

Hong Leong Private Retirement Scheme – Islamic

Disclosure Document

This Disclosure Document for the Hong Leong Private Retirement Scheme – Islamic is dated 6 December 2023 and incorporates the following funds:

<u>Core Funds</u>	<u>Date of Constitution</u>
Hong Leong PRS Islamic Growth Fund	15 September 2023
Hong Leong PRS Islamic Moderate Fund	15 September 2023
Hong Leong PRS Islamic Conservative Fund	15 September 2023

PRS Provider
HONG LEONG ASSET MANAGEMENT BHD [199401033034 (318717-M)]

Scheme Trustee
CIMB ISLAMIC TRUSTEE BERHAD [198801000556 (167913-M)]

This Scheme was constituted on 15 September 2023.

MEMBERS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS DISCLOSURE DOCUMENT. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE MEMBERS, SEE "RISK FACTORS" COMMENCING ON PAGE 20.

RESPONSIBILITY STATEMENTS

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

STATEMENTS OF DISCLAIMER

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

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

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

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

ADDITIONAL STATEMENTS

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

Hong Leong PRS Islamic Growth Fund, Hong Leong PRS Islamic Moderate Fund and Hong Leong PRS Islamic Conservative Fund have been certified as being Shariah-compliant by the Shariah adviser appointed for the Funds.

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1. DEFINITIONS

Auditor	PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146). The appointed auditor for the Funds.
<i>baitulmal</i>	Means the treasury of a State Islamic Religious Council.
balanced collective schemes	Islamic investment Refers to Islamic collective investment schemes that contain a balanced mixture of Shariah-compliant equities and Shariah-compliant equity-related securities and sukuk.
BARMC	Board Audit and Risk Management Committee.
Bursa Malaysia	The stock exchange managed and operated by Bursa Malaysia Securities Berhad [200301033577 (635998-W)] and includes any changes to the name or the operator of the Malaysian stock exchange.
Business Day	A day (other than Saturday, Sunday and public holidays) on which the Provider is open for business and Bursa Malaysia is open for trading.
CMSA or the Act	Capital Markets and Services Act 2007 and any amendments made thereto.
conditionally vested Units	Means a Unit which accords a Member with entitlement to the Unit that is conditional upon fulfilment of condition(s) stipulated in a Vesting Schedule.
Cooling-off right	<p>The right of a Member who makes a contribution in a PRS for the first time, to cancel the contribution within six (6) Business Days from the date of receipt of the application form and payment by the PRS Provider. Once an individual is a member of a PRS and has exercised his cooling-off right, the cooling-off right is not available for subsequent contributions whether to that PRS or a PRS managed by another PRS provider.</p> <p>The cooling-off right is not applicable to a staff of the Provider or a person registered with a body approved by the SC to deal in PRS.</p>
Core Funds	Refers to Hong Leong PRS Islamic Growth Fund, Hong Leong PRS Islamic Moderate Fund and Hong Leong PRS Islamic Conservative Fund.
Deed	The deed in respect of the Hong Leong Private Retirement Scheme – Islamic dated 15 September 2023 entered into between the Provider and the Scheme Trustee for the Members of the Scheme, including any supplementary deeds thereto.
Default Option	Core Funds that will be selected automatically for a Member who does not specify his or her Fund option upon participating in the Scheme.
Disclosure Document	Refers to the Disclosure Document of Hong Leong Private Retirement Scheme – Islamic, including any supplementary disclosure document thereto.
FiMM	Federation of Investment Managers Malaysia.

This is a Private Retirement Scheme

financial institution	Means: (a) If the institution is in Malaysia: (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank; or (b) If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Forward Price	The Selling Price or Redemption Price of the Funds calculated based on the NAV per Unit of the Funds at the next valuation point after an application to purchase or redeem Units is received by the Provider.
Funds	Means the Core Funds.
Guidelines	Guidelines on Private Retirement Schemes issued by the SC including any amendments made thereto.
healthcare	Refers to illness listed in the relevant schedule of the Guidelines or any other illnesses as may be specified by the SC including all medical equipment and/or medication prescribed, in writing, by medical practitioners in relation to such illnesses.
HLAM or the Provider or the PRS Provider	Refers to Hong Leong Asset Management Bhd [199401033034 (318717-M)], the PRS provider of the Scheme.
HLISAM or External Fund Manager	Refers to Hong Leong Islamic Asset Management Sdn Bhd [198501008000 (140445-U)].
HLPRS Islamic or the Scheme	Hong Leong Private Retirement Scheme – Islamic.
housing	Means: (a) financing building or purchase of a residential property in Malaysia; (b) redeeming or reducing a housing loan in Malaysia; or (c) financing a rent-to-own scheme or any other housing schemes in Malaysia as may be prescribed by the SC.
immediate family	Means a Member's: (a) spouse; (b) biological child, step-child, adopted child; (c) biological parent, parent-in-law, adopted parent, step-parent; or (d) sibling.
Investment Committee	The investment committee of the Scheme who is responsible for formulating, implementing and monitoring the investment management policies of the Funds to achieve the investment objective of the Funds.
IPRA(s)	Institutional Private Retirement Scheme Adviser(s).
Islamic deposits	Means a sum of money accepted or paid in accordance with Shariah- (a) on terms under which it will be repaid in full, with or without any gains, return or any other consideration in money or money's worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and person accepting it; or

This is a Private Retirement Scheme

	<p>(b) under an arrangement, on terms whereby the proceeds under the arrangement to be paid to the person paying the sum of money shall not be less than such sum of money,</p> <p>but excludes money paid bona fide-</p> <p>(i) by way of an advance or a part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;</p> <p>(ii) by way of security for the performance of a contract or by way of security in respect of any loss which may result from the non-performance of a contract;</p> <p>(iii) without limiting paragraph (ii), by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise; and</p> <p>(iv) in such other circumstances, or to or by such other person, as set out in schedule 2 of the Islamic Financial Services Act 2013.</p>
MARC	Malaysian Rating Corporation Berhad [199501035601 (364803-V)].
Member	Means an individual who has a private pension account and holds Units in any one or more Funds of the Scheme.
mental disability	Means bipolar disorder, major depression or schizophrenia.
NAV per Unit	The NAV per Unit is the NAV of a Fund divided by the number of UIC at the same valuation point.
Net Asset Value (NAV)	In respect of each individual Fund, the NAV is determined on each Business Day by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at a valuation point.
permanent total disablement	Has the meaning assigned to it in the Employees' Social Security Act 1969.
Private Pension Administrator/PPA	Means a person who is approved under section 139C of the CMSA to perform the function of record keeping, administration and customer service for members and contributors in relation to contributions made in respect of a PRS and such other duties and functions as may be specified by the SC.
PRS	Private Retirement Scheme.
RAM	RAM Rating Services Berhad [200701005589 (763588-T)].
Redemption Price	The price payable to a Member (before deducting the redemption charge, if any) for a Unit pursuant to a redemption request. The Redemption Price shall be the NAV per Unit as at the next valuation point of a Fund after a redemption request is received and accepted by the Provider.
Retirement Age	Means the age of 55 or any other age as may be specified by SC.
RM	Ringgit Malaysia.
SACSC	Shariah Advisory Council of the SC.

This is a Private Retirement Scheme

SC	Securities Commission Malaysia.
Scheme Trustee	Refers to CIMB Islamic Trustee Berhad.
Selling Price	The price payable by a Member (before including the sales charge) for the purchase of a Unit pursuant to a request for purchase of Units. The Selling Price shall be the NAV per Unit as at the next valuation point of a Fund after a request for purchase of Units is received and accepted by the Provider.
serious disease	Has the meaning assigned to it in the Income Tax Act 1967.
Shariah	Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of the Shariah namely the <i>Qur'an</i> (the holy book of Islam) and <i>Sunnah</i> (practices and explanations rendered by the Prophet Muhammad (<i>pbuh</i>)) and other sources of Shariah such as <i>Ijtihad</i> (intellectual reasoning) of Shariah scholars.
Shariah Adviser	Refers to BIMB Securities Sdn Bhd and includes its permitted assigns and successors in title.
Shariah requirements	Means the rulings, guidelines and resolutions made by the SACSC or the advice given by the Shariah Adviser.
Single Pricing	It is a method when you purchase Units from the Provider and sell your Units back to the Provider at a single price, i.e. the NAV per Unit. The sales charge and the redemption charge (if any) would be calculated separately based on your invested amount/redemption proceeds.
Special Resolution	Means a resolution passed by a majority of not less than three-fourth of Members voting at the meeting of Members. For the purpose of terminating a Fund, a special resolution is passed by a majority in number representing at least three-fourths of the value of the Units held by the Members voting at the meeting in person or by proxy.
Sub-account A	A sub-account maintained by the Provider for each Member which holds 70% of all contributions made to any Fund under the Scheme which is reflected in Units.
Sub-account B	A sub-account maintained by the Provider for each Member which holds 30% of all contributions made to any Fund under the Scheme which is reflected in Units.
sukuk	Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SACSC.
UIC	Units in circulation.
Unit(s)	Is an undivided share in the beneficial interest and/or rights in a Fund and a measurement of the interest and/or right of a Member in a Fund and means a Unit of a Fund.
Vested Unit(s)	Means a Unit which accords a Member with unconditional entitlement to such Unit.

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.

2. CORPORATE DIRECTORY

PRS PROVIDER

HONG LEONG ASSET MANAGEMENT BHD [199401033034 (318717-M)]

Registered office:

Level 30, Menara Hong Leong
No. 6 Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : +603-2080 9888
Fax : +603-2080 9801

Business address:

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Bukit Damansara
50490 Kuala Lumpur
Tel : +603- 2081 8600
Fax : +603- 2081 8500
Website : www.hlam.com.my
E-mail : inquiry@hlam.hongleong.com.my

EXTERNAL FUND MANAGER

HONG LEONG ISLAMIC ASSET MANAGEMENT SDN BHD [198501008000 (140445-U)]

Registered office:

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No. 6 Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
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50490 Kuala Lumpur
Tel : +603- 2081 8600
Fax : +603- 2081 8500
Website : www.hlam.com.my/hlisam/home
E-mail : inquiry@hlisam.hongleong.com.my

SCHEME TRUSTEE

CIMB ISLAMIC TRUSTEE BERHAD [198801000556 (167913-M)]

Registered address:

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Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603-2261 8888
Fax : +603-2261 0099

Business address:

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Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603-2261 8888
Fax : +603-2261 9894
Website : www.cimb.com
Email : ss.corptrust@cimb.com

THE SCHEME TRUSTEE'S DELEGATE

CIMB ISLAMIC BANK BERHAD [200401032872 (671380-H)]

Registered address:

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50470 Kuala Lumpur
Tel : +603-2261 8888
Fax : +603-2261 9892
Website : www.cimb.com
Email : wb.tb-sscustody@cimb.com

SHARIAH ADVISER

BIMB SECURITIES SDN BHD [199401004484 (290163-X)]

Registered address:

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No. 22 Jalan Perak
50450 Kuala Lumpur

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Email : shariah@bimbsec.com.my

BOARD OF DIRECTORS

Ms Lee Jim Leng (non-independent, non-executive/Chairman)
Mr Hoo See Kheng (non-independent, Executive Director)
YBhg Dato' Abdul Majit bin Ahmad Khan (independent, non-executive)
YM Tunku Dato' Mohmood Fawzy bin Tunku Muhiyiddin (independent, non-executive)

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

YM Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin (independent/Chairman)

Ybhg Dato' Abdul Majit bin Ahmad Khan (independent member)

Ms Lee Jim Leng (non-independent member)

COMPANY SECRETARY

Mr Lee Tiong Jie (MAICSA No. 7060133)

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SOLICITORS

Messrs. Wei Chien & Partners
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3. SCHEME AND FUNDS KEY DATA

3.1 Scheme Information

		Page								
Name of Scheme	Hong Leong Private Retirement Scheme – Islamic	-								
General Information	<p>This Scheme has been set up to facilitate the accumulation of savings* for Members’ retirement needs. The Scheme is voluntary and offers a range of retirement Funds for Members to choose from depending on their retirement needs, risk appetite and age.</p> <p>* The Funds are neither capital guaranteed nor capital protected funds.</p>	26								
Benefits	<p>The benefits of investing in this Scheme include:</p> <p>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.</p> <p>Tax relief Individuals are allowed to claim a tax relief of up to RM3,000 per year.</p> <p>Diversification Members’ contributions are pooled for the purchase of units or shares in a diversified portfolio of Islamic collective investment schemes as well as other permissible assets which yield returns at lower risks compared with investing directly in any individual investment such as Shariah-compliant stocks.</p> <p>Ease of transactions The Funds do not require cumbersome administrative paperwork or record keeping on Members’ part in managing a range of investments.</p>	26								
Funds under the Scheme	<p>The following three (3) Funds are offered under this Scheme:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Core Funds</th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td>Hong Leong PRS Islamic Growth Fund (HLPRSIGF)</td> </tr> <tr> <td></td> <td>Hong Leong PRS Islamic Moderate Fund (HLPRSIMF)</td> </tr> <tr> <td></td> <td>Hong Leong PRS Islamic Conservative Fund (HLPRSICF)</td> </tr> </tbody> </table>	Core Funds			Hong Leong PRS Islamic Growth Fund (HLPRSIGF)		Hong Leong PRS Islamic Moderate Fund (HLPRSIMF)		Hong Leong PRS Islamic Conservative Fund (HLPRSICF)	26
Core Funds										
	Hong Leong PRS Islamic Growth Fund (HLPRSIGF)									
	Hong Leong PRS Islamic Moderate Fund (HLPRSIMF)									
	Hong Leong PRS Islamic Conservative Fund (HLPRSICF)									
Brief description on operations	<p>Members may contribute to the Scheme by selecting either any one of the Funds or a combination of the Funds. However, if you decide to contribute under the Default Option, we will allocate your contributions as stated in the table below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Age Group</th> <th style="text-align: left;">Core Funds</th> </tr> </thead> <tbody> <tr> <td>Below 45 years</td> <td>HLPRSIGF</td> </tr> <tr> <td>45 years to below 55 years</td> <td>HLPRSIMF</td> </tr> <tr> <td>55 years and above</td> <td>HLPRSICF</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> The age group above may be subject to changes as may be determined by the relevant authorities from time to time. 	Age Group	Core Funds	Below 45 years	HLPRSIGF	45 years to below 55 years	HLPRSIMF	55 years and above	HLPRSICF	26
Age Group	Core Funds									
Below 45 years	HLPRSIGF									
45 years to below 55 years	HLPRSIMF									
55 years and above	HLPRSICF									

	<p>2. Under the Default Option:</p> <p>(a) If you make your first contribution to the Scheme a month before you reach the age of 45 or 55, we will allocate your contribution to HLPRSIMF or HLPRSICF, as the case may be.</p> <p>(b) Unless otherwise instructed, we will automatically switch without charge:</p> <p>(i) your Units in the HLPRSIGF into HLPRSIMF before the end of the next calendar month from the day you attain the age of 45; or</p> <p>(ii) your Units in the HLPRSIMF into HLPRSICF before the end of the next calendar month from the day you attain the age of 55.</p> <p>(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.</p> <p>Contributions</p> <p>All contributions made by or on behalf of Members will be maintained in two (2) separate sub-accounts as follows:</p> <p>(a) Sub-account A - holds 70% of Member's contributions; and</p> <p>(b) Sub-account B - holds 30% of Member's contributions.</p> <p>The aforesaid applies to Vested Units only.</p> <p>Withdrawals</p> <p>A Member may request for withdrawals as follows:</p> <p>(a) Full withdrawal from Sub-accounts A and B upon reaching retirement age.</p> <p>(b) Sub-account A is not available for pre-retirement withdrawal, except due to:</p> <ul style="list-style-type: none">• 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. <p>(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:</p> <ul style="list-style-type: none">• 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.	
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	<p>For withdrawals following the death of a Member, HLAM is required to obtain prior authorisation from the PPA before processing the withdrawal.</p> <p>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.</p> <p>All withdrawal transactions are only applicable for Vested Units.</p>	
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3.2 Funds Information

				Page
Fund Name	HLPSIGF	HLPSIMF	HLPRSICF	-
Fund Category	Core (Growth)	Core (Moderate)	Core (Conservative)	27, 30, 33
Initial Offer Period	21 days from the launch date of the Fund	21 days from the launch date of the Fund	21 days from the launch date of the Fund	-
Initial Offer Price	RM0.50 per Unit	RM0.50 per Unit	RM0.50 per Unit	-
Investment Objective	The Fund aims to provide long-term capital growth to facilitate the accumulation of wealth for retirement needs.	The Fund aims to seek capital growth over the long-term while seeking income returns.	The Fund aims to provide capital preservation* while seeking income. <i>* Please note the Fund is neither a capital guaranteed fund nor a capital protected fund.</i>	27, 30, 33
Any material change to the investment objective of a Fund would require Members' approval.				

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<p>Investment Policy, Strategy and Asset Allocation</p>	<p>To achieve its investment objective, the Fund will invest in a basket of Islamic collective investment schemes which have similar investment objective as the Fund's, i.e. long-term capital growth.</p> <p>The Fund will invest a minimum 70% of its NAV into Shariah-compliant equity and Shariah-compliant equity-related Islamic collective investment schemes; and up to 30% of its NAV into sukuk and/or Islamic money market collective investment schemes.</p>	<p>To achieve its investment objective, the Fund will invest in a basket of Islamic collective investment schemes which have similar investment objective as the Fund's, i.e. capital growth over the long-term while seeking income returns.</p> <p>The Fund will invest a minimum 70% of its NAV into balanced Islamic collective investment schemes and up to 30% of its NAV into sukuk and/or Islamic money market collective investment schemes.</p>	<p>To achieve its investment objective, the Fund will invest in a basket of Islamic collective investment schemes which have similar investment objective as the Fund's, i.e. capital preservation while seeking income.</p> <p>The Fund will invest a minimum 80% of its NAV into sukuk and/or Islamic money market collective investment schemes and up to 20% of its NAV into Shariah-compliant equity and Shariah-compliant equity-related Islamic collective investment schemes and/or balanced Islamic collective investment schemes.</p>	<p>27, 30, 33</p>
<p>Performance benchmark</p>	<p>A composite of FBM EMAS Shariah Index (70%) and Malayan Banking 12-month Islamic fixed deposit-i (30%).</p>	<p>A composite of FBM EMAS Shariah Index (60%) and Malayan Banking 12-month Islamic fixed deposit-i (40%).</p>	<p>Malayan Banking 12-month Islamic fixed deposit-i.</p>	<p>28, 30 - 31, 34</p>
<p>Member Profile</p>	<p>This Fund is suitable for Members who:</p> <ul style="list-style-type: none"> • are focused on growing the portfolio steadily; • have a high to moderate risk tolerance; and • want a diversified portfolio of Shariah-compliant investments that may have some foreign exposure. <p>Members who are under the Default Option and below the age of 45, this Fund will be selected for you.</p>	<p>This Fund is suitable for Members who:</p> <ul style="list-style-type: none"> • are focused on growing the portfolio steadily and seeking income; • have a low to moderate risk tolerance; and • want a diversified portfolio of Shariah-compliant investments that may have some foreign exposure. <p>Members who are under the Default Option and who are between the ages of 45 but not yet</p>	<p>This Fund is suitable for Members who:</p> <ul style="list-style-type: none"> • are generally conservative; • have a low risk tolerance; and • seek capital preservation. <p>Members who are under the Default Option and are 55 years old and above, this Fund will be selected for you.</p>	<p>28, 31, 34</p>

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		55, this Fund will be selected for you.		
Principal Risks	<ul style="list-style-type: none"> Market risk; Islamic collective investment scheme risk; Fund manager risk; Interest rate risk; and Shariah status reclassification risk 	<ul style="list-style-type: none"> Market risk; Islamic collective investment scheme risk; Fund manager risk; Interest rate risk; and Shariah status reclassification risk 	<ul style="list-style-type: none"> Market risk; Islamic collective investment scheme risk; Fund manager risk; Interest rate risk; and Shariah status reclassification risk 	20 - 23
Launch Date	6 December 2023	6 December 2023	6 December 2023	-
Financial Year End	31 July	31 July	31 July	69

3.3 Fees and Charges

3.3.1 The following tables describe the fees and charges that you may **directly** incur when you buy or redeem Units of a Fund under the Scheme.

(a) Fees and charges imposed by the Provider

Fund Name	HLPRSIGF	HLPRSIMF	HLPRSICF	Page
Sales charge	Up to 3% of the Fund's NAV per Unit. The Provider may at its discretion waive or reduce the sales charge from time to time.			37
Redemption charge	Nil			37
Transfer fee (to another PRS provider)	RM25 per transaction			37
Switching fee (between Funds in the Scheme or funds of other PRS managed by the Provider)	Nil			37

Where the Fund invests in Islamic collective investment scheme(s) managed by HLAM, there will be no double charging of sales charge.

(b) Fees and charges imposed by the PPA

				Page
Fund Name	HLPRSIGF	HLPRSIMF	HLPRSICF	
PPA account opening fee	RM10 (one-off)			38
PPA annual fee	RM8 per annum (Not payable for the year the account is opened and not payable for the years(s) where no contributions are made)			38
PPA pre-retirement withdrawal fee	RM25 per transaction			38
PPA transfer fee (to another PRS provider)	RM25 per transaction			38

The fees and charges imposed by PPA may be subject to changes as may be determined by the PPA. You may refer to the PPA website at www.ppa.my for the latest information on fees and charges imposed by the PPA. The Provider may collect the fees and charges on behalf of the PPA.

3.3.2 The following table describes the fees and charges that you may **indirectly** incur when you invest in a Fund under the Scheme.

				Page
Fund Name	HLPRSIGF	HLPRSIMF	HLPRSICF	
Annual management fee	Up to 1.50% per annum of the Fund's NAV	Up to 1.25% per annum of the Fund's NAV	Up to 1.00% per annum of the Fund's NAV	38
Annual trustee fee	Up to 0.04% per annum of the Fund's NAV			39
PPA administration fee	0.04% per annum of the Fund's NAV.			39
Fund expenses	<ul style="list-style-type: none"> • Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts; • Costs, fees and expenses properly incurred by the Auditor; • Costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund; • Custodian fees (applicable only when the Funds invest into foreign markets); • Printing and postage of annual, semi-annual reports and half yearly statements; • Bank charges; • Taxes and other duties charged on the Fund by the government and/or other authorities; • Costs, fees and charges payable to the PPA by the Fund; and • Any other fees and expenses as may be allowed under the Deed. 			40

The above fees and charges may be subject to any applicable taxes and/or duties (if any) which are payable by you. Where the Fund invests in Islamic collective investment scheme(s) managed by HLAM, there will be no double charging of management fee.

3.4 Transaction Details

		Page
Minimum initial subscription	RM100 or such other lower amount as the Provider may in its sole discretion allow.	44
Minimum additional subscription	RM50 or such other lower amount as the Provider may in its sole discretion allow.	44
Minimum redemption of Units from each Fund	500 Units or such other lower amount as the Provider may in its sole discretion allow.	45
Minimum switching amount	500 Units or such other lower amount as the Provider may in its sole discretion allow.	46

3.5 Other Information

Deed	The Scheme is governed by the deed dated 15 September 2023.
Avenues for advice	If you have any questions about the information in this Disclosure Document or would like to know more about investing in this Scheme, you may contact our Customer Experience personnel at 03-2081 8600 ext 18603/18604 or email us at inquiry@hlam.hongleong.com.my .
Lodging 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 .
	<p>If you are dissatisfied with the outcome of the internal dispute resolution process, you can refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):</p> <p>(a) via phone to : 03-2282 2280 (b) via fax to : 03-2282 3855 (c) via email to : info@sidrec.com.my (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC) Unit A-9-1, Level 9, Tower A Menara UOA Bangsar No. 5 Jalan Bangsar Utama 1 59000 Kuala Lumpur.</p> <p>You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:</p>

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	<p>(a) via phone to the Aduan Hotline at : 03-6204 8999</p> <p>(b) via fax to : 03-6204 8991</p> <p>(c) via email to : aduan@seccom.com.my</p> <p>(d) via online complaint form available at : www.sc.com.my</p> <p>(e) via letter to : Consumer & Investor Office Securities Commission Malaysia No 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur.</p> <p>FIMM's Complaints Bureau:</p> <p>(a) via phone to : 03-7890 4242</p> <p>(b) via email to : complaints@fimm.com.my</p> <p>(c) via online complaint form available at : www.fimm.com.my</p> <p>(d) via letter to : Legal & Regulatory Affairs Federation of Investment Managers Malaysia 19-06-01, 6th Floor Wisma Tune No 19 Lorong Dungun Damansara Heights 50490 Kuala Lumpur.</p>
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There are fees and charges involved and potential Members are advised to consider them before contributing to this Scheme.

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

3.6 RISK FACTORS

All investments carry some degree of risk. Prospective Members should consider the following risks of investing in the Funds under the Scheme in addition to the other information set out in this Disclosure Document.

3.6.1 General Risks

Capital and returns not guaranteed risk
The Funds under the Scheme are exposed to a variety of investment risks and as such, are neither capital guaranteed nor capital protected. There is no guarantee of capital appreciation or returns.
Market risk
Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.

<p>Liquidity risk</p> <p>Liquidity risk comprises two broad risk types: Market Liquidity Risk and Funding Liquidity Risk. Market Liquidity Risk is defined as the ease with which a Shariah-compliant security can be sold at or near its fair value depending on the trading volume of that security in the market. If the Fund holds a large portfolio of Shariah-compliant securities that are less liquid, these Shariah-compliant securities may have to be sold at unfavourable prices and/or withdraw Islamic deposits placed with financial institutions prior to maturity which would expose the Fund to a higher degree of market liquidity risk. As such, any premature withdrawal of Islamic deposits where profit income may be forfeited or forced sale of the Fund's investment to meet any shortfall will have adverse impact on the Fund's NAV per Unit and subsequently the value of Member's investment in the Funds.</p> <p>Funding Liquidity Risk is defined as the risk that the Fund will not be able to meet efficiently both the expected and unexpected current and future cash outflow. The risk primarily involves the Fund's inability to meet redemption requests without major distortion to the portfolio allocation.</p> <p>To mitigate this risk, the Provider will employ prudent liquidity management such as cash flow and redemption monitoring to ensure that the Fund maintains reasonable levels of liquidity to meet any redemption request supplemented by a temporary defensive strategy should adverse conditions prevail. The Provider will apply Liquidity Risk Management tools inclusive of liquidity stress test to assess the Fund's viability to meet expected and unexpected redemptions under adverse scenarios.</p> <p>The Provider may, in consultation with the Scheme Trustee suspend dealing in Units under exceptional circumstances where there is sufficient reason to do so having regard to the interests of the Members, in an effort to further curtail the liquidity risk experienced by the Fund. Exceptional circumstances can be considered where the market value or fair value of a material portion of the Fund's assets cannot be determined.</p>
<p>Inflation/Purchasing power risk</p> <p>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.</p>
<p>Fund manager risk</p> <p>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.</p>
<p>Legal and regulatory risk</p> <p>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 Funds 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.</p>
<p>Non-compliance risk</p> <p>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.</p>
<p>Risks associate with Default Option</p> <p>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</p>

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.
Suspension of repurchase request risk
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.
Shariah status reclassification risk
This risk refers to the risk of a possibility that the currently held Islamic collective investment schemes, Islamic money market instruments or Islamic deposits invested by the Funds may be classified as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Provider will take the necessary steps to dispose such collective investment schemes, money market instruments or deposits.
Shariah non-compliance risk
This refers to the risk of the Funds not conforming to Shariah Investment Guidelines due to investment in Shariah non-compliant instrument. In the event that the Provider is required to rectify any Shariah non-compliance by disposing the related instrument, any losses from disposal due to investment in Shariah non-compliant instrument will be borne by the Provider. In any circumstances, gain received from disposal shall be channelled to <i>baitulmal</i> and/or charitable bodies as advised by the Shariah Adviser

3.6.2 Specific Risks

As the Funds will invest into Islamic collective investment schemes managed by HLAM, the specific risks faced by the Islamic collective investment schemes and the risk management strategies adopted by HLAM for the Islamic collective investment schemes are stated below:

Particular security risk
The performance of each individual security that the Islamic collective investment scheme invests in will affect the price of units of the Islamic collective investment scheme. 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 Islamic collective investment scheme has invested in. Valued collectively, the performance of individual security will cause the Islamic collective investment scheme's net asset value per unit to rise or fall accordingly. The Islamic collective investment scheme's net asset value per unit is also dependent on the weightage of the individual security within the Islamic collective investment scheme'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.
Credit/default risk
Credit risk relates to the creditworthiness of the issuer of the sukuk and the issuer's ability to make timely payments of profits and/or principal. If the issuer fails to meet its sukuk payment obligation in a timely manner, it will lead to a loss in principal and/or profit and result in a default on the payment of principal and/or profit accrued and cause a decline in the value of the defaulted sukuk and subsequently affect the Islamic collective investment scheme's net asset per unit. The Islamic collective investment scheme's credit/default risk can be mitigated through a rigorous and disciplined credit research and analysis to ascertain the creditworthiness of the issuer of sukuk prior to the investments. In addition, the fund manager may also mitigate this risk by diversifying its investments in sukuk 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 of the Islamic collective investment scheme including to dispose the invested sukuk within a reasonable time frame if the downgrade is below the stipulated minimum rating.

Interest rate risk

This risk refers to the effect of interest rate changes on the market value of the Islamic collective investment scheme's investments in sukuk. In the event of rising prices/valuation of sukuk tend to move inversely. Meanwhile, sukuk with longer maturities and lower profit rates are more sensitive to interest rate changes. This risk can be mitigated via the management of the duration structure of the sukuk portfolio by diversifying the investments in sukuk across different maturities (e.g. one year, three years and five years) and investing in short-term (i.e. less than three years) sukuk.

The above interest rate is a general indicator that will have an impact on the management of the Funds regardless whether it is an Islamic collective investment scheme or otherwise. It does not in any way suggest that the Islamic collective investment scheme will invest in conventional financial instruments. All the underlying investments of the Islamic collective investment scheme are in accordance with Shariah requirements.

Single issuer risk

The Islamic collective investment scheme may invest a greater portion of its assets in a single issuer, and as such, the Islamic collective investment scheme 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 Islamic collective investment scheme's net asset value. 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.

Small capitalization risk

The Islamic collective investment scheme may have investments in small capitalisation companies. Small capitalisation companies may offer greater opportunities in capital appreciation than large capitalisation companies. However, these small capitalisation companies are more likely to have limited product lines, financial resources, and may depend on a smaller and inexperienced management team. In addition to that, securities of small capitalisation companies tend to trade less frequently and in smaller volumes. Investments in such companies tend to be more sensitive to market movements and as such, may subject itself to more abrupt and erratic price movements than those in large capitalisation companies.

Islamic collective investment scheme risk

The Funds may invest into Islamic collective investment schemes and are subject to the risks faced by the respective Islamic collective investment schemes. The performance of the Funds is dependent on the performance of the Islamic collective investment schemes and any adverse effect on the Islamic collective investment schemes will impact the NAV of the Funds.

Counterparty risk

The Islamic collective investment scheme's placements of Islamic deposits and/or investments in Islamic money market instruments with financial institutions are subject to the risk of the counterparty. Counterparty risk also refers to the possibility that the counterparty being unable to make timely payments of profit and/or principal payment on the maturity date. This may then lead to a default in the payment and/or profit and ultimately affect the net asset per unit of the Islamic collective investment scheme. To mitigate this risk, the fund manager will ascertain the creditworthiness of the financial institutions of the Islamic money market instruments, Islamic deposits and Islamic negotiable instruments of deposit through a rigorous and disciplined credit research and analysis prior to its investments.

Reinvestment risk

This risk is more prevalent during times of declining interest rates when the Islamic collective investment scheme has received its principal and profit earned from a maturing Islamic deposit and/or Islamic money market instrument or when an issuer of a sukuk (if any) decides to pay the principal earlier than the intended maturity date. As a result, the Islamic collective investment scheme has to reinvest the above proceeds in a new Islamic deposit, Islamic money market instrument and/or sukuk offering a lower return than the previous Islamic deposit, Islamic money market instruments and/or sukuk.

MEMBERS 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.

3.6.3 Shariah Investment Guidelines, Cleansing Process and Zakat for the Funds

(a) Shariah investment guidelines

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

- The Funds must at all times and all stages of its operation comply with Shariah requirements as resolved by the SACSC or in cases where no specific rulings are made by the SACSC, the decisions of the Shariah Adviser.
- The Funds must be established and operated by the Provider, and finally redeemed by the investors on the basis of contracts which are acceptable in Shariah. The banking facilities and short-term money market instruments used for the Funds have to be Shariah-compliant. Similarly, all the other investment instruments must be Shariah-compliant.
- For investments in Islamic collective investment schemes, the Provider must submit to the Shariah Adviser all pertinent information including the prospectuses, its structures, investment avenues, Shariah investment guidelines, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the Islamic collective investment schemes, for the Shariah Adviser to confirm the Shariah status of the said Islamic collective investment schemes.
- For Islamic money market instruments and Islamic deposits, they shall be based on the data readily available on Bank Negara Malaysia and the financial institutions' websites respectively.
- The decision of the Shariah Adviser shall be final.

(b) Cleansing process for the Funds

- Wrong investment

The said investment shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. In the event that the investment resulted in Shariah non-compliant income, received before or after the disposal or withdrawal of the investment, it has to be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Funds have a right to retain only the investment cost. The Shariah Adviser advises that this cleansing process (namely, channeling of income from wrongful investment to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser) shall be carried out within two (2) calendar months from the said disposal or withdrawal date. If the disposal of the investment resulted in losses to the Funds, the losses are to be borne by the Provider.

- Reclassification of Shariah status of the Funds' investments

This refers to the instruments which were earlier classified as Islamic collective investment schemes or Islamic money market instruments or Islamic deposits but due to certain factors such as changes in the issuers' business direction and policy or failure to carry out proper Shariah contracts' transactions, which render the instruments Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Provider will take the necessary steps to dispose of or withdraw such collective investment schemes or money market instruments or deposits.

If on the reclassification effective date, the value of the Shariah non-compliant instruments held exceeds or is equal to the investment cost, the Funds which hold such Shariah non-compliant instruments must liquidate them. To determine the time frame to liquidate such instruments, the Shariah Adviser advises that such reclassified Shariah non-compliant instruments should be disposed of within one (1) calendar month of reclassification.

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Any income received up to the reclassification effective date and capital gains arising from the disposal or withdrawal of the said reclassified Shariah non-compliant instruments made on the reclassification effective date can be kept by the Funds.

However, any income received and excess capital gain derived from the disposal or withdrawal after the reclassification effective date at a price that is higher than the price on the reclassification effective date shall be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within two (2) calendar months from the above disposal date.

The Shariah Adviser confirms that the investment portfolio of the Funds comprises instruments which have been classified as Shariah-compliant by the SACSC and, where applicable the Shariah Advisory Council of Bank Negara Malaysia (“SAC BNM”). As for the instruments which have not been classified as Shariah-compliant by the SACSC and, where applicable the SAC BNM, the Shariah Adviser will review and determine the Shariah status of the said instruments in accordance with the ruling issued by the Shariah Adviser.

(c) Zakat for the Funds

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

4. SCHEME AND FUNDS DETAILS

4.1 Scheme Information

HLPRS Islamic is a voluntary PRS offered to the public with the purpose of providing an avenue for Members to accumulate savings* for their retirement needs under a well-structured and regulated environment. The Scheme comprises three (3) Core Funds, which Members may choose to invest based on their retirement needs, risk appetite and age profile. Upon reaching Retirement Age, Members can assess their savings* in the Scheme either in one lump sum, partially or may continue to contribute to the Scheme.

*** Funds under the Scheme are neither capital guaranteed nor capital protected funds.**

In addition to providing an avenue for retirement savings, the Scheme provides the following benefits:

- contributions are at an affordable amount, subject to the minimum amount stated in section 6.2.3;
- Members have a choice of Funds to select to invest in and may switch between Funds within the Scheme at no cost;
- Members may decide on the frequency of contributions; and
- Fees and charges are kept to a minimum to maximize savings.

The Scheme consists of the following Funds:

Core Funds	HLPRSIGF
	HLPRSIMF
	HLPRSICF

Members may actively select one or a combination of the Funds within the Scheme based on their risk and return profile. However, if a Member does not select a Fund, the Provider will allocate the Members' contributions in accordance with the Default Option that corresponds to the age of the Members as listed below.

Age*	Name of Fund
55 years and above	HLPRSICF
45 years to below 55 years	HLPRSIMF
Below 45 years	HLPRSIGF

** Note: The age groupings may be subject to changes as may be determined by the relevant authorities from time to time.*

Under the Default Option:

1. if a Member makes the first contribution to the Scheme a month before the Member attains the age of 45 or 55, the Provider must allocate the contribution to HLPRSIMF or HLPRSICF respectively;
2. unless the Member instructs otherwise, the Provider will:
 - (a) before the end of the next calendar month from the day the Member attains the age of 45[^], redeem the Units in the HLPRSIGF and purchase Units in HLPRSIMF; or
 - (b) before the end of the next calendar month from the day the Member attains the age of 55[^], redeem the Units in the HLPRSIMF and purchase Units in the HLPRSICF;

^referred to as the 'Switch date'
3. the Provider will notify Members one (1) month in writing before the transaction in 2(a) or 2(b) takes place; and
4. the switching must be executed in equal proportion over a five (5)-year period based on the number of Units remaining in the relevant Fund and after the Member's own redemption, if any. The first switching must be executed on the Switch date and the subsequent four (4) switching must be no later than ten (10) Business Days from each anniversary of the Switch date.

4.2 Funds Information

HLPRSIGF

Category of Fund	Core (Growth)
Investment Objective	<p>The Fund aims to provide long-term capital growth to facilitate the accumulation of wealth for retirement needs.</p> <p><i>Any material change to the investment objective of the Fund would require Members' approval.</i></p>
Asset Allocation	<ul style="list-style-type: none"> • At least 70% of the Fund's NAV will be invested into Shariah-compliant equity and Shariah-compliant equity-related Islamic collective investment schemes; and • Up to 30% of the Fund's NAV may be invested into sukuk and/or Islamic money market collective investment schemes.
Investment policy and strategy	<p>The Fund seeks to achieve its investment objective by investing in a basket of Islamic collective investment schemes which have similar investment objective to the Fund's investment objective of long-term capital growth. Investments in Islamic collective investment schemes will be confined to those managed by the Provider.</p> <p>The Provider will actively monitor the Fund's investments in the selected Islamic collective investment schemes 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> <p>The Provider may also take temporary defensive positions that may be inconsistent with the Fund's investment strategy in response to adverse economic, political or any market conditions. In such circumstances, the Fund may hold up to 100% in Islamic money market instruments and Islamic deposits as a defensive strategy.</p>
Risk management strategies	<p>The risk management strategies undertaken by the Provider include:</p> <ul style="list-style-type: none"> • Adhering to the Fund's investment objective, investment strategies and investment limits and restrictions as stated in the Disclosure Document and/or the Deed; • Monitoring and evaluating the market and economic conditions; • Employing an active asset allocation strategy depending on the market conditions and rebalancing the portfolio should the need arise; • Practice prudent liquidity management to ensure that the Fund maintains reasonable levels of liquidity to meet any withdrawal requests (<i>please refer to "Liquidity risk" in section 3.6.1 for more details</i>); • Regular review of the Fund's performance; and • Escalating and reporting investment matters to the Investment Committee.

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<p>Performance benchmark</p>	<p>A composite of FBM EMAS Shariah Index (70%) and Malayan Banking 12-month Islamic fixed deposit-i (30%).</p> <p>Due to the nature of the investments, the performance benchmark is specifically formulated based on the asset allocation of the Fund.</p> <p>The information on FBM EMAS Shariah Index is readily available from Bursa Malaysia’s website at www.bursamalaysia.com while the information on Malayan Banking 12-month Islamic fixed deposit-i can be obtained at www.maybank2u.com.my.</p> <p>The benchmark is used solely as a reference only. Please note that the risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p> <p>The performance of the Fund against the benchmark is published in the Provider’s semi-annual and annual reports and is also available on the Provider’s website.</p>
<p>Distribution Policy</p>	<p>Incidental. Distribution, if any, will be automatically reinvested into the Fund.</p>
<p>Financial Year End</p>	<p>31 July</p>
<p>Member Profile</p>	<p>The Fund is suitable for Members who:</p> <ul style="list-style-type: none"> • are focused on growing the portfolio steadily; • have a high to moderate risk tolerance; and • want a diversified portfolio of Shariah-compliant investments that may have some foreign exposure. <p>Members who are under the Default Option and below the age of 45, this Fund will be selected for you.</p>
<p>Permitted Investments</p>	<p>The Fund may invest in any of the following investments:</p> <ul style="list-style-type: none"> • Units/shares of Islamic collective investment schemes with similar objectives; • Islamic money market instruments; • Islamic deposits.
<p>Investment limits/restrictions</p>	<p>The Fund shall be subject to the following limits/restrictions:</p> <ul style="list-style-type: none"> • Investment in Islamic collective investment schemes is permitted in the following circumstances: <ol style="list-style-type: none"> (a) the Fund’s investment in any of the Islamic collective investment scheme must not exceed 95% of its NAV from the launch of the Scheme; (b) upon reaching RM200 million NAV, the value of the Fund’s investment in any of the Islamic collective investment scheme must not exceed 40% of its NAV; and (c) the investment objective of the Islamic collective investment scheme must be similar to the Fund. • The Provider shall ensure that: <ol style="list-style-type: none"> (a) there is no cross-holding between the Fund and the Islamic collective investment schemes the Fund has invested in (“Target Funds”); (b) all initial charges of the Target Funds are waived; and (c) the management fee must only be charged once, either at the Fund level or the Target Funds level.

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	<ul style="list-style-type: none"> • The value of the Fund’s investments in Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund’s NAV. • The value of the Fund’s placements in Islamic deposits with any single financial institution must not exceed 20% of the Fund’s NAV. • The value of the Fund’s investments in Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund’s NAV. • The Fund’s investments in Islamic money market instruments must not exceed 10% of the Islamic money market instruments issued by any single issuer. <i>Note: The above limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.</i> • The aggregate value of the Fund’s investments in Islamic money market instruments and Islamic deposits issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund’s NAV.
<p>Valuation bases</p>	<ul style="list-style-type: none"> • Unlisted Islamic collective investment schemes The valuation of each unit or share in any unlisted Islamic collective investment scheme will be based on the last published redemption price per unit or share of such unlisted Islamic collective investment scheme at the valuation point. • Islamic money market instruments The value of any Islamic money market instruments will be performed on a daily basis by reference to the value of such investment as provided by the licensed financial institution that issues the investment. • Islamic deposits The value of Islamic deposits placed with licensed financial institutions shall be determined each day by reference to their nominal values/principal sum and the accrued profit, if any, thereon for the relevant period.
<p>Fund Valuation Point</p>	<p>The valuation of the Fund is conducted on each Business Day at the close of the Bursa Malaysia. The NAV per Unit is quoted on a Forward Price basis and can be obtained via the Provider’s website at www.hlam.com.my or our Customer Experience personnel. Please refer to Section 15 for our contact details.</p>

HLPRSIMF

Category of Fund	Core (Moderate)
Investment Objective	<p>The Fund aims to seek capital growth over the long-term while seeking income returns.</p> <p><i>Any material change to the investment objective of the Fund would require Members' approval.</i></p>
Asset Allocation	<ul style="list-style-type: none"> • At least 70% of the Fund's NAV will be invested into balanced Islamic collective investment schemes; and • Up to 30% of the Fund's NAV may be invested into sukuk and/or Islamic money market collective investment schemes.
Investment policy and strategy	<p>The Fund seeks to achieve its investment objective by investing in a basket of Islamic collective investment schemes which have similar investment objective to the Fund's investment objective of capital growth over the long-term while seeking income returns. Investments in Islamic collective investment schemes will be confined to those managed by the Provider.</p> <p>The Provider will actively monitor the Fund's investments in the selected Islamic collective investment schemes 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> <p>The Provider may also take temporary defensive positions that may be inconsistent with the Fund's investment strategy in response to adverse economic, political or any market conditions. In such circumstances, the Fund may hold up to 100% in Islamic money market instruments and Islamic deposits as a defensive strategy.</p>
Risk management strategies	<p>The risk management strategies undertaken by the Provider include:</p> <ul style="list-style-type: none"> • Adhering to the Fund's investment objective, investment strategies and investment limits and restrictions as stated in the Disclosure Document and/or the Deed; • Monitoring and evaluating the market and economic conditions; • Employing an active asset allocation strategy depending on the market conditions and rebalancing the portfolio should the need arise; • Practice prudent liquidity management to ensure that the Fund maintains reasonable levels of liquidity to meet any withdrawal requests (<i>please refer to "Liquidity risk" in section 3.6.1 for more details</i>); • Regular review of the Fund's performance; and • Escalating and reporting investment matters to the Investment Committee.
Performance benchmark	<p>A composite of FBM EMAS Shariah Index (60%) and Malayan Banking 12-month Islamic fixed deposit-i (40%).</p>

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	<p>Due to the nature of the investments, the performance benchmark is specifically formulated based on the asset allocation of the Fund.</p> <p>The information on FBM EMAS Shariah Index is readily available from Bursa Malaysia’s website at www.bursamalaysia.com while the information on Malayan Banking 12-month Islamic fixed deposit-i can be obtained at www.maybank2u.com.my.</p> <p>The benchmark is used solely as a reference only. Please note that the risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p> <p>The performance of the Fund against the benchmark is published in the Provider’s semi-annual and annual reports and is also available on the Provider’s website.</p>
Distribution Policy	Incidental. Distribution, if any, will be automatically reinvested into the Fund.
Financial Year End	31 July
Member Profile	<p>The Fund is suitable for Members who:</p> <ul style="list-style-type: none"> • are focused on growing the portfolio steadily and seeking income; • have a low to moderate risk tolerance; and • want a diversified portfolio of Shariah-compliant investments that may have some foreign exposure. <p>Members who are under the Default Option and who are between the age of 45 to below 55, this Fund will be selected for you.</p>
Permitted Investments	<p>The Fund may invest in any of the following investments:</p> <ul style="list-style-type: none"> • Units/shares of Islamic collective investment schemes with similar objectives; • Islamic money market instruments; • Islamic deposits.
Investment limits/restrictions	<p>The Fund shall be subject to the following limits/restrictions:</p> <ul style="list-style-type: none"> • Investment in Islamic collective investment schemes is permitted in the following circumstances: <ol style="list-style-type: none"> (a) The Fund’s investment in any of the Islamic collective investment scheme must not exceed 95% of its NAV from the launch of the Scheme; (b) upon reaching RM200 million NAV, the value of the Fund’s investment in any of the Islamic collective investment scheme must not exceed 40% of its NAV; and (c) the investment objective of the Islamic collective investment schemes must be similar to the Fund. • The Provider shall ensure that: <ol style="list-style-type: none"> (a) there is no cross-holding between the Fund and the Islamic collective investment schemes the Fund has invested in (“Target Funds”); (b) all initial charges of the Target Funds are waived; and (c) the management fee must only be charged once, either at the Fund level or the Target Funds level.

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	<ul style="list-style-type: none"> • The value of the Fund’s investments in Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund’s NAV. • The value of the Fund’s placements in Islamic deposits with any single financial institution must not exceed 20% of the Fund’s NAV. • The value of the Fund’s investments in Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund’s NAV. • The Fund’s investments in Islamic money market instruments must not exceed 10% of the Islamic money market instruments issued by any single issuer. <i>Note: The above limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.</i> • The aggregate value of the Fund’s investments in Islamic money market instruments and Islamic deposits issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund’s NAV.
<p>Valuation bases</p>	<ul style="list-style-type: none"> • Unlisted Islamic collective investment schemes The valuation of each unit or share in any unlisted Islamic collective investment scheme will be based on the last published redemption price per unit or share of such unlisted Islamic collective investment scheme at the valuation point. • Islamic money market instruments The value of any Islamic money market instruments will be performed on a daily basis by reference to the value of such investment as provided by the licensed financial institution that issues the investment. • Islamic deposits The value of Islamic deposits placed with licensed financial institutions shall be determined each day by reference to their nominal values/principal sum and the accrued profit, if any, thereon for the relevant period.
<p>Fund Valuation Point</p>	<p>The valuation of the Fund is conducted on each Business Day at the close of the Bursa Malaysia. The NAV per Unit is quoted on a Forward Price basis and can be obtained via the Provider’s website at www.hlam.com.my or our Customer Experience personnel. Please refer to Section 15 for our contact details.</p>

HLPRSICF

Category of Fund	Core (Conservative)
Investment Objective	<p>The Fund aims to provide capital preservation* while seeking income.</p> <p><i>*Please note the Fund is neither a capital guaranteed fund nor a capital protected fund.</i></p> <p><i>Any material change to the investment objective of the Fund would require Members' approval.</i></p>
Asset Allocation	<ul style="list-style-type: none"> • At least 80% of the Fund's NAV will be invested into sukuk and/or Islamic money market collective investment schemes; and • Up to 20% of the Fund's NAV may be invested into Shariah-compliant equity and Shariah-compliant equity-related Islamic collective investment schemes and/or balanced Islamic collective investment schemes.
Investment policy and strategy	<p>The Fund seeks to achieve its investment objective by investing in a basket of Islamic collective investment schemes which have similar investment objective to the Fund's investment objective of capital preservation while seeking income. Investments in Islamic collective investment schemes will be confined to those managed by the Provider.</p> <p>The Provider will actively monitor the Fund's investments in the selected Islamic collective investment schemes 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> <p>The Provider may also take temporary defensive positions that may be inconsistent with the Fund's investment strategy in response to adverse economic, political or any market conditions. In such circumstances, the Fund may hold up to 100% in Islamic money market instruments and Islamic deposits as a defensive strategy.</p>

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<p>Risk management strategies</p>	<p>The risk management strategies undertaken by the Provider include:</p> <ul style="list-style-type: none"> • Adhering to the Fund’s investment objective, investment strategies and investment limits and restrictions as stated in the Disclosure Document and/or the Deed; • Monitoring and evaluating the market and economic conditions; • Employing an active asset allocation strategy depending on the market conditions and rebalancing the portfolio should the need arise; • Practice prudent liquidity management to ensure that the Fund maintains reasonable levels of liquidity to meet any withdrawal requests (<i>please refer to “Liquidity risk” in section 3.6.1 for more details</i>); • Regular review of the Fund’s performance; and • Escalating and reporting investment matters to the Investment Committee.
<p>Performance benchmark</p>	<p>Malayan Banking 12-month Islamic fixed deposit-i.</p> <p>Information on the benchmark is available at www.maybank2u.com.my.</p> <p>The benchmark is used solely as a reference only. Please note that the risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p> <p>The performance of the Fund against the benchmark is published in the Provider’s semi-annual and annual reports and is also available on the Provider’s website.</p>
<p>Distribution Policy</p>	<p>Incidental. Distribution, if any, will be automatically reinvested into the Fund.</p>
<p>Financial Year End</p>	<p>31 July</p>
<p>Member Profile</p>	<p>The Fund is suitable for Members who:</p> <ul style="list-style-type: none"> • are generally conservative; • have a low risk tolerance; and • seek capital preservation. <p>Members who are under the Default Option and are 55 years old and above, this Fund will be selected for you.</p>
<p>Permitted Investments</p>	<p>The Fund may invest in any of the following investments:</p> <ul style="list-style-type: none"> • Units/shares of Islamic collective investment schemes with similar objectives; • Islamic money market instruments; • Islamic deposits.

<p>Investment limits/restrictions</p>	<p>The Fund shall be subject to the following limits/restrictions:</p> <ul style="list-style-type: none"> • Investment in Islamic collective investment schemes is permitted in the following circumstances: <ul style="list-style-type: none"> (a) the Fund’s investment in any of the Islamic collective investment scheme must not exceed 95% of its NAV from the launch of the Scheme; (b) upon reaching RM200 million NAV, the value of the Fund’s investment in any of the Islamic collective investment scheme must not exceed 40% of its NAV; (c) the investment objective of the Islamic collective investment schemes must be similar to the Fund; and (d) the Islamic collective investment schemes shall not invest in Islamic embedded derivatives. • The Provider shall ensure that: <ul style="list-style-type: none"> (a) there is no cross-holding between the Fund and the Islamic collective investment schemes the Fund has invested in (“Target Funds”); (b) all initial charges of the Target Funds are waived; (c) the management fee must only be charged once, either at the Fund level or the Target Funds level; and (d) the use of Islamic derivatives by Target Funds are only for hedging purposes. • The value of the Fund’s investments in Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund’s NAV. • The value of the Fund’s placements in Islamic deposits with any single financial institution must not exceed 20% of the Fund’s NAV. • The value of the Fund’s investments in Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund’s NAV. • The Fund’s investments in Islamic money market instruments must not exceed 10% of the Islamic money market instruments issued by any single issuer. <i>Note: The above limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.</i> • The aggregate value of the Fund’s investments in Islamic money market instruments and Islamic deposits issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund’s NAV. • The Fund shall not invest in Islamic embedded derivatives. • The Fund’s investment in Islamic money market instruments must be: <ul style="list-style-type: none"> (i) at least long-term credit rating of investment grade (including gradation and subcategories); or (ii) at least top two short-term rating, by any Malaysian or global rating agency. However, Islamic money market instruments which are rated below the rating in (i) or (ii), or are unrated, may comprise up to 5% of the Fund’s NAV (“the 5% limit”).
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	<p>In the case where the 5% limit is exceeded, whether as a result of –</p> <ul style="list-style-type: none"> (i) a downgrade of rating from the rating listed in (i) or (ii); (ii) an increase in the aggregate value of Islamic money market instruments which are rated below the rating in (i) or (ii), or are unrated; or (iii) a decrease in the NAV of the Fund, <p>the Provider must reduce such investments to comply with the 5% limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interests of Members.</p>
<p>Valuation bases</p>	<ul style="list-style-type: none"> • Unlisted Islamic collective investment schemes The valuation of each unit or share in any unlisted Islamic collective investment scheme will be based on the last published redemption price per unit or share of such unlisted Islamic collective investment scheme at the valuation point. • Islamic money market instruments The value of any Islamic money market instruments will be performed on a daily basis by reference to the value of such investment as provided by the licensed financial institution that issues the investment. • Islamic deposits The value of Islamic deposits placed with licensed financial institutions shall be determined each day by reference to their nominal values/principal sum and the accrued profit, if any, thereon for the relevant period.
<p>Fund Valuation Point</p>	<p>The valuation of the Fund is conducted on each Business Day at the close of the Bursa Malaysia. The NAV per Unit is quoted on a Forward Price basis and can be obtained via the Provider’s website at www.hlam.com.my or our Customer Experience personnel. Please refer to Section 15 for our contact details.</p>

4.3 Cross Trade

The Provider may undertake cross trades, i.e. sale and purchase transactions between funds or portfolios under the management of the Provider where the:

- (a) sale and purchase decisions are in the best interest of both funds or portfolios;
- (b) transactions are executed through a dealer or a financial institution on an arm’s length and fair value basis;
- (c) reason for such transactions is documented before execution of the trades; and
- (d) cross trades are identified to both funds or portfolios in their respective periodic transaction report or statement.

Cross trades between:

- (a) employee of the Provider and the funds or portfolios; or
 - (b) the Provider for its proprietary trading and its funds or portfolios,
- are prohibited.

5. FEES, CHARGES AND EXPENSES

5.1 The following describes the charges that you may **directly** incur when you contribute or redeem Units in the Funds.

5.1.1 Fees and Charges paid to the PRS Provider

(a) Sales Charge

A sales charge is a front-end fee incurred by a Member when contributing to a Fund under the Scheme. The Provider imposes a sales charge of up to 3.00%* of the Fund's NAV per Unit. Sales charge is rounded to the nearest two (2) decimal places.

**Members may negotiate for a lower sales charge with the Provider.*

Illustration on how sales charge is calculated:

Assuming a Member makes a contribution of RM10,000 on 23 August 2023 and that the NAV per Unit for a Fund at the end of the Business Day on 23 August 2023 is RM0.5000. If the sales charge is 3.00%, then the computation of the sales charge is as follows:

$$\begin{aligned}\text{Sales charge} &= \text{Sales charge} \times \text{amount invested} \\ &= 3.00\% \times \text{RM}10,000 \\ &= \text{RM } 300.00\end{aligned}$$

(b) Redemption Charge

There is no redemption charge imposed for redemption of Units of Funds under the Scheme.

(c) Switching Fee

There is no switching fee imposed on switching of Funds under this Scheme or switching between funds of other PRS managed by the Provider.

(d) Transfer Fee (to another PRS provider)

A transfer fee of RM25 may be charged for each transfer request to another PRS provider. Any transfer transaction between PRS providers is only allowed for Vested Units.

The fees and charges above may be subject to changes, in which case a supplementary or replacement disclosure document disclosing the revised fees and charges will be issued. A notice period of thirty (30) days will be given to the Members prior to the effective date of the revised fees and charges.

5.1.2 Fees and Charges imposed by PPA

The table below describes the fees and charges charged by the PPA.

Fee and Charges	Amount
PPA account opening fee	RM10 (one-off)
PPA annual fee	RM8 per annum This fee is not payable for the year the account is opened and for the year(s) where no contributions are made.
PPA pre-retirement withdrawal fee	RM25 per transaction
PPA transfer fee (to another PRS provider)	RM25 per transaction

The fees and charges imposed by PPA may be subject to changes as may be determined by the PPA. You may refer to the PPA's website at www.ppa.my for the latest information on fees and charges imposed by the PPA. The PRS Provider may collect the fee and charges on behalf of the PPA.

5.2 The following describes the fees, charges and expenses that you may **indirectly** incur when you invest in a Fund under the Scheme.

5.2.1 Annual Management Fee

The table below describes the annual management fee for each Fund, based on the NAV of the Fund. The management fee is calculated and accrued on a daily basis but paid monthly.

Fund Name	HLPRSIGF	HLPRSIMF	HLPRSICF
Annual Management Fee	Up to 1.50% per annum	Up to 1.25% per annum	Up to 1.00% per annum

Illustration on how annual management fee is calculated:

Assuming the daily NAV at the valuation point for one particular valuation day is RM100,000,000 then the management fee for that particular valuation day is calculated as below:-

$$\frac{\text{RM100,000,000} \times 1.50\%}{365 \text{ days}^*} = \text{RM4,109.59 (daily)}$$

Therefore, total management fee for that particular valuation day will be:

$$= \text{RM4,109.59}$$

Notes:

* In the event of a leap year, the annual management fee will be divided by 366 days.

The Provider will publish the current annual management fee being charged on the website at www.hlam.com.my

5.2.2 Annual Trustee Fee

The table below describes the annual trustee fee for each Fund, based on the NAV of the Fund. The trustee fee is calculated and accrued on a daily basis but paid monthly.

Fund Name	HLPRSIGF	HLPRSIMF	HLPRSICF
Annual Trustee Fee	Up to 0.04% per annum	Up to 0.04% per annum	Up to 0.04% per annum

Illustration on how annual trustee fee is calculated:

Assuming the daily NAV at the valuation point for one particular valuation day is RM100,000,000 then the trustee fee for that particular valuation day is calculated as below:-

$$\frac{\text{RM100,000,000} \times 0.04\%}{365 \text{ days}} = \text{RM109.59 (daily)}$$

Therefore, total trustee fee for that particular valuation day will be:
= RM109.59

Notes:

* In the event of a leap year, the annual trustee fee will be divided by 366 days.

The Provider will publish the current annual trustee fee being charged on the website at www.hlam.com.my.

The fees above may be subject to changes, in which case a supplementary or replacement disclosure documents disclosing the revised fees and charges will be issued. A notice period of ninety (90) days will be given to the Members prior to the effective date of the revised fees.

5.2.3 PPA Administration Fee

The table below describes the annual PPA Administration Fee for each Fund, based on the NAV of the Fund. The PPA Administration Fee is calculated and accrued on a daily basis but paid annually.

Fund Name	HLPRSIGF	HLPRSIMF	HLPRSICF
PPA Administration Fee	0.04% per annum	0.04% per annum	0.04% per annum

Illustration on how PPA Administration Fee is calculated:

Assuming the daily NAV at the valuation point for one particular valuation day is RM100,000,000 then the PPA Administration Fee for that particular valuation day is calculated as below:-

$$\frac{\text{RM100,000,000} \times 0.04\%}{365 \text{ days}} = \text{RM109.59 (daily)}$$

Therefore, total PPA Administration Fee for that particular valuation day will be:
= RM109.59

** Note: In the event of a leap year, the PPA Administration Fee will be divided by 366 days.*

5.3 Other Charges

There may be other charges incurred in the administration of the Funds, such as bank charges, courier or postage and telegraphic charges. These costs are paid out of the Fund's assets.

5.4 Fund Expenses

The Deed also provides for payment of other expenses which are directly related and necessary in the operation and administration of the Funds. The major expenses which may be charged to the Funds include but are not limited to the following:

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- Costs, fees and expenses properly incurred by the Auditor;
- Costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- Custodian fees (applicable only when the Funds invest into foreign markets);
- Printing and postage of annual, semi-annual reports and half yearly statements;
- Bank charges;
- Taxes and other duties charged on the Fund by the government and/or other authorities;
- Costs, fees and charges payable to the PPA by the Fund; and
- Any other fees and expenses as may be allowed under the Deed.

5.5 Rebates and Soft Commissions

The Provider, Scheme Trustee or Scheme Trustee's delegate will not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Funds. Accordingly, any rebate or shared commission will be directed to the account of the Funds.

Notwithstanding the aforesaid, the Provider may retain goods and services ("soft commissions") provided always that (i) the soft commissions bring direct benefit or advantage to the management of the Funds and may include research and advisory services; (ii) any dealings with the broker or dealer are executed on terms which are the most favourable for the Funds and (iii) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Provider shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

Note:

All fees and charges and/or sum set out in this Disclosure Document payable to the Provider/Scheme Trustee/PPA 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/PPA (where applicable) shall have the right to charge and recover from the Funds and 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/PPA (where applicable).

THERE ARE FEES AND CHARGES INVOLVED AND MEMBERS ARE ADVISED TO CONSIDER THEM BEFORE CONTRIBUTING TO A SCHEME.

6. TRANSACTION INFORMATION

6.1 Pricing

6.1.1 Valuation Point and Publication of Prices

The valuation of the Funds under the Scheme is conducted on each Business Day after the close of Bursa Malaysia. The Funds' price can be obtained via the Provider's website at www.hlam.com.my.

6.1.2 Pricing Policy

The Provider adopts a Single Pricing policy to price Units in relation to the purchase and redemption of Units, i.e. at the NAV per Unit of a Fund. The sales charge (if any) will be calculated separately based on the investment amount and is not incorporated in the quoted prices of the Funds.

6.1.3 Forward Pricing

The Selling Price and Redemption Price of the Fund is calculated based on the NAV per Unit at the next valuation point after the application to purchase or redeem Units is received by the Provider, i.e. Forward Price.

As an example, if you submit an application to purchase or redeem Units by 4.00 p.m. on a Business Day, the Provider will process the application using the NAV per Unit for that Business Day. If the application is submitted after 4.00 p.m., the Provider will process the application using the NAV per Unit of the next Business Day.

Any transaction request made on a non-Business Day will be taken as transaction request made on the following Business Day. Where the prior authorisation of the PPA is required, any redemption of Units will be at a price that is the NAV of the Fund as at the next valuation point after PPA's authorisation is received by the Provider.

6.1.4 Computation of the NAV per Unit

The NAV per Unit of the Fund is determined on each Business Day by dividing the value of the Fund's assets less its liabilities, by the number of UIC at the same valuation point and rounded to 4 decimal places.

$$\text{NAV per Unit} = \frac{\text{Assets} - \text{Liabilities}}{\text{UIC}}$$

Illustration : Computation on NAV per Unit

The following illustration is based on the assumption that the Fund invests in Islamic collective investment schemes. It is also assumed that the UIC are 100,000,000 Units.

Figures and examples are meant for illustration purposes only.

Assets	RM
Collective Investment Schemes	53,000,000

	53,000,000
<i>Less: Liabilities</i>	(3,000,000)

	50,000,000

NAV per Unit = NAV/UIC	
	= $\frac{50,000,000}{100,000,000}$
	= RM0.5000 (rounded to 4 decimal places)

6.1.5 Incorrect Pricing

Subject to any relevant laws, if there is an error in the pricing of the NAV per Unit of the Fund, the Provider will take immediate remedial action to correct the error. Rectification shall, where necessary extend to the reimbursement of money as follows if the error is at or above the significant threshold of 0.5% of the NAV per Unit:

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

The Provider retains the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit or where the total impact on an individual account is less than RM10 in absolute amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

6.2 Purchase of Units

6.2.1 Computation of sales charge and Units

The Selling Price of the Funds is calculated based on the NAV per Unit at the next valuation point after the complete application to purchase Units is received by the Provider on a Business Day, i.e. Forward Price. The sales charge for the purchase of Units by Members is up to 3.00% of the Fund's NAV per Unit.

Illustration: Calculation of sales charge and Units

Assuming the NAV per Unit at the end of the Business Day of 23 August 2023 is RM0.5000 and the sales charge is 3%, when a Member makes an investment of RM10,000 in the Fund, then the total amount to be paid by the Member is illustrated as follows:

Investment amount	=	RM10,000.00
Sales charge	=	Sales charge rate x amount invested
	=	3% x RM10,000.00
	=	RM300.00
Total amount to be paid by Member	=	Amount invested + sales charge
	=	RM10,000.00 + RM300.00
	=	RM10,300.00

Therefore, the number of Units credited to the Member's investment account are (expressed in 2 decimal places):

<u>Amount invested</u>	=	<u>RM10,000.00</u>	=	20,000.00 Units
NAV per Unit		RM0.5000		

6.2.2 Contributions

Members can select to either contribute under the Default Option or choose the Fund(s) of their preference. Under the Default Option, a Member's contributions will be allocated to the Core Fund that corresponds to the Member's age as shown in the table below:

Member's Age	Fund
Below forty five (45) years old	HLPRSIGF
Forty five (45) to below fifty five (55) years old	HLPRSIMF
Fifty five (55) years old and above	HLPRSICF

Under the Default Option:

1. If a Member makes the first contribution to the Scheme a month before the Member attains the age of 45 or 55, the Provider must allocate the contribution to HLPRSIMF or HLPRSICF respectively;
2. Unless the Member instructs otherwise, the Provider will:
 - (a) before the end of the next calendar month from the day the Member attains the age of 45 ^, redeem the Units in the HLPRSIGF and purchase Units in the HLPRSIMF; or
 - (b) before the end of the next calendar month from the day the Member attains the age of 55 ^ redeem the Units in the HLPRSIMF and purchase Units in the HLPRSICF; *^referred to as the 'Switch date'*
3. the Provider will notify Members in writing one (1) month before the transactions in 2(a) or 2(b) takes place; and
4. the switching must be executed in equal proportion over a five (5)-year period based on the number of Units remaining in the relevant Fund and after Member's own redemption, if any. The first switching must be executed on the Switch date and the subsequent four (4) switching must be no later than ten (10) Business Days from each anniversary of the Switch 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.

All contributions made by Member will be maintained in two (2) separate sub-accounts by the Provider as follows:

1. Sub-account A – holds 70% of all contributions made; and
2. Sub-account B – holds 30% of all contributions made.

6.2.3 Minimum initial and additional investment

The minimum initial investment amount is RM100 or such other lower amount as the Provider may in its sole discretion allow. The minimum additional investment amount is RM50 or such other amount as the Provider may in its sole discretion allow.

There is no restriction on the frequency of investment into the Fund.

6.2.4 How to purchase Units of the Fund?

You are eligible to invest in the Scheme if you are:

- an individual who is at least eighteen (18) years of age; or
- an employer who contributes on behalf of its employees.

Under the Deed, the Provider has absolute discretion to accept or reject in whole or part of any application for Units.

When you make an investment, you must forward the following documents to the Provider:

1. Completed application of account opening form (for new Members);
2. Completed investment application form;
3. Necessary remittance*; and
4. Relevant supporting documents such as a photocopy of your identity card.

****Members are advised not to pay cash or otherwise for your contribution through an intermediary but directly to the Provider either by cheque or online transfer to HLAM's designated bank account.***

6.3 Redemption of Units

6.3.1 Computation of redemption proceeds

The Redemption Price of the Fund is calculated based on the NAV per Unit at the next valuation point after the request for redemption of the Units is received by the Provider on a Business Day, i.e. Forward Price. The Provider does not impose a redemption charge on the redemption of Units from the Funds.

Illustration: Calculation on net redemption proceeds

Assuming a Member intends to redeem 10,000 Units from a Fund and that the NAV per Unit is RM0.5000, then the redemption proceeds that the Member will receive is as follows:

Redemption proceeds	=	Units redeemed x NAV per Unit	
	=	10,000 units x RM0.5000	
	=	RM5,000.00	
Redemption proceeds			RM 5,000.00
Less redemption charge			NIL

Net redemption proceeds to be paid to Member			RM 5,000.00

6.3.2 Withdrawals

Withdrawals from any of the Funds under the Scheme may be made as follows:

No	Circumstances of withdrawal	Sub-account	Extent of withdrawals
(a)	Upon reaching Retirement Age	A & B	Partial or Full
(b)	Pre-retirement withdrawals from Sub-account B	B	Partial or Full
(c)	Death of a Member	A & B	Partial or Full
(d)	Permanent departure of a Member from Malaysia	A & B	Full
(e)	Due to permanent total disablement, serious disease or mental disability of a Member	A & B	Full
(f)	For healthcare purpose	B	Partial or Full
(g)	For housing purpose	B	Partial or Full

Notes:

- For items (b), (f) and (g), first pre-retirement withdrawal may be requested by a Member after one (1) year from the first contribution (whether via Member's contribution or employer's contribution) under this Scheme. Subsequent withdrawal request may be made only once every calendar year from any Fund under the Scheme.
- If the pre-retirement withdrawal is due to death of a Member, the prior authorisation of the PPA is required before the Provider proceeds to process the withdrawal request.
- For item (b), withdrawals will be subject to a tax penalty of 8% by the Inland Revenue Board of Malaysia. For the avoidance of doubt, the tax penalty will not apply for pre-retirement withdrawals due to death of a Member, permanent departure of a Member from Malaysia, the suffering of permanent total disablement, serious disease or mental disability by a Member, for healthcare purpose or for housing purpose.
- For item (f), withdrawals are permitted for a Member's own self or immediate family for certain permitted illnesses set out in the Guidelines.
- Members who hold conditionally vested Units are not permitted to request for a withdrawal of those units.

6.3.3 Minimum redemption of Units

The minimum redemption of Units is 500 Units or such other lower number of Units as the Provider may in its sole discretion allow. The minimum requirement applies unless you are redeeming your entire investments holdings in the Scheme.

Partial or full redemption can be made by completing a "Form of Request for Redemption" and by submitting it through the Provider's Head Office, its nearest branches or sales agents.

6.3.4 Payment of Redemption Proceeds

Redemption proceeds will be paid within seven (7) Business Days upon receipt of the duly completed redemption request by the Provider.

For withdrawals due to death of a Member, the withdrawal request form will be submitted to the PPA. The withdrawal request will be processed and proceeds will be paid to the nominee, trustee, executor or administrator of the deceased Member within seven (7) Business Days upon receiving the authorisation from the PPA.

6.3.5 Suspension of Dealing in Units

Under exceptional circumstances, having exhausted all other liquidity risk management tools*, the Provider may in consultation with the Scheme Trustee and having considered the interest of the Members, suspend the dealing in Units where there is good and sufficient reason to do so. Exceptional circumstances can be considered where the market value or fair value of a material portion of the Fund's asset cannot be determined. The Provider will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event within twenty-one (21) days from the commencement of suspension.

During the suspension period, the redemption requests from the Members will not be accepted and such redemption requests will only be processed on the next Business Day once the suspension is lifted.

The period of suspension may be extended if the Provider satisfies the Scheme Trustee that it is in the best interest of Members for the dealing in Units to remain suspended, subject to a weekly review by the Scheme Trustee.

The Scheme Trustee may suspend the dealing in Units, if the Scheme Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case the Scheme Trustee must immediately call for a Members' meeting to decide on the next course of action.

* Please refer to section 3.6.1. – General Risks – Liquidity risk for further details on liquidity risk management tools.

6.4 Switching Facility

Switching is a facility offered by the Provider to its Members, which enables the Member to switch from Units of one Fund to units of other Fund(s) under this Scheme or any other PRS managed by the Provider.

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

To effect a switch, you are required to complete the Switching Form and by submitting it to the Provider's Head Office, its nearest branches or sales agents.

Switching from an Islamic collective investment scheme to a conventional collective investment scheme is not encouraged for Muslim Members.

6.5 Transfer Facility

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

- (a) the Member has been a member of this Scheme (whether via Member's contribution or employer contribution) for at least one (1) year; and
- (b) 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:

- (a) the Provider may rely on the intended PRS provider's verification of the identity of the Member requesting such transfer; and

- (b) 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.

6.6 How and Where Units Can Be Bought and Sold

For purchase or redemption of Units, the Member is required to complete the relevant forms which are readily available from:

- Head office of HLAM;
- Branch offices of HLAM;
- Sales agents with registration cards issued by the FiMM; and/or
- Any approved IPRA's (as and when appointed by the Provider).

Please refer to Section 15 – Directory of Sales Offices for further information.

6.7 Cooling-Off Right

The Cooling-off right provides a Member an opportunity to reverse an investment decision and is based on the conditions below.

The cooling-off period is for six (6) Business Days 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) a staff of the Provider; and
- (b) a person registered by a body approved by the SC 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:

- 1) 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
- 2) if the market price is higher than the original price, the original price at the point of cooling-off; and
- 3) the sales charge per Unit imposed on the day the Units were purchased.

Upon receiving the authorisation of the PPA, the Provider will proceed to refund the Member within seven (7) Business Days.

6.8 Distribution

In the event the Funds under the Scheme declare any distributions, Members will receive distribution in the form of additional Units. The distribution amount will be reinvested based on the Fund's NAV per Unit computed at the close of the reinvestment date (i.e. the first Business Day following the date of declaration for distributions). There is no charge imposed on distribution reinvestments. Should a public holiday fall on the distribution date, reinvestment will be made on the following Business Day.

6.9 Unclaimed Moneys

Any monies payable to a Member which remain unclaimed after one (1) year, will be surrendered to the Registrar of Unclaimed Moneys in accordance with the provisions of the Unclaimed Moneys Act 1965.

In the event a Member has not made any transaction or given any instruction in relation to the Scheme for more than twelve (12) months subsequent to attaining the age of one hundred (100), the Scheme Trustee may pay any unclaimed accrued benefit held by the Scheme Trustee to the Registrar of Unclaimed Moneys in accordance with the provisions of the Unclaimed Moneys Act 1965.

6.10 Nomination

A Member who is a Malaysian citizen or a foreigner having a permanent residence status in Malaysia may nominate any individual to receive any accrued benefits upon the Member's death. The nomination can be made in favour of one (1) or up to six (6) individuals and the nomination shall specify the percentage of the proceeds to be paid to each individual.

Once a nomination is made, it shall be deemed to apply to all the Member's account with the Provider or any other PRS provider.

A nomination can be made by completing and submitting the nomination form on any Business Day to the Provider or to PPA directly. The nomination form must be witnessed by someone:

- (a) who is a Malaysian;
- (b) is eighteen (18) years old and above;
- (c) is of sound mind; and
- (d) who is not a nominee, a spouse of a nominee or an employee of the PPA or the Provider.

A nomination shall be revoked:

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

MEMBERS ARE ADVISED NOT TO MAKE PAYMENT IN CASH WHEN PURCHASING UNITS OF A FUND UNDER THE SCHEME VIA ANY INSTITUTIONAL/RETAIL AGENT.

7. THE PRS PROVIDER

7.1 The Provider

HLAM 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 Company holds a Capital Markets Services License for the regulated activities of fund management and dealing in securities restricted to unit trust products. HLAM has more than 25 years' experience in dealing in unit trusts and providing fund management services. On 4 October 2022, HLAM obtained approval from the SC for the regulated activity of dealing in private retirement schemes.

The Provider manages twenty-two (22) unit trust funds, five (5) wholesale funds and four (4) PRS funds with a total fund size of RM 9.778 billion.

For more information on the Provider, please visit HLAM's website at www.hlam.com.my.

7.1.1 The Board of Directors

Ms Lee Jim Leng (non-independent, non-executive/Chairman)

Mr Hoo See Kheng (non-independent, Executive Director)

YBhg Dato' Abdul Majit bin Ahmad Khan (independent, non-executive)

YM Tunku Dato' Mahmood Fawzy Bin Tunku Muhiyiddin (independent, non-executive)

7.1.2 The Roles, Duties and Responsibilities of the Provider

The Provider is responsible for the daily sales, management and administration of the Scheme in accordance with the provisions of the Deed, this Disclosure Document and the Provider's internal policies. In fulfilling its responsibility, the Provider undertakes, among others the following functions:

- Implementation of appropriate investment strategies to achieve the Scheme's objective;
- Administering the Members' transactions;
- Maintaining proper records and register for the Scheme;
- Calculating the amount of income for distributions, if any, to the Members;
- Providing sales, marketing and customer experience support to Members and distributors; and
- Perform the duties and responsibilities required by the PPA.

7.1.3 Material Litigation and Arbitration

There is no material litigation and arbitration, including those pending or threatened, and to our knowledge there are no facts likely to give rise to any proceedings which might materially affect the business or financial position of the Provider or any of its delegates.

7.1.4 Board Audit and Risk Management Committee

The BARMC meets once every quarter and as and when required. The roles and primary responsibilities of the BARMC include reviewing and reporting to the board of directors of HLAM on the following:

- adequacy of the scope, objective, approach and reporting of the internal audit function and whether matters highlighted in the audit report, whether internal or external have been satisfactorily resolved;
- adequacy of the functions, competency and resources of the internal audit function and whether the function has the authority to conduct its work;
- the semi-annual and annual reports of each Fund under the Scheme and annual report of the PRS Provider; and
- any related party transactions and conflict-of-interest situation.

The BARMC comprises of the following members:

YM Tunku Dato' Mahmood Fawzy Bin Tunku Muhiyiddin (independent/Chairman)

YM Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin received his BA (Hons) Business Studies from the Polytechnic of Central London, Masters in Business Administration from the University of Warwick, the Diploma in Marketing from the Chartered Institute of Marketing. He is a Fellow of the Institute of Corporate Directors Malaysia, Malaysian Institute of Management, and Malaysian Institute of Corporate Governance.

YM Tunku Dato' Mahmood Fawzy was appointed to the board of directors of HLAM on 15 August 2013 and as the Chairman of the BARMC on 23 June 2022.

YM Tunku Dato' Mahmood Fawzy is currently the Chairman of Deutsche Bank (Malaysia) Berhad and a board member of AIA General Berhad and Air Asia X Berhad.

He was previously a board member of Hong Leong Assurance Berhad and Hong Leong MSIG Takaful Berhad, Chairman of the Financial Services Professional Board, Senior Independent Director of Telekom Malaysia Berhad, Chairman of VADS Berhad, a member of the board of Malaysia Airports Holdings Berhad, Hong Leong Islamic Bank Berhad, Pos Malaysia Berhad, SapuraKencana Petroleum Berhad/Kencana Petroleum Berhad, Ethos Capital One Sdn Berhad, FIMM, Energy Africa Limited, and Engen Petroleum Limited in South Africa.

He was an Executive Director (Investments) with Khazanah Nasional Berhad and Chief Executive Officer/Managing Director of Engen Petroleum Limited in South Africa.

YM Tunku Dato' Mahmood Fawzy draws on a wealth of experience around strategy, governance, risk management, and cross border activity in telecommunications, investment management and private equity activity, oil and gas, marine and aviation logistics, corporate advisory, banking and financial services, across several international locations including the United Kingdom, New Zealand, South Africa and Malaysia.

He is a fitness enthusiast and a recreational scuba diver. He has also taken an interest in rural farming and held a long-time interest in photography.

YBhg Dato' Abdul Majit bin Ahmad Khan (independent, member)

YBhg Dato' Abdul Majit bin Ahmad Khan holds a Bachelor of Economics (Honours) from the University of Malaya.

YBhg Dato' Abdul Majit was appointed to the board of directors of HLAM on 16 May 2005. He was also appointed as an Investment Committee member on 8 April 2005 and a BARMC member on 23 June 2022. YBhg Dato' Abdul Majit was a former Malaysian Diplomat who joined the Malaysian Diplomatic and Administrative service in 1970.

In his 34 years of service, YBhg Dato' Abdul Majit had served in the Prime Minister's Department as well as in several Malaysian Missions abroad and in senior positions in the Ministry of Foreign Affairs.

He served as a diplomat in United States of America, Laos, Vietnam, China (concurrently accredited to the DPRK) and the High Commissioner to Nigeria. He served twice in China and was the Ambassador to the People's Republic of China in 1999, a post he held for 7 years until his retirement in January 2005.

YBhg Dato' Abdul Majit was the Chairman of the Malaysian Investment Development Authority (MIDA) from April 2019 to April 2021.

YBhg Dato' Abdul Majit is currently the President of the Malaysia-China Friendship Association. He is also the Chairman of MGB Berhad and a Director of Dutaland Berhad and Zecon Berhad, both companies listed on the Main Market of Bursa Malaysia; and a Director of Unitrade Industries Berhad.

Ms Lee Jim Leng (non-independent, member)

Ms Lee Jim Leng obtained a Bachelor of Business Administration degree in 1984 from the Acadia University, Canada and a Master of Business Administration in 1987 from the Dalhousie University, Canada.

On 18 October 2021, Ms Lee was appointed to the board of directors of HLAM as Chairman, and subsequently a BARMC member on 23 June 2022.

Ms Lee has served as the Group Managing Director/Chief Executive Officer of Hong Leong Investment Bank Berhad (“HLIB”) since 24 November 2009.

Ms Lee has more than 20 years of experience in the financial industry, specialising mainly in investment banking. Prior to joining HLIB, she was the Managing Director of a local investment bank where she was responsible for the overall development of the bank’s investment business in Malaysia. From 1999 to 2007, she was attached to a Singapore based regional bank and was tasked to spearhead their investment banking division in Malaysia and the ASEAN region.

Ms Lee is a Director of Hong Leong Capital Berhad, a company listed on the Main Market of Bursa Malaysia. She is also the Council Chairman of the Malaysian Investment Banking Association (MIBA), a Council Member of the National Payments Advisory Council, a member of the Curriculum Review Committee of the Security Industry Development Corporation and a Board Member of Asian Banking School Sdn. Bhd.

For more information on the Provider and the designated person responsible for the fund management function of the Funds within the Scheme, please visit HLAM’s website at www.hlam.com.my.

7.2 The External Fund Manager

7.2.1 Hong Leong Islamic Asset Management Sdn Bhd

Hong Leong Islamic Asset Management Sdn Bhd (“HLISAM”) was incorporated in Malaysia under the Companies Act 2016 [formerly known as the Companies Act 1965] on 29 May 1985 under the name of Hong Leong Fund Management Sdn Bhd (“HLFM”) which was licensed by the SC to undertake regulated activity for conventional fund management. Pursuant to the acquisition exercise within the Hong Leong Group on 28 June 2019, HLISAM became a wholly owned subsidiary of the Provider. In November 2019, HLISAM obtained the Islamic fund management license to conduct regulated activity for Islamic fund management.

As a subsidiary of the Provider who has more than 25 years of established experience in the fund management industry, thereby contributes to HLISAM’s exponential growth in the Islamic fund management business and continuous grooming of talents within the organization. As a member of Hong Leong Group, HLISAM has the advantage of leveraging on the Group’s diversified businesses and expertise in banking and financial services, manufacturing and distribution, property development and investments, hospitality and leisure, and principal investments with regional and global presence in North and Southeast Asia, Western Europe and the United Kingdom, North America and Oceania.

Through a disciplined and systematic investment process, HLISAM aims to identify and invest in companies with inherent sustainable competitiveness and investment strategy that seeks to deliver consistent portfolio performance and generate superior value for the investors.

7.2.2 The Key Personnel of HLISAM

Executive Director/Chief Executive Officer

Puan Noor Aini Shaik Awab holds a Diploma in Business Administration and Diploma in National Computer Studies, Singapore. She joined the Provider in April 2014 as Chief Operations Officer and was promoted to HLISAM as the Chief Executive Officer on 1 November 2019. She was appointed as a non-independent Executive Director of HLISAM on 23 June 2022. She started her career with Schroders Investment Management (Singapore) Limited; and bringing with her more than thirty (30) years of experience in fund management securities administration, unit trust operations, local and regional settlements. She had spearheaded the implementation and integration of various fund management systems for both the Investment and the Operations teams. Puan Noor Aini holds a Unit Trust Consultant license and is a certified Islamic Financial Planner.

Head, Fund Management/Executive Director

Mr Ang Beng Kuan graduated with degree in Masters in Economics (MEc) from University Malaya. He joined HLAM in February 2021 as Head of Fixed Income overseeing the Fixed Income and Money Market investment management for the company. He was transferred to HLISAM on 1 September 2021, and was appointed as a non-independent Executive Director of HLISAM on 6 September 2021.

Prior to this, he started his career in 2008 with Employees Provident Fund as money market, foreign exchange and derivatives dealer. Over the tenure, his role covers private debt investments, portfolio manager for Emerging Markets and investment strategist.

Mr Ang holds a Dealer's Representative license, Persatuan Forex Dealer's Representative license and Capital Markets Services Representative's License for the regulated activity of fund management from SC since 7 May 2021.

7.2.3 The Roles, Duties and Responsibilities of the External Fund Manager

The Provider has delegated the investment management function of the Funds to HLISAM. In fulfilling its responsibility, the External Fund Manager undertake, among others the following functions:

- Implementation of appropriate investment process and strategies to achieve the respective Fund's objective;
- To exercise due care and vigilance in carrying out its function and duties and comply with guidelines issued by the relevant authorities from time to time;
- Maintaining proper records and register for the respective Funds;
- To report to the Provider on any periodic basis for oversight and monitoring purposes, including to discuss and review the performance of the respective Funds and its strategies; and
- Providing sales, marketing and customer experience support to the Provider.

7.2.4 Material Litigation

There is no material litigation and arbitration, including those pending or threatened, and to the External Fund Manager's knowledge, there are no facts likely to give rise to any proceedings which might materially affect the business or financial position of the External Fund Manager.

Further information on the External Fund Manager is provided in the External Fund Manager's website at www.hlam.com.my/hlisam/home.

8. THE SCHEME TRUSTEE

8.1 Corporate Profile

Name of Scheme Trustee	: CIMB Islamic Trustee Berhad (“CITB”)
Date of Incorporation	: 19 January 1988
Directors	: Zahardin Omardin Ahamed Usman Thahir Ghouse Datin Ezreen Eliza Zulkiplee
Chief Executive Officer	: Datin Ezreen Eliza Zulkiplee

8.2 Experience in trustee business

CITB has been involved in unit trust industry as trustee since 1990. It acts as trustee to various unit trust funds, real estate investment trusts, wholesale funds, PRS and exchange-traded funds. CITB acts as trustee to thirty seven (37) unit trust funds, thirteen (13) wholesale funds, two (2) PRS (consisting of eight (8) funds) and two (2) exchanged-traded funds. CITB has more than thirty-three (33) and ten (10) years as trustee to unit trust funds and PRS respectively.

8.3 Financial Position

The following is a summary of the past performance of CITB based on the audited accounts for the past three (3) financial years ended 31 December:

	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
Paid-up Share Capital	1,000	1,000	1,000
Shareholder's Funds	8,736	4,283	4228
Turnover	3,774	3,375	4,147
Profit Before Tax	399	511	-63
Profit After Tax	292	347	-55

8.4 Duties and Responsibilities of the Scheme Trustee

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

- Take into custody the investments of the Fund and hold the investments in trust for the Members;
- Ensure that the Provider operates and administers the Scheme in accordance with the provisions of the Deed, SC's guidelines and acceptable business practice within the PRS industry;
- As soon as practicable, notify the SC of any irregularity or breach of the provisions of the Deed, SC's guidelines and any other matters which in the Scheme Trustee's opinion, may indicate that the interests of Members are not served;
- Exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operations and management of the Funds by the Provider to safeguard the interests of Members;

- (e) Maintain, or cause the Provider to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Funds to be formed and to ensure that the Funds are operated and managed in accordance with the Deed, this Disclosure Document, the SC's guidelines and securities law; and
- (f) Require that the accounts of the Funds be audited at least annually.

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

8.5 Scheme Trustee's Statement of Responsibility

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

8.6 Material Litigation and Arbitration

CITB is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Scheme Trustee or any of its delegates.

8.7 Scheme Trustee's Delegate

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

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

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

9. SHARIAH ADVISER

9.1 Profile of the Shariah Adviser

BIMB Securities Sdn Bhd (“BIMBSEC”) has been appointed as the Shariah adviser for the Funds. BIMBSEC will provide Shariah advisory services on the management and operations of the Funds to ensure the operations of the Funds comply with Shariah requirements.

9.2 About BIMB Securities Sdn Bhd

BIMBSEC is a stockbroking subsidiary of Bank Islam Malaysia Berhad incorporated on 21 February 1994 and is licensed by the SC. The corporate mission of BIMBSEC is to be an active participant in a modern, innovative and dynamic Islamic capital market in Malaysia, catering for the needs of all investors, Muslims and non-Muslims, looking for Shariah-compliant investment products and services.

9.3 Experience in Shariah Advisory Services

BIMBSEC is registered with the SC to act as a Shariah adviser for Islamic products and services regulated by the SC, which include Islamic collective investment schemes. BIMBSEC is independent from the Provider and does not hold office as a member of the Investment Committee of the Funds or any other funds managed and administered by the Provider. BIMBSEC is a Shariah adviser to ninety-nine (99) Islamic funds including two (2) Islamic real estate investment trusts.

9.4 Roles and Responsibilities of BIMB Securities Sdn Bhd as a Shariah Adviser

As the Shariah adviser for the Funds, the role of BIMBSEC is to ensure that the investment operations and processes of the Funds are in compliance with Shariah requirements. BIMBSEC will review the Funds’ investments on a monthly basis to ensure Shariah compliance and it also reviews the semi-annual and annual reports of the Funds.

Notwithstanding the role played by the Shariah Adviser, the ultimate responsibility for ensuring Shariah compliance of the Funds in all aspects of operations and processes rests solely with the Provider.

In line with the SC’s Guidelines on Islamic Capital Market Products and Services, the roles of BIMBSEC as the Shariah adviser are:

1. to advise on all Shariah aspects of the Funds and Funds’ operations and processes such that they are in accordance with Shariah requirements;
2. to provide Shariah expertise and guidance in all matters related to the Funds, particularly on the Funds’ deed and disclosure document, structure, investments and related operational matters;
3. to ensure that the Funds are managed and operated in accordance with Shariah requirements;
4. to review the Funds’ compliance reports as provided by the Provider’s compliance officer, and investment transaction reports provided or duly approved by the Trustee to ensure that the Funds’ investments are in line with Shariah;
5. to prepare a report to be included in the semi-annual and annual reports of the Funds stating the Shariah Adviser’s opinion whether the Funds have been operated and managed in compliance with Shariah, including rulings, principles and concepts endorsed by the SACSC for the financial period concerned;

6. to consult the SC where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
7. to meet with the Provider on a quarterly basis (or as and when required by the Provider and/or the Shariah Adviser) for review of the Funds' operations and processes; and
8. to apply *ijtihad* (intellectual, reasoning) to ensure all aspects relating to the Funds are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SACSC.

9.5 Profiles of the Shariah Personnel

Ir. Dr. Muhamad Fuad bin Abdullah (“Dr. Muhamad Fuad”)

Dr. Muhamad Fuad is the designated person in-charge of all Shariah matters in BIMBSEC.

He graduated with a Bachelor of Science Degree in Electrical Engineering in 1977 and a Master of Philosophy Degree in Electrical Engineering in 1982, both from the University of Southampton, England. He also obtained a Bachelor of Arts (Jayyid) Degree in Shariah from the University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from the University of Aberdeen, Scotland in 1996.

He is a registered individual Shariah adviser with the SC. He is the chairman of the Shariah Supervisory Council of Bank Islam Malaysia Berhad. He sits on the Shariah Advisory Committee of BIMBSEC and chairs the Shariah Committee of AIA-Public Takaful Berhad.

He is also the non-executive chairman of Gagasan Nadi Cergas Berhad and a board member of Universiti Tun Abd Razak Sdn Bhd (UniRAZAK).

Nurul Aqila Sufiyah binti Lokman (“Nurul Aqila”)

Nurul Aqila joined BIMBSEC as the Shariah Executive in March 2020. She was later promoted as the Acting Head of Shariah Section effective 1 April 2023. She is also the Joint Secretary of the Shariah Advisory Committee of BIMBSEC.

Nurul Aqila holds a Bachelor of Islamic Revealed Knowledge and Heritage in Fiqh and Usul al-Fiqh from the International Islamic University of Malaysia.

Currently, she is assisting in providing Shariah inputs for the advisory, consultancy and research functions relating to the Islamic capital market products including Islamic collective investment schemes.

<p>Further information on the Shariah Adviser is provided in the Provider’s website at www.hlam.com.my/fund-hub.</p>

10. SALIENT TERMS OF DEED

10.1 Right and Liabilities of Members

10.1.1 Members' Rights

You should be entitled to receive distributions of income (if any), participate in any increase in the value of the Units and enjoy such other rights and privileges as are provided for in the Deed.

You shall be entitled to a Cooling-off right stated in this Disclosure Document. Please refer to section 6.7 for more information on the Cooling-off right.

You will also receive the annual and semi-annual reports of the Fund.

You have the right to call for Members' meetings and to vote for the removal of the Scheme Trustee or the Provider through a Special Resolution.

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

10.1.2 Members' Liabilities

No Member is liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.

A Member shall not be under any obligation to indemnify the Provider and/or the Scheme Trustee in the event that the liabilities incurred by the Provider and/or the Scheme Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund's assets, and any right of indemnity of the Provider and/or the Scheme Trustee shall be limited to recourse to the Fund.

10.2 Maximum Fees and Charges Permitted by the Deed

Sales charge	Redemption charge	Annual management fee	Annual trustee fee
Up to 5.00% of the Fund's NAV per Unit.	Up to 3.00% of the Fund's NAV per Unit.	Up to 3.00% per annum of the Fund's NAV.	Up to 2.00% per annum of the Fund's NAV.

10.3 Increase in Fees and Charges

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Members' approval.

A higher sales charge and/or redemption charge than disclosed in this Disclosure Document may only be imposed if:

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

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

- The Provider has come to an agreement with the Scheme Trustee on the higher rate;
- The Provider has notified the Members of the higher rate and the date on which such higher rate is to become effective, provided that the Members are so notified ninety (90) days before the date on which such higher rate is to become effective;
- A supplemental disclosure document or replacement disclosure document stating the higher rate is registered, lodged and issued; and
- Such time as may be prescribed by the relevant law shall have elapsed since the date of the supplemental disclosure document or replacement disclosure document.

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

- The Provider has come to an agreement with the Scheme Trustee on the higher rate;
- The Provider has notified the Members of the higher rate and the date on which such higher rate is to become effective, provided that the Members are so notified ninety (90) days before the date on which such higher rate is to become effective;
- A supplemental disclosure document or replacement disclosure document stating the higher rate is registered, lodged and issued; and
- Such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental disclosure document or replacement disclosure document.

10.4 Permitted Expenses Payable by the Fund*

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

- (a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor;
- (d) fees for the valuation of any investment of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Provider and/or the Scheme Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Members save where such meeting is convened for the benefit of the Provider and/or the Scheme Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;

Note:

* *All fees and charges and/or sum set out in this Disclosure Document payable to the Provider/ Scheme Trustee 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).*

- (h) costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Scheme Trustee or the Provider and the appointment of a new trustee or PRS provider;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Scheme Trustee or the Provider by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Provider decides otherwise;
- (n) costs, fees and expenses deemed by the Provider to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) costs, fees and charges payable to the PPA;
- (p) costs, fees and charges payable to the Scheme Trustee's delegate of the foreign assets or investments of the Funds duly appointed by the Scheme Trustee;
- (q) fees, charges or costs and expenses relating to the preparation, printing, posting, registration and lodgement of documents and reports which the Provider and/or the Scheme Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and
- (r) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

10.5 Retirement, Removal and Replacement of the Provider

The Provider shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Scheme Trustee three (3) months' (or such other period as the Provider and the Scheme Trustee may agree upon) notice in writing of its desire so to do, and subject to the fulfillment of the following conditions:

- (a) the retiring Provider shall appoint such corporation by writing under the seal of the retiring Provider as the PRS provider of the Scheme in its stead and assign and transfer to such corporation all its rights and duties as PRS provider of the Fund;
- (b) such corporation shall enter into such deed or deeds as are referred to in the Deed; and
- (c) upon the payment to the Scheme Trustee of all sums due from the retiring Provider to the Scheme Trustee at the date of such retirement, the retiring Provider shall be absolved and released from all further obligations under the Deed but without prejudice to the rights of the Scheme Trustee or any Member or other person in respect of any act or omission on the part of the retiring Provider prior to such retirement and the new PRS provider may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Provider as fully as though such new PRS provider had been originally a party to the Deed.

The Provider may be removed by the Scheme Trustee:

- (a) if the Provider has failed or neglected to carry out its duties to the satisfaction of the Scheme Trustee and the Scheme Trustee considers that it would be in the interests of Members for it to do so after the Scheme Trustee has given notice to the Provider of that opinion and the reasons for that opinion, and has considered any representation made by the Provider in respect of that opinion, and after consultation with the SC;
- (b) unless expressly directed otherwise by the relevant authorities, if the Provider is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a PRS provider under the relevant laws; or

- (c) if the Provider has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

10.6 Retirement, Removal and Replacement of the Scheme Trustee

Provided always that the Provider has in place a corporation approved by the SC to act as the trustee of the Scheme and the Funds, the Scheme Trustee may retire upon the expiration of at least three (3) months' notice in writing to the Provider of its desire to do so.

The Provider shall notify the SC and replace the Scheme Trustee as soon as practicable after becoming aware that:

- the Scheme Trustee has ceased to exist;
- the approval granted to the Scheme Trustee to act as trustee for the Scheme has been revoked;
- the Scheme Trustee has failed or refused to act as trustee in accordance with the provisions of the Deed or any relevant law;
- the Scheme Trustee intends to resign or retire where the Deed has no provision for the appointment of its successor;
- a receiver, a receiver and manager or an equivalent has been appointed over the whole or a substantial part of the assets or undertaking of the Scheme Trustee and has not ceased to act under the appointment;
- a petition has been presented for the winding up of the Scheme Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Scheme Trustee becomes or is declared to be insolvent); or
- the Scheme Trustee has contravened the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

Upon the retirement of the Scheme Trustee, the Provider shall appoint in writing some other corporation established under the relevant laws and approved by the relevant authorities to be the trustee of the Fund.

10.7 Termination of the Fund

The Scheme shall be terminated if SC's authorization of the Scheme is withdrawn for any reason.

Notwithstanding anything contained in the Deed, the Scheme may only be terminated with the prior written approval of the SC. If the Scheme is terminated for any reason, all the Funds of the Scheme shall be terminated.

Any Fund of the Scheme shall be terminated if the SC's authorisation of the Fund is revoked for any reason.

Upon the termination of the Scheme and/or any of the Funds, the Provider shall give to each Member of Scheme or of the Fund a notice of such termination in accordance with the relevant laws; the Provider shall notify such Members in writing of the following options:

- (1) to transfer the net proceeds to another PRS whether operated by the Provider or by another PRS provider upon such terms and conditions as shall be set out in the written notification; or
- (2) to choose any other alternative as may be proposed by the Provider and as shall not contravene any relevant law.

The Provider must also as soon as practicable after the termination of a Fund, publish a notice as described in Clause 14.5.1 of the Deed in accordance with the relevant laws.

The Provider or the Scheme Trustee must also as soon as practicable after the termination of a Fund:

- (a) notify the SC in such manner as may be prescribed by any relevant law; and
- (b) notify the Members in such manner as may be prescribed by any relevant law.

Where the Scheme or a Fund is being terminated, the Scheme Trustee shall arrange for a final review and audit of the final accounts of the Funds or the Fund, as the case may be, by the Auditor.

10.8 Members' Meeting

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

Unless otherwise required or allowed by the Relevant Laws, the Provider shall within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of the Members of the Scheme or holding Units of a Fund of the Scheme, as the case may be, at the registered office of the Provider, summon a meeting of the Members of the Scheme or holding Units of the Fund, as the case may be, by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to every Member of the Scheme or holding Units of the Fund, as the case may be, at the Member's last known address;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the SC; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Members of the Scheme or holding Units of a Fund, as the case may be, may direct the Provider to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Scheme Trustee;
- (b) considering the most recent financial statements of the Scheme or the Fund;
- (c) giving to the Provider and/or the Scheme Trustee such directions as the meeting thinks proper;
- (d) considering any matter in relation to the Scheme or the Fund, as the case may be; or
- (e) considering any matter in relation to the Deed;

provided always that the Provider shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Members of the Scheme or holding Units of the Fund, as the case may be.

The quorum required for a meeting of the Members of the Fund shall be five (5) Members of the Fund, whether present in person or by proxy; however, if the Fund has five (5) or less Members, the quorum required for a meeting of the Members shall be two (2) Members, whether present in person or by proxy.

If the meeting has been convened for the purpose of voting on a Special Resolution, the Members present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the UIC at the time of the meeting.

If the Fund has only one (1) remaining Member, such Member, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Members of the Fund.

10.9 Full Withdrawal

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

- (1) upon the production of proof satisfactory to the Provider or the PPA that a Member has attained the Retirement Age;
- (2) subject to the prior authorisation of the PPA, upon the production of proof by a nominee, a trustee, an executor or an administrator of a deceased Member's estate, as the case may be, satisfactory to the Provider or the PPA that a Member has passed away;
- (3) upon the production of proof satisfactory to the Provider or the PPA that a Member is departing Malaysia permanently;
- (4) upon the production of proof satisfactory to the Provider or the PPA that a Member has permanent total disablement, serious disease or mental disability;
- (5) upon the production of proof satisfactory to the Provider or the PPA that the withdrawal is made either for a Member's own healthcare purpose or a Member's immediate family's healthcare purpose; or
- (6) upon the production of proof satisfactory to the Provider or the PPA that the withdrawal is made for housing purpose.

10.10 Partial Withdrawal

A partial withdrawal from the Scheme may also be requested and made in the circumstances described in paragraph (1), (2), (5) and (6) of Section 10.9 above.

When requested by a Member other than in the circumstances described in paragraphs (3) and (4) of Section 10.9 above, partial withdrawals from the Scheme shall only be allowed subject to the following conditions:

- (1) the first request for a partial withdrawal may only be made after (1) one year has elapsed from the date the first contribution to the Scheme by or for the Member has vested in the Member;
- (2) subsequent requests for partial withdrawals may only be made once every calendar year beginning with the calendar year immediately following the calendar year in which the first request for a partial withdrawal was made; and
- (3) in respect of any withdrawal prior to the Member reaching the Retirement Age, for healthcare purposes or for housing purposes, partial withdrawals may be made only in respect of all or some of the Member's Units held in Sub-account B.

A Member may request the pre-retirement withdrawal from Sub-account B as specified in paragraph (3) of this section, once every calendar year from the Provider (for one or multiple Funds under the Scheme) provided that the Member has been a Member of the Scheme (includes Members' contribution or employer's contribution) for at least one (1) year.

10.11 Switching of Funds

A Member may switch the Units of any Fund of the Scheme purchased with the contributions and held by him with the Units of any other Fund of the Scheme.

10.12 Transfer to Another Scheme

A Member may request a redemption of any of the Vested Units of any of the Funds of the Scheme held by him and the transfer of the proceeds of such redemption to another PRS operated by another PRS provider approved by the SC; if the Member has not yet attained the Retirement Age, the following terms and conditions shall also apply:

This is a Private Retirement Scheme

- (1) the first request for transfer may only be made after one (1) year has elapsed from the date the first contribution to the Scheme by or for the Member has vested in the Member;
- (2) subsequent requests for transfers may only be made once every calendar year beginning with the calendar year immediately following the calendar year in which the first request for a transfer was made;
- (3) the proceeds of redemption from a particular Fund shall all be utilised for the creation of units in only one fund of the other PRS operated by another PRS provider;
- (4) the proceeds of redemption from a particular Fund, if realised from a redemption of Units in Sub-account A, shall be utilised for the creation of units in the Member's sub-account A of the other PRS operated by another PRS provider; and
- (5) the proceeds of redemption from a particular Fund, if realised from a redemption of Units in Sub-account B, shall be utilised for the creation of units in the Member's sub-account B of the other PRS operated by another PRS provider.

11. RELATED-PARTY TRANSACTIONS/CONFLICT OF INTEREST

The directors, Investment Committee members and employees of the Provider should avoid any conflict of interest arising, or if conflicts arise, should ensure that the Scheme is not disadvantaged by the transaction concerned.

All transactions carried out for or on behalf of the Scheme should be executed on terms that are best available to the Scheme and which are no less favourable than arm's length transactions between independent parties. All transactions with related parties should only be allowed when the transactions are carried out on arm's length terms, is consistent with best execution standards and is at commission rate no higher than customary institutional rates.

Investment Committee members and directors are required to make periodic declarations as to their personal interests. Where a conflict of interest arises due to the Investment Committee member or director holding a substantial shareholding or directorship in a company, the said Investment Committee member or director shall abstain from any discussion or decision making relating to the company.

The Provider has in place a policy which regulates its employees' securities dealings. All employees of the Provider are required to obtain prior written approval and declare their dealings periodically to ensure that there is no potential conflict of interest between the employees' dealings and the execution of the employees' duties to the Provider and Members.

RELATED-PARTY TRANSACTIONS

	Name of Related Party and Nature of Relationship	Existing/Potential Related Party Transaction
1.	Hong Leong Investment Bank Berhad - company associated with the Provider	<ul style="list-style-type: none"> Outsourcing party for administration and finance (financial group reporting) functions, legal, human resources, compliance, risk management, internal audit (advisory functions) and information technology (back office support) functions.
2.	Scheme Trustee of the Scheme	<ul style="list-style-type: none"> The Scheme has engaged CIMB Islamic Trustee Berhad as the Scheme trustee for the Scheme.

The Auditors, tax advisers, solicitors, Shariah Adviser and External Fund Manager have confirmed that they do not have any existing or potential conflict of interest with the Provider and/or the Funds.

12. TAXATION ADVISER'S LETTER ON TAXATION OF THE FUNDS AND MEMBERS

TAXATION ADVISER'S LETTER ON TAXATION OF THE FUNDS AND MEMBERS (Prepared for inclusion in this Disclosure Document)

PricewaterhouseCoopers Taxation Services Sdn Bhd

Level 10, Menara TH 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

The Board of Directors

Hong Leong Asset Management Bhd
Level 30, Menara Hong Leong
No 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

25 August 2023

TAXATION OF THE FUNDS OFFERED UNDER THE HONG LEONG PRIVATE RETIREMENT SCHEME – ISLAMIC (“HLPRS Islamic” or “the Scheme”) AND MEMBERS

Dear Sirs,

This letter has been prepared for inclusion in the Disclosure Document in connection with the offer of Units in the HLPRS Islamic for the core funds listed in the **Appendix** (“the Funds”).

The taxation of income for the Funds, members and employers are subject to the provisions of the Malaysian Income Tax Act 1967 (“the Act”).

(A) TAXATION OF THE FUNDS

The Funds will be regarded as resident for Malaysian tax purposes since the trustee of the Scheme is resident in Malaysia.

(i) Domestic and Foreign Investments

On the basis that the Funds are private retirement scheme (“PRS”) approved by the Securities Commission Malaysia (“SC”) which is regarded as an approved scheme pursuant to Section 2 of the Act, the income of the Funds accruing in Malaysia or from overseas investments are exempt from tax under Paragraph 20, Schedule 6 of the Act.

(ii) Sales and Service Tax (“SST”)

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax (“GST”). Both the Sales Tax Act 2018 and Services Tax Act 2018 have been gazetted on 28 August 2018. The rates for sales tax are nil, 5%, 10% or a specific rate whereas the rate for service tax is at 6%.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable cost to the business.

In general, the Funds, being collective investment vehicles, will not be caught under the service tax regime.

Certain brokerage, professional, consultancy or management services obtained by the Funds may be subject to service tax at 6 percent. However, fund management services and trust services are excluded from service tax. With effect from 1 January 2019, service tax will apply to any taxable service that is acquired by any business in Malaysia from a non-Malaysian service provider. In this connection, the Funds, being non-taxable person who acquire imported taxable services (if any) will need to declare its imported taxable services through the submission of prescribed declaration, i.e. Form SST-02A to the Royal Malaysian Customs Department ("RMCD").

With effect from 1 January 2020, service tax on digital services was implemented at the rate of 6 per cent. Under the service tax on digital services, foreign service providers selling digital services to Malaysian consumers are required to register for and charge service tax. Digital services are defined as services which are delivered or subscribed over the internet or other electronic network, cannot be delivered without the use of IT and the delivery of the service is substantially automated.

Furthermore, the provision of digital services has also been prescribed as a taxable service when provided by a local service provider with effect from 1 January 2020. Hence, where the Funds obtain any of the prescribed digital services, those services may be subject to service tax at 6 percent.

(B) MEMBERS

(i) Tax relief

Individual members who are Malaysian tax residents who has:-

- a) paid any premium of deferred annuity; or
- b) made or suffered the making of a contribution to a private retirement scheme¹,

shall be allowed a tax deduction of the aggregate amount of the payments up to RM3,000 for a year of assessment ("YA"). This tax relief is applicable up to YA 2025.

This will mean that contributions to the Funds including premium of deferred annuity will enjoy this tax relief up to RM3,000 for a YA.

(ii) Withdrawal of contributions

The withdrawals of contributions from PRS by an individual before the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death, permanently leaving Malaysia, healthcare or housing) will be subject to withholding tax of 8% on every ringgit of that contribution withdrawn, for which such withdrawal shall be in compliance with the criteria as set out in the guidelines of the SC.

The withholding tax is to be deducted by the PRS providers and remitted to the Malaysian Inland Revenue Board ("IRB") within one month after the withdrawn contribution is credited to the member's account. Where the PRS providers fail to remit the withholding tax to the IRB by the due date, a 10% penalty on the unpaid amount will be imposed on the PRS providers.

(iii) Switching of funds within same PRS provider

Subject to the terms and conditions as specified in the Disclosure Document, members are allowed to switch between Funds within the Scheme or switching between funds of other PRS managed by the same PRS provider (i.e. Hong Leong Asset Management Berhad). In such a case, no withholding tax would be imposed as the investor does not make any withdrawal in cash when the switch is made.

(iv) Transfer of funds to another PRS provider

No withholding tax would be imposed on the transfer of funds from one PRS provider to another PRS provider as the member does not make any withdrawal in cash when the transfer is made.

(v) Distribution of profits received by members

Profits distribution to the members in the form of units is not taxable.

(C) EMPLOYERS

(i) Deductibility of contribution made

Employers are entitled to claim a tax deduction on contributions made to approved schemes¹ 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.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Funds.

Yours faithfully,

for and on behalf of
PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Lim Phaik Hoon
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which it appears in this Disclosure Document and have not, before the date of issue of this Disclosure Document, withdrawn such consent.

APPENDIX

The Scheme consists of the following Core Funds:-

1. Hong Leong PRS Islamic Growth Fund
2. Hong Leong PRS Islamic Moderate Fund
3. Hong Leong PRS Islamic Conservative Fund

13. ADDITIONAL INFORMATION

13.1 Availability of Information on Investment

Who do I contact for clarification or further information?

You may contact the below for assistance on enquiring the Funds' NAV and/or other queries regarding the Scheme.

- Customer Experience personnel at head office of HLAM;
- Branch offices of HLAM;
- E-mail to inquiry@hlam.hongleong.com.my; or
- Visit our website at www.hlam.com.my.

We encourage feedback from you in order for us to upgrade our services to meet your needs. You could seek assistance or lodge complaints to the abovementioned sources on any Business Days from Monday to Friday (9.00 a.m. to 6.00 p.m.).

13.2 Avenues for advice

If you have any questions about the information in this Disclosure Documents or would like to know more about investing in the Scheme, you may contact our Customer Experience personnel.

You may refer to our website www.hlam.com.my or Section 15 – Directory of sales offices for our contact details.

13.3 Deed

The deed is dated 15 September 2023.

13.4 Financial Year-End

The Funds' financial period is a 12-month period ending on the 31 July each year, save and except that the first financial period shall commence from the date of this Disclosure Document and end on 31 July 2024.

The Provider shall make available the below mentioned reports within 2 months from the close of each financial period of the Funds:-

- Unaudited semi-annual report for the half year of the Funds' financial period; and
- Annual audited report for the Funds' financial year-end.

13.5 Consents

The Scheme Trustee, tax adviser, solicitors, principal banker, Shariah Adviser and Auditor have given their consent in writing for the inclusion of their name in this Disclosure Document in the form and context in which their names appear in this Disclosure Document, and they have not subsequently withdrawn their written consent.

The Fund's annual report is available upon request.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Provider's registered office or such other place as the SC may determine:

- The Deed and supplementary deed (if any) of the Scheme;
- The Disclosure Document and supplementary disclosure document (if any) of the Funds;
- The latest annual and semi-annual reports of the Funds;
- Each contract disclosed in this Disclosure Document (if any), in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
- The audited financial statements of the Provider and the Funds for the current financial year and for the last 3 financial years or if less than three (3) years, from the date of incorporation or commencement;
- All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Disclosure Document. Where a summary expert's report is included in this Disclosure Document, the corresponding full expert's report should be made available for inspections;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in this Disclosure Document; and
- All consents given by experts disclosed in this Disclosure Document.

15. DIRECTORY OF SALES OFFICES

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Authorised Distributor

For more information about our distributors, kindly contact our Customer Experience Personnel at 03-2081 8600 ext 18603/18604 between 9.00 a.m. to 6.00 p.m. on a Business Day. Alternatively, you can email us at inquiry@hlam.hongleong.com.my.