Age Group*									
Kenanga Shariah OnePRS Conservative Fund	Members aged 55 years and above.									
Kenanga Shariah OnePRS Moderate Fund	Members aged 45 years and above but have not reached 55 years.									
Kenanga Shariah OnePRS Growth Fund	Members aged below 45 years.									

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The switching must be executed in equal proportion over a five (5)-year period based on the number of units remaining in the relevant Fund and after Member's own redemption, if any. The first switching must be executed on the Switch-in Date and the subsequent four (4) switching must be executed no later than ten (10) business days from each anniversary of the Switch-in Date.

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.

Contributions

Contributions to Funds under the Scheme can be received by a PRS Provider from an employer (who contributes for its employees) or from any individual who has attained the age of 18 years as of the date of opening of a private pension account with the PPA.

All contributions made by a Member will be maintained in two separate sub-accounts by the PRS Provider as follows:

- (a) Sub-account A which holds 70% of all contributions made to any Fund under the Scheme (reflected in Units) which is not available for pre-retirement withdrawal, except for death of a Member, permanent departure of a Member from Malaysia, withdrawals due to permanent total disablement, serious disease or mental disability of a Member; and
- (b) Sub-account B which holds 30% of all contributions made to any Fund under the Scheme (reflected in Units) which is available for pre-retirement withdrawal subject to payment of a tax penalty of 8% (or such other applicable tax penalty) set by the Inland Revenue Board. The PRS Provider will deduct the tax penalty from the redeemed amount before making payment to Members. However, the tax penalty is not applicable for withdrawals made in the following circumstances:
 - (i) death of a Member;
 - (ii) permanent departure of a Member from Malaysia;
 - (iii) due to permanent total disablement, serious disease or mental disability of a Member;
 - (iv) for healthcare purpose; and
 - (v) for housing purpose.

Withdrawals

Request for withdrawals from any of the Funds under the Scheme may be made in the following circumstances:

No.	Circumstances for withdrawal	Sub-account	Extent of withdrawals
(a)	Upon reaching retirement age	A & B	Partial or Full
(b)	Pre-retirement withdrawals from sub-account B of a Scheme that would incur a tax penalty	B	Partial or Full
(c)	Death of a member	A & B	Partial or Full
(d)	Permanent departure of member from Malaysia	A & B	Full
(e)	Withdrawals due to permanent total disablement, serious disease or mental disability of a member	A & B	Full
(f)	For healthcare purpose	B	Partial or Full
(g)	For housing purpose	B	Partial or Full

In relation to request for withdrawal, the PRS Provider may receive such request from a Member, a Nominee, an executor, trustee or administrator of a Member's estate either directly or through a notification from the PPA. The PRS Provider also must obtain prior authorisation from the PPA before issuing instructions to the Scheme Trustee to cancel Units in the case of a withdrawal following the death of a Member. The PRS Provider or PPA, as the case may be, may require the Member to provide evidence of the facts necessary to establish the Member's right to withdraw monies from any fund under the Scheme.

The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:

No.	Circumstances of withdrawal	Period for payment to be made	Recipient of payment
(a)	After the day the Member reaches the retirement age	Within ten (10) days after the PRS Provider receives a completed withdrawal request from the Member	Members
(b)	Pre-retirement withdrawals from sub-account B		
(c)	Permanent departure of Member from Malaysia		
(d)	Permanent total disablement, serious disease and mental disability of a Member	Within ten (10) days after the PRS Provider receives a completed withdrawal request (either received directly or through a notification from the PPA)	Members
(e)	Death of a Member	Within ten (10) days after the PRS Provider receives an authorisation from the PPA	(i) Either a nominee, trustee, executor, or administrator of a deceased Member (ii) Notwithstanding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines.
(f)	For housing purpose	Within ten (10) days after the PRS Provider receives a completed withdrawal request	Members' account or joint housing loan account
(g)	For healthcare purpose	Within ten (10) days after the PRS Provider receives a completed withdrawal request	Members

Funds under the Scheme

Funds	Fund Category
Core Funds	
Kenanga Shariah OnePRS Conservative Fund	Core (Conservative)
Kenanga Shariah OnePRS Moderate Fund	Core (Moderate)
Kenanga Shariah OnePRS Growth Fund	Core (Growth)

3.2 FUND INFORMATION

Fund Name	Kenanga Shariah OnePRS Conservative Fund	Kenanga Shariah OnePRS Moderate Fund	Kenanga Shariah OnePRS Growth Fund
Category	Core (Conservative)	Core (Moderate)	Core (Growth)
Investment Objective	<p>The Fund aims to provide income[^] whilst providing capital preservation*.</p> <p><i>[^]Income distribution (if any) will be reinvested into the Fund.</i></p> <p><i>* The Fund is neither a capital guaranteed fund nor a capital protected fund.</i></p>	<p>The Fund aims to provide income[^] and capital growth over the long-term through investments in Shariah-compliant equities and sukuk.</p> <p><i>[^] Income distribution (if any) will be reinvested into the Fund.</i></p>	<p>The Fund aims to provide capital growth over the long-term through investments in Shariah-compliant equities and sukuk.</p>
Investment policy and strategy	<p>The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of primarily sukuk, as well as Islamic money market instruments and Shariah-compliant equities.</p> <p>At least 80% of the Fund's NAV will be invested in sukuk (which have a minimum rating of BBB3 or P2 by RAM or an equivalent rating by MARC) and Islamic money market instruments, of which a minimum 20% of the Fund's NAV will be invested in Islamic money market instruments. Notwithstanding, the Fund may invest up to 5% of its NAV in unrated sukuk.</p> <p>The Fund may also invest in Shariah-compliant equities, which are limited to a maximum of 20% of the Fund's NAV.</p> <p>The Fund may also invest in Islamic collective investment schemes as permitted under the Deed and Guidelines.</p>	<p>The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of Shariah-compliant equities, sukuk and Islamic money market instruments.</p> <p>A maximum of 60% of the Fund's NAV will be invested in Shariah-compliant equities and at least 40% of the Fund's NAV in sukuk and Islamic money market instruments.</p> <p>The Fund may also invest in Islamic collective investment schemes as permitted under the Deed and Guidelines.</p>	<p>The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of primarily Shariah-compliant equities, as well as sukuk and Islamic money market instruments.</p> <p>The Fund may invest up to 80% of the Fund's NAV in Shariah-compliant equities and at least 20% of the Fund's NAV in sukuk and Islamic money market instruments.</p> <p>The Fund may also invest in Islamic collective investment schemes as permitted under the Deed and Guidelines.</p>
Additional Requirements in PRS Guidelines on Investment Limits	<p>The SC issued revised Guidelines 4 May 2020 to allow the PRS Provider to invest as follows:</p> <p>Investment into one or more Islamic collective investment schemes is permitted in the following circumstances:</p> <p>(a) from launch of the Scheme, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;</p> <p>(b) upon reaching RM200 million NAV, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and</p> <p>(c) that the investment objective of the Islamic collective investment scheme is similar to the Fund.</p>		

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

Fund Name	Kenanga Shariah OnePRS Conservative Fund	Kenanga Shariah OnePRS Moderate Fund	Kenanga Shariah OnePRS Growth Fund
Asset Allocation	<ul style="list-style-type: none"> Minimum 80% of the Fund's NAV in sukuk and Islamic money market instruments (with minimum 20% of the Fund's NAV in Islamic money market instruments) and up to 5% of the Fund's NAV in unrated sukuk. Maximum 20% of the Fund's NAV in Shariah-compliant equities. Up to 5% of the Fund's NAV in Islamic liquid assets for liquidity purpose. 	<ul style="list-style-type: none"> Maximum 60% of the Fund's NAV in Shariah-compliant equities. At least 40% of the Fund's NAV in sukuk and Islamic money market instruments. Up to 5% of the Fund's NAV in Islamic liquid assets for liquidity purpose. 	<ul style="list-style-type: none"> Maximum 80% of the Fund's NAV in Shariah-compliant equities. At least 20% of the Fund's NAV in sukuk and Islamic money market instrument. Up to 5% of the Fund's NAV in Islamic liquid assets for liquidity purpose.
Performance benchmark	A composite of Maybank 1-Month GIA rate (80%) and FBM EMAS Shariah Index (20%).	A composite of FBM EMAS Shariah Index (60%) and Maybank 1-Month GIA rate (40%).	A composite of FBM EMAS Shariah Index (80%) and Maybank 1-Month GIA rate (20%).
	<i>The risk profile of the Fund is not the same as the risk profile of the performance benchmark.</i>		
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; Have low tolerance of investment risks; and Seek to invest in a Shariah-compliant investment. <p>For Members under the Default Option who are 55 years old and above, their contributions will be allocated into this Fund.</p> <p><i>** The Fund is neither a capital guaranteed fund nor a capital protected fund.</i></p>	<p>This Fund is suitable for Members who</p> <ul style="list-style-type: none"> Seek capital appreciation; Have low to moderate risk tolerance and can withstand short-term volatility; and Seek to invest in a Shariah-compliant investment. <p>For Members under the Default Option who have attained the age of 45 years but are not yet 55 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; Have moderate risk tolerance and can withstand short-term volatility; and Seek to invest in a Shariah-compliant investment. <p>For Members under the Default Option who are below the age of 45 years, their contributions will be allocated into this Fund.</p>
Distribution Policy	Distributions (if any) will be declared annually and automatically reinvested into the Fund.	Distributions (if any) will be declared annually and automatically reinvested into the Fund.	Distributions (if any) will be declared annually and automatically reinvested into the Fund.
Principal Risks	Interest rate risk, liquidity risk, credit and default risk, stock-specific risk, Islamic collective investment scheme risk, currency risk, Islamic derivatives risk and reclassification of Shariah status risk	Interest rate risk, liquidity risk, credit and default risk, stock-specific risk, Islamic collective investment scheme risk, currency risk, Islamic derivatives risk and reclassification of Shariah status risk.	Interest rate risk, liquidity risk, credit and default risk, stock-specific risk, Islamic collective investment scheme risk, currency risk, Islamic derivatives risk and reclassification of Shariah status risk.
Launch Date	18 August 2016	18 August 2016	18 August 2016
Initial Offer Price	RM0.5000	RM0.5000	RM0.5000
Financial Year End	31 May	31 May	31 May

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

3.3 FEES AND CHARGES

The fees and charges as well as transaction information below are relevant to Kenanga Authorised PRS Distributors. Please refer to Section 7 for information on other fees relating to the Funds. All fees and charges payable to the PRS Provider and the Scheme Trustee are subject to the applicable taxes as may be imposed by the government or other authorities from time to time.

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.

Fund Name	Kenanga Shariah OnePRS Conservative Fund	Kenanga Shariah OnePRS Moderate Fund	Kenanga Shariah OnePRS Growth Fund
Sales charge (for initial and subsequent contribution)	Up to 1.50% of NAV per Unit of the Fund. (Negotiable)		
Redemption charge	Nil		
Transfer fee (to another PRS provider)	RM25 per transaction. (Non-negotiable)		
Switching fee (between Funds in this Scheme or funds in another PRS managed by the PRS Provider)	Nil.		

Note: Switching from a Fund to conventional funds managed by the PRS Provider is discouraged especially for Muslim members.

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.

3.3.2 Charges paid to PPA

Fund Name	Kenanga Shariah OnePRS Conservative Fund	Kenanga Shariah OnePRS Moderate Fund	Kenanga Shariah OnePRS Growth Fund
PPA account opening fee	RM10 (One off)		
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 for the year(s) where no contributions are made.		
PPA pre-retirement withdrawal fee	RM25 per transaction (subject to changes as may be determined by PPA from time to time)		
PPA transfer fee (to another PRS provider)	RM25 per transaction (subject to changes as may be determined by PPA from time to time)		

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

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

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.

Fund Name	Kenanga Shariah OnePRS Conservative Fund	Kenanga Shariah OnePRS Moderate Fund	Kenanga Shariah OnePRS Growth Fund
Annual management fee	1.55% per annum of the Fund's NAV.		
Annual scheme trustee fee	0.02% 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.		
Other fees payable indirectly by a Member (If any)	Please refer to Section 7.3 for more information.		
Fund expenses	<ul style="list-style-type: none"> • Commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant 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; • auditor's fees and expenses; • valuation fees incurred for the valuation of the Shariah-compliant investment of the Fund by independent valuers for the benefit of the Fund; • independent investment committee members' fee; • Shariah adviser's fee; • tax adviser's fee; • costs for modification of the Deed other than those for the benefit of the PRS Provider and/or the Scheme Trustee; • costs incurred for meetings of the Members other than those convened by, or for the benefit of the PRS Provider and/or the Scheme Trustee; and • any other expenses as may be allowed under the Deed. 		
<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 new 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.</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

Fund Name	Kenanga Shariah OnePRS Conservative Fund	Kenanga Shariah OnePRS Moderate Fund	Kenanga Shariah OnePRS Growth 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 withdrawal amount	RM250 per Fund or 500 Units per Fund.		
Minimum switching / transfer amount	RM250 per Fund or 500 Units per Fund.		
Regular Withdrawal Program – for Members who have reached their retirement age.			
Minimum monthly withdrawal (Regular Withdrawal Program)	Minimum Units withdrawn based on last trading day's price equivalent to at least RM250.		

For more details on fees, charges, expenses and transaction information pertaining to the funds, you may refer to **Chapter 7: Fees, Charges and Expenses** and **Chapter 8: Transaction Information**.

3.5 OTHER INFORMATION

Deed	<ul style="list-style-type: none"> Deed dated 30 November 2015 First Supplemental Deed dated 7 July 2020
Avenue for advice	For advice or more information on the Fund, please contact Kenanga Authorised PRS Distributors, go to the nearest PRS Provider's regional branch office (see list on Section 16) or call 1300-88-1777.
Where and how to lodge a complaint	<p>1. For internal dispute resolution, you may contact our customer service representative:</p> <p>(a) General Line No : 03-2172 3123</p> <p>(b) Facsimile No : 03-2172 3133</p> <p>(c) Customer Service Toll : 1-300-88-1777(PRS) Free</p> <p>(d) Email : oneprs@kenanga.com.my</p> <p>2. If Members are dissatisfied with the outcome of the internal dispute resolution process, you may refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):</p> <p>(a) via phone to : 03-2282 2280</p> <p>(b) via fax to : 03-2282 3855</p> <p>(c) via email to : info@sidrec.com.my</p> <p>(d) via letter to : Securities Industry Dispute Resolution Center (SIDREC) Unit A-9-1, Level 9, Tower A Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur</p>

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

	<p>3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:</p> <p>(a) via phone to the Aduan Hotline : 03-6204 8999</p> <p>(b) via fax to : 03-6204 8991</p> <p>(c) via email to : aduan@seccom.com.my</p> <p>(d) via online complaint form available at www.sc.com.my</p> <p>(e) via letter to : Consumer & Investor Office Securities Commission Malaysia 3, Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur</p> <p>4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:</p> <p>(a) via phone to : 03-2092 3800</p> <p>(b) via fax to : 03-2092 2700</p> <p>(c) via email to : complaints@fimm.com.my</p> <p>(d) via online complaint form available at www.fimm.com.my</p> <p>(e) via letter to : Legal, Secretarial & Regulatory Affairs Federation of Investment Managers Malaysia 9-06-1, 6th Floor Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur</p>
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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 their future performance.

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

4. RISK FACTORS

When Members contribute to the Fund, they will be exposed to some element of risk. Therefore, prospective Members should consider the following risk factors and consult a professional adviser prior to making a contribution into any of the Funds.

4.1 GENERAL RISKS OF CONTRIBUTING TO THE FUNDS

Capital and returns not guaranteed

The Funds are neither capital guaranteed funds nor capital protected funds. As such, the capital and returns of the Funds are not guaranteed as the 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 the 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 one 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' Shariah 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

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.

Inflation risk

This is the risk that the Members' contribution to the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce the Member's purchasing power even though the value of the investment in monetary terms has increased.

PRS Provider risk

This risk refers to the day-to-day management of the Fund by the PRS Provider which will impact the performance of the Fund. For example, investment decisions undertaken by the PRS Provider, as a result of a biased view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

Risk of non-compliance

This refers to the current and prospective risk to the Fund and the Members' interest arising from non-compliance of regulations imposed by the Act and the Guidelines, deeds, disclosure documents and/or PRS Provider's internal policies and procedures by the PRS Provider. Risk of non-compliance can lead to diminished reputation, reduced franchise value, limited business opportunities and reduced expansion potential for the company. Accordingly, non-compliance may affect the Member's investments by causing a fall in the value of the Fund.

4.2 SPECIFIC RISKS WHEN CONTRIBUTING TO THE FUNDS

4.2.1 Specific risks when contributing to the Core Funds

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of a sukuk or Islamic money market instrument portfolio. When interest rates rise, prices of sukuk or Islamic money market instruments will generally decline and this may lower the market value of the investment portfolio. The reverse may apply when interest rates fall. The risk will be mitigated through the management of the duration structure of the sukuk or Islamic money market instrument portfolio.

As for Islamic Funds, the interest rate is a general indicator that will have an impact on the management of the Funds regardless of whether it is an Islamic Fund or otherwise. It does not in any way suggest that these Funds will invest in conventional financial instruments. All the investments carried out for the Funds are in accordance with Shariah requirements.

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. Generally, unrated sukuk are not as liquid as rated sukuk. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices. This risk can be mitigated through portfolio diversification by investing in various companies across different industries or sectors in the management of the Funds.

Credit and Default risk

Credit risk relates to the creditworthiness of the issuers of the sukuk or Islamic money market instruments (hereinafter referred as "investment") and their expected ability to make timely payments of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Funds. This risk can be mitigated by performing fundamental research and analysis to determine the creditworthiness of its counterparties or issuer. The PRS Provider will have to diversify its investments in the portfolio by limiting its exposure on each of its counterparties.

Stock-specific risk

Prices of a particular Shariah-compliant stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such Shariah-compliant stock will adversely affect the Fund's NAV. This risk can be mitigated through portfolio diversification by investing in various companies across different industries or sectors in the management of the Funds.

Islamic Collective Investment Scheme risk

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

Currency risk

This risk is associated with investments denominated in foreign currency; in this case the Funds may be exposed to currency risk. Any gains or losses arising from the movement of the foreign currencies may therefore affect the value of investment as expressed in the base currency in addition to the capital gains or losses of such investment; which in turn will impact the value of the Funds. The PRS Provider shall manage this risk by hedging the foreign currency exposure when it is deemed necessary. However, when the PRS Provider hedges the foreign currency exposure, Members will not be able to enjoy any upside from the foreign currency appreciation.

Islamic Derivatives risk

The PRS Provider may use Islamic derivatives for hedging purposes. The PRS Provider will only enter into hedging transactions such as Islamic futures and Islamic option contracts where the counterparty is a financial institution with minimum long-term credit rating by any domestic or global rating agency which indicates strong capacity for timely payment of financial obligations. The use of Islamic derivatives involves counterparty risk arising from counterparties' default or a decline in the counterparties' credit rating which may have adverse impact on the NAV of the Fund. In the event where the counterparty or issuer's rating falls below the minimum required or it ceases to be rated, the PRS Provider will liquidate its position according to the regulatory requirements, unless the Scheme Trustee considers it to be in the best interest of the Members to do otherwise.

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The Fund may also invest in Islamic derivatives such as Shariah-compliant warrants that entitled the holder to the right but not the obligation to fulfil the requirements of a contract entered into within an agreed timeframe. Shariah-compliant warrants will expire and value will diminish if they are not exercised by expiration date or if they are out-of-the money (cost of converting the warrants to underlying securities is more than the current market price of the underlying securities). Prices of Shariah-compliant warrants are extremely volatile and it may not always be possible to dispose all in short period of time. Any adverse movements in the market price of the Shariah-compliant warrants may impact the Fund's NAV.

Note: For the avoidance of doubt, Kenanga Shariah OnePRS Conservative Fund will not invest in Shariah-compliant warrants except as a result of its holdings in Shariah-compliant equities.

Reclassification of Shariah status risk

The refers to the risk that the currently held Shariah-compliant securities in the portfolio of the Funds may be reclassified as Shariah non-compliant in the periodic review of the securities by the SACSC, the Funds' Shariah adviser or the Shariah boards of the relevant indices. If this occurs, the PRS Provider will take the necessary steps to dispose of such securities. There may be opportunity loss to the Funds not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Funds may also be adversely affected in the event of a disposal of Shariah non-compliant securities at a price lower than the investment cost. Please refer to additional information in relation to Islamic Funds in Section 6.11 for further details.

5. SCHEME DETAILS

Name of the Scheme: Shariah OnePRS Scheme.

5.1 WHAT IS THE SCHEME?

The Scheme is a voluntary PRS to facilitate Members' accumulation of savings[^] for retirement. The Scheme provides a choice of three (3) Core Funds 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 Shariah 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.

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

5.3 BRIEF DESCRIPTION ON THE OPERATIONS OF THE SCHEME

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

Members can choose to contribute to any Fund according to their risk and return profile.

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:

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 (under the Default Option) that corresponds to the age of the Members as specified below:

Name of the Core Funds	Age Group*
Kenanga Shariah OnePRS Conservative Fund	Members aged 55 years and above.
Kenanga Shariah OnePRS Moderate Fund	Members aged 45 years and above but have not reached 55 years.
Kenanga Shariah OnePRS Growth Fund	Members aged below 45 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 45 or 55 years, as the case may be, the PRS Provider must allocate such contribution to the Kenanga Shariah OnePRS Moderate Fund or Kenanga Shariah OnePRS Conservative Fund respectively.

Under the Default Option, the PRS Provider must before the end of the next calendar month from the day the Member attains:

- (a) the age of 45* years old, redeem the Units in the Kenanga Shariah OnePRS Growth Fund and purchase Units in the Kenanga Shariah OnePRS Moderate Fund, unless the Member instructs otherwise; and
- (b) the age of 55* years old, redeem the Units in the Kenanga Shariah OnePRS Moderate Fund and purchase Units in the Kenanga Shariah OnePRS Conservative Fund, unless the Member instructs otherwise;

** referred to as "Switch-in Date". This age limit may be subject to changes as may be determined by the relevant authorities from time to time.*

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The switching must be executed in equal proportion over a five-year (5) period based on the number of units remaining in the relevant Fund and after Member's own redemption, if any. The first switching must be executed on the Switch-in Date and the subsequent four (4) switching must be executed no later than 10 business days from each anniversary of the Switch-in Date.

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.

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.

Funds:

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

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6. DETAILS OF THE FUNDS

6.1 KENANGA SHARIAH ONEPRS CONSERVATIVE FUND

Category	Core (Conservative)
Investment objective	<p>The Fund aims to provide income[^] whilst providing capital preservation^{**}.</p> <p>Any material changes to the investment objective of the Fund would require Members' approval.</p> <p>[^] <i>Income distribution (if any) will be reinvested into the Fund.</i></p> <p>^{**} <i>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.</i></p>
Asset allocation	<ul style="list-style-type: none"> • Minimum 80% of the Fund's NAV in sukuk and Islamic money market instruments (with minimum 20% of the Fund's NAV in Islamic money market instruments) and up to 5% of the Fund's NAV in unrated sukuk. • Maximum 20% of the Fund's NAV in Shariah-compliant equities. • Up to 5% of the Fund's NAV in Islamic liquid assets for liquidity purpose.
Investment policy and strategy	<p>The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of primarily sukuk, as well as Islamic money market instruments and Shariah-compliant equities.</p> <p>At least 80% of the Fund's NAV will be invested in sukuk (which have a minimum rating of BBB3 or P2 by RAM or an equivalent rating by MARC) and Islamic money market instruments, of which a minimum 20% of the Fund's NAV will be invested in Islamic money market instruments. Notwithstanding, the Fund may invest up to 5% of its NAV in unrated sukuk.</p> <p>The Fund may also invest in Shariah-compliant equities, which are limited to a maximum of 20% of the Fund's NAV.</p> <p>The Fund may also invest in Islamic collective investment schemes as permitted under the Deed and Guidelines.</p> <p>The Fund will employ both top-down and bottom-up approach to evaluate its investments in Shariah-compliant equities and sukuk.</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 Shariah-compliant equities and sukuk 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>
Additional Requirements in PRS Guidelines on Investment Limits	<p>The SC has issued a revised Guidelines on Private Retirement Schemes on 4 May 2020 to allow the PRS Provider to invest as follows:</p> <p>Investment into one or more Islamic collective investment schemes is permitted in the following circumstances:</p> <ol style="list-style-type: none"> from launch of the Scheme, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV; upon reaching RM200 million NAV, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and that the investment objective of the Islamic collective investment scheme is similar to the Fund.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

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 to mitigate investment risks.</p> <p>Risk associated with investing in this Fund i.e. 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 sukuk are appropriately priced given the risk identified.</p>
Performance benchmark	<p>A composite of Maybank 1-Month GIA rate (80%) and FBM EMAS Shariah Index (20%). The composition of the benchmark is reflective of asset allocation of the Fund. It is a statistical measure of its overall performance over time.</p> <p>Members may 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 preservation** of the invested capital; • Have low tolerance of investment risks; and • Seek to invest in a Shariah-compliant investment. <p>For Members under the Default Option who (i) are 55 years old and above; or (ii) make their first contribution to the scheme a month before they attain the age of 55, their contributions will be allocated into this Fund.</p> <p><i>** 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.</i></p>
Distribution policy	Distributions (if any) will be declared annually and automatically reinvested into the Fund.
Financial year end	31 May

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

6.2 KENANGA SHARIAH ONEPRS MODERATE FUND

Category	Core (Moderate)
Investment objective	<p>The Fund aims to provide income[^] and capital growth over the long-term through investments in Shariah-compliant equities and sukuk.</p> <p>[^] <i>Income distribution (if any) will be reinvested into the Fund.</i></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"> • Maximum 60% of the Fund's NAV in Shariah-compliant equities. • At least 40% of the Fund's NAV in sukuk and Islamic money market instruments. • Up to 5% of the Fund's NAV in Islamic liquid assets for liquidity purpose.
Investment policy and strategy	<p>The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of Shariah-compliant equities, sukuk and Islamic money market instruments.</p> <p>A maximum of 60% of the Fund's NAV will be invested in Shariah-compliant equities and at least 40% of the Fund's NAV in sukuk and Islamic money market instruments.</p> <p>The Fund may also invest in Islamic collective investment schemes as permitted under the Deed and Guidelines.</p> <p>The Shariah-compliant equities portion will consist of a mixture of both growth and dividend Shariah-compliant stocks.</p> <p>The Fund will employ both top-down and bottom-up approach to evaluate its investments in Shariah-compliant equities and sukuk.</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 Shariah-compliant equities and sukuk 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>
Additional Requirements in PRS Guidelines on Investment Limits	<p>The SC has issued a revised Guidelines on Private Retirement Schemes on 4 May 2020 to allow the PRS Provider to invest as follows:</p> <p>Investment into one or more Islamic collective investment schemes is permitted in the following circumstances:</p> <ol style="list-style-type: none"> (a) from launch of the Scheme, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV; (b) upon reaching RM200 million NAV, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and (c) that the investment objective of the Islamic collective investment scheme is similar to the Fund.
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 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 sukuk are appropriately priced given the risk identified.</p>

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

Performance benchmark	<p>A composite of FBM EMAS Shariah Index (60%) and Maybank 1-Month GIA rate (40%).</p> <p>The composition of the benchmark is reflective of asset allocation of the Fund. It is a statistical measure of its overall performance over time.</p> <p>Members may 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; • Have low to moderate risk tolerance and can withstand short-term volatility; and • Seek to invest in a Shariah-compliant investment. <p>For Members under the Default Option who have attained the age of 45 years old but are not yet 55 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 45 or 55 years old as the case may be, the Member's contribution will be allocated into the Kenanga Shariah OnePRS Moderate Fund or Kenanga Shariah OnePRS Conservative Fund respectively.</i></p>
Distribution policy	Distributions (if any) will be declared annually and automatically reinvested into the Fund.
Financial year end	31 May

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

6.3 KENANGA SHARIAH ONEPRS GROWTH FUND

Category	Core (Growth)
Investment objective	<p>The Fund aims to provide capital growth over the long-term through investments in Shariah-compliant equities and sukuk.</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"> • Maximum 80% of the Fund's NAV in Shariah-compliant equities. • At least 20% of the Fund's NAV in sukuk and Islamic money market instrument. • Up to 5% of the Fund's NAV in Islamic liquid assets for liquidity purpose.
Investment policy and strategy	<p>The Fund seeks to achieve its objective by investing in local and/or foreign diversified portfolio of primarily Shariah-compliant equities, as well as sukuk and Islamic money market instruments.</p> <p>The Fund may invest up to 80% of the Fund's NAV in Shariah-compliant equities and at least 20% of the Fund's NAV in sukuk and Islamic money market instruments.</p> <p>The Fund may also invest in Islamic collective investment schemes as permitted under the Deed and Guidelines.</p> <p>The Shariah-compliant equities portion will consist of a mixture of both growth and dividend Shariah-compliant stocks.</p> <p>The Fund will employ both top-down and bottom-up approach to evaluate its investments in Shariah-compliant equities and sukuk.</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 Shariah-compliant equities and sukuk 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>
Additional Requirements in PRS Guidelines on Investment Limits	<p>The SC has issued a revised Guidelines on Private Retirement Schemes on 4 May 2020 to allow the PRS Provider to invest as follows:</p> <p>Investment into one or more Islamic collective investment schemes is permitted in the following circumstances:</p> <ol style="list-style-type: none"> (a) from launch of the Scheme, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV; (b) upon reaching RM200 million NAV, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and (c) that the investment objective of the Islamic collective investment scheme is similar to the Fund.
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 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 sukuk are appropriately priced given the risk identified.</p>

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

Performance benchmark	<p>A composite of FBM EMAS Shariah Index (80%) and Maybank 1-Month GIA rate (20%).</p> <p>The composition of the benchmark is reflective of asset allocation of the Fund. It is a statistical measure of its overall performance over time.</p> <p>Members may 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; • Have moderate risk tolerance and can withstand short-term volatility; • Seek to invest in a Shariah-compliant investment. <p>For Members under the Default Option who are below the age of 45 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 45 years old, the Member's contribution will be allocated into the Kenanga Shariah OnePRS Moderate Fund instead.</i></p>
Distribution policy	Distributions (if any) will be declared annually and automatically reinvested into the Fund.
Financial year end	31 May

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6.4 TEMPORARY DEFENSIVE MEASURES

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

6.5 PERMITTED INVESTMENTS

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

- Shariah-compliant transferable securities;
- Islamic deposits and Islamic money market instruments;
- Islamic collective investment schemes;
- Government investment issue (GII), Cagamas sukuk, Bank Negara Malaysia monetary notes-i, Malaysian Islamic treasury bills, Islamic accepted bills, and other obligations issued or guaranteed by Malaysian government, Bank Negara Malaysia and other government-related agencies that comply with Shariah requirements;
- sukuk;
- Islamic derivatives for hedging purposes;
- Unlisted Shariah-compliant securities; and
- Any other form of Shariah-compliant investments as may be determined by the PRS Provider from time to time that are in line with the Fund's objective.

6.6 INVESTMENT RESTRICTIONS AND LIMITS

6.6.1 Kenanga Shariah 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 Shariah-compliant securities must not exceed 10% of the Fund's NAV;
- (b) The value of a Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (c) The value of a Fund's placement in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV;
- (d) For investments in Islamic 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") Islamic derivatives transaction with any single counterparty must not exceed 10% of the Fund's NAV;
- (e) The aggregate value of a Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits and OTC Islamic derivatives issued by or placed with (as the case may be) any single issuer or licensed financial institution must not exceed 25% of the Fund's NAV.
- (f) The value of a Fund's investments in sukuk issued by any single issuer must not exceed 20% of the Fund's NAV. The single issuer limit may be increased to 30% if the sukuk are rated by any domestic rating agency to be of the best quality and offer highest safety for timely payment of profit and principal;
- (g) Where the single issuer limit of investments in sukuk is increased to 30% of the Fund's NAV, the aggregate value of the Fund's investments must not exceed 30% of the Fund's NAV;
- (h) The value of a Fund's investments in sukuk issued by any one group of companies must not exceed 30% of the Fund's NAV;
- (i) The Fund's investments in Shariah-compliant transferable securities (other than sukuk) must not exceed 10% of the Shariah-compliant securities issued by any single issuer;
- (j) The Fund's investments in sukuk must not exceed 20% of the sukuk issued by any single issuer; and
- (k) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. However, the above limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.

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

- (a) Investments in sukuk must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, sukuk which are rated below BBB3/P2 by RAM and/or are unrated, may comprise up to 5% of Kenanga Shariah 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 sukuk to below BBB3 or P2 by RAM;

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- an increase in the aggregate value of sukuk which are rated below BBB3/P2 and/or are unrated; or
- a decrease in the NAV of Kenanga Shariah 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 Shariah-compliant derivatives is for hedging purposes only;
- (c) No investment in Shariah-compliant warrants except as a result of Kenanga Shariah OnePRS Conservative Fund's holdings in Shariah-compliant equities; and
- (d) No investment in products with embedded Shariah-compliant derivatives;

6.6.2 Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund

- (a) The value of each Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV, however, the said limit does not apply to unlisted Shariah-compliant securities that are:
 - Shariah-compliant 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;
 - Sukuk traded on an organised over-the-counter ("OTC") market; and
 - Islamic structured products;
- (b) The value of each Fund's investments in Shariah-compliant 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 Shariah-compliant transferable securities and Islamic 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 Islamic deposits with any single licensed financial institution must not exceed 20% of that Fund's NAV;
- (e) For investments in Islamic derivatives:
 - the exposure to the underlying assets of that Shariah-compliant derivative must not exceed the investment spread limits stipulated in the Guidelines; and
 - the value of each Fund's OTC Shariah-compliant derivative transaction with any single counter-party must not exceed 10% of that Fund's NAV;
- (f) Each Fund's exposure from Islamic derivatives position should not exceed that Fund's NAV at all times;
- (g) The value of each of the Fund's investment in Islamic 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 Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, OTC Islamic derivatives and Islamic structured products issued by or placed with (as the case may be) any single issuer or licensed financial institution must not exceed 25% of that Fund's NAV;
- (i) The Islamic 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 Islamic 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 Islamic collective investment schemes;
- (l) The Shariah-compliant warrants a Fund invests in must carry the right in respect of a Shariah-compliant security traded in or under the rules of an eligible market;
- (m) The value of each Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of that Fund's NAV;
- (n) Each Fund's investments in Shariah-compliant transferable securities (other than sukuk) must not exceed 10% of the securities issued by any single issuer;
- (o) Each Fund's investments in sukuk must not exceed 20% of the sukuk issued by any single issuer; and
- (p) Each 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.

Additional Requirements in PRS Guidelines on Investment Limits

The SC has issued a revised Guidelines on Private Retirement Schemes on 4 May 2020 to allow the PRS Provider to invest as follows:

Investment into one or more Islamic collective investment schemes is permitted in the following circumstances:

- (a) from launch of the Scheme, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;
- (b) upon reaching RM200 million NAV, the value of a Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and
- (c) that the investment objective of the Islamic collective investment scheme is similar to the Fund.

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 Shariah-compliant securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

6.7 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 comply with the Guidelines.

- (i) Valuation of listed Shariah-compliant securities which are quoted on an approved exchange shall be based on the last done market price of the Shariah-compliant securities at the end of a particular Business Day.
- (ii) Valuation of unlisted RM-denominated 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 a specific 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 Islamic derivatives or Islamic structured products is marked-to-market using prices quoted by the issuer and is valued at least once a week. Exchange traded Islamic derivatives positions shall be marked-to-market at the close of each trading day.
- (iv) Investments in Islamic collective investment schemes which are quoted on an approved exchange shall be valued daily based on the same manner as other listed Shariah-compliant securities as described above. Investments in unlisted Islamic collective investment schemes shall be valued daily based on the last published repurchase price.
- (v) Investments in Islamic money market instruments and Islamic deposits placed with licensed financial institutions shall be valued each day by reference to the principal value of such investments and the shared profit accrued thereon for the relevant period. For investments in Islamic commercial papers, valuation will be performed by reference to the fair value prices quoted by a BPA registered by the SC.
- (vi) Suspended Shariah-compliant 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.

6.8 VALUATION POINT

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.

For a Fund with no foreign market investments, if applications for Units with cleared funds are received or redemptions requests are received by the PRS Provider and authorised 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 Day on T day. The prices of the Units will be published on the following Business Day, T+1.

For a Fund with foreign market investments, the valuation of the Funds in respect of a particular Business Day can only be carried out on the following Business Day after the close of business of the last relevant foreign market in which the Funds invest in due to the different time zones of foreign markets.

The foreign exchange rate used for valuation of foreign investment is based on bid rate obtained from Reuters or Bloomberg at U.K. time 4.00 p.m. the same day.

6.9 BORROWING POLICY

The Funds are permitted to seek Islamic financing facility to meet redemption requests. The period of financing must not exceed 1 month. At the time of financing, the aggregate financing amount must be less than 10% of the Fund's NAV. Islamic financing facility can only be made from licensed financial institutions.

6.10 SECURITIES LENDING

Subject to the approval of the Shariah Adviser, the Funds may participate in the Islamic Securities Selling and Buying Negotiated Transaction activities/lending of securities within the meaning of the Securities Borrowing and Lending Guidelines (as may be updated from time to time) when the PRS Provider finds it appropriate to do so with a view of generating additional income for the Funds with an acceptable degree of risk.

The lending of securities must:

- be permitted under the Deeds;
- comply with the Securities Borrowing and Lending Guidelines; and
- comply with relevant rules and directives issued by Bursa Malaysia Securities Bhd, Bursa Malaysia Depository Sdn Bhd and Bursa Malaysia Securities Clearing Sdn Bhd.

Except otherwise stipulated in the Guidelines, the Funds' assets may not be lent. In addition, the Funds may not assume, guarantee, endorse or otherwise become directly or contingently liable for, or in connection with, any obligation or indebtedness of any person.

6.11 SHARIAH INVESTMENT GUIDELINES ADOPTED BY KIBB, CLEANSING PROCESS AND ZAKAT (TITHE)

1. Shariah Investment Guidelines

The following matters are adopted by KIBB's Shariah Committee in determining the Shariah status of investments of the Funds.

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 SC's website.

However, for Initial Public Offerings ("IPO") of companies whose the Shariah status have yet to be determined by the SACSC, KIBB's Shariah Committee adopts the following analysis as a temporary basis in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.

KIBB's Shariah Committee adopts a two-tier quantitative approach, which applies the business activity benchmarks and the financial ratio benchmarks, in determining the Shariah status of the listed securities. Hence, the securities will be classified as Shariah-compliant if their business activities and financial ratios are within these benchmarks.

(a) **Business Activity Benchmarks**

The contribution of Shariah non-compliant activities to the group revenue and group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:

(i) The 5% benchmark is applicable to the following business activities:

- Conventional banking and lending;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;
- Shariah non-compliant entertainment;
- Tobacco and tobacco-related activities
- Interest income from conventional accounts and instruments (including interest income awarded arising from a court judgements or arbitrator);
- Dividends from Shariah non-compliant investment; and
- Other activities deemed non-compliant according to Shariah principles as determined by SACSC.

For the above-mentioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 5%.

(ii) The 20% benchmark is applicable to the following businesses/activities:

- Share trading;
- Stockbroking business;
- Rental received from Shariah non-compliant activities; and
- Other activities deemed non-compliant according to Shariah principles as determined by SACSC.

For the above-mentioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 20%.

(b) **Financial Ratio Benchmarks**

The financial ratios benchmarks SACSC considers include the following:

(i) **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.

(ii) **Debt over total assets**

Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

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Each ratio, which is intended to measure *riba* and *riba*-based elements within a company's statements of financial position, must be less than 33%.

In addition to the above two-tier quantitative criteria, the SAC also considers the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching. Should any of the above deductions fail to meet the benchmarks, KIBB Shariah Committee will not accord Shariah-compliant status for the companies.

Sukuk and Islamic Money Market Instruments:

KIBB Shariah Committee 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>).

Collective Investment Scheme:

The collective investment schemes shall be Islamic collective investment schemes.

Liquid Asset:

The investment in liquid assets shall be in Islamic liquid assets.

Investment in Foreign Market

Equity:

Reference for investment in foreign securities is based on the Dow Jones Islamic Market Indices Methodology.

Sector-Based Screens

Based on the Shariah Supervisory Board established parameters, the businesses listed below are inconsistent with Shariah law. The majority of Shariah scholars and boards hold that these industries and their financial instruments are inconsistent with Shariah precepts and hence are not suitable for Islamic investment purposes. Although no universal consensus exists among contemporary Shariah scholars on the prohibition of tobacco companies and the defense industry, most Shariah boards have advised against investment in companies involved in these activities. Income from the following impure sources cannot exceed 5% of revenue.

- Alcohol
- Tobacco
- Pork-related products
- Conventional financial services (banking, insurance, etc.)
- Weapons and defense
- Entertainment (hotels, casinos/gambling, cinema, pornography, music, etc.)

Companies classified as Financial (8000) according to a unique proprietary classification system are considered eligible if the company is incorporated as an Islamic Financial Institution, such as:

- Islamic Banks
- Takaful Insurance Companies

Companies classified as Real Estate (8600) according to a unique proprietary classification system are considered eligible if the company's operations and properties are conducting business according to Shariah principles.

Accounting-Based Screens

After removing companies with unacceptable primary business activities, the remaining stocks are evaluated according to several financial ratio filters. The filters are based on criteria set up by the Shariah Supervisory Board to remove companies with unacceptable levels of debt or impure interest income.

All of the following must be less than 33%:

- Total debt divided by trailing 24-month average market capitalization

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- The sum of a company's cash and interest-bearing securities divided by trailing 24-month average market capitalization
- Accounts receivables divided by trailing 24-month average market capitalization

Stocks deemed compliant at the prior evaluation period that exceed the maximum ratio for any accounting-based screen at the current evaluation period remain compliant if the ratio is within two percentage points of the maximum allowed. However, if the maximum is breached for three consecutive evaluation periods the stock will be deemed non-compliant. If any of the ratios are above the two percentage point buffer limit, the stock is deemed non-compliant immediately.

Stocks deemed non-compliant at the prior evaluation period that pass all accounting-based screens at the current evaluation period remain non-compliant if any ratio is within two percentage points of the maximum allowed. However, if the stock satisfies all three ratios for three consecutive evaluation periods the stock will be deemed compliant. If all three ratios are below the two percentage point buffer limit, the stock is deemed compliant immediately.

Companies passing the sector-based and accounting-based screens may be included as index constituents of the Dow Jones Islamic Market™ Indices.

2. Cleansing Process for the Funds

(a) Wrong Investment

This refers to Shariah non-compliant investment made by the Funds. The said investment will be disposed of/withdrawn with immediate effect or within a month of knowing the status of the investment. In the event of the investment resulted in gain (through capital gain and/or dividend/profit) received before or after the disposal of the investment, the gain is to be channelled to baitulmal and/or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment results in losses to the Funds, 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 securities which are reclassified as Shariah non-compliant by the SACSC, the Shariah Adviser or the Shariah Boards of the relevant Islamic indices. The said securities will be disposed as soon as practicable, if at the time of the announcement/review, the total amount of dividends received and the market value held exceeds or equals to the investment costs.

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

On the other hand, the Fund is allowed to hold the Shariah non-compliant securities if the market price of the said securities is below the investment cost. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of the dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the Fund is advised to dispose of their holdings.

3. Zakat (tithe) for the Funds

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

The Shariah Adviser confirms that the investment portfolio of the Funds will comprise instruments that have been classified as Shariah-compliant by the SACSC or the Shariah Advisory Council of BNM. For instruments that are not classified as Shariah-compliant by the SACSC or the Shariah Advisory Council of BNM, they have reviewed and determined the Shariah status of the said instruments in accordance with the ruling issued by the Shariah Adviser.

7. FEES, CHARGES AND EXPENSES

7.1 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 withdrawals made through any Kenanga Authorised PRS Distributor. All fees and charges payable to the PRS Provider, the Scheme Trustee and PPA are subject to the applicable taxes as may be imposed by the government or other authorities from time to time.

7.1.1 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 PRS managed by the PRS Provider)	Nil. <i>Note: Switching from a Fund to conventional funds managed by the PRS Provider is discouraged especially for Muslim members.</i>

Note:

- The sales charge is negotiable while the transfer fee is non-negotiable.
- Please refer to Sections 8.3 and 8.4 for illustration on sales charge and allocation of Units respectively, as well as Section 8.5 for an illustration on redeeming Units from the Fund.
- Please refer to Section 8.8 for an illustration on transfer between PRS provider as well as Section 8.7 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.

7.1.2 Charges paid to PPA

PPA account opening fee	RM10 (One-off).
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 for the year(s) where no contributions are made.
PPA pre-retirement withdrawal fee	RM25 per transaction. (subject to changes as may be determined by PPA from time to time)
PPA transfer fee (to another PRS provider)	RM25 per transaction. (subject to changes as may be determined by PPA from time to time)

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

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7.2 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	0.02% 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.

7.2.1 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 Shariah OnePRS Growth Fund is RM10 million, the calculation of annual management fee based on total NAV in Kenanga Shariah OnePRS Growth Fund is:

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

7.2.2 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 Shariah 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.

7.2.3 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 Shariah 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.

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7.2.4 Others 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 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.

7.3 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 will be deducted accordingly from the transaction proceeds.

For contribution payments 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.

7.4 THE EXPENSES OF THE FUND

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 Shariah-compliant 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 imposed on the Fund by the Malaysian government and/or other authorities;
- Auditor's fees and expenses;
- Valuation fees incurred for the valuation of the Shariah-compliant of the Fund by independent valuers for the benefit of the Fund;
- Independent investment committee members' fee;
- Tax adviser's fee;
- Shariah adviser's fee;
- Costs for modification of the Deed other than those for the benefit of the PRS Provider and/or the Scheme Trustee;
- Costs incurred for meetings of the Members other than those convened by, or for the benefit of, the PRS Provider and/or Scheme Trustee; and
- Any other expenses as may be allowed under the Deed.

7.5 SOFT COMMISSIONS AND REBATES POLICY

It is the policy of the PRS Provider to credit any rebates received into the account of the Fund. Soft commissions are retained by the PRS Provider for purchasing goods and services that are of demonstrable benefit to the Members of the Fund, and are in the form of research and advisory services that assist in the decision-making process relating to the investment of the Fund (i.e. Bloomberg Anywhere and Bloomberg terminal subscriptions).

Any dealing with the broker or dealer is executed on terms which are the most favourable for the Funds.

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

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8. TRANSACTION INFORMATION

8.1 SINGLE PRICING POLICY AND POLICY ON ROUNDING ADJUSTMENTS

The PRS Provider adopts single pricing i.e. the NAV per Unit for contribution to and withdrawal of Units from the Fund.

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 Shariah OnePRS account are also rounded to 2 decimal points. The Member's withdrawal 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 Shariah 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)

8.2 INCORRECT PRICING

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 withdrawal 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 withdrawal 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 HOW NET ASSET VALUE IS CALCULATED

The Fund's NAV 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 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 Shariah OnePRS Growth Fund is calculated as follows:

	RM
Current investment portfolio of Kenanga Shariah 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 Shariah OnePRS Growth Fund	<u>30,003,680.61</u>

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If there were 60,000,000 Units in circulation for Kenanga Shariah OnePRS Growth Fund at the end of the Business Day, the NAV per Unit for Kenanga Shariah OnePRS Growth Fund would be RM30,003,680.61 divided by 60,000,000 Units or RM0.5001 per Unit.

8.4 CONTRIBUTING TO THE FUND

Contributions to Funds under the Scheme can be received by a PRS Provider from an employer (who contributes for its employees) or from any individual who has attained the age of 18 years as of the date of opening of a private pension account with the PPA.

For employers who make contributions on behalf of the employees, the manner in which the Units will be accounted for and vested in an employee may be in accordance with a Vesting Schedule issued by the respective employer. However, whether the contributions are subject to a Vesting Schedule or otherwise, the choice of Fund is to be made by the employee. In the case where an employee does not make a Fund selection, the PRS Provider will allocate the contributions in accordance with the Default Option.

All contributions made by a Member will be maintained in two separate sub-accounts by the PRS Provider as follows:

- (a) Sub-account A, which holds 70% of all contributions made to any Fund under the Scheme (reflected in units) which is not available for pre-retirement withdrawal, except for death of a Member or permanent departure of a Member from Malaysia or withdrawals due to permanent total disablement, serious disease or mental disability; and
- (b) Sub-account B, which holds 30% of all contributions made to any Fund under the Scheme (reflected in units) which is available for pre-retirement withdrawal subject to payment of tax penalty set by Inland Revenue Board. The PRS Provider will deduct the tax penalty from the redeemed amount before making payment to Members. However, the tax penalty is not applicable for withdrawals due to death of a Member, permanent departure of a Member from Malaysia, permanent total disablement, serious disease or mental disability, for healthcare and housing purpose.

8.4.1 Subscription of Units

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.

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. 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 Authorised PRS Distributors:

Assuming that the sales charge for Kenanga Shariah 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 Shariah 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 Shariah 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 Shariah 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 Shariah 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.

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* 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.

8.5 WITHDRAWAL FROM THE SCHEME

Request for withdrawals from any of the Funds under the Scheme may be made in the following circumstances:

No.	Circumstances for withdrawal	Sub-account	Extent of withdrawals
(a)	Upon reaching retirement age	A & B	Partial or Full
(b)	Pre-retirement withdrawals from sub-account B of a Scheme that would incur a tax penalty	B	Partial or Full
(c)	Death of a member	A & B	Partial or Full
(d)	Permanent departure of member from Malaysia	A & B	Full
(e)	Due to permanent total disablement, serious disease or mental disability of a member	A & B	Full
(f)	For healthcare purpose	B	Partial or Full
(g)	For housing purpose	B	Partial or Full

Pre-retirement withdrawal from the Scheme

- In relation to request for pre-retirement withdrawals (tax penalty imposed), healthcare and housing purposes from sub-account B, withdrawals may be requested by a Member once every calendar year from each PRS Provider (for one or multiple funds under any scheme(s) managed by that PRS Provider) provided that the individual has been a member of that scheme (whether via member's contribution or employer's contribution) for at least one year.
- In relation to request for withdrawals for healthcare purpose, the withdrawals is only permitted for member's own self or immediate family on certain illnesses listed in section 15.5 of this First Replacement Disclosure Document.
- For pre-retirement withdrawals in the case of a withdrawal following the death of the Member, the PRS Provider must obtain prior authorisation from the PPA before issuing instructions to the Scheme Trustee to cancel Units. Any withdrawal 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 authorisation 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 will not apply for pre-retirement withdrawals made in the following circumstances:
 - death of a Member;
 - permanent departure of a Member from Malaysia;
 - due to permanent total disablement, serious disease or mental disability of a Member;
 - for healthcare purpose; and
 - for housing purpose.

8.5.1 Withdrawals of Units

Withdrawal requests will be carried out at the NAV per Unit of the Fund at the end of each Business day upon receiving PPA's authorisation (where applicable) before 4.00 p.m. at the end of the Business day. Where the withdrawal request is received after the cut-off time, the request will be deemed to have been received on the next Business Day.

Members who hold Conditionally Vested Units are not permitted to withdraw their Units. Contributions received from an employer on behalf of an employee that is subject to the Vesting Schedule are not allowed to be withdrawn by that employee until Units issued pursuant to such contributions are Vested Units.

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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.
<p><i>*Note: The PPA pre-retirement withdrawal fee is non-negotiable. The tax penalty will not be applicable for pre-retirement withdrawals due to death, permanent departure of a Member from Malaysia and permanent total disablement, serious disease or mental disability, for healthcare purpose and for housing purpose.</i></p> <p>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.</p>		

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 the illustration on the calculation of the net redemption proceeds.

Please note that the examples below are for illustration only:

8.5.2 Pre-retirement withdrawal

Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000 at the end of Business Day. If a Member redeems 2,000 Units from the Member's sub-account B of Kenanga Shariah 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.

* 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

8.5.3 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 Shariah 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 Shariah 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 will be RM250 or 500 Units. If partial redemption is made, the Member's Shariah OnePRS account must have a minimum balance of RM250 or 500 Units to remain invested in the Fund.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

8.6 PAYMENT OF WITHDRAWAL PROCEEDS

In relation to request for withdrawal, the PRS Provider may receive such request from a member, a nominee, an executor, trustee or administrator of a member's estate either directly or through a notification from the PPA. The PRS Provider also must obtain prior authorisation from the PPA before issuing instructions to the Scheme Trustee to cancel units in the case of a withdrawal following the death of a Member. The PRS Provider or PPA, as the case may be, may require the member to provide evidence of the facts necessary to establish the Member's right to withdraw monies from any fund under the Scheme.

The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:

No.	Circumstances of withdrawal	Period for payment to be made	Recipient of payment
(a)	Upon reaching retirement age	Within 10 days after the PRS Provider received a completed withdrawal request from member	Members
(b)	Pre-retirement withdrawals from sub-account B		
(c)	Permanent departure of Member from Malaysia		
(d)	Due to permanent total disablement, serious disease and mental disability of a Member	Within 10 days after the PRS Provider receives a completed withdrawal request (either received directly or through a notification from the PPA)	Members
(e)	Death of a Member	Within 10 days after the PRS Provider receives an authorisation from the PPA	(i) Either a nominee, trustee, executor, or administrator of a deceased member (ii) Notwithstanding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines.
(f)	For housing purpose	Within 10 days after the after the PRS Provider receives a completed withdrawal request	Members' account or joint housing loan account
(g)	For healthcare purpose	Within 10 days after the after the PRS Provider receives a completed withdrawal request	Members

8.7 SWITCHING OF FUNDS

Switching is a facility that the PRS Provider offers to its Members. This facility is a convenient way of switching from a Fund to any other Funds under this Scheme or funds in other PRS managed by the PRS Provider to meet the changing lifestyle need and/or risk profile of Members. Switching between funds must be either from sub-account A of one Fund to sub-account A of any other Fund and/or from sub-account B of one Fund to sub-account B of any other Fund.

Members are allowed to switch Funds under this Scheme or to any other funds in other PRS managed by the PRS Provider anytime at no switching fee and no limit to the number of switching. The minimum switching amount is RM250 per Fund. 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 45 and 55 years (refer to as "Switch-in Date") respectively. The switching must be executed in equal proportion over a five-year (5) period based on the number of units remaining in the relevant Fund and after Member's own redemption, if any. The first switching must be executed on the Switch-in Date and the subsequent four (4) switching must be executed no later than 10 business days from each anniversary of the Switch-in Date.

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.

Note: This age limit may be subject to changes as may be determined by the relevant authorities from time to time.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

Please note that the example below is for illustration only:

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

The assumptions for this example are as follows:

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

The NAV per Unit of Kenanga Shariah OnePRS Moderate Fund is RM1.0102 and NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5185.

	RM
Switching value (2,000 Units of Kenanga Shariah OnePRS Moderate Fund x RM1.0102)	2,020.40
(Less) switching fee	<u>0.00</u>
Amount switched into Kenanga Shariah OnePRS Growth Fund	<u><u>2,020.40</u></u>
Number of Units in Kenanga Shariah OnePRS Growth Fund account (RM2,020.40 / RM0.5185 per Unit) =	3,896.6248 Units <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 a Fund to conventional funds managed by the PRS Provider is discouraged for Muslim members.

8.8 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 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.

Members who hold Conditionally Vested Units are not permitted to withdraw their Units. Contributions received from an employer on behalf of an employee that is subject to the Vesting Schedule are not allowed to be transferred to another PRS until Units issued pursuant to such contributions are Vested Units.

Please note that the example below is for illustration only:

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

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

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

Note:

- The transfer fees 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.

8.9 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 or passport of each applicant. • Payment. 	<ul style="list-style-type: none"> • RM1,000 to open Shariah OnePRS account; if lump sum or one-off payment, or • RM100 to open Shariah OnePRS account, if monthly regular contribution plan.
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.
Withdrawals	<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 (Regular Withdrawal Program- for Members who have reached their retirement age)	<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 (between Funds in this Scheme or to any other funds in another PRS managed by the 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. • Switching fee: Nil.
Transfer to another PRS provider	<ul style="list-style-type: none"> • Transaction form. • PPA Transfer 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 prior notice to the Members in accordance with the Guidelines.

All fees and charges payable to the PRS Provider, the Scheme Trustee and the PPA are subject to the applicable taxes as may be imposed by the government or other authorities from time to time.

8.10 DISTRIBUTION CHANNELS

The Funds are distributed through Kenanga Authorised PRS Distributors. The PRS Provider's regional branch offices are listed on Section 16.

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

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

8.11 COOLING-OFF

Members are given one (1) Cooling-off right when they contribute to the Scheme for the 1st time and are given a cooling-off period. The cooling-off period is six (6) Business Days from the date of receipt of their first 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 their Cooling-off right (please refer to below example) within ten (10) calendar days upon receiving PPA's authorisation, 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 types of Member:

- 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 Shariah OnePRS Growth Fund.

The NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000 and the sales charge is 1.50% of NAV per Unit.

	RM
Total initial contribution amount into Kenanga Shariah OnePRS Growth Fund	1,000.00
Sales charge paid*	15.00
Total refund as per Cooling-off right	<u>1,015.00</u>

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.

8.12 NOMINATION

A Member who is a Malaysian citizen and a foreigner having a permanent residence status in Malaysia may nominate any individual to receive his accrued benefits upon his death. Member may nominate up to six (6) nominees.

Nomination can be made by Member at any time after the PRS account has been opened. A nomination is made by submitting a duly completed and witnessed nomination form to the PRS Provider or PPA. Members can download the nomination form from PPA's website or obtain the form from the PRS Provider.

A nomination shall be revoked:

- a) By the death of all nominees during the lifetime of a Member;
- b) By written notice of revocation made in a revocation form to be specified by the PPA;
- c) By any subsequent nomination made in a new nomination form; or
- d) Where a nominee fails to submit the relevant withdrawal form within one year from the death of a Muslim Member.

8.13 POLICY ON DISTRIBUTION AND UNCLAIMED MONIES

• Distributions

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

Distributions, 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). Distributions (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.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

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

Distributions 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 100 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.

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9. THE PRS PROVIDER: KENANGA INVESTORS BERHAD (“KIB”)

9.1 BACKGROUND

The PRS Provider, KIB was incorporated as a public limited company on 2 August 1995 and holds the capital markets and services licence for fund management in Malaysia under the CMSA. KIB has more than 20 years’ experience in providing fund management and fund advisory services, for both institutional and retail clients. KIB is a wholly-owned subsidiary of Kenanga Investment Bank Berhad (“KIBB”) and is licensed to perform the regulated activities of fund management, dealing in securities (restricted to unit trust), investment advice, financial planning and dealing in private retirement scheme under the CMSA.

9.2 BOARD OF DIRECTORS

Names	Designation
Datuk Syed Ahmad Alwee Alsee	Chairman/Non-Independent Director Non-Executive Director
Syed Zafilen Syed Alwee	Independent Director
Peter John Rayner	Independent Director
Imran Devindran Bin Abdullah	Independent Director
Norazian Ahmad Tajuddin	Independent Director
Ismitz Matthew De Alwis	Executive Director

9.3 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, disclosure document, securities laws, Guidelines and investment management and marketing of the Scheme and the Funds; to exercise its powers for a proper purpose and in good faith in the best interest of the Members as a whole; keeping proper administrative records of Members and accounting records of the Scheme and the Funds; and to carry out any other duties or responsibilities as may be required by SC from time to time.

9.4 MATERIAL LITIGATION AND ARBITRATION

As at 30 September 2020, the PRS Provider is not engaged in any litigation or arbitration proceedings, either as plaintiff or defendant, which have 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.

9.5 INVESTMENT COMMITTEE

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

- a) ensuring the funds of our clients, PRS members and unit holders are managed in accordance with the respective:
 - relevant regulatory requirements;
 - investment objectives as stated in disclosure document/ prospectus/ information memorandum & deed or investment management agreements; and
 - internal investment restrictions and policies.
- b) select appropriate strategies to achieve the proper performance of the fund in accordance with the fund management policies;
- c) ensure that the strategies selected are properly and efficiently implemented by the PRS Provider or the fund manager; and
- d) actively monitor, measure and evaluate the fund management performance of the PRS Provider or the fund manager.

The investment committee meets four times yearly or as circumstances require.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

9.6 AUDIT AND RISK COMMITTEE

The audit and risk 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 and risk committee will review and report on the effectiveness of the PRS Provider's internal control system.

The audit and risk 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 and risk committee comprises the following members:

Syed Zafilen Syed Alwee (Chairman/Independent Member)

Syed Zafilen Syed Alwee was appointed as an Independent Non-Executive Director of KIB on 12 May 2008. He is also the Chairman of Audit and Risk Committee and a member of Investment Committee of KIB.

He holds a Diploma in Electrical Engineering from Universiti Teknologi Malaysia. He is currently an Executive Director of Grass2Route Sdn Bhd.

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 multinationals including Patimas Computers Berhad, Lityan Holdings Berhad, Cahya Mata Sarawak Berhad, Lucent Technologies International (Brunei) Ltd, Motorola, Mobil, as well as having ownership of two other companies.

Imran Devindran bin Abdullah (Independent Member)

Imran Devindran bin Abdullah ("**Imran Devindran**") was appointed as an Independent Non-Executive Director of KIB on 1 June 2015. He is also a member of KIB's Audit and Risk Committee and Investment Committee.

He is currently a Senior Associate of BH Lawrence & Co, Advocates and Solicitors in Damansara, Petaling Jaya. He has accumulated over twenty-five (25) years of experience in criminal and civil litigation, with a portfolio that includes expertise in insurance, civil litigation and banking from his tenure as a legal assistant with some of the most established firms in Kuala Lumpur.

Imran Devindran holds an Honours Bachelor of Law (1988) from the University of Buckingham, England and a Certificate of Legal Practice from the University of Malaya. He acquired his formative education in Malaysia, before progressing with his secondary schooling in Singapore and acquiring his A-Levels at Raffles Junior College, Singapore.

He was admitted to the Malaysian Bar as an advocate and solicitor in August 1990 after successfully completing his chambering with M/S Rashid & Lee in Kuala Lumpur.

Imran Devindran has represented major corporations such as Pan Global Insurance Berhad, Royal Insurance (M) Berhad, Malayan British Assurance, United Oriental Assurance Berhad (now known as Tune Insurance Berhad), Nusantara Worldwide Insurance (M) Sdn Bhd, Progressive Insurance Sdn Bhd and People's Insurance Sdn Bhd. in settlement negotiation, claims consultancy and developing strategies for litigation.

Imran Devindran was also active in the North Johor Affairs Committee, from 2003 until 2008. In that capacity, he brought his superb communication skills and vigilant analytical approach to execute his responsibilities mediating and resolving complaints received by the Johor Bar, overseeing the welfare of lawyers and nurturing closer relations between the lawyers and the North Johor judiciary by organising social interaction activities.

When he's not running his successful law firm, Imran Devindran keeps his mind and body active through games and sports, mainly badminton, football and improving his golfing skills.

Peter John Rayner (Independent Member)

Peter John Rayner ("**Peter Rayner**") was appointed as an Independent Non-Executive Director of KIB on 11 November 2010. He is also the Chairman of Investment Committee and a member of Audit and Risk Committee of KIB.

He holds a business degree (majoring in Accounting & Finance) from Charles Sturt University in Australia and is a Certified Practising Accountant (FCPA Australia), and a Fellow of The Australian Institute of Company Directors (FAICD).

Peter Rayner has over thirty (30) years successful experience in building and leading businesses in the fields of Asset Management, Private Equity and Chartered Accounting. He has held many senior positions including as Chief Executive Officer of Dresdner RCM Global Investors (later Allianz Global Investors), and Saltbush Funds Management in Australia. He was also an Executive Director of a private equity firm, Audant Capital, Head of Institutional Investment at Perpetual Investments and National Chief Financial Officer of a major Australian hospital group.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

He is also a past trustee of the Rookwood General Cemeteries Trust in Sydney.

Currently, he is a member the Risk and Audit Committee of the Aged Care Quality and Safety Commission of Australia and consults as Head of Business Advisory & Valuations at Valuator in Sydney. A professional Director and business advisor, he has held a number public and private entity directorships.

Norazian Ahmad Tajuddin (Independent Member)

Norazian Ahmad Tajuddin (“**Norazian**”) was appointed to the Board of Directors of KIB as an Independent Non-Executive Director (“**INED**”) on 1 March 2019. She is currently an INED of Kenanga Investment Bank Berhad, holding company of KIB and a member of KIB’s Audit and Risk Committee and Investment Committee.

She holds a Bachelor of Science (Honours) in Mathematics from the University of Leeds, United Kingdom and a Master of Business Administration (Finance) from the Edith Cowan University, Australia. Norazian has more than twenty-five (25) years of experience in banking, the last fifteen (15) years being in senior management, encompassing areas in Treasury operations, business and banking operations, risk management and support services. She has strong and varied experience in dealing with foreign exchange, international banking, investments, sales, customer and corporate relations, information technology, as well as asset and liability management.

She joined Bank Simpanan Nasional Berhad (“**BSN**”) in 2005 as Director in CEO’s office and was promoted to Deputy Chief Executive Officer (“**DCEO**”) during its re-organisation and continued to serve as its DCEO until she retired in 2010. During her tenure in BSN, she played a leading role in the transformation of BSN into a sustainable and profitable development bank. From June 2008 to March 2010, she served as a Non-Independent Non-Executive Director of Prudential BSN Takaful Bhd and was appointed as a member of its Risk Management Committee and Nomination & Remuneration Committee.

On 1 August 2018, Norazian was appointed as the Chairman of Pacific & Orient Insurance Co. Berhad (“**POI**”), which is a subsidiary of Pacific & Orient Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She has been an Independent Non-Executive Director of POI since 1 April 2015. At POI, she currently serves as a member of the Nomination Committee, Remuneration Committee, as well as the Audit Committee and Risk Management Committee.

9.7 INVESTMENT MANAGEMENT TEAM

The investment management team is responsible for actively managing 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, Lee Sook Yee, heads the investment management team and is the designated fund manager of the Funds. 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)

Lee Sook Yee joined Kenanga Investors Bhd as Chief Investment Officer in March 2013, bringing with her more than eighteen (18) years of experience in local and regional equities investment. Prior to this, Sook Yee was Head of Equities at Meridian Asset Management, where 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.

Sook Yee graduated with a Bachelor of Science (First Class Honours) in Economics from the London School of Economics, United Kingdom, and later obtained her Master of Philosophy (M.Phil) in Economics from the University of Cambridge, UK.

Further information on the PRS Provider, board of directors and investment committee are provided in the PRS Provider’s website at www.kenangainvestors.com.my

10. SCHEME TRUSTEE

CIMB ISLAMIC TRUSTEE BERHAD

10.1 TRUSTEE'S BACKGROUND AND EXPERIENCE

CIMB Islamic Trustee Berhad was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The Scheme Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

CIMB Islamic Trustee Berhad has been involved in unit trust industry as trustee since 1990. It acts as Trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.

As at 30 September 2020, CIMB Islamic Trustee Berhad acts as trustee to thirty-one (31) unit trust funds, fifteen (15) wholesale funds, two (2) private retirement scheme (consisting of seven (7) funds) and one (1) exchanged traded fund.

10.2 SUMMARY OF CIMB ISLAMIC TRUSTEES BERHAD'S FINANCIAL POSITION

Summary of the Scheme Trustee's financial figures for the past 3 years and the unaudited financial results for the financial period ended 31 December 2019 are summarised below:

	31 Dec 2019 (RM'000)	31 Dec 2018 (RM'000)	31 Dec 2017 (RM'000)
Issued and paid-up capital	1,000	1,000	1,000
Shareholders' funds	8,443	8,015	7,388
Revenue	3,867	3,884	3,670
Pretax profit	492	860	1,041
After tax profit	428	627	757

10.3 BOARD OF DIRECTORS

1. Zahardin bin Oмарdin - Independent Director and Chairman, Non-Executive
2. Hussam Mohammad Kassim Sultan - Non-Independent Director, Executive
3. Lee Kooi Yoke - Non-Independent Director, Executive (Chief Executive Officer)

10.4 ROLES, DUTIES AND RESPONSIBILITIES OF THE SCHEME TRUSTEE

The Scheme Trustee's functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Scheme Trustee include, but are not limited to, the following:

- a. Take into custody the investments of the Scheme and hold the investments in trust for the Members.
- b. Ensure that the PRS Provider operates and administers the Scheme in accordance with the provisions of the Deed, the Guidelines and acceptable business practice within the private retirement scheme industry.
- c. As soon as practicable notify the SC of any irregularity or breach of the provisions of the Deed, the SC Guidelines and any other matters which in the Scheme Trustee's opinions may indicate that the interests of Members are not served.
- d. Exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operation and management of the Scheme by the PRS Provider to safeguard the interests of Members.
- e. Maintain, or cause the PRS Provider to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Scheme to be formed and to ensure that the Scheme is operated and managed in accordance with the Deed of the Scheme, Disclosure Document, the Guidelines and securities law.
- f. Require that the accounts be audited at least annually.

The Scheme Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Members.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

10.5 SCHEME TRUSTEE'S STATEMENT OF RESPONSIBILITY

The Scheme Trustee has given its willingness to assume the position as Scheme Trustee of the Scheme and all the obligations in accordance with the Deed, all relevant laws and rules of law.

10.6 SCHEME TRUSTEE'S DECLARATION

The Scheme Trustee is independent of the PRS Provider. The Scheme Trustee will carry out transactions on an arm's length basis and on terms which are best available for the Scheme, as well as act at all times in the best interest of the Members. The Scheme Trustee also has adequate procedures and processes in place to prevent or control conflicts of interest.

10.7 SCHEME TRUSTEE'S OBLIGATION

The Scheme Trustee's obligation in respect of monies paid by a member for the application of units arises when the monies are received in the relevant account of the Scheme Trustee for the Scheme and the Scheme Trustee's obligation is discharged once it has paid the redemption amount to the PRS Provider.

10.8 SCHEME TRUSTEE'S DELEGATE

The Scheme Trustee has delegated its custodian function to CIMB Islamic Bank Berhad (CIMB Islamic Bank). CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Islamic Bank provides full fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary CIMB Islamic Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit assets, CIMB Islamic Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Scheme Trustee. CIMB Islamic Bank acts only in accordance with instructions from the Scheme Trustee.

10.9 MATERIAL LITIGATION AND ARBITRATION

As at 30 September 2020, there is no current material litigation and arbitration including those pending or threatened or any facts likely to give rise to any proceedings, which might materially affect the business/financial position of the Scheme Trustee and any of its delegates.

11. SHARIAH ADVISER: KENANGA INVESTMENT BANK BERHAD (“KIBB”)

KIBB is the Shariah Adviser for the Funds. KIBB is scheduled to meet the PRS Provider and/or the investment committee of the Funds every quarter, where KIBB will advise the PRS Provider on the selection of investment tools to be adopted. KIBB shall advise on the mechanism of the operations of the Funds’ activities to ensure the operations of the Funds comply with Shariah requirements.

11.1 GENERAL INFORMATION OF THE SHARIAH ADVISER

KIBB is a licensed investment bank approved to carry on Islamic banking business. KIBB Shariah Committee was formed on 12 November 2012 after the approval from Bank Negara Malaysia.

11.2 EXPERIENCE IN ADVISORY AND SERVICES

Two members of KIBB Shariah Committee are registered with the SC to act as Shariah Adviser for Islamic collective investment schemes and sukuk issuance. KIBB is also involved in numerous Islamic private mandates as well as the Shariah Adviser for sukuk.

11.3 ROLES AND RESPONSIBILITIES OF THE SHARIAH ADVISER

As the Shariah Adviser, the role of KIBB is to ensure that the operations and investments of the Funds are in compliance with Shariah requirements. The Shariah Adviser reviews the Funds’ 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 advice on the Funds’ compliance with Shariah requirements. The final responsibility for ensuring Shariah compliance of the Funds with Shariah requirements in all relevant aspects rests solely with the PRS Provider.

In line with the SC Guidelines, the roles of the Shariah Adviser are;

1. ensuring that the Funds are managed and administered in accordance with the Shariah principles;
2. providing expertise and guidance for the Funds in all matters relating to Shariah principles, including on the Deed and disclosure document, its structure and investment process, and other operational and administrative matters;
3. consulting the SC who may consult the SACSC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. scrutinising the Funds’ 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 Funds’ investments are in line with the Shariah principles;
5. preparing a report to be included in the Funds’ interim and annual report certifying whether the Funds have been managed and administered in accordance with the Shariah principles;
6. ensuring that the Funds 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 Funds; and
8. assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.

11.4 PROFILE OF KIBB SHARIAH COMMITTEE

Dr. Ghazali Jaapar

He is the Chairman of Shariah Committee of Kenanga Investment Bank Berhad. He is currently an Assistant Professor at the Department of Islamic Law, Ahmad Ibrahim Kulliyah of Laws of International Islamic University Malaysia (IIUM). He holds a Bachelor of Shariah from University of Malaya, Master in Comparative Law (MCL) from International Islamic University Malaysia (IIUM) and PhD in Islamic Jurisprudence from University of Birmingham United Kingdom. Currently he is a member of Shariah committee of FWD Takaful Malaysia.

Dr. Mohd Fuad Md. Sawari

He is currently an Assistant Professor at the Department of Fiqh and Usul al-Fiqh, Kuliyyah of Islamic Revealed Knowledge and Human Sciences of International Islamic University Malaysia. He holds a Bachelor of Shariah from University of Malaya, Master of Arts (Fiqh and Usul al-Fiqh) from the University of Jordan and PhD in Fiqh and Usul al-Fiqh from International Islamic University Malaysia. He is the designated person responsible for Shariah matters related to the Fund.

Dr. Muhammad Arzim Naim

He is a chartered and practising accountant of Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA), member of the Association of Chartered Certified Accountants (ACCA), a member of the Chartered Institute of Islamic Finance Professional (CIIF) and ASEAN Chartered Professional Accountant (ACPA). He has spent most of his professional career in auditing and assurances before joining the academia. He is currently a lecturer at University Kebangsaan Malaysia (UKM). He holds a PhD in Islamic Finance from International Centre for Education in Islamic Finance (INCEIF). He is the designated person responsible for Shariah matters related to the Fund.

Dr. Mohammad Firdaus Mohammad Hatta

He is a Senior Lecturer of Arshad Ayub Graduate Business School, Universiti Teknologi Mara (UiTM) Shah Alam, Selangor. He received his first degree in Shariah Islamiyyah from University of Medina, Saudi Arabia. He then successfully completed his Masters in Fiqh and Usul Fiqh from the International Islamic University of Malaysia (IIUM) and obtained his PhD in Islamic Banking from University of Wales, Lampeter, United Kingdom. He also received a Diploma in Islamic Finance from Markfield Institute of Higher Education, United Kingdom. He is also the Shariah Committee of Great Eastern Takaful Berhad. He is the designated person responsible for Shariah matters related to the Fund.

Further information on the Shariah Adviser are provided in the PRS Provider's website at www.kenangainvestors.com.my

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; 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 Scheme Trustee, or the PRS Provider on its behalf, of the rights of the Scheme 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	0.02% 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.

All fees and charges payable to the PRS Provider, the Scheme Trustee and PPA are subject to the applicable taxes as may be imposed by the government or other authorities from time to time.

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 disclosure document or replacement disclosure document in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental or replacement disclosure document.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

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 disclosure document or replacement disclosure document in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental or replacement disclosure document.

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; such time as may be prescribed by the relevant laws shall have elapsed since the notice is sent;
- (c) a supplemental disclosure document or replacement disclosure document stating the higher rate is registered, lodged and issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental disclosure document or 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; such time as may be prescribed by the relevant laws shall have elapsed since the notice is sent;
- (c) a supplemental disclosure document or replacement disclosure document stating the higher rate is registered, lodged and issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental disclosure document or 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 Shariah-compliant 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 Shariah-compliant 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, takaful and any other dealing of any asset of the Fund;

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- costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluating any proposed Shariah-compliant 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;

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

- (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

A full withdrawal from the Scheme may be requested and made only in the following circumstances:

- (a) upon the production of proof satisfactory to the PRS Provider or the PPA that a Member has attained the retirement age;
- (b) subject to the prior authorisation of the PPA, upon the production of proof by a nominee, trustee, executor or administrator of a deceased Member's estate, as the case may be, satisfactory to the PRS Provider or the PPA that a Member has passed away;
- (c) upon the production of proof satisfactory to the PRS Provider or the PPA that a Member is departing Malaysia permanently;

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

- (d) upon the production of proof satisfactory to the PRS Provider or the PPA that a Member has permanent total disablement, serious disease or mental disability;
- (e) upon the production of proof satisfactory to the PRS Provider or the PPA that the withdrawal is made for healthcare purpose; or
- (f) upon the production of proof satisfactory to the PRS Provider or the PPA that the withdrawal is made for housing purpose.

A partial withdrawal from the Scheme may also be requested and made in the circumstances described in paragraphs (a), (b), (e) and (f) above.

When requested by a Member other than in the circumstances described in paragraphs (c) and (d) above, partial withdrawals from the Scheme 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 by or for the Member has vested in the Member;
- (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; and
- (c) prior to the Member reaching the retirement age or where the withdrawal is made for healthcare or housing purpose, partial withdrawals may be made only in respect of all or some of the Member's Units held in sub-account B.

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
- (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. RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

13.1 RELATED-PARTY TRANSACTIONS

As at 30 September 2020, 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.

13.2 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.

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

As at 30 September 2020, 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.

13.4 OTHER DECLARATIONS

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

13.5 CROSS TRADE

Investment manager may perform cross trades between funds and/or its private mandate clients subject to the relevant client's, internal and regulatory requirements. However, cross trades between the personal account of an employee of the PRS Provider and any funds' account or between the PRS Provider's proprietary accounts and its clients' accounts are strictly prohibited. Compliance with the relevant internal and regulatory requirements on cross trades is closely monitored and is reported to investment committee accordingly.

14. TAXATION ADVISERS' LETTER

Taxation adviser's letter in respect of the tax treatment
of the funds under a private retirement scheme, contributors and contributors' employers
(prepared for inclusion in this First Replacement Disclosure Document)

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

30 September 2020

The Board of Directors
Kenanga Investors Berhad
Level 14, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

Dear Sirs

Shariah OnePRS Scheme Tax treatment of funds under a private retirement scheme ("PRS"), contributors and contributors' 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 Shariah 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 Shariah OnePRS Conservative Fund;
- 2) Kenanga Shariah OnePRS Moderate Fund; and
- 3) Kenanga Shariah OnePRS Growth 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 Malaysian taxation treatment of the Funds under the Scheme, contributors to the Scheme and their employers.

Taxation of the Funds

The Funds are subject to the provisions of the Malaysian Income Tax Act 1967 ("MITA").

Paragraph 20, Schedule 6 of the MITA exempts income of any "approved scheme" from tax. An "approved scheme"¹ is defined under Section 2 of the MITA to include a Private Retirement Scheme. Section 2 of the MITA defines "Private Retirement Scheme" to mean "... a retirement scheme approved by the Securities Commission in accordance with the Capital Markets and Services Act 2007".

Pursuant to Section 2 of the MITA, "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.

The Malaysian Inland Revenue Board (“MIRB”) has clarified in its Public Ruling No.9/2014, Private Retirement Scheme issued on 24 December 2014 that income received by a PRS fund is exempt from tax under Paragraph 20, Schedule 6 of the MITA.

Note however that gains derived by the Funds from the disposal of chargeable assets as defined in the Real Property Gains Tax Act 1976 (“RPGT Act”) may be subject to real property gains tax under the RPGT Act.

Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Funds incurs expenses such as management fees, the management services provided by asset and fund managers are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of contributors

1. Distribution of profits

Distribution of profits to the contributors of the PRS funds in the form of units is exempt from income tax in their hands.

2. Tax relief on contributions

Pursuant to Section 49(1D) of the MITA, individual contributors who are Malaysian tax residents and have made contributions to a PRS fund or paid premium for deferred annuity² in a basis period for a year of assessment are allowed to claim a tax relief of the aggregate amount of the deferred annuity payments or PRS contributions or both or RM3,000, whichever is less, for that year of assessment. This tax relief is applicable effective from the year of assessment 2012 until year of assessment 2021.

3. Withdrawal of contributions

Pursuant to Section 109G of the MITA, withdrawal of contributions from the Scheme by an individual contributor before reaching the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death or permanently leaving Malaysia) would result in a withholding tax of 8% on the amount of contributions withdrawn, which would be deducted before payment is made to the individual contributor. The withholding tax deducted by the PRS provider is to be remitted to the Director General of the Inland Revenue Board within one month after making the payment to the individual contributors. 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.

² The words “premium for deferred annuity” were replaced with the words “any deferred annuity” in Section 49(1D) of the MITA with effect from the year of assessment 2014.

Deductibility of contributions by employers

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

We hereby confirm that, as at the date of this letter, the statements made in this letter 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 contributors of the Scheme. As the particular circumstances of each contributor may differ, we recommend that contributors of the Scheme obtain independent advice on the tax issues associated with the Scheme.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
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.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

15. ADDITIONAL INFORMATION

15.1 UPDATES ON THE FUNDS

Members can also check the current value of their investments or pricing information by calling 1-300-88-1777 or any Kenanga Authorised PRS Distributors as well as in the PRS Provider's website.

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

In addition, when Members make any transactions in their Shariah 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 no later than two (2) months after the end of the financial period in respect of each Fund; and
- A tax voucher showing details required for submission to the Inland Revenue Department at every income distribution (if any) of the Fund.

THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.

15.2 CUSTOMER SERVICE

Members can seek the assistance of our customer service personnel on Fund related issues at the PRS Provider's business office during our business hours from 8.30 a.m. to 5.30 p.m. from Monday to Friday (refer to the *Directory of the PRS Providers Office* section for details).

15.3 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.

15.4 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.

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

15.5 LIST OF HEALTHCARE ILLNESSES

The list of the healthcare illnesses may subject to amendments, variations and/or exemptions as may be determined by the SC, PPA and/or relevant authorities from time to time.

<p>CANCER Cancer</p> <p>CARDIOVASCULAR SYSTEM (1) Arrhythmia Requiring Device Insertion (Pacemaker/Defibrillator) (2) Cardiomyopathy/Heart Failure (3) Congenital Heart Disease (4) Constrictive Pericarditis (5) Coronary Artery Disease/Ischaemic Heart Disease (6) Heart Attack/Myocardial Infarction (7) Heart Block Requiring Surgical Intervention/Pacemaker/Battery Implant (8) Heart Valve Replacement/Valvular Heart Disease Requiring Replacement (9) Peripheral Vascular Disease (10) Surgery to Aorta/Diseases of the Aorta Requiring Surgery</p>	<p>NERVOUS SYSTEM (1) Alzheimer’s Disease (2) Appalic Syndrome (3) Benign Tumor Of Brain (4) Cerebral Palsy (5) Coma (6) Encephalitis (7) Loss of Speech (8) Major Head Trauma (9) Meningitis (10) Motor Neurone Disease (11) Multiple Sclerosis (12) Muscular Dystrophy (13) Paralysis (14) Parkinson’s Disease (15) Poliomyelitis (16) Stroke (17) Total Permanent Disability</p>
<p>ENDOCRINE/MEDICAL (1) Epilepsy & Movement Disorders Requiring Deep Brain Stimulation or Surgery (2) Guillain-Barré Syndrome Requiring Immunoglobulin Treatment (3) Morbid Obesity or Obesity with Multiple Medical Complications and Life Threatening Requiring Bariatric Surgery (4) Pituitary Tumors (5) Sepsis with One or More Major Organ Failure (6) Type 1 Diabetes with Criteria for Insulin Pump Therapy</p>	<p>OPHTHALMOLOGY (1) Advanced Diabetic Eye Disease - Diagnose by Specialist (2) Age Related Macular Degeneration (Armd)/Polypoidal Choroidal Vasculopathy (PCV) (3) Blindness (4) Cataract Requiring Surgery (Intraocular Lens – IOL) (5) Corneal Disorders Requiring Corneal Surgery (Corneal Transplant) – Diagnose by Specialist (6) Enophthalmic Socket - Diagnose by Specialist (7) Glaucoma Requiring Surgery with Glaucoma Implant (8) Retinal Vascular Disease - Diagnose by Specialist</p>
<p>GENITOURINARY SYSTEM (1) Congenital Urinary Abnormalities Requiring Urgent and Major Surgical Intervention (2) Chronic Kidney Disease/Failure (3) Medullary Cystic Disease (4) Renal Calculi Requiring Surgical Intervention</p>	<p>ILLNESSES OF CHILD UNDER 16 YEARS OLD (1) Congenital Diseases Requiring Medical or Surgical Intervention Treated by Specialist (2) Intellectual Impairment Due to Accident or Sickness (3) Leukemia (4) Severe Asthma</p>

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

<p>GASTROENTEROLOGY/HEPATOLOGY</p> <p>(1) Chronic Inflammatory Bowel Disease</p> <p>(2) Chronic Liver Disease</p> <p>(3) Fulminant Viral Hepatitis</p> <p>(4) Pulmonary Hypertension</p>	<p>MENTAL ILLNESS</p> <p>(1) Bipolar Mood</p> <p>(2) Major Depression</p> <p>(3) Schizophrenia</p>
<p>MUSCULOSKELETAL SYSTEM</p> <p>(1) Systemic Lupus Erythematosus (SLE) with Major Organ Involvement</p> <p>(2) Systemic Sclerosis/Scleroderma with Functional Impairment and/or Major Organ Involvement</p> <p>(3) Rheumatoid Arthritis/ Arthritis of any joint Deformities requiring Surgery/Orthosis</p>	<p>RHEUMATOLOGY</p> <p>(1) Ankylosing Spondyloarthritis Active Disease with Functional Impairment and/or Disability</p> <p>(2) Chronic Tophaceous Gout with Functional Impairment and/or Disability.</p> <p>(3) Psoriatic Arthritis Active Disease with Functional Impairment and/or Disability</p> <p>(4) Rheumatoid Arthritis / Arthritis of Any Joint with Deformities Requiring Surgery/Orthosis</p>
<p>ORTHOPEDIC</p> <p>(1) Gangrene / Necrotizing Fasciitis Requiring Amputation</p> <p>(2) Knee Injury Requiring Surgery/Implant/Graft</p> <p>(3) Osteoarthritis Requiring Surgery/Implant</p> <p>(4) Prolapse Intervertebral Disc with Significant Neurological Deficit Requiring Surgery</p> <p>(5) Shoulder Injury with Instability/Function Compromised Requiring Surgery/Implant/Graft</p> <p>(6) Spinal Stenosis with Significant Neurological Symptoms/Deficit Requiring Surgery</p> <p>(7) Unstable Spine Fractures / Trauma Requiring Surgery and Implant/ Rehab Equipment</p>	<p>HEMATOLOGY</p> <p>(1) Aplastic Anaemia</p> <p>(2) Haemophilia (Moderate to Severe - Factor Activity <5%)</p> <p>(3) Hematological Malignancies – Leukemia, Multiple Myeloma (Acute or Chronic Leukemia Diagnosed by Physician)</p> <p>(4) Hematopoetic Stem Cell Transplantation</p> <p>(5) Idiopathic Thrombocytopenic Purpura (ITP) – Thrombocytopenia Refractory to Convention Steroid Treatment (1st Line Treatment)</p> <p>(6) Lymphoma</p> <p>(7) Myeloproliferative Disorders Requiring Blood Transfusion and/or Chelating Agents</p> <p>(8) Thalassemia Major Requiring Chelating Agent</p>
<p>RESPIRATORY SYSTEM</p> <p>(1) Bronchiectasis</p> <p>(2) Chronic Lung Disease</p> <p>(3) Lung Fibrosis</p> <p>(4) Obstructive Sleep Apnea</p> <p>(5) Secondary Pulmonary Hypertension</p> <p>(6) Severe Chronic Obstructive Pulmonary Disease (COPD) / Emphysema</p>	<p>OTHER DISEASES</p> <p>(1) AIDS (Accompanied with AIDS defining disease) / HIV (Second Line Treatment)</p> <p>(2) Deafness</p> <p>(3) Loss of Independent Existence</p> <p>(4) Major Burns</p> <p>(5) Major Organ Transplant</p> <p>(6) Terminal Illness</p>

This First Replacement Disclosure Document replaces the Disclosure Document dated 18 August 2016 and the First Supplemental Disclosure Document dated 8 February 2017.

16. DIRECTORY OF PRS PROVIDER'S REGIONAL OFFICES

Kuala Lumpur

Level 13, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Toll Free: 1-300-88-1777
Tel: 03-2172 3123
Fax: 03-2172 3133

Petaling Jaya

44B, Jalan SS21/35
Damansara Utama
47400 Petaling Jaya, Selangor
Tel No: 03-7710 8828
Fax No: 03-7710 8830

Klang

No. 12, Jalan Batai Laut 3
Taman Intan
41300 Klang, Selangor
Tel: 03-3341 8818 / 03-3348 7889
Fax: 03-3341 8816

Penang

5.04, 5th Floor, Menara Boustead Penang
39, Jalan Sultan Ahmad Shah
10050 Penang
Tel: 04-210 6628
Fax: 04-210 6644

Ipoh

Suite 1, 2nd Floor
63, Persiaran Greenhill
30450 Ipoh, Perak
Tel: 05-254 7573 / 05-254 7570
Fax: 05-254 7606

Melaka

No. 43 Jalan KSB 11
Taman Kota Syahbandar
75200 Melaka
Tel No: 06-240 2310
Fax No: 06-240 2287

Johor Bahru

No. 63, Jalan Molek 3/1
Taman Molek
81100 Johor Bahru, Johor
Tel: 07-288 1683
Fax: 07-288 1693

Seremban

2nd Floor, No. 1D-2
Jalan Tuanku Munawir
70000 Seremban, Negeri Sembilan
Tel: 06-761 5678
Fax: 06-761 2242

Kuantan

Ground Floor Shop
No. B8, Jalan Tun Ismail 1
25000 Kuantan, Pahang
Tel: 09-514 3688
Fax: 09-514 3838

Miri

2nd Floor, Lot 1264
Centre Point Commercial Centre
Jalan Melayu
98000 Miri, Sarawak
Tel: 085-416 866
Fax: 085-322 340

Kuching

1st Floor, No 71, Lot 10900
Jalan Tun Jugah
93350 Kuching, Sarawak
Tel: 082-572 228
Fax: 082-572 229

Kota Kinabalu

Level 8, Wisma Great Eastern
No.68, Jalan Gaya
88000 Kota Kinabalu, Sabah
Tel: 088-203 063
Fax: 088-203 062

FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT

This First Supplemental Disclosure Document is dated 29 September 2023 and must be read together with the First Replacement Disclosure Document dated 2 February 2021, for:

Shariah OnePRS Scheme

<u>Name of the Core Funds</u>	<u>Constitution Date of the Core Funds</u>
Kenanga Shariah OnePRS Conservative Fund	30 November 2015
Kenanga Shariah OnePRS Moderate Fund	30 November 2015
Kenanga Shariah OnePRS Growth Fund	30 November 2015

Private Retirement Scheme Provider

Kenanga Investors Berhad
199501024358 (353563-P)

Scheme Trustee

CIMB Islamic Trustee Berhad
198801000556 (167913-M)

Constitution Date of the Scheme: 30 November 2015

MEMBERS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT DATED 29 SEPTEMBER 2023 WHICH IS TO BE READ TOGETHER WITH THE FIRST REPLACEMENT DISCLOSURE DOCUMENT DATED 2 FEBRUARY 2021. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE MEMBERS, SEE "RISK FACTORS" COMMENCING ON PAGE 15 OF THE FIRST REPLACEMENT DISCLOSURE DOCUMENT DATED 2 FEBRUARY 2021 AND PAGE 6 OF THIS FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT.

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 this First Supplemental Disclosure Document false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has approved the Scheme and authorised the Funds under the Scheme, and a copy of this First Supplemental Disclosure Document and the First Replacement Disclosure Document (collectively the "Disclosure Document") have been registered with the Securities Commission Malaysia.

The approval and authorisation, as well as the registration of the 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 the 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 the Disclosure Document. The Securities Commission Malaysia makes no representation on the accuracy or completeness of the 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 Disclosure Document is directly available through Section 92A(3) of the Capital Markets and Services Act 2007.

The Kenanga Shariah OnePRS Conservative Fund, Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund have been certified as being Shariah-compliant by the Shariah adviser appointed for the Funds.

The First Replacement Disclosure Document dated 2 February 2021 (hereinafter referred to as “First Replacement Disclosure Document”) in relation to the Shariah OnePRS Scheme (“Scheme”) is hereby amended as follows:

- (a) by updating the information in the corporate directory section;
- (b) by amending the information in relation to the period for payment of redemption proceeds and cooling-off;
- (c) by inserting the suspension of redemption risk, liquidity risk management of the PRS Provider and suspension of dealings in Units;
- (d) by updating the information in relation to the PRS Provider, Scheme Trustee and Shariah Adviser;
- (e) by updating the information in the First Replacement Disclosure Document pursuant to the changes in the Guidelines and issuance of the Second Supplemental Deed dated 24 July 2023 in relation to the Scheme;
- (f) by updating the Taxation Adviser’s Letter; and
- (g) the amendments as set out in this First Supplemental Disclosure Document take effect on 31 August 2023.

1. GENERAL

- a. The references to “interim report(s)” and “investment committee(s)”, wherever they appear in the First Replacement Disclosure Document have been amended to “semi-annual report(s)” and “members of the committee undertaking the oversight function of the Funds” respectively.

2. CHAPTER 1: GLOSSARY OF TERMS

(pages 1 - 3 of the First Replacement Disclosure Document)

- a. The definition of “Deed(s)” is hereby deleted in its entirety and replaced with the following:

<i>Deed(s)</i>	Deed dated 30 November 2015 as modified by the first supplemental deed dated 7 July 2020 and the second supplemental deed dated 24 July 2023 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.
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- b. The definition of “licensed financial institution” is hereby deleted in its entirety and replaced with the following:

<i>licensed financial institution</i>	<ul style="list-style-type: none">a) if the institution is in Malaysia:<ul style="list-style-type: none">• licensed bank;• licensed investment bank; or• licensed Islamic bank.b) if the institution is outside of Malaysia, any institution that is licensed, registered, approved, or authorised by the relevant banking regulator to provide financial services.
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- c. A new definition of “Eligible Market” is hereby inserted after the definition of “Default Option” as follows:

<i>Eligible Market</i>	An exchange, government securities market or an OTC market: <ul style="list-style-type: none">(a) that is regulated by a regulatory authority;(b) that is open to the public or to a substantial number of market participants; and(c) on which financial instruments are regularly traded.
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This First Supplemental Disclosure Document dated 29 September 2023 must be read together with the First Replacement Disclosure Document dated 2 February 2021.

- d. A new definition of “OTC” is hereby inserted after the definition of “Nominee” as follows:

OTC over-the-counter

- e. A new definition of “SACBNM” is hereby inserted after the definition of “RM and sen” as follows:

SACBNM Shariah Advisory Council of Bank Negara Malaysia

3. CHAPTER 2: CORPORATE DIRECTORY

- a. The information on the SCHEME TRUSTEE on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Scheme Trustee

CIMB Islamic Trustee Berhad

Company No. 198801000556 (167913-M)

Registered Office:

Level 13, Menara CIMB

Jalan Stesen Sentral 2, Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel: 03-2261 8888

Fax: 03-2261 0099

Business Address:

Level 21, Menara CIMB

Jalan Stesen Sentral 2, Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel: 03-2261 8888

Fax: 03-2261 9894

E-mail: ss.corptrust@cimb.com

Website: www.cimb.com

- b. The information on the BOARD OF DIRECTORS on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Board of Directors

Choy Khai Choon, Steven (Chairman/Non-Independent Non-Executive Director)

Imran Devindran Bin Abdullah (Independent Non-Executive Director)

Norazian Binti Ahmad Tajuddin (Independent Non-Executive Director)

Luk Wai Hong, William (Non-Independent Non-Executive Director)

Datuk Wira Ismitz Matthew De Alwis (Executive Director/Chief Executive Officer)

- c. The information on the SCHEME TRUSTEE’S DELEGATE on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Scheme Trustee’s Delegate:

CIMB Islamic Bank Berhad

Company No. 200401032872 (671380-H)

Registered Office:

Level 13, Menara CIMB

Jalan Stesen Sentral 2

Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel: 03-2261 8888

Fax: 03-2261 8889

Website: www.cimb.com

Business Address:
Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel: 03 - 2261 8888
Fax: 03-2261 9892
E-mail: wb.tb-sscustody@cimb.com

- d. The information on the INVESTMENT COMMITTEE on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety.
- e. The information on the AUDIT AND RISK COMMITTEE on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Audit and Risk Committee

Imran Devindran Bin Abdullah (Chairman and Independent Member)
Norazian Binti Ahmad Tajuddin (Independent Member)
Luk Wai Hong, William (Non-Independent Member)

- f. The information on the FEDERATION OF INVESTMENT MANAGERS MALAYSIA on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Federation of Investment Managers Malaysia

19-06-1, 6th Floor, Wisma Tune
19, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur
Tel: 03-7890 4242
E-mail: complaints@fimm.com.my
Website: www.fimm.com.my

- g. The information on the AUDITOR OF THE PRS PROVIDER on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Auditor of the PRS Provider

Ernst & Young PLT (202006000003 (LLP0022760-LCA) & AF 0039)
Business Address:
Level 23A, Menara Millennium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000
Website: https://www.ey.com/en_my

- h. The information on the TAXATION ADVISER on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Taxation adviser

Ernst & Young Tax Consultants Sdn. Bhd.
Company No.198901002487 (179793-K)
Business Address:
Level 23A, Menara Millennium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000
E-mail: eymalaysia@my.ey.com
Website: www.ey.com

- i. The information on the SOLICITOR on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

This First Supplemental Disclosure Document dated 29 September 2023 must be read together with the First Replacement Disclosure Document dated 2 February 2021.

Solicitor

Wei Chien & Partners
D-20-02, Menara Suezcap 1
No. 2, Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Kuala Lumpur
Tel: 03-7931 9622 Fax: 03-7931 9612
E-mail: weichien@wcnp.com.my
Website: www.wcnp.com.my

- j. The information on the SHARIAH ADVISER on page 5 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Shariah Adviser

Kenanga Investment Bank Berhad
Company No. 197301002193 (15678-H)
Level 16, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2172 2727
Fax: 03-2172 2897
E-mail: Dept-IslamicMarkets@kenanga.com.my
Website: www.kenanga.com.my

- k. The information on the PRINCIPAL BANKERS on page 5 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Principal banker

Standard Chartered Bank Malaysia Berhad
Level 23, Equatorial Plaza,
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-7661 8258
Website: www.sc.com/my

- l. The information on the PRIVATE PENSION ADMINISTRATOR MALAYSIA on page 5 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Private Pension Administrator Malaysia

Level 13A, Bangunan Tierra Crest
No. 3A, Jalan SS 6/3
Kelana Jaya
47301 Petaling Jaya
Selangor
Tel: 1300-131-772
E-mail: AskPPA@ppa.my
Website: www.ppa.my

4. CHAPTER 3: KEY DATA

- a. The third paragraph of "Withdrawals" under the information on "Brief description on the operations of the Scheme" in Section 3.1 - Scheme Information on page 8 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:

This First Supplemental Disclosure Document dated 29 September 2023 must be read together with the First Replacement Disclosure Document dated 2 February 2021.

No.	Circumstances of withdrawal	Period for payment to be made	Recipient of payment
(a)	After the day the Member reaches the retirement age	Within 7 Business Days after the PRS Provider received a completed withdrawal request from Member	Members
(b)	Pre-retirement withdrawals from sub-account B		
(c)	Permanent departure of Member from Malaysia		
(d)	Permanent total disablement, serious disease and mental disability of a Member	Within 7 Business Days after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA)	Members
(e)	Death of a Member	Within 7 Business Days after the PRS Provider received an authorisation from the PPA	(i) Either a nominee, trustee, executor, or administrator of a deceased Member (ii) Notwithstanding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines.
(f)	For housing purpose	Within 7 Business Days after the PRS Provider received a completed withdrawal request	Members' account or joint housing loan account
(g)	For healthcare purpose	Within 7 Business Days after the PRS Provider received a completed withdrawal request	Members

b. The information on "Fund expenses" in Section 3.3.3 - Fees charged to the Fund and other Fund expenses on page 12 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

- commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant 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;
- auditor's fees and expenses;
- fees incurred for the valuation of any investment of the Funds;
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Funds, unless the PRS Provider decides otherwise;

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This is a Private Retirement Scheme

- costs, fees and expenses incurred in engaging any adviser for the benefit of the Funds;
 - costs for modification of the Deed other than those for the benefit of the PRS Provider and/or the Scheme Trustee;
 - costs incurred for meetings of Members other than those convened by, or for the benefit of the PRS Provider and/or the Scheme Trustee; and
 - any other fees and expenses as may be allowed under the Deed.
- c. The information on “Deed” in Section 3.5 - Other Information on page 13 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:
- Deed dated 30 November 2015
 - First Supplemental Deed dated 7 July 2020
 - Second Supplemental Deed dated 24 July 2023
- d. Item no. 4 under “Where and how to lodge a complaint” in Section 3.5 - Other Information on page 14 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:
4. Federation of Investment Mangers Malaysia (FIMM)’s Complaints Bureau:
- (a) via phone to : 03-7890 4242
 - (b) via e-mail to : complaints@fimm.com.my
 - (c) via online complaint form available at www.fimm.com.my
 - (d) via letter to : Legal & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Tune
No.19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

5. CHAPTER 4: RISK FACTORS

- a. A new information in relation to “Suspension of redemption risk” is hereby inserted after “Risk of non-compliance” under Section 4.1 – General Risks of Contributing to the Funds:

Suspension of Redemption Risk

The redemption of units of a Fund may be suspended under exceptional circumstances, where the fair value of a material portion of the Fund’s assets cannot be reasonably determined. Upon suspension, the Fund will not be able to pay Members’ redemption proceeds in a timely manner and Members will be compelled to remain invested in the Fund for a longer period of time than the stipulated repurchase timeline. Hence, Members’ investments will continue to be subjected to the risk factors inherent to the Fund. Please refer to section 8.14 – Suspension of Dealing in Units for further details.

- b. The information on “Liquidity Risk” in Section 4.2.1 - Specific Risks When Contributing to the Core Funds on page 16 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset’s volume traded in the market. Generally, unrated sukuk are not as liquid as rated sukuk. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected and subsequently the value of a Member’s investments would be reduced when the Fund has to sell such assets at unfavourable prices. This risk can be mitigated through portfolio diversification by investing in various companies across different industries or sectors in the management of the Funds.

This First Supplemental Disclosure Document dated 29 September 2023 must be read together with the First Replacement Disclosure Document dated 2 February 2021.

- c. A new Section 4.3 – Liquidity Risk Management is hereby inserted after Section 4.2.1 – Specific risks when contributing to the Core Funds as follows:

We have established liquidity risk management policy to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the redemption requests from the Members as well as to safeguard the interests of the remaining Members. In managing the Fund's liquidity, we will:

- (i) ensure the Fund maintains sufficient Islamic liquid assets to meet redemption requests from Members;
- (ii) regularly review the Fund's investment portfolio including its liquidity profile;
- (iii) monitor the Fund's net flows against redemption requests during normal and adverse market conditions to ensure the Fund has sufficient cash holdings to mitigate any potential risk in not being able to meet the redemption requests from Members; and
- (iv) where applicable, obtain Islamic cash financing on a temporary basis for the purpose of meeting redemption requests for Units and for short-term bridging requirements.

However, if we have exhausted the above avenue, we will, in consultation with the Scheme Trustee and having considered the interests of the Members, resort to suspend the redemption of Units to manage the liquidity of the Fund under exceptional circumstances, where the fair value of a material portion of the Fund's assets cannot be reasonably determined. Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer to section 8.14 – Suspension of Dealing in Units for further details.

6. CHAPTER 6: DETAILS OF THE FUNDS

- a. The information in Section 6.6 – Investment Restrictions and Limits on pages 26 – 28 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

6.6.1 Kenanga Shariah OnePRS Conservative Fund

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

- (a) The aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market (i.e., unlisted Shariah-compliant securities) must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.
- (b) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- (c) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. The single issuer limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.
- (d) The value of the Fund's placements in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV. The single licensed financial institution limit does not apply to placements of Islamic deposits arising from:
 - (i) subscription monies received prior to the commencement of investment by the Fund;

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- (ii) liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interests of Members; or
 - (iii) monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interest of Members.
- (e) For investments in Islamic derivatives:
- (i) the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section;
 - (ii) the Fund's global exposure from its Islamic financial derivative positions must not exceed the Fund's NAV at all times; and
 - (iii) the global exposure of the Fund is calculated using commitment approach.
- (f) The aggregate value of the Fund's investments in, or exposure to, a single issuer through Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, underlying assets of Islamic derivatives and counterparty exposure arising from the use of OTC Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. Where the single issuer limit is increased to 35% of the Fund's NAV pursuant to paragraph (c), the single issuer aggregate limit may be raised, subject to the group limit in paragraph (j) not exceeding 35% of the Fund's NAV.
- (g) The value of the Fund's investments in units or shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV, provided that the Islamic collective investment scheme complies with the Guidelines, excluding an Islamic collective investment scheme that invests in real estate.
- (h) The value of the Fund's investments in units or shares of an Islamic collective investment scheme that invests in real estate pursuant to the Guidelines must not exceed 15% of the Fund's NAV.
- (i) Notwithstanding paragraphs (g) and (h) above, investment in units or shares of one or more Islamic collective investment schemes is permitted in the following circumstances:
- (i) from the launch of the Fund, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;
 - (ii) upon reaching an NAV of RM200 million, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and
 - (iii) that the investment objective of the Islamic collective investment scheme is similar to the Fund.
- (j) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the issuers within the same group of companies must be included in the calculation.
- (k) The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.
- (l) The Fund's investments in sukuk must not exceed 20% of the sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition, the gross amount of sukuk in issue cannot be determined.

This First Supplemental Disclosure Document dated 29 September 2023 must be read together with the First Replacement Disclosure Document dated 2 February 2021.

- (m) The 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.

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

- (a) Investments in sukuk must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, sukuk which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of Kenanga Shariah 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 sukuk to below BBB3/P2 by RAM;
- an increase in the aggregate value of sukuk which are rated below BBB3/P2 and/or are unrated; or
- a decrease in the NAV of Kenanga Shariah 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 Islamic derivatives is for hedging purposes only;
- (c) No investment in Shariah-compliant warrants except as a result of Kenanga Shariah OnePRS Conservative Fund's holdings in Shariah-compliant equities; and
- (d) No investment in products with embedded Islamic derivatives.

6.6.2 Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund

- (a) The aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market (i.e., unlisted Shariah-compliant securities) must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.
- (b) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- (c) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. The single issuer limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.
- (d) The value of the Fund's placements in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV. The single licensed financial institution limit does not apply to placements of Islamic deposits arising from:
- (i) subscription monies received prior to the commencement of investment by the Fund;
 - (ii) liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interests of Members; or
 - (iii) monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interest of Members.

- (e) For investments in Islamic derivatives:
- (i) the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section;
 - (ii) the Fund's global exposure from its Islamic financial derivative positions must not exceed the Fund's NAV at all times; and
 - (iii) the global exposure of the Fund is calculated using commitment approach.
- (f) The aggregate value of the Fund's investments in, or exposure to, a single issuer through Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, underlying assets of Islamic derivatives and counterparty exposure arising from the use of OTC Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. Where the single issuer limit is increased to 35% of the Fund's NAV pursuant to paragraph (c), the single issuer aggregate limit may be raised, subject to the group limit in paragraph (j) not exceeding 35% of the Fund's NAV.
- (g) The value of the Fund's investments in units or shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV, provided that the Islamic collective investment scheme complies with the Guidelines, excluding an Islamic collective investment scheme that invests in real estate.
- (h) The value of the Fund's investments in units or shares of an Islamic collective scheme that invests in real estate pursuant to the Guidelines must not exceed 15% of the Fund's NAV.
- (i) Notwithstanding paragraphs (g) and (h) above, investment in units or shares of one or more Islamic collective investment schemes is permitted in the following circumstances:
- (i) from the launch of the Fund, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;
 - (ii) upon reaching an NAV of RM200 million, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and
 - (iii) that the investment objective of the Islamic collective investment scheme is similar to the Fund.
- (j) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the issuers within the same group of companies must be included in the calculation.
- (k) The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.
- (l) The Fund's investments in sukuk must not exceed 20% of the sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition, the gross amount of sukuk in issue cannot be determined.
- (m) The 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.

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. The PRS Provider must notify the SC within seven (7) Business Days of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of (a) appreciation or depreciation in value of each

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Fund's investments; (b) repurchase of Units or payment made out of each Fund; (c) change in capital of a corporation in which each Fund has invested in; or (d) downgrade in or cessation of a credit rating, need not be reported to the SC but must be rectified as soon as practicable within three (3) months from the date of the breach unless otherwise specified in the Guidelines. The three-month period may be extended if it is in the best interest of Members and the Scheme Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Scheme Trustee. Such limits and restrictions, however, do not apply to Shariah-compliant securities/ Shariah-compliant instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

- b. The information in Section 6.11 – Shariah Investment Guidelines adopted by KIBB, cleansing process and Zakat (*Tithe*) on pages 30 – 32 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Shariah Investment Guidelines

The investment portfolio of the Funds will comprise of instruments that have been classified as Shariah-compliant by the SACSC and, where applicable the SACBNM. For instruments that are not classified as Shariah-compliant by the SACSC and, where applicable the SACBNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.

The following matters are adopted by the Shariah Adviser in determining the Shariah status of investments of the Funds.

1. Shariah-compliant Equities

1.1 Local Shariah-compliant Equities

For investment in local listed Shariah-compliant securities, reference is made to the list of Shariah-compliant securities issued by the SACSC on a half yearly basis (i.e. the last Friday of May and November) which is readily available at the SC's website.

However, for local unlisted Shariah-compliant equities, including initial public offering companies which the Shariah status have yet to be determined by the SACSC, the Shariah Adviser adopts the following analysis as a temporary basis in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.

- Quantitative Analysis

The Shariah Adviser adopts a two-tier quantitative approach, which applies the business activity benchmarks and the financial ratio benchmarks, in determining the Shariah status of the securities. Hence, the securities will be classified as Shariah-compliant if their business activities and financial ratios are within these benchmarks.

a) Business Activity Benchmarks

The contribution of Shariah non-compliant activities to the group revenue and group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:

- (i) The 5% benchmark would be applicable to the following business/activities:

- Conventional banking and lending;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;

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- Tobacco and tobacco-related activities;
- Interest income from conventional accounts and instruments (including interest income awarded arising from a court judgements or arbitrator);
- Dividends from Shariah non-compliant investments;
- Shariah non-compliant entertainment; and
- Other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

For the above-mentioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 5%.

(ii) The 20% benchmark is applicable to the following businesses/activities:

- Share trading;
- Stockbroking business;
- Rental received from Shariah non-compliant activities; and
- Other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

For the abovementioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 20%.

b) Financial Ratio Benchmarks

For the financial ratio benchmarks, the Shariah Adviser takes into account the following:

(i) 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.

(ii) Debt over total assets

Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

Each ratio, which is intended to measure *riba* and *riba*-based elements within a company's statements of financial position, must be less than 33%.

Should any of the above benchmarks are exceeded, the Shariah Adviser will not accord Shariah-compliant status for the companies.

- Qualitative Analysis

In addition to the above two-tier quantitative criteria, the Shariah Adviser also takes into account the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching.

1.2. Foreign Shariah-compliant Equities

For foreign listed Shariah-compliant equities, reference is made to the list of the approved Islamic indices available in the market. For the Funds' investments in unlisted Shariah-compliant equities in the foreign markets which are not within the list of approved Islamic indices, the Shariah Adviser will apply the following analysis in determining the Shariah status of the equities.

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a) 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:

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

b) Mixed Business Activities Analysis

For companies with activities comprising both permissible and non-permissible elements, the Shariah Adviser will apply the following analysis in determining the Shariah-compliant status:

• Quantitative Analysis

The Shariah Adviser takes into account the following parameters in determining the Shariah status of the listed companies:

- Contribution of interest income to the total income is lower than 5% of the total income;
- Total debt of the companies (including all interest-bearing loans/debentures and their respective payables such as short term/long term debts, short term/long term debentures and all debentures payables) is lower than 30% of the total assets of the companies;
- Total sum of companies' cash and receivables is lower than 50% of its total assets;
- Total sum of companies' cash and interest-bearing securities is lower than 30% of its total assets; and
- Income generated from other prohibited components from Shariah perspective is lower than 5% of the companies' total income.

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

• Qualitative Analysis

Companies which have passed the above quantitative test will be further subjected to qualitative screening before the equities of such companies can be classified as Shariah-compliant. In this secondary analysis, the Shariah Adviser 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.

2. Sukuk

The Funds' investments in local sukuk will be selected from the list of sukuk approved or authorised by, or lodged with, the SC. The Shariah Adviser will review based on the data available at the websites of the SC and/or Bank Negara Malaysia.

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The Funds' investments in foreign sukuk will be selected after consultation with the Shariah Adviser. The Shariah Adviser would accept resolutions and/or rulings as decided by the respective Shariah advisors for the instruments. prospectus or information memorandum of the sukuk and resolutions and/or rulings and/or pronouncements by the respective Shariah advisors for the instruments must be presented to the Shariah Adviser for notification and due diligence.

3. Islamic Deposits and Islamic Money Market Instruments

The Funds can invest in Islamic deposits and Islamic money market instruments issued by financial institutions that are acceptable as Shariah-compliant or those Islamic deposits and Islamic money market instruments that have been approved by SACBNM.

The Funds are prohibited from investing in interest-bearing deposits and recognizing any interest income.

4. Islamic Collective Investment Schemes

The Funds can invest in local and foreign Islamic collective investment schemes available in the market. The local Islamic collective investment schemes must be approved by the SC. For foreign Islamic collective investment schemes, it must be approved by the Shariah adviser of that respective Islamic collective investment schemes.

5. Any other Shariah-compliant instruments

For avoidance of doubt, any Shariah-compliant instruments which are not within the approved list above should be informed to the Shariah Adviser for the Shariah Adviser's approval. Where the Shariah Adviser request a change to the Shariah investment guidelines, it shall give the PRS Provider a reasonable period of time to effect such change in the Disclosure Document in accordance with the requirements of any applicable law and regulation.

Cleansing Process for the Fund

a) Wrong Investment

This refers to Shariah non-compliant investment made by the PRS Provider. The said investment will be disposed of/withdrawn with immediate effect, if possible, or otherwise within one (1) month of knowing the status of the securities. In the event of the investment resulted in gain (through capital gain, dividend and/or profit) received before or after the disposal, the gain is to be channelled to *baitulmal* and/or any other charitable bodies as advised by the Shariah Adviser. The Funds have a right to retain only the investment cost. If the disposal of the investment resulted in losses to the Funds, the losses are to be borne by the PRS Provider.

Note: investment cost may include brokerage cost or other related transaction cost.

b) Reclassification of Shariah Status of the Funds' Investment

This refers to securities which were earlier classified as Shariah-compliant but due to certain factors, such as changes in the company's business operations and financial positions, are subsequently reclassified as Shariah non-compliant.

In this regard, if on the announcement or review date, the market value of the securities exceeds or is equal to the investment cost, the Shariah non-compliant securities must be disposed of. Any dividends received up to the date of the announcement or review and capital gains arising from the disposal of Shariah non-compliant securities on the date of the announcement/review can be kept by the Funds.

However, any dividends received and excess capital gains derived from the disposal of Shariah non-compliant securities after the date of the announcement or review are to be channelled to *baitulmal* and/or any charitable bodies as advised by the Shariah Adviser.

On the other hand, the Funds are allowed to hold its investment in the Shariah non-compliant securities if the market value of the said securities is below the investment cost. It is also permissible for the Funds to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held are equal to the investment cost. At this stage, the Funds will dispose of its holding in the Shariah non-compliant securities.

Zakat for the Funds

The Funds do not pay zakat on behalf of Muslim individuals and Islamic legal entities who are Members of the Funds. Thus, the Members are advised to pay zakat on their own.

7. CHAPTER 7: FEES, CHARGES AND EXPENSES

- a. The information in Section 7.4 – The Expenses of the Fund on page 35 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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 Shariah-compliant 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 Malaysian government and/or other authorities;
- auditor's fees and expenses;
- fees incurred for the valuation of any investment of the Funds;
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Funds, unless the PRS Provider decides otherwise;
- costs, fees and expenses incurred in engaging any adviser for the benefit of the Funds;
- costs for modification of the Deed other than those for the benefit of the PRS Provider or the Scheme Trustee;
- costs incurred for meetings of Members other than those convened by, or for the benefit of, the PRS Provider or the Scheme Trustee; and
- any other fees and expenses as may be allowed under the Deed.

- b. The information in Section 7.5 – Soft Commissions and Rebates Policy on page 35 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

It is the policy of the PRS Provider to credit any rebates received into the account of the Fund.

Goods and services ("soft commissions") provided by any broker or dealer may be retained by the PRS Provider or its delegate if:

- (a) the soft commissions bring direct benefit or advantage to the management of the Funds and may include research and advisory services;
- (b) any dealings with the broker/dealer for the Funds are executed on terms which are the most favourable for the Funds; and

- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the PRS Provider or its delegate must not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

8. CHAPTER 8: TRANSACTION INFORMATION

- a. The information in Section 8.5.2 – Pre-retirement withdrawal on page 39 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000 at the end of Business Day on which the PRS Provider receives the withdrawal request or authorisation from the PPA, as the case may be. If a Member redeems 2,000 Units from the Member’s sub-account B of Kenanga Shariah 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 seven (7) Business Days from the day the PRS Provider receives the withdrawal request or authorisation from the PPA, as the case may be.

*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	<u>895.00</u>

- b. The second paragraph in Section 8.5.3 – Retirement withdrawal on page 39 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000. If a Member redeems 2,000 Units from Kenanga Shariah OnePRS Growth Fund account at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM1,000.00* from the Member’s Shariah OnePRS account within seven (7) Business 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	<u>1,000.00</u>

- c. The second paragraph in Section 8.6 – Payment of Withdrawal Proceeds on page 40 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:

No.	Circumstances of withdrawal	Period for payment to be made	Recipient of payment
(a)	Upon reaching retirement age	Within 7 Business Days after the PRS Provider received a completed withdrawal request from Member	Members
(b)	Pre-retirement withdrawals from sub-account B		
(c)	Permanent departure of Member from Malaysia		

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No.	Circumstances of withdrawal	Period for payment to be made	Recipient of payment
(d)	Due to permanent total disablement, serious disease and mental disability of a Member	Within 7 Business Days after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA)	Members
(e)	Death of a Member	Within 7 Business Days after the PRS Provider received an authorisation from the PPA	(i) Either a nominee, trustee, executor, or administrator of a deceased Member (ii) Notwithstanding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines.
(f)	For housing purpose	Within 7 Business Days after the PRS Provider received a completed withdrawal request	Members' account or joint housing loan account
(g)	For healthcare purpose	Within 7 Business Days after the PRS Provider received a completed withdrawal request	Members

- d. The second paragraph of Section 8.11 – Cooling-Off on page 43 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

After a Member has requested for a refund within the cooling-off period, the Member will receive the total refund as per their Cooling-off right (please refer to below example) within seven (7) Business Days upon receiving PPA's authorisation, subject to the clearance of the Member's cheque by the bank.

The refund to the Member pursuant to the exercise of his cooling-off right must be as follows:

1. the NAV per Unit at the point of the exercise of the cooling-off right ("market price"), if the NAV per Unit on the day the Units were purchased ("original price") is higher than the market price; or
2. the original price, if the market price is higher than the original price.

If the market price is higher than the original price paid by the Member, the PRS Provider may agree to pay the Member the excess amount, provided that such amount is not paid out of the Funds or the assets of the Funds.

The PRS Provider must also refund the sales charge originally imposed on the day the Units were purchased.

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Please note that the Cooling-off right is not applicable to the following types of Member:

- Staff of the PRS Provider; or
 - A person registered with a body approved by the SC to deal in private retirement schemes.
- e. A new Section 8.14 – Suspension of Dealings in Units is hereby inserted after Section 8.13 – Policy on Distribution and Unclaimed Monies as follows:

The PRS Provider may, in consultation with the Scheme Trustee and having considered the interests of the Members, suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so (e.g. where the market value or fair value of a material portion of a Fund’s assets cannot be determined).

The PRS Provider will cease the suspension as soon as practicable after the aforesaid circumstances has ceased, and in any event within 21 days of commencement of suspension. The period of suspension may be extended if the PRS Provider satisfies the Scheme Trustee that it is in the best interest of Members for the dealing in Units to remain suspended. Such suspension will be subject to weekly review by the Scheme Trustee.

Any repurchase request received by the PRS Provider during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. In such cases, Members will be compelled to remain invested in the Fund for a longer period of time than the stipulated repurchase timeline. Hence, their investments will continue to be subjected to the risk factors inherent to the Fund.

Where such suspension is triggered, the PRS Provider will inform all Members in a timely and appropriate manner of its decision to suspend the dealing in Units.

9. CHAPTER 9: THE PRS PROVIDER: KENANGA INVESTORS BERHAD (“KIB”)

- a. The information in Section 9.2 - Board of Directors on page 45 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Names	Designation
Choy Khai Choon, Steven	Chairman/Non-Independent Non-Executive Director
Imran Devindran Bin Abdullah	Independent Non-Executive Director
Norazian Binti Ahmad Tajuddin	Independent Non-Executive Director
Luk Wai Hong, William	Non-Independent Non-Executive Director
Datuk Wira Ismitz Matthew De Alwis	Executive Director/Chief Executive Officer

** Choy Khai Choon was appointed as the Chairman and Non-Independent Non-Executive Director of Kenanga Investors Berhad (“KIB”) on 1 April 2023.*

- b. The information in Section 9.5 - Investment Committee on page 45 of the First Replacement Disclosure Document is hereby deleted in its entirety.
- c. The third paragraph of Section 9.6 - Audit and Risk Committee on pages 46 – 47 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

The audit and risk committee comprises of the following members:

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Imran Devindran bin Abdullah (Chairman/Independent Member)

Imran Devindran Abdullah (“Imran Devindran”) was appointed to the Board of Directors of KIB as an Independent Non-Executive Director (“INED”) on 1 June 2015. He is also the Chairman of its Audit & Risk Committee and a member of its committee undertaking the oversight function of the Funds.

He is also currently an INED of I-VCAP Management Sdn Bhd, a wholly-owned subsidiary of KIB.

He is currently a Senior Associate of BH Lawrence & Co, Advocates and Solicitors in Damansara, Petaling Jaya. He has accumulated over thirty (30) years of experience in civil litigation, with a portfolio that includes expertise in insurance, civil litigation and banking from his tenure as a legal assistant with some of the most established firms in Kuala Lumpur.

Imran Devindran holds an Honours Bachelor of Law (1988) from the University of Buckingham, England and a Certificate of Legal Practice from the University of Malaya. He acquired his formative education in Malaysia, before progressing with his secondary schooling in Singapore and acquiring his A-Levels at Raffles Junior College, Singapore. He was admitted to the Malaysian Bar as an advocate and solicitor in August 1990 after successfully completing his chambering with Messrs. Rashid & Lee in Kuala Lumpur.

Imran Devindran has represented major corporations such as Pan Global Insurance Berhad, Royal Insurance (M) Berhad, Malayan British Assurance, United Oriental Assurance Berhad (now known as Tune Insurance Berhad), Nusantara Worldwide Insurance (M) Sdn Bhd, Progressive Insurance Sdn Bhd and People's Insurance Sdn Bhd in settlement negotiation, claims consultancy and developing strategies for litigation. Imran Devindran was also active in the North Johor Affairs Committee, from 2003 until 2008. In that capacity, he brought his superb communication skills and vigilant analytical approach to execute his responsibilities mediating and resolving complaints received by the Johor Bar, overseeing the welfare of lawyers and nurturing closer relations between the lawyers and the North Johor judiciary by organizing social interaction activities.

Norazian Ahmad Tajuddin (Independent Member)

Norazian Ahmad Tajuddin (“Norazian”) was appointed to the Board of Directors of KIB as an INED on 1 March 2019. She was appointed as the Chairman of the Board of KIB until 31 March 2023. She is also a member of KIB's Audit and Risk Committee and the committee undertaking the oversight function of the Funds.

Norazian is currently an INED of KIBB, the holding company of KIB and is currently the Chairman of its Group Board Risk Committee, and, a member of its Group Governance, Nomination & Compensation Committee, Audit Committee as well as Employees' Share Scheme Committee.

Additionally, she is also an INED of Kenanga Islamic Investors Berhad and I-VCAP Management Sdn Bhd, both wholly-owned subsidiaries of KIB.

Norazian holds a Bachelor of Science (Honours) in Mathematics from the University of Leeds, United Kingdom and a Master of Business Administration (Finance) from the Edith Cowan University, Australia.

She has more than twenty-five (25) years of experience in banking, with the last fifteen (15) years being in senior management, covering areas such as Treasury operations, business and banking operations, risk management and support services. She has strong and varied experience in dealing with foreign exchange, international banking, investments, sales, customer and corporate relations, information technology, as well as asset and liability management.

She began her career at the Treasury Department in Bank Bumiputra (M) Berhad as a Senior Dealer before moving on to hold various senior positions at EON Bank Group, KAF Discount Berhad and Daimler Chrysler (M) Sdn Bhd.

Subsequently, she joined Bank Simpanan Nasional Berhad (“BSN”) in 2005 as Director in the Chief Executive Officer’s Office and was promoted to Deputy CEO (“DCEO”) during BSN’s re-organisation and continued to serve as its DCEO until she retired in 2010. During her tenure in BSN, she played a leading role in the transformation of BSN into a sustainable and profitable development bank.

From June 2008 to March 2010, she served as a Non-Independent Non-Executive Director of Prudential BSN Takaful Berhad and was appointed as a member of its Risk Management Committee and Nomination & Remuneration Committee.

On 1 August 2018, Norazian was appointed as the Chairman of Pacific & Orient Insurance Co. Berhad (“POI”), which is a subsidiary of Pacific & Orient Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She served as an INED of POI since her appointment on 1 April 2015 until 29 April 2022. At POI, she also served as a member of its Nomination Committee, Remuneration Committee, as well as its Audit Committee and Risk Management Committee.

Luk Wai Hong, William (Non-Independent Member)

Luk Wai Hong, William (“Luk”) was appointed to the Board of Directors (“Board”) of KIB as an INED on 12 April 2021 and subsequently was re-designated as a Non-Independent Non-Executive Director (“NINED”) on 1 November 2022. He is also the Chairman of KIB’s committee undertaking the oversight function of the Funds and a member of its Audit & Risk Committee.

He is currently a NINED of KIBB, the holding company of KIB and a member of its Group Board Risk Committee and Group Board Digital Innovation & Technology Committee.

Luk is also the Chairman and NINED of I-VCAP Management Sdn Bhd, a wholly-owned subsidiary of KIB.

He holds a Bachelor of Arts (Honours) from Concordia University, Montreal, Canada, a Masters of Urban Planning from the University of Michigan, United States of America (“USA”) and an Executive Fellowship awarded by the State of Washington, USA.

Luk is currently the Director of Investment of Cotton Tree Capital Ltd, of which he is the co-owner, with offices in Hong Kong and Singapore. He has more than twenty (20) years of experience in various capacities in the financial services industry, out of which eleven (11) years were spent in Deutsche Bank AG, Hong Kong and Singapore.

He began his career in 1989 as an Executive Fellow and Transportation Finance Specialist in the Office of Financial Management in the State of Washington. He later joined Lehman Brothers, Hong Kong as a Fixed Income and Credit Trader in 1993. After three (3) years, he joined HSBC Markets, Hong Kong for a year, before joining Deutsche Bank AG in 1997 as a Senior Associate Director and Senior Credit and Derivatives Trader. He then became Deutsche Bank AG’s Director and Head of Structured Credit Trading and Principal Finance Asia, a post he held until 2004.

In 2004 and 2008, Luk was appointed as Deutsche Bank AG’s Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia, as well as Managing Director and Co-Head of Saba Proprietary Trading Group Asia, respectively. In 2008, he joined Pacific Advantage Capital, Hong Kong and Singapore, as its Principal and Portfolio Manager focusing on credits and special situations, before taking up the position of Director of Investment of Cotton Tree Capital Ltd in 2011.

10. CHAPTER 10: SCHEME TRUSTEE

- a. The information in Section 10.1 – Trustee’s Background and Experience on page 48 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

CIMB Islamic Trustee Berhad was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The Scheme Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

CIMB Islamic Trustee Berhad has been involved in unit trust industry as trustee since 1990. It acts as trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.

As at 31 July 2023, CIMB Islamic Trustee Berhad acts as trustee to thirty-seven (37) unit trust funds, thirteen (13) wholesale funds, two (2) private retirement schemes (consisting of eight (8) funds) and two (2) exchanged traded funds.

- b. The information in Section 10.2 – Summary of CIMB Islamic Trustees Berhad’s Financial Position on page 48 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Summary of the Scheme Trustee’s financial figures for the past 3 years are summarised below:

	31 Dec 2022 (RM'000)	31 Dec 2021 (RM'000)	31 Dec 2020 (RM'000)
Issued and paid-up capital	1,000	1,000	1,000
Shareholders’ funds	4,228	4,283	8,736
Revenue	4,147	3,375	3,774
Pretax profit	-63	511	399
After tax profit	-55	347	292

- c. The information in Section 10.3 – Board of Directors on page 48 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Name	Directorship
Zahardin Omardin	Independent Non-Executive Director (Chairman)
Ahamed Usman Thahir Ghouse	Non-Independent Executive Director
Datin Ezreen Eliza Zulkiplee	Non-Independent Executive Director/Chief Executive Officer

- d. The information in Section 10.8 – Scheme Trustee’s Delegate on page 49 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

The Scheme Trustee has delegated its custodian function to CIMB Islamic Bank Berhad (CIMB Islamic Bank). CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Islamic Bank provides full fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit Malaysia assets, they are held through its wholly owned nominee subsidiary CIMB Islamic Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit Malaysia assets, CIMB Islamic Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

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All investments are automatically registered in the name of the custodian to the order of the Scheme Trustee. CIMB Islamic Bank acts only in accordance with instructions from the Scheme Trustee.

11. CHAPTER 11: SHARIAH ADVISER: KENANGA INVESTMENT BANK BERHAD (“KIBB”)

- a. The information in Section 11.4 - Profile of KIBB Shariah Committee on page 51 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Dr. Ghazali Jaapar

Dr. Ghazali Jaapar is the Chairman of Shariah Committee of Kenanga Investment Bank Berhad. He is currently an Assistant Professor at the Department of Islamic Law, Ahmad Ibrahim Kulliyah of Laws of International Islamic University Malaysia (IIUM). He holds a Bachelor of Shariah from University of Malaya, Master in Comparative Law (MCL) from International Islamic University Malaysia (IIUM) and PhD in Islamic Jurisprudence from University of Birmingham United Kingdom. He is also the Shariah Committee of EXIM Bank, Sun Life Malaysia Takaful Berhad and Shariah Adviser of Skills Development Fund Corporation.

Dr. Mohammad Firdaus Mohammad Hatta

Dr. Mohammad Firdaus Mohammad Hatta is the Shariah Committee of Kenanga Investment Bank Berhad. He is a Senior Lecturer of Arshad Ayub Graduate Business School, Universiti Teknologi Mara (UiTM) Shah Alam, Selangor. He received his first degree in Shariah Islamiyyah from University of Medina, Saudi Arabia. He then successfully completed his Masters in Fiqh and Usul Fiqh from the International Islamic University of Malaysia (IIUM) and obtained his PhD in Islamic Banking from University of Wales, Lampeter, United Kingdom. He also received a Diploma in Islamic Finance from Markfield Institute of Higher Education, United Kingdom. He is also the Shariah Committee of Great Eastern Takaful Berhad.

Dr. Fadillah Mansor

Dr. Fadillah Mansor is the Shariah Committee of Kenanga Investment Bank Berhad. She is currently a Head of Department of Shariah and Management, University of Malaya. She holds a Bachelor of Shariah (Honours) specialized in economics and a Master of Business Administration (MBA) in finance from University of Malaya, Kuala Lumpur. She obtained her PhD in Islamic finance from the La Trobe University, Australia. Her areas of research include Islamic banking and finance, Islamic investment and capital market, takaful and also Islamic management. She is also the panel assessor of the Malaysian Qualifications Agency (MQA) that responsible for programme accreditation in the areas as mentioned above.

12. CHAPTER 12: SALIENT TERMS OF THE DEED

- a. The information of Section 12.5 – Permitted Expenses Payable by the Funds on pages 53 - 54 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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) to the following:

- commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant 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;
- fees and expenses properly incurred by the auditor;

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This is a Private Retirement Scheme

- fees incurred for the valuation of any investment of the Funds;
 - 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, 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 Shariah-compliant investment of the Fund;
 - costs, fees and expenses incurred in engaging any adviser for the benefit of the Funds;
 - costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
 - costs, fees and expenses in the winding-up of the Fund(s) or the removal or retirement 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 (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 person(s) or members of the committee undertaking the oversight function of the Funds, 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 regulation 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.
- b. The third paragraph of Section 12.9 - Member's Meeting on page 55 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

The quorum required for a meeting of the Members of the Scheme or a Fund, as the case may be, shall be five (5) Members, whether present in person or by proxy; however, if the Scheme or a Fund, as the case may be, has five (5) or less Members, the quorum required for a meeting of the Members of the Scheme or a Fund, as the case may be, shall be two (2) Members, whether present in person or by proxy. If the meeting has been convened for the purpose of voting on a Special Resolution, the Members present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in circulation of the Scheme or a Fund, as the case may be, at the time of the meeting. If the Scheme or a Fund has only one (1) remaining Member, such Member, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Members of the Scheme or a Fund, as the case may be.

13. CHAPTER 13: RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The information in Section 13.3 – Details of the PRS Provider's Directors' and Substantial Shareholders' Direct and Indirect Interest in Other Corporations Carrying on a Similar Business on page 57 of the First Replacement Disclosure Document is hereby deleted in its entirety.

14. CHAPTER 14: TAXATION ADVISER'S LETTER

The TAXATION ADVISER'S LETTER on pages 58 to 60 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Taxation adviser's letter in respect of the tax treatment
of the funds under a private retirement scheme, contributors and contributors' employers

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(prepared for inclusion in this First Supplemental Disclosure Document)

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

29 August 2023

The Board of Directors
Kenanga Investors Berhad
Level 14, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

Dear Sirs

Shariah OnePRS Scheme

Tax treatment of the funds under a private retirement scheme (“PRS”), contributors and contributors’ employers

This letter has been prepared for inclusion in this First Supplemental Disclosure Document in connection with the offer of units in the funds under Shariah OnePRS Scheme (hereinafter referred to as “the Scheme”). The funds under the Scheme comprise of funds known as Kenanga Shariah OnePRS Conservative Fund, Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund (hereinafter referred to as “the Funds”) which are structured as PRS funds.

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 Malaysian taxation treatment of the Funds under the Scheme, contributors to the Scheme and their employers.

Taxation of the Funds

The Funds are subject to the provisions of the Malaysian Income Tax Act 1967 (“MITA”).

Paragraph 20, Schedule 6 of the MITA exempts income of any “approved scheme” from tax. An “approved scheme”¹ is defined under Section 2 of the MITA to include a Private Retirement Scheme. Section 2 of the MITA defines “Private Retirement Scheme” to mean a retirement scheme approved by the Securities Commission in accordance with the Capital Markets and Services Act 2007”.

The Malaysian Inland Revenue Board (“MIRB”) has clarified in its Public Ruling No.9/2021, Private Retirement Scheme issued on 29 December 2021 that income received by a PRS fund is exempt from tax under Paragraph 20, Schedule 6 of the MITA.

Note however that gains derived by the Funds from the disposal of chargeable assets as defined in the Real Property Gains Tax Act 1976 (“RPGT Act”) may be subject to real property gains tax under the RPGT Act.

Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax

¹ Pursuant to Section 2 of the MITA, “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.

Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of contributors

1. Distribution of profits

Distribution of profits to the contributors of the PRS funds in the form of units is exempt from income tax in their hands.

2. Tax relief on contributions

Pursuant to Section 49(1D) of the MITA, individual contributors who are Malaysian tax residents and have made contributions to a PRS fund or paid premium for deferred annuity² in a basis period for a year of assessment are allowed to claim a tax relief of the aggregate amount of the deferred annuity payments or PRS contributions or both or RM3,000, whichever is less, for that year of assessment. This tax relief is applicable effective from the year of assessment 2012 until year of assessment 2025.

3. Withdrawal of contributions

Pursuant to Section 109G of the MITA, withdrawal of contributions from the Scheme by an individual contributor before reaching the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death or permanently leaving Malaysia, healthcare or housing³ for which such withdrawal shall be in compliance with the criteria as set out in the relevant guidelines of the Securities Commission), would result in a withholding tax of 8% on the amount of contributions withdrawn, which would be deducted before payment is made to the individual contributor. The withholding tax deducted by the PRS provider is to be remitted to the Director General of the Inland Revenue Board within one month after making the payment to the individual contributor. 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 of up to a total of 19% of an employee’s remuneration in respect of contributions made by employers to approved schemes (including contributions to Employees Provident Fund, PRS or any provident fund, scheme or society approved by the Director General under Section 150 of the MITA) in respect of that employee.

We hereby confirm that, as at the date of this letter, the statements made in this letter 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

² The words “premium for deferred annuity” were replaced with the words “any deferred annuity” in Section 49(1D) of the MITA with effect from the year of assessment 2014.

³ The words “healthcare or housing” were included in force from 1 January 2020.

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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 contributors of the Scheme. As the particular circumstances of each contributor may differ, we recommend that contributors of the Scheme obtain independent advice on the tax issues associated with the Scheme.

Yours faithfully

Ernst & Young Tax Consultants Sdn Bhd

Koh Leh Kien
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 Supplemental Disclosure Document and has not withdrawn such consent before the date of issue of this First Supplemental Disclosure Document.

15. CHAPTER 16: DIRECTORY OF PRS PROVIDER'S REGIONAL OFFICES

- a. The information in relation to the regional office in Petaling Jaya on page 64 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Damansara Uptown

44B, Jalan SS21/35,
Damansara Utama,
47400 Petaling Jaya, Selangor
Tel: 03-7710 8828
Fax: 03-7710 8830

- b. The information in relation to the regional office in Ipoh on page 64 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Ipoh

No. 1, Jalan Leong Sin Nam
30300 Ipoh, Perak
Tel: 05-2547570 / 05-2547573
Fax: 05-2547606

- c. The following information is hereby inserted after the information on the regional office in Kota Kinabalu on page 64 of the First Replacement Disclosure Document:

Kota Damansara

C26-1, Dataran Sunway,
Jalan PJU 5/17, Kota Damansara,
47810 Petaling Jaya, Selangor
Tel: 03-6150 3612
Fax: 03-6150 3906

Kluang

No. 1, Aras 1, Jalan Haji Manan,
Pusat Perniagaan Komersial Haji Manan,
86000 Kluang, Johor
Tel: 07-710 2700
Fax: 07-710 2150

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