

Date of Issuance: 15 August 2024

## **KENANGA ISLAMIC MONEY MARKET FUND**

### **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors and/or authorised committee and/or persons approved by the Board of Kenanga Investors Berhad and they have collectively and individually accepted full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

### **STATEMENT OF DISCLAIMER**

The Securities Commission Malaysia has authorised the issuance of the Kenanga Islamic Money Market Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Kenanga Islamic Money Market Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Kenanga Islamic Money Market Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Kenanga Investors Berhad responsible for the Kenanga Islamic Money Market Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

# **kenanga**

**Kenanga Investors**

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

## PRODUCT HIGHLIGHTS SHEET

### KENANGA ISLAMIC MONEY MARKET FUND (“KIMMF” or the “Fund”)

#### BRIEF INFORMATION ABOUT THE PRODUCT

##### 1. What is this product about?

The Fund aims to provide investors with a regular income stream that comply with Shariah requirements whilst maintaining capital stability\*.

*\*The Fund is not a capital guaranteed fund nor a capital protected fund.*

#### PRODUCT SUITABILITY

##### 2. Who is this product suitable for?

The Fund is suitable for investors who seek regular income that complies with Shariah requirements with capital stability\*, with low risk tolerance and short to medium-term investment horizon.

*\* The Fund is not a capital guaranteed fund nor a capital protected fund.*

#### KEY PRODUCT FEATURES

##### 3. What am I investing in?

<b>Fund Type</b>	Income		
<b>Fund Category</b>	Money Market (Islamic)		
<b>Launch Date</b>	9 November 2007		
<b>Classes of Units</b>	<table border="1"> <tr> <td>Class RI</td> <td>Class NR</td> </tr> </table> <p><b>Note:</b> With effect from the 2 October 2023, Units of the Fund will be split into Class RI and Class NR where individual Unit Holders will be categorised under Class RI and non-individual Unit Holders will be categorised under Class NR.</p>	Class RI	Class NR
Class RI	Class NR		
<b>Investment Strategy</b>	<p>The Fund will invest in Islamic money market instruments, sukuk and Islamic deposits which have a remaining maturity period of not more than 397 days. The Fund will be actively managed to provide liquidity to meet the short-term cash flow requirements. The Fund's investment instruments may include government or government-backed sukuk, corporate sukuk, Islamic accepted bills, Islamic negotiable instruments, Islamic promissory notes, Islamic call deposits and other short-term permitted Shariah-compliant investments which have a minimum credit rating of BBB or P2 by RAM or an equivalent credit rating by MARC. Should any of the investment instruments of the Fund fall below the aforementioned credit ratings, the Manager will seek to dispose of the said investment instruments and replace them with those which are of a minimum credit rating of BBB or P2 by RAM or an equivalent credit rating by MARC.</p> <p>The Fund may also invest up to 10% of its NAV in high quality sukuk which has a remaining maturity period of more than 397 days but fewer than 732 days which are issued by an issuer having a minimum credit rating of A3 or P2 by RAM or an equivalent credit rating by MARC. Should any of the issuer of the sukuk fall below the aforementioned credit ratings, the Manager will seek to dispose of the said sukuk and replace them with those which are issued by an issuer with a minimum credit rating of A3 or P2 by RAM or an equivalent credit rating by MARC.</p>		
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>At least 90 % of the Fund's NAV – short term Islamic money market instruments, short term sukuk and short term Islamic deposits</li> <li>Up to 10% of the Fund's NAV – high quality sukuk</li> </ul>		
<b>Performance Benchmark</b>	Maybank Islamic Overnight Deposit Rate		

##### 4. Who am I investing in?

<b>Fund Manager / Manager</b>	Kenanga Investors Berhad (“Manager”)
<b>Trustee</b>	CIMB Islamic Trustee Berhad (“Trustee”)
<b>External Fund Manager</b>	Kenanga Islamic Investors Berhad

## 5. What are the possible outcomes of my investment

Investment in the Fund is not the same as placement in an Islamic deposit with a financial institution. There are risks involved and investors should rely on their own evaluation to assess to the merits and risks when investing in the Fund. Unit prices for this Fund may go down as well as up. As such, the Fund does not provide any guarantee on the investment amount nor does it guarantee a fixed rate of return.

## KEY RISKS

## 6. What are the key risks associated with this product?

Investors are advised to read the Fund's prospectus and understand the risks involved and if necessary, consult a professional adviser for a better understanding of the risks before investing.

### General Risks related to the Fund

<b>Market Risk</b>	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 net asset value.
<b>Manager's Risk</b>	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect 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.
<b>Liquidity Risk</b>	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If a fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund and consequently the value of unit holders' investments in the fund will be negatively affected when it has to sell such assets at unfavourable prices.
<b>Inflation Risk</b>	This is the risk that investors' investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
<b>Non-Compliance Risk</b>	This refers to the current and prospective risk to the unit trust fund and the investors' interest arising from non-compliance of regulations imposed by the Capital Markets and Services Act 2007 and the guidelines, deeds, prospectuses and/or manager's internal policies and procedures by the manager. 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 investor's investments by causing a fall in the value of the unit trust fund.
<b>Loan Financing Risk</b>	This risk occurs when investors take a loan/financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the loan repayments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan. Islamic unit trust fund's investors are advised to seek for Islamic financing to finance their investment.
<b>Suspension of Repurchase Risk</b>	The repurchase 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 unit holders' repurchase proceeds in a timely manner and unit holders will be compelled to remain invested in the fund for a longer period of time than the stipulated repurchase timeline. Hence, unit holder's investments will continue to be subjected to the risk factors inherent to the fund. Please refer to Section 7.7 of the Fund's prospectus for more information on suspension of dealing in Units.

### Specific Risks related to the Fund

<b>Credit and Default Risk</b>	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 payment of profit 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 Fund.
<b>Interest Rate Risk</b>	Interest rate risk refers to the impact of interest rate changes on the valuation of a sukuk or Islamic money market instruments (hereinafter referred as "investment") portfolio. When interest rates rise, the investment prices 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 via the management of the duration structure of the investment.  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 Islamic funds are in accordance with Shariah requirements.
<b>Reinvestment Risk</b>	Reinvestment risk arises when an issuer of bonds/sukuk decides to exercise its right to pay principal on an obligation earlier than the expected maturity date, especially during times of declining interest rates. Consequently, the Fund may experience lower returns due to having to reinvest in lower yielding securities.

Please be advised that if you invest in Units through an institutional unit trust scheme advisers which adopts the nominee system of ownership, you would not be considered to be a Unit Holder under the deed and consequently do not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holder's meeting and to vote thereat and the right to have your particulars appearing in the register of Unit Holders of the Fund).

## FEES AND CHARGES

### 7. What are the fees and charges involved?

The table below describes the fees and charges that you may DIRECTLY incur when you buy or redeem Units of the Fund.

<b>Sales Charge</b>	Nil
<b>Repurchase Charge</b>	Nil
<b>Transfer Fee</b>	Nil
<b>Switching Fee</b>	Nil
<b>Other Charges</b>	There are no other charges (except charges levied by banks on remittance of money) payable directly by investors when purchasing or redeeming Units of the Fund.

The table describes the fees that you may INDIRECTLY incur when you invest in Units of the Fund.

<b>Annual Management Fee</b>	0.50% of the NAV of the Fund per annum (applicable to all Classes of Units).
<b>Annual Trustee Fee</b>	0.02% of the NAV of the Fund per annum.

All fees and charges payable to the Manager and the Trustee are subject to such tax as may be imposed by the government or other authorities from time to time.

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

## VALUATIONS AND EXITING FROM INVESTMENTS

### 8. How often are valuations available?

The Fund is valued at least once every Business Day and you may refer to [www.kenangainvestors.com.my](http://www.kenangainvestors.com.my) for the Unit price.

### 9. How do I exit from this investment and what are the risks and costs involved

Unit Holders may redeem their investments in the Fund on any Business Day by completing the prescribed repurchase request form or such other manner as the Manager may accept and returning it to the Manager or through its appointed agents on any Business Day; the repurchase request form is available at the office of the Manager.

All such requests must be received or be deemed to have been received by us before 11.00 a.m. on a Business Day. Units redeemed before 11.00 a.m. on any Business Day will be redeemed at the NAV per Unit calculated as at the next valuation point after the request is received (i.e. "forward pricing").

Any redemption request received after 11.00 a.m. on any Business Day will be taken as a redemption request made on the next Business Day.

The minimum redemption amount is 500 Units for each transaction or such other lower amount as the Manager in its sole discretion allows.

However, if the redemption request leaves a Unit Holder with less than 500 Units (minimum holdings), the Manager will automatically liquidate the balance of the Units held in the Unit Holder's account.

Redemption proceeds will be paid on the next Business Day if the repurchase request is received by the Manager before the cut-off times on any Business Day.

#### **Cooling-Off Right**

A cooling-off right is only given to an individual investor who is investing for the first time in any unit trust funds managed by the Manager but shall not include the Manager's staff and a person registered with a body approved by the Securities Commission Malaysia ("SC") to deal in unit trusts funds.

The cooling-off period shall be within six (6) Business Days from the date the Manager receives the duly completed form. The investors shall be refunded within seven (7) Business Days (from the date of receipt of the cooling-off notice by the investors). Any application for cooling-off must be made before the cut-off time of 4.00 p.m. on any Business Day.

For investors who invest via the EPF Member Investment Scheme ("EPF MIS"), the cooling-off period shall be subject to EPF's terms and conditions, and any refund pursuant to the exercise of the cooling-off right will be credited back into your EPF accounts.

*Note: Please read and understand the Fund's prospectus and its supplemental prospectus (if any) before investing in the Fund.*

## FUND PERFORMANCE

### Average Total Returns

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

	1 year 31/05/23 - 31/05/24 (%) Return	3 years 31/05/21 - 31/05/24 (%) Return	5 years 31/05/19 - 31/05/24 (%) Return	10 years 31/05/14 - 31/05/24 (%) Return
<b>KIMMF</b>				
- Class NR*	2.87	2.06	2.05	2.51
- Class RI*	2.87	2.06	2.05	2.51
Benchmark #	1.31	0.84	0.83	1.36

Source: Lipper

# The performance benchmark for KIMMF has been renamed as Maybank Islamic Overnight Deposit Rate effective 23 September 2019 from Maybank Overnight Repo Rate. The previous benchmark was Maybank Overnight Repo Rate and has changed from Maybank Overnight Rate on 29 October 2012.

\* With effect from 2 October 2023, Unit Holders of the Fund were split into two categories, where individual Unit Holders were categorised under Class RI and non-individual Unit Holders were categorised under Class NR.

### Annual Total Returns

	May 2015 (%)	May 2016 (%)	May 2017 (%)	May 2018 (%)	May 2019 (%)	May 2020 (%)	May 2021 (%)	May 2022 (%)	May 2023 (%)	May 2024 (%)
<b>KIMMF</b>										
- Class NR*	2.86	3.17	2.89	2.99	3.17	2.70	1.40	1.19	2.19	2.87
- Class RI*	2.86	3.17	2.89	2.99	3.17	2.70	1.40	1.19	2.19	2.87
Benchmark #	1.99	2.02	1.81	1.82	1.90	1.40	0.28	0.26	0.95	1.31

Source: Lipper

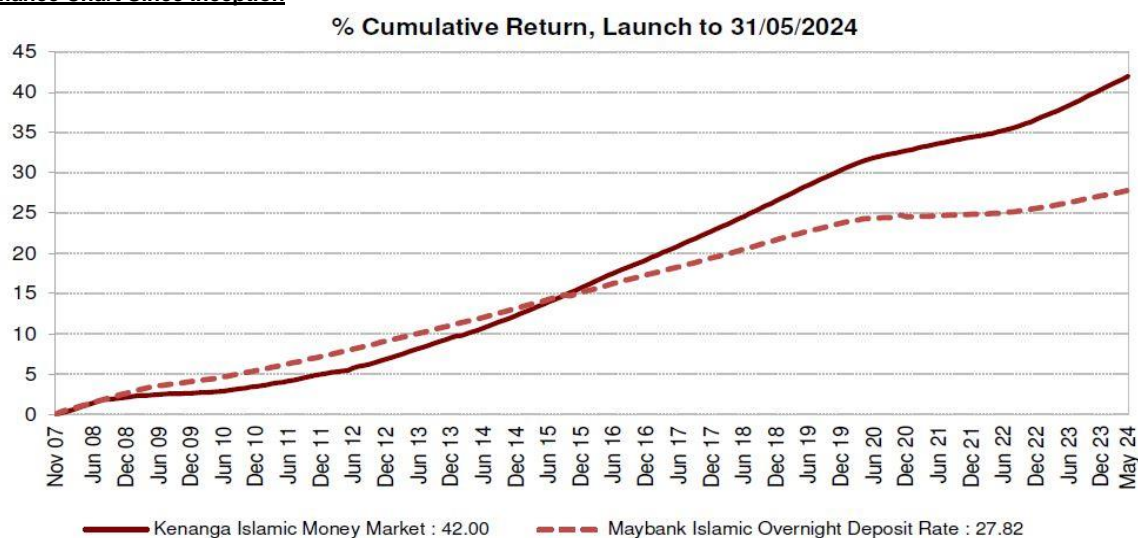
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\* With effect from 2 October 2023, Unit Holders of the Fund were split into two categories, where individual Unit Holders were categorised under Class RI and non-individual Unit Holders were categorised under Class NR.

### 1-Year Fund Performance Review

The Fund outperformed its benchmark return by 156 basis points (bps) during the financial year under review. The Fund's returns were derived from short term Islamic deposit placements. The outperformance was due to active management of the placement maturities to enhance the Fund's returns while meeting its liquidity requirements

### Performance Chart Since Inception



Source: Novagni Analytics and Advisory

**Total Expense Ratio (TER) and Portfolio Turnover Ratio (PTR)**

	Financial Years Ended 31 May		
	2024	2023	2022
<b>TER (%)</b>			
- Class NR*	0.53	-	-
- Class RI*	0.53	0.53	0.58
<b>PTR (times)</b>	78.32	73.36	97.42

\* With effect from 2 October 2023, Unit Holders of the Fund were split into two categories, where individual Unit Holders were categorised under Class RI and non-individual Unit Holders were categorised under Class NR.

**Explanation of significant change in the TER**

TER for the financial year under review is of insignificant change as compared against the previous financial year.

**Explanation of significant change in the PTR**

PTR is higher as compared to previous financial year due to frequent rollover of short-term deposit placements during the current financial year under review.

**Distributions**

Distributions were made in the form of cash for periods disclosed below.

	Financial Year Ended 31 May		
	2024	2023	2022
<b>Gross distribution per unit (sen)</b>			
- Class NR	1.11	No distributions were made during the period.	-
- Class RI	1.11	No distributions were made during the period.	0.42
<b>Net distribution per unit (sen)</b>			
- Class NR	1.11	No distributions were made during the period.	-
- Class RI	1.11	No distributions were made during the period.	0.42

\* With effect from 2 October 2023, Unit Holders of the Fund were split into two categories, where individual Unit Holders were categorised under Class RI and non-individual Unit Holders were categorised under Class NR.

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

**CONTACT INFORMATION****Who do I contact for further information or to lodge a complaint?****1. For internal dispute resolution, you may contact:**

Kenanga Investors Berhad  
 Registration No.: 199501024358 (353563-P)  
 Level 13, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur

- |     |                               |   |  |
|-----|-------------------------------|---|--|
| (a) | General Line No               | : | 03-2172 3123   |
| (b) | Facsimile No                  | : | 03-2172 3133   |
| (c) | Customer Service Toll Free No | : | 1-800 88 3737  |
| (d) | Website                       | : | <a href="http://www.kenangainvestors.com.my">www.kenangainvestors.com.my</a>         |
| (e) | Email                         | : | <a href="mailto:investorservices@kenanga.com.my">investorservices@kenanga.com.my</a> |

**2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Corporation (SIDREC):**

- |     |               |   |  |
|-----|---------------|---|--|
| (a) | via phone to  | : | 03-2282 2280   |
| (b) | via fax to    | : | 03-2282 3855   |
| (c) | via email to  | : | <a href="mailto:info@sidrec.com.my">info@sidrec.com.my</a>   |
| (d) | via letter to | : | Securities Industry Dispute Resolution Center (SIDREC)<br>Unit A-9-1, Level 9, Tower A<br>Menara UOA Bangsar |

No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

**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:**

- (a) via phone to Aduan Hotline at : 03-6204 8999
- (b) via fax to : 03-6204 8991
- (c) via email to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- (d) via online complaint form available at : [www.sc.com.my](http://www.sc.com.my)
- (e) via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No.3, Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

**4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:**

- (a) via phone to : 03-7890 4242
- (b) via email to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- (c) via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)
- (d) via letter to : Legal & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No.19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

**APPENDIX : GLOSSARY**

<b>Business Day</b>	Means a day on which the stock exchange managed or operated by Bursa Malaysia Securities Berhad is open for trading.
<b>Class NR</b>	Refers to a Class of Units of the Fund which is denominated in Ringgit Malaysia and is offered to non-individual investors such as institutional or corporate investors.
<b>Class RI</b>	Refers to a Class of Units of the Fund which is denominated in Ringgit Malaysia and is offered to individual investors.
<b>Class(es) of Units</b>	Means any class of Units of the Fund representing similar interests in the assets of the Fund although a class of Units of the Fund may have different features from another class of Units of the Fund.
<b>Total Expense Ratio (TER)</b>	$\frac{\text{Total annual expenses incurred by the Fund}}{\text{Average NAV of the Fund calculated on daily basis}} \times 100$ <p>This ratio will inform you of the total expenses incurred by the Fund during the year as compared to its average NAV. Total expenses include management fee, trustee fee and expenses incurred for fund administrative services. A low TER indicates the effectiveness of the Manager in managing the expenses of the Fund.</p>
<b>Net Asset Value (NAV)</b>	Means the total value of the Fund's assets attributable to each Class of Units minus its liabilities attributable to each Class of Units at the valuation point.
<b>NAV per Unit</b>	Means the NAV of the Fund attributable to a Class of Units of the Fund at a particular valuation point divided by the number of Units in circulation of that Class of Units at the same valuation point.
<b>Portfolio Turnover Ratio (PTR)</b>	<p>Refers to the measure of trading activity or how frequently assets within a fund are bought and sold by the Manager. A fund with a 0.5 times portfolio turnover ratio, for example, replaces half of its holdings during the period under review. A fund with a high portfolio turnover rate will typically incur more transaction costs than one with a low portfolio turnover rate.</p> <p>The computation of PTR is as follows:</p> $\text{PTR} = \frac{(\text{Total acquisitions of the Fund} + \text{Total disposals of the Fund}) / 2}{\text{Average NAV of the Fund calculated on a daily basis}}$
<b>short to medium term</b>	Refers to a period of one (1) to three (3) years.
<b>Unit(s)</b>	Means a unit of a Class of Units and includes a fraction of a unit.

<b>Unit Holder(s)/ Investor(s)</b>	Means the person for the time being registered under the provisions of the deed as the holder of units and includes the Manager and joint-holder.
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