

**HONG LEONG ASSET MANAGEMENT BHD**

**HONG LEONG PRIVATE RETIREMENT SCHEME –  
CONVENTIONAL**

**HONG LEONG PRS ASIA PACIFIC FUND**

**RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors of Hong Leong Asset Management Bhd and they have collectively and individually accept 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.

**STATEMENTS OF DISCLAIMER**

The Securities Commission Malaysia has approved the Hong Leong Private Retirement Scheme - Conventional and authorised the Hong Leong PRS Asia Pacific Fund, and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia. The approval and authorisation, as well as the lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Hong Leong Private Retirement Scheme - Conventional or Hong Leong PRS Asia Pacific 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 Hong Leong Asset Management Bhd who is responsible for the Hong Leong Private Retirement Scheme - Conventional and Hong Leong PRS Asia Pacific 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.

**This Product Highlights Sheet only highlights the key features and risks of this Hong Leong Private Retirement Scheme - Conventional and Hong Leong PRS Asia Pacific Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.**

## BRIEF INFORMATION ON THE PROVIDER

### 1. The Provider

Hong Leong Asset Management Bhd ("the Provider") was incorporated under the Companies Act 1965 (now known as Companies Act 2016) on 5 October 1994 and is a wholly-owned subsidiary of Hong Leong Capital Berhad. The Provider holds a Capital Markets and Services License for the regulated activities of fund management, dealing in securities restricted to unit trust products and dealing in private retirement schemes.

## BRIEF INFORMATION ON THE FUND

### 2. What are the funds about?

Hong Leong Private Retirement Scheme – Conventional ("Scheme") is a private retirement scheme managed by the Provider which is set up to facilitate the accumulation of savings\* for members' retirement needs.

*\*The Fund is neither capital guaranteed nor capital protected funds.*

The following four (4) Funds are offered under this Scheme:

|               |                                             |
|---------------|---------------------------------------------|
| Core Funds    | Hong Leong PRS Growth Fund (HLPRSGF)        |
|               | Hong Leong PRS Moderate Fund (HLPRSMF)      |
|               | Hong Leong PRS Conservative Fund (HLPRSCF)  |
| Non-Core Fund | Hong Leong PRS Asia Pacific Fund (HLPRSAPF) |

## FUND SUITABILITY

### 3. Who is this fund suitable for?

| Name of Fund | Suitable for members who:                                                                                                                                                                                                                                  | Product Risk Rating                                         |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| HLPRSAPF     | <ul style="list-style-type: none"> <li>are seeking capital appreciation;</li> <li>are willing to assume higher risk in their investments to obtain potentially higher returns; and</li> <li>seek exposure to the Asia Pacific ex-Japan markets.</li> </ul> | <ul style="list-style-type: none"> <li>high risk</li> </ul> |

## KEY FUND FEATURES

### 4. What am I investing in?

#### HLPRSAPF

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category of fund                                              | Fund-of-Funds (Equity)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Investment objective                                          | The Fund aims to achieve capital growth by investing primarily in CIS with exposure in the Asia Pacific ex-Japan markets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Asset allocation<br>(% of the Fund's net asset value ("NAV")) | <ul style="list-style-type: none"> <li>Equity collective investment schemes ("CIS"): At least 70%.</li> <li>Fixed income and/or money market CIS: Up to 30%.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Performance benchmark                                         | MSCI AC Asia-Pacific ex Japan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Investment process and strategy                               | <p>The Fund seeks to achieve its investment objective by investing in a basket of CIS that have similar investment objective to the Fund's investment objective of capital growth, through exposure in countries in the Asia-Pacific ex Japan region which include but are not limited to Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand. Investments in CIS will be confined to those managed by the Provider and have proven performance track record.</p> <p>The Provider will actively monitor the Fund's investments in selected CIS to ensure optimal returns while adhering to the Fund's pre-determined asset allocation. The Provider has the flexibility to rebalance the asset allocation should it deem necessary based on the prevailing market conditions.</p> |
| Distribution policy                                           | Incidental. Distribution, if any, will be automatically reinvested into the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Launch date                                                   | 20 December 2022.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

### 5. Who am I investing with?

|                |                                                            |
|----------------|------------------------------------------------------------|
| Provider       | Hong Leong Asset Management Bhd [199401033034 (318717-M)]. |
| Scheme Trustee | CIMB Commerce Trustee Berhad [199401027349 (313031-A)]     |

### 6. The benefit of investing in this Scheme

#### Professional management

The Funds under the Scheme are managed by professional fund managers with the expertise and resources to manage the assets of the Funds.

#### Tax relief

Individuals are allowed to claim a tax relief of up to RM3,000 per year.

### Diversification

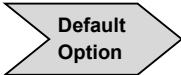
Members' contributions are pooled for the purchase of units or shares in a diversified portfolio of CIS as well as other permissible assets which yield returns at lower risks compared with investing directly in any individual investment such as stocks.

### Ease of transactions

The Funds do not require cumbersome administrative paperwork or record keeping on members' part in managing a range of investments.

## **7. How does the Scheme work?**

You may actively select one or a combination of the Funds within the Scheme based on their risk and return profile. However, if you do not select a Fund, the Provider will allocate your contributions in accordance with the Default Option as stated in the table below:

|  | Age Group                  | Core Funds |
|-----------------------------------------------------------------------------------|----------------------------|------------|
|                                                                                   | Below 45 years             | HLPRSGF    |
|                                                                                   | 45 years to below 55 years | HLPRSMF    |
|                                                                                   | 55 years and above         | HLPRSCF    |

Notes:

1. The age group above may be subject to changes as may be determined by the relevant authorities from time to time.
2. Under the Default Option:
  - (a) If you make your first contribution to the Scheme a month before you reach the age of 45 or 55, the Provider will allocate your contribution to HLPRSMF or HLPRSCF as the case may be.
  - (b) Unless otherwise instructed, the Provider will automatically switch without charge:
    - (i) your units in the HLPRSGF into HLPRSMF before the end of the next calendar month from the day you attain the age of 45 years old; or
    - (ii) your units in the HLPRSMF into HLPRSCF before the end of the next calendar month from the day you attain the age of 55 years old.
  - (c) The switching transaction will be executed in equal proportion over a five (5)-year period based on the number of units remaining in the relevant Core Fund. The first switching must be executed before the end of the next calendar month from the day you attain the age of 45 or 55, as the case may be ("Switch-in Date") and the subsequent four (4) switching transactions will be executed no later than ten (10) Business Days from each anniversary of the Switch-in Date.

For employers who make contributions on behalf of their 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 Provider will allocate the contributions in accordance to the Default Option stated above.

Employers are entitled to claim a tax deduction on contributions made to approved schemes<sup>1</sup> up to 19% of the employees' remuneration. This will mean that contributions made by an employer for the employee to the Funds will be tax deductible so long as the total contributions to the Funds, Employee Provident Fund and other approved schemes do not exceed 19% of employees' remuneration.

### Contributions

All contributions made by or on behalf of members will be maintained in two (2) separate sub-accounts as follows:

- (a) Sub-account A - holds 70% of member's contributions; and
- (b) Sub-account B - holds 30% of member's contributions.

### Pre-retirement and Retirement Withdrawals

A member may request for withdrawals as follows:

- (a) Full withdrawal from Sub-accounts A and B upon reaching retirement age.
- (b) Sub-account A is not available for pre-retirement withdrawal, except due to:
  - death of a member;
  - permanent departure of a member from Malaysia; and
  - withdrawals due to permanent total disablement, serious disease or mental disability of a member.
- (c) Sub-account B is available for pre-retirement withdrawal subject to payment of tax penalty of 8% (or such other applicable tax penalty) of the amount withdrawn, which will be deducted by the Provider before making payment to members. However, the tax penalty is not applicable for pre-retirement withdrawals due to:
  - death of a member;
  - permanent departure of a member from Malaysia;
  - due to a permanent total disablement, serious disease or mental disability of a member;
  - for healthcare purpose;
  - for housing purpose; and
  - such other conditions as may be imposed by any government authorities.

For withdrawals following the death of a member, the Provider is required to obtain prior authorisation from the Private Pension Administrator ("PPA") before processing the withdrawal.

A member may request for withdrawals from Sub-account B as pre-retirement withdrawal, for healthcare purposes or housing purposes once every calendar year provided that the individual has been a member for at least one year.

All withdrawal transactions are only applicable for Vested Units<sup>3</sup> only.

Notes:

<sup>1</sup> 'Business Day' refers to a day (other than Saturday, Sunday or public holidays) on which the Provider is open for business and Bursa Malaysia is open for trading.

<sup>2</sup> 'Vesting Schedule' refers to a schedule which an employer may issue to the Provider stipulating when a contribution made by the employer on behalf of its employee should vest in the employee.

<sup>3</sup> 'Vested Units' means a unit which accords a member with unconditional entitlement to such unit.

## KEY RISKS

### 8. What are the key risks associated with this fund?

#### General risks

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <b>Capital and returns not guaranteed risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| The Fund under the Scheme is exposed to a variety of investment risks and as such, is neither a capital guaranteed nor a capital protected. There is no guarantee of capital appreciation or returns.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <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 NAV.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Inflation/purchasing power risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| This refers to the likelihood that a member's investment is not growing at a rate equal or greater than the inflation rate, thus resulting in the member's decreasing purchasing power even though the value of the investment in monetary terms has increased.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Fund manager risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| The performance of a fund is dependent on the experience, knowledge, expertise and investment strategies adopted by the personnel of the Provider. Lack of experience, knowledge and expertise, as well as poor execution of the investment strategy or general management of a fund may jeopardise the members' capital and returns. In view of this, proper training and stringent selection of personnel to manage a fund is crucial towards mitigating this risk.                                                                                                                                                                                                                                        |
| <b>Legal and regulatory risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| The investments of a fund would be exposed to changes in the laws and regulations made by the government and regulatory bodies. The regulatory changes pose a risk to the Fund as it may increase the costs of operating a business and hence reduce the attractiveness of its related investments. Apart from this, there is also the risk that changes in laws/regulations/guidelines relating to PRS could affect a member's PRS account or accessibility to the monies in the account.                                                                                                                                                                                                                   |
| <b>Non-compliance risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| This is the risk where the Provider or the Scheme Trustee does not comply with the provisions as set out in the deed, laws and Guidelines that govern the Scheme; or its internal procedures and policies. The non-compliance could be due to several factors such as a result of human errors and oversight system failures or fraudulent acts by the Provider. Any non-compliance may adversely affect the member's investments by causing a fall in the value of the Fund.                                                                                                                                                                                                                                |
| <b>Risks associate with Default Option</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| For members who are in the Default Option, their current investment will be automatically switched into the Core Fund that corresponds to the age of the members upon reaching the next age group. The NAV per unit may be lower at the point of switching than the NAV per unit when members initially contributed into the Core Fund. Hence, members may have to suffer losses upon switching out from the Core Fund in which the member is currently invested. However, the Provider will notify members one (1) month before they reach the maximum age of a particular age group. This will provide members the option to stay on with that particular Core Fund before their investments are switched. |
| <b>Suspension of repurchase request risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Having considered the best interest of Members, the repurchase requests by the Members may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be determined. In such case, Members will not be able to redeem their units and will be compelled to remain invested in the Fund for a longer period of time than the original timeline. Hence, their investments will continue to be subject to the risk inherent to the Fund.                                                                                                                                                                                 |

#### Specific risks

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| <b>Particular security risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| The performance of each individual security that the CIS invests in will affect the price of units. The performance of each security is dependent on factors which include but are not limited to the management quality of the particular company, its growth potential, changes in consumer tastes and preferences, and conditions specific to the industry of the security that the CIS has invested in. Valued collectively, the performance of individual securities will cause the CIS's NAV per unit to rise or fall accordingly. The CIS's NAV per unit is also dependent on the weightage of the individual securities within the CIS's portfolio. This risk is managed by adherence to a strict investment decision-making process which is applied in the security selection process and involves conducting primary and secondary research on factors relevant to each individual security issuer. For each security, emphasis will be on the company's industry and business outlook, management track record, financial health, earnings quality, growth potential and other financial valuations.                                                                     |
| <b>Credit/default risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Credit risk relates to the creditworthiness of the issuer of the fixed income securities and the issuer's ability to make timely payments of interest and/or principal. If the issuer fails to meet its fixed income securities repayment/payment obligation in a timely manner, it will lead to a loss in principal and/or interest and result in a default on the payment of principal and/or interest accrued and cause a decline in the value of the defaulted fixed income security and subsequently affect the CIS's NAV per unit. The CIS's credit/default risk can be mitigated through a rigorous and disciplined credit research and analysis to ascertain the creditworthiness of the issuer of fixed income securities prior to the investments. In addition, the fund manager may also mitigate this risk by diversifying its investments in fixed income securities across many issuers. The fund manager reserves the right to deal with rating downgrade of an investment in the best interest of the unit holders including to dispose the invested fixed income securities within a reasonable time frame if the downgrade is below the stipulated minimum rating. |

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| <b>Interest rate risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| This risk refers to the effect of interest rate changes on the market value of the CIS's investments in fixed income securities/debentures. In the event of rising interest rates, prices/valuation of fixed income securities/debentures tend to move inversely. Meanwhile, fixed income securities/debentures with longer maturities and lower coupon /profit rates are more sensitive to interest rate changes. This risk can be mitigated via the management of the duration structure of the fixed income securities/debentures portfolio by diversifying the investments in fixed income securities/debentures across different maturities (e.g. one year, three years and five years) and investing in short-term (i.e. less than three years) fixed income securities/debentures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Single issuer risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| The CIS may invest a greater portion of its assets in a single issuer, and as such, the CIS is susceptible to any adverse developments affecting the single issuer held in its portfolio. Any changes in the financial condition of the single issuer may cause fluctuations in the CIS's NAV. The fund manager seeks to mitigate this risk by conducting fundamental research prior to its investments, where the fund manager will conduct thorough analysis of the issuer's financial statements by assessing its potential earnings growth, cash flow sustainability, debt manageability as well as historical financial performance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Currency risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| This risk is associated when the CIS has investments that are denominated in foreign currency. Any fluctuations in the currency exchange rates can affect the CIS's foreign investments when it is converted back to the CIS's base currency in RM, and subsequently affect the CIS's NAV per unit. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the CIS in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. This risk may be mitigated through investing in a wide range of foreign currency denominated assets, thus reducing the risk of single currency exposure. Alternatively, hedging may be applied to mitigate the currency risk, where necessary. While currency hedging has the potential to mitigate adverse currency fluctuations, any potential gains from currency appreciation will be capped. Therefore, unit holders will not benefit from any currency appreciation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Country risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>The foreign investments made by the CIS may be affected by changes in the economic, social and/or political conditions of the countries in which the investments are made. These changes may in turn, influence the growth and development of businesses and have an adverse impact on market sentiment. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the CIS in those affected countries. This in turn may cause the NAV of the CIS or prices of units to fall. However, this risk may be mitigated by conducting thorough research on the respective markets, their economies, companies, politics and social conditions as well as minimising or omitting investments in such markets.</p> <p>The fund manager will ensure all necessary licenses/permits for investments are applied for in countries that require such licenses/permits. The fund manager will seek to invest in other accessible markets if the fund manager is unable to obtain the necessary licenses/permits in those countries, or that such licenses/permits to invest in are revoked or not renewed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Dividend policy risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| This risk is particular to a CIS that invests in dividend yielding stocks. As such, the CIS's NAV per unit may be affected when there is a significant deterioration in an invested company's business or fundamentals, or if there is a change in management policy resulting in a reduction or removal of its dividend policy. This risk can be mitigated by investing mainly in companies with consistent historical records of paying dividends, operating in fairly stable industries and with strong cash flows.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Emerging markets risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| This risk is associated with the CIS's investments in emerging markets. Emerging markets such as China, Indonesia, Thailand, Korea, India, Philippines and Vietnam are still at a relatively early stage of development and are not well established. Investments in securities of these markets would generally entail a higher risk than investments in securities of developed markets. This is because investments in emerging markets are more susceptible to the risk that the government may discriminately impose or fail to enforce the laws, regulations, policies or contracts governing an investment. The effect of such changes can have an adverse impact on the CIS's NAV per unit and affect the investor's capital and returns. To mitigate this risk, the fund manager will monitor more closely the CIS's investments in such companies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Repatriation risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Investments in some emerging markets could be adversely affected by delays in, or refusal to grant relevant approvals for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. This could arise due to the imposition of new exchange control policies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Derivatives/Structured products risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>The CIS may invest into derivatives or structured products, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include shares, interest rates, currency exchange rates and stock indices. While the judicious use of these financial derivative instruments by the fund manager can be beneficial, the risks involved in the investments of these financial derivative instruments may be higher than risks involved in traditional securities investments.</p> <p>Investors should be aware that there is a risk of higher volatility in the NAV per unit of the CIS when derivatives or structured products are part of the CIS's investment assets. Some of the risks associated with investments in derivatives or structured products by the CIS include the following:</p> <p>a) <b>Leverage risk</b></p> <p>Investments in derivatives or structured products involve leverage risk because derivatives allow the CIS to buy exposure to a selected underlying with a nominal amount significantly larger than the premium paid for by the CIS. Investors should be aware there is no assurance that the CIS's derivative strategy will succeed. Therefore, investors should carefully consider their risk tolerance level and be aware that there is a risk of higher volatility in the NAV per unit of the CIS before investing in the CIS. However, this risk is mitigated as any downside risk will be limited only to the premium paid for by the CIS. In addition to that, investments in derivatives or structured products are closely monitored by the fund manager with careful research before its investments.</p> |

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| <p>b) <b>Derivatives/Structured products counterparty risk</b><br/>When the CIS invests in derivatives or structured products, it will be subjected to the derivatives or structured products counterparty default risk. This risk refers to the possibility of the counterparty of these financial derivative instruments being unable to make payments and/or pay/repay the obligations in a timely manner. As a result, this could lead to a lower or zero valuation of these financial derivatives instruments, which would then have an adverse impact on the NAV per unit of the CIS. Therefore, the fund manager will only invest in derivatives or structured products issued by counterparties with a strong credit rating. A Malaysian counterparty must have a credit rating of at least "AA3" by RAM or its equivalent rating by MARC. A foreign counterparty must have a credit rating of at least "A" as rated by S&amp;P or its equivalent rating by another recognised global rating agency. The fund manager will unwind the invested financial derivative instruments or hold the financial derivative instruments to maturity if its period to maturity is less than six (6) months if the counterparty is downgraded below the abovementioned credit ratings.</p> <p>c) <b>Derivatives/Structured products valuation risk</b><br/>The fund manager is relying on the counterparty of the derivatives or structured products to conduct the daily valuation of the derivatives or structured products. Any error in valuation would result in an under or over computation of the NAV per unit of the CIS. However, this risk is mitigated as the fund manager will conduct a periodic independent in-house verification of the prices of the derivatives or structured products provided by its counterparty.</p> |
| <b>Collective Investment Scheme risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| The Fund may invest into CIS and are subject to the risks faced by the respective CIS. The performance of the Fund is dependent on the performance of the CIS and any adverse effect on the CIS will impact the NAV of the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

**INVESTORS SHOULD TAKE NOTE THAT THE ABOVE LIST OF RISKS MAY NOT BE EXHAUSTIVE AND IF NECESSARY, THEY SHOULD CONSULT THEIR ADVISER(S) FOR A BETTER UNDERSTANDING OF THE RISKS.**

## FEES & CHARGES

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

**There are fees and charges involved and investors are advised to consider them before investing in the Fund.**

The following table describes the charges that you may **directly** incur when you buy or redeem units:

#### (a) Fees and charges imposed by the Provider

|                                                                                                                 |                                                           |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| <b>Sales charge<sup>1</sup></b>                                                                                 | Up to 3% of NAV per unit.                                 |
| <b>Redemption charge<sup>1</sup></b>                                                                            | No redemption charge is imposed upon redemption of units. |
| <b>Switching fee<sup>1</sup></b><br>(between Funds in the Scheme or funds of other PRS managed by the Provider) | There is no switching fee imposed on switching of units.  |
| <b>Transfer fee<sup>1</sup></b><br>(to another PRS provider)                                                    | RM25 per transaction.                                     |

#### (b) Fees and charges imposed by the PPA

|                                                      |                                                                                                                                     |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>PPA account opening fee</b>                       | RM10 (one-off)                                                                                                                      |
| <b>PPA annual fee</b>                                | RM8 per annum<br>(Not payable for the year the account is opened and not payable for the years(s) where no contributions are made). |
| <b>PPA pre-retirement withdrawal fee</b>             | RM25 per transaction                                                                                                                |
| <b>PPA transfer fee</b><br>(to another PRS provider) | RM25 per transaction.                                                                                                               |

The following table describes the fees that you may **indirectly** incur when you invest in the Fund:

|                               |                                          |
|-------------------------------|------------------------------------------|
| <b>Annual Management Fee</b>  | Up to 1.80% per annum of the Fund's NAV  |
| <b>Annual Trustee Fee</b>     | Up to 0.04% per annum of the Fund's NAV. |
| <b>PPA Administration fee</b> | 0.04% per annum of the Fund's NAV.       |

## VALUATIONS AND EXITING FROM INVESTMENT

### 10. How often are valuations available?

The NAV per unit of the Funds is determined on each Business Day<sup>2</sup>. The daily NAV per unit of the Funds can be obtained via the Provider's website at [www.hlam.com.my](http://www.hlam.com.my) or our branch offices.

Notes:

<sup>1</sup> The fees and charges stated are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time. The Provider/Scheme Trustee (where applicable) shall have the right to charge and recover from the Fund any applicable taxes and/or duties now or hereafter imposed by law or required to be paid in connection with the products or services provided by the Provider/Scheme Trustee (where applicable).

<sup>2</sup> 'Business Day' refers to a day (other than Saturday, Sunday or public holidays) on which the Provider is open for business and Bursa Malaysia is open for trading.

## 11. How can I exit from this investment and what are the risks and costs involved?

### **Cooling-off right**

The cooling-off right allows members an opportunity to reverse an investment decision and is based on the conditions below.

The cooling-off period for the Fund is six (6) Business Days<sup>1</sup> commencing from the date the Provider receives the application for purchase of units.

A cooling-off right is given to an individual investor who makes a contribution in a PRS for the first time. Once the right is exercised, the cooling-off right is not available for subsequent contributions whether to the Scheme or any other scheme managed by the PRS Provider or to a PRS managed by another PRS provider.

The cooling-off right is not available to:

- a staff of the Provider; and
- a person registered by a body approved by the Securities Commission Malaysia to deal in PRS.

The refund for every unit held by the Member pursuant to the exercise of a Cooling-off right shall be the sum of:

- if the original price of a unit is higher than the price of a unit at the point of exercise of the Cooling-off right ("market price"), the market price at the point of cooling-off; or
- if the market price is higher than the original price, the original price at the point of cooling-off; and
- the sales charge per unit imposed on the day the units were purchased.

Upon receiving the authorisation of the PPA, payment will be made to the members within seven (7) Business Days<sup>1</sup>.

### **Redemption of Units**

- No redemption charge is imposed upon redemption of units.
- Minimum redemption of units is 500 units.
- Cut-off time for redemption requests is 4.00 p.m. on every Business Day<sup>1</sup>.
- Payment will be made to you within seven (7) Business Days<sup>1</sup>.

### **Transfer of Units**

Prior to reaching the Retirement Age, a member may request to transfer their Vested Units<sup>2</sup> in any Fund under this Scheme to another PRS provider once every calendar year provided:

- the member has been a member of this Scheme (whether via member's contribution or employer contribution) for at least one (1) year; and
- all the accrued benefits to be transferred from one (1) or more Funds must be transferred to one other fund under a PRS of another PRS provider.

In effecting a transfer:

- the Provider may rely on the intended PRS provider's verification of the identity of the member requesting such transfer; and
- the proceeds from the cancellation of units in Sub-account A (whether from one (1) Fund or Funds managed by the Provider) must be used to create units in 'sub-account a' of one (1) fund or funds managed by another PRS provider. Similarly, the proceeds from the cancellation of units in Sub-account B (whether from one (1) Fund or Funds managed by the Provider) must be used to create units in 'sub-account b' of one (1) fund or funds managed by another PRS provider.

Upon receipt of the completed transfer form from the PPA, the Provider will pay the net transfer proceeds to the other PRS provider within five (5) Business Days<sup>1</sup>.

### **Switching of Units**

- Switching is limited to once a month and may be made one (1) year after the first subscription to the Fund.
- The minimum amount of switching is 500 units or such other lower amount as the Provider may in its sole discretion allow.

**MEMBERS ARE ADVISED NOT TO MAKE A PAYMENT IN CASH TO A PRS CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A PRS CONSULTANT.**

Notes:

<sup>1</sup> 'Business Day' refers to a day (other than Saturday, Sunday or public holidays) on which the Provider is open for business and Bursa Malaysia is open for trading.

<sup>2</sup> 'Vested Units' means a unit which accords a member with unconditional entitlement to such unit.

## FUND PERFORMANCE

### 12. Information on Fund Performance

#### a) Average total return for the following periods ended 31 July 2025

|                                    | 1-year | Since Launch <sup>#</sup> |
|------------------------------------|--------|---------------------------|
| HLP RSAPF (%)                      | 2.86   | -5.00                     |
| MSCI AC Asia-Pacific ex Japan* (%) | 7.33   | 9.74                      |

#### b) Annual total return for the financial years ended 31 July

|                                    | 2025 | 2024   | 2023 <sup>#</sup> |
|------------------------------------|------|--------|-------------------|
| HLP RSAPF (%)                      | 2.86 | -15.74 | 0.28              |
| MSCI AC Asia Pacific ex Japan* (%) | 7.33 | 5.47   | 7.50              |

<sup>#</sup>The figure shown is for the period since launch of the Fund (20 December 2022)

Source: Lipper for Investment Management.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

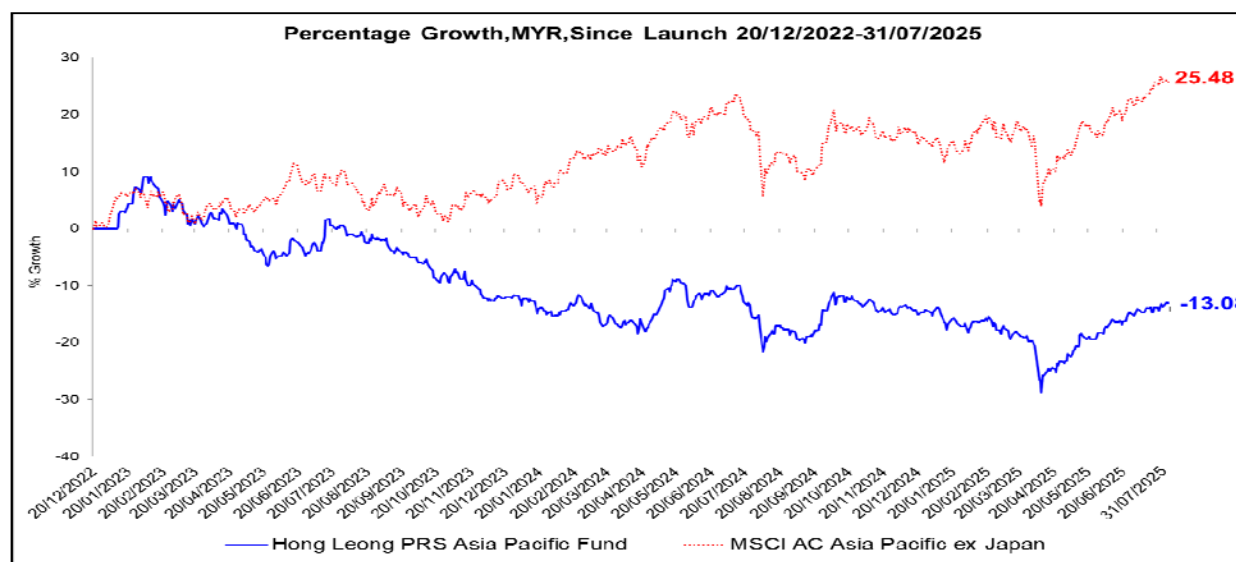
#### 1-Year fund performance review

The Fund posted a return of 2.86% for the financial year ended 31 July 2025 while its benchmark the MSCI AC Asia Pacific ex Japan\* registered a return of 7.33%.

#### c) Basis of calculation

Percentage Growth, NAV Per unit-to-NAV Per unit basis with gross income (if any) from HLP RSAPF reinvested and in MYR terms.

#### d) Performance in Chart



Source: Lipper for Investment Management.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Since launch, the Fund has posted a return of -13.08% while its benchmark the MSCI AC Asia Pacific ex Japan\* has registered a return of 25.48%.

\* Prior to 9 December 2024, the Fund's performance benchmark was a composite of MSCI AC Asia-Pacific ex Japan (70%) and Malayan Banking Berhad 12 months fixed deposit rate (30%). Effective from 9 December 2024, the Fund's benchmark has been replaced with MSCI AC Asia-Pacific ex Japan due to be more reflective of the Fund's current investments, i.e. the Fund invests a substantial portion of its NAV into equity collective investment schemes and to reduce the costs of the composite benchmark subscription.

#### e) Portfolio turnover ratio (PTR)

|                         | Financial year ended 31 July |      |      |
|-------------------------|------------------------------|------|------|
|                         | 2025                         | 2024 | 2023 |
| PTR of the Fund (times) | 0.08                         | 0.40 | 0.71 |

The Fund recorded a lower PTR of 0.08 times during the financial year ended 2025 from 0.40 times during the financial period ended 2024 on account of lower level of rebalancing activities undertaken by the Fund.

## f) Distribution

| Financial year | Additional units | Cash distribution |
|----------------|------------------|-------------------|
| 2023           | -                | -                 |
| 2024           | -                | -                 |
| 2025           | -                | -                 |

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

## CONTACT INFORMATION

### 13. Who should I contact for further information or to lodge a complaint?

- For internal dispute resolution, you may contact our Customer Experience personnel at 03-2081 8600 ext 18603/18604 or email us at [inquiry@hlam.hongleong.com.my](mailto:inquiry@hlam.hongleong.com.my).
- If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Financial Markets Ombudsman Service (FMOS):
  - (a) via phone to : 03-2227 2811
  - (b) via fax to : 03-2272 1577
  - (c) via e-mail to : [enquiry@ofs.org.my](mailto:enquiry@ofs.org.my)
  - (d) via letter to : Financial Markets Ombudsman Service (FMOS)  
Level 14, Main Block  
Menara Takaful Malaysia  
No. 4, Jalan Sultan Sulaiman  
50000 Kuala Lumpur
- You can also direct your complaint to the Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with FMOS. To make a complaint, please contact the SC's Consumer & Investor Office:
  - (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail 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  
3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur
- Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
  - (a) via phone to : 03-7890 4242
  - (b) via e-mail 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  
19-06-01, 6<sup>th</sup> Floor Wisma Capital A  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur