

Hong Leong Private Retirement Scheme - Conventional

Disclosure Document

This Disclosure Document for the Hong Leong Private Retirement Scheme – Conventional is dated 20 December 2022 and incorporates the following funds:

Core Funds

Hong Leong PRS Growth Fund
Hong Leong PRS Moderate Fund
Hong Leong PRS Conservative Fund

Date of Constitution

24 June 2022
24 June 2022
24 June 2022

Non-Core Fund

Hong Leong PRS Asia Pacific Fund

Date of Constitution

24 June 2022

PRS Provider

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

Scheme Trustee

CIMB COMMERCE TRUSTEE BERHAD [199401027349 (313031-A)]

This Scheme was constituted on 24 June 2022.

**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*.

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1. DEFINITIONS	
Auditor	PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146). The appointed auditor for the Funds.
balanced collective investment schemes	Refers to a collective investment scheme that contains a balanced mixture of equities and fixed income securities.
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 Growth Fund, Hong Leong PRS Moderate Fund and Hong Leong PRS Conservative Fund.
Deed	The deed in respect of the Hong Leong Private Retirement Scheme – Conventional dated 24 June 2022 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.
deposits	Refer to fixed deposits.
Disclosure Document	Refers to the Disclosure Document of Hong Leong Private Retirement Scheme – Conventional, including any supplementary disclosure document thereto.
FiMM	Federation of Investment Managers Malaysia.

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 and Non-Core Fund.
Guidelines	Guidelines on Private Retirement Schemes issued by the SC including any amendments made thereto.
HLAM or the Provider or the PRS Provider	Refers to Hong Leong Asset Management Bhd [199401033034 (318717-M)], the PRS provider of the Scheme.
HLPRS Conventional or the Scheme	Hong Leong Private Retirement Scheme - Conventional.
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.
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).
Latest Practicable Date (LPD)	Refers to 14 June 2022 and is the latest practicable date whereby the information disclosed in this Disclosure Document shall remain relevant and current as at the date of issue of this Disclosure Document.
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.
MSCI AC Asia-Pacific ex Japan Index	Morgan Stanley Capital International All Countries Asia-Pacific Index.

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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.
NAV per Unit	The NAV per Unit is the NAV of a Fund divided by the number of UIC at the same valuation point.
Non-Core Fund	Refers to Hong Leong PRS Asia Pacific Fund.
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 years or any other age as may be specified by SC.
RM	Ringgit Malaysia.
SC	Securities Commission Malaysia.
Scheme Trustee	Refers to CIMB Commerce 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.
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 Unit held by the Members voting at the meeting in person or by proxy.

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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.
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.
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.
Vested Unit	Means a Unit which accords a member with unconditional entitlement to such Unit.

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:

Level 18, Block B, Plaza Zurich
No. 12 Jalan Gelenggang
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

SCHEME TRUSTEE

CIMB COMMERCE TRUSTEE BERHAD [199401027349 (313031-A)]

Registered address:

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603-2261 8888
Fax : +603-2261 0099

Business address:

Level 21, Menara CIMB
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 BANK BERHAD [197201001799 (13491-P)]

Registered address:

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603-2261 8888
Fax : +603-2261 8889

Business address:

Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603-2261 8888
Fax : +603-2261 9892
Website : www.cimb.com

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)

INVESTMENT COMMITTEE MEMBERS

Mr Tan Kong Khoon (non-independent, non-executive/Chairman)
Mr Hoo See Kheng (non-independent, Executive Director)
YBhg Dato' Abdul Majit bin Ahmad Khan (independent, non-executive)
Puan Azdini binti Nor Azman (independent, non-executive)

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

YM Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin (independent/Chairman)
Ybgh Dato' Abdul Majit bin Ahmad Khan (independent member)
Ms Lee Jim Leng (non-independent member)

COMPANY SECRETARY

Mr Lee Tiong Jie (MAICSA No. 7060133)
Level 30, Menara Hong Leong
No 6 Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : +603-2080 9888
Fax : +603-2080 9801

FEDERATION OF INVESTMENT MANAGERS MALAYSIA

19-06-1, 6th Floor, Wisma Tune
No 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

AUDITOR

PricewaterhouseCoopers PLT
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

PRINCIPAL BANKER

Hong Leong Bank Berhad
Menara Hong Leong
No. 6 Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

3. SCHEME AND FUNDS KEY DATA

3.1 Scheme Information

		Page								
Name of Scheme	Hong Leong Private Retirement Scheme – Conventional	-								
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><i>*The Funds are neither capital guaranteed nor capital protected funds.</i></p>	27								
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 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 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>	27								
Funds under the Scheme	<p>The following four (4) Funds are offered under this Scheme:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td rowspan="3" style="text-align: center;">Core Funds</td> <td>Hong Leong PRS Growth Fund</td> </tr> <tr> <td>Hong Leong PRS Moderate Fund</td> </tr> <tr> <td>Hong Leong PRS Conservative Fund</td> </tr> <tr> <td style="text-align: center;">Non-Core Fund</td> <td>Hong Leong PRS Asia Pacific Fund</td> </tr> </tbody> </table>	Core Funds	Hong Leong PRS Growth Fund	Hong Leong PRS Moderate Fund	Hong Leong PRS Conservative Fund	Non-Core Fund	Hong Leong PRS Asia Pacific Fund	27		
Core Funds	Hong Leong PRS Growth Fund									
	Hong Leong PRS Moderate Fund									
	Hong Leong PRS Conservative Fund									
Non-Core Fund	Hong Leong PRS Asia Pacific Fund									
Brief description on operations	<p>Members may contribute to the Scheme by selecting either any one of the Funds or a combination of 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: center;">Age Group</th> <th style="text-align: center;">Core Funds</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Below 45 years</td> <td>Hong Leong PRS Growth Fund</td> </tr> <tr> <td style="text-align: center;">45 years to below 55 years</td> <td>Hong Leong PRS Moderate Fund</td> </tr> <tr> <td style="text-align: center;">55 years and above</td> <td>Hong Leong PRS Conservative Fund</td> </tr> </tbody> </table>	Age Group	Core Funds	Below 45 years	Hong Leong PRS Growth Fund	45 years to below 55 years	Hong Leong PRS Moderate Fund	55 years and above	Hong Leong PRS Conservative Fund	27 - 28
Age Group	Core Funds									
Below 45 years	Hong Leong PRS Growth Fund									
45 years to below 55 years	Hong Leong PRS Moderate Fund									
55 years and above	Hong Leong PRS Conservative Fund									

	<p>Notes:</p> <ol style="list-style-type: none">1. The age group above may be subject to changes as may be determined by the relevant authorities from time to time.2. Under the Default Option:<ol style="list-style-type: none">(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 Hong Leong PRS Moderate Fund or Hong Leong PRS Conservative Fund as the case may be.(b) Unless otherwise instructed, we will automatically switch without charge:<ol style="list-style-type: none">(i) your Units in the Hong Leong PRS Growth Fund into Hong Leong PRS Moderate Fund before the end of the next calendar month from the day you attain the age of 45 years old; or(ii) your Units in the Hong Leong PRS Moderate Fund into Hong Leong PRS Conservative Fund before the end of the next calendar month from the day you attain the age of 55 years old.(c) The switching transaction will be executed in equal proportion over a five (5)-year period based on the number of Units remaining in the relevant Core Fund. The first switching must be executed before the end of the next calendar month from the day you attain the age of 45 or 55, as the case may be ("Switch-in Date") and the subsequent four (4) switching transactions will be executed no later than ten (10) Business Days from each anniversary of the Switch-in Date. <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> <ol style="list-style-type: none">(a) Sub-account A - holds 70% of Member's contributions; and(b) Sub-account B - holds 30% of Member's contributions. <p>The aforesaid applies to Vested Units only.</p> <p>Withdrawals</p> <p>A Member may request for withdrawals as follows:</p> <ol style="list-style-type: none">(a) Full withdrawal from Sub-accounts A and B upon reaching retirement age.(b) Sub-account A is not available for pre-retirement withdrawal, except due to:<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.(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:	
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	<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. <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

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Fund Name	Hong Leong PRS Growth Fund	Hong Leong PRS Moderate Fund	Hong Leong PRS Conservative Fund	Hong Leong PRS Asia Pacific Fund	-
Fund Category	Core (Growth)	Core (Moderate)	Core (Conservative)	Fund-of-Funds (Equity)	28 - 39
Initial Offer Period	21 days from launch date of the Fund	21 days from launch date of the Fund	21 days from launch date of the Fund	21 days from launch date of the Fund	-
Initial Offer Price	RM0.50 per Unit	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 achieve capital preservation* while seeking income. <i>*Please note the Fund is neither a capital guaranteed fund nor a capital protected fund.</i>	The Fund aims to achieve capital growth by investing primarily in collective investment schemes with exposure in the Asia Pacific ex Japan markets.	28, 31, 33- 34, 36
<i>Any material change to the investment objective of a Fund would require Members' approval.</i>					

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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 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 equity collective investment schemes and up to 30% of its NAV into fixed income and/or money market collective investment schemes.</p>	<p>To achieve its investment objective, the Fund will invest in a basket of 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 collective investment schemes and up to 30% of its NAV into fixed income and/or money market collective investment schemes.</p>	<p>To achieve its investment objective, the Fund will invest in a basket of 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 fixed income and/or money market collective investment schemes and up to 20% of its NAV into equity and/or balanced collective investment schemes.</p>	<p>The investment strategy of the Fund is to invest in a basket of collective investment schemes which have similar investment objective as the Fund's, i.e. capital growth, through exposure in countries in the Asia-Pacific ex Japan region which include but are not limited to Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand.</p> <p>The Fund will invest a minimum 70% of its NAV into equity collective investment schemes and up to 30% of its NAV into fixed income and/or money market collective investment schemes.</p>	<p>28, 31, 34, 37</p>
<p>Performance benchmark</p>	<p>A composite of FTSE Bursa Malaysia KLCI (70%) and Malayan Banking Berhad 12 months fixed deposit rate (30%).</p>	<p>A composite of FTSE Bursa Malaysia KLCI (60%) and Malayan Banking Berhad 12 months fixed deposit rate (40%).</p>	<p>Malayan Banking Berhad 12 months fixed deposit rate.</p>	<p>A composite of MSCI AC Asia-Pacific ex Japan (70%) and Malayan Banking Berhad 12 months fixed deposit rate (30%).</p>	<p>29, 31 - 32, 34, 37</p>

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Member Profile	<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 equities and fixed income instruments that may have some foreign exposure. <p>Members who are under the Default Option and below the age of 45 years, 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 equities and fixed income instruments 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 55, this Fund will be selected for you.</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>This Fund is suitable for Members who:</p> <ul style="list-style-type: none"> • are seeking capital appreciation; • are willing to assume higher risk in their investments to obtain potentially higher returns; and • seek exposure to the Asia Pacific ex Japan markets. 	29, 32, 35, 38
Principal Risks	<ul style="list-style-type: none"> • Market risk; • Collective investment scheme risk; • Fund Manager risk; and • Interest rate risk. 	<ul style="list-style-type: none"> • Market risk; • Collective investment scheme risk; • Fund Manager risk; and • Interest rate risk. 	<ul style="list-style-type: none"> • Market risk; • Collective investment scheme risk; • Fund Manager risk; and • Interest rate risk. 	<ul style="list-style-type: none"> • Market risk; • Collective investment scheme risk; • Fund Manager risk; • Currency risk; and • Country risk. 	20 - 26
Launch Date	20 December 2022	20 December 2022	20 December 2022	20 December 2022	-
Financial Year End	31 July	31 July	31 July	31 July	70

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

					Page
Fund Name	Hong Leong PRS Growth Fund	Hong Leong PRS Moderate Fund	Hong Leong PRS Conservative Fund	Hong Leong PRS Asia Pacific Fund	
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.				40
Redemption charge	Nil				40
Transfer fee (to another PRS Provider)	RM25 per transaction				40
Switching fee (between Funds in the Scheme or funds of other PRS managed by the Provider)	Nil				40

Where the Fund invests in 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	Hong Leong PRS Growth Fund	Hong Leong PRS Moderate Fund	Hong Leong PRS Conservative Fund	Hong Leong PRS Asia Pacific und Fund	
PPA account opening fee	RM10 (one-off)				41
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)				41
PPA pre-retirement withdrawal fee	RM25 per transaction				41
PPA transfer fee (to another PRS provider)	RM25 per transaction				41

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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	Hong Leong PRS Growth Fund	Hong Leong PRS Moderate Fund	Hong Leong PRS Conservative Fund	Hong Leong PRS Asia Pacific Fund	
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	Up to 1.80% per annum of the Fund's NAV	41
Annual Trustee Fee	Up to 0.04% per annum of the Fund's NAV.				42
PPA Administration fee	0.04% per annum of the Fund's NAV.				42
Fund Expenses	<ul style="list-style-type: none"> • Commissions or fees paid to brokers or dealers in effecting dealings in the investment 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, interim reports and half yearly statements; • Bank charges; • Tax 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. 				43

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 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.	47
Minimum additional subscription	RM50 or such other lower amount as the Provider may in its sole discretion allow.	47

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Minimum redemption of Units from each Fund	500 Units or such other lower amount as the Provider may in its sole discretion allow.	48
Minimum switching amount	500 Units or such other lower amount as the Provider may in its sole discretion allow.	49

3.5 Other Information

Deed	The Scheme is governed by Deed dated 24 June 2022.
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 18611/18612 or email us at inquiry@hlam.hongleong.com.my .
Lodging a complaint	<p>For internal dispute resolution you may contact our Customer Experience personnel at 03-2081 8600 ext 18611/18612 or email us at inquiry@hlam.hongleong.com.my.</p> <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> <p>(a) via phone to the Aduan Hotline at : 03-6204 8999 (b) via fax to : 03-6204 8999 (c) via email to : aduan@seccom.com.my (d) via online complaint form available at : www.sc.com.my (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 : 03-2092 3800</p> <p>(b) via fax to : 03-2093 2700</p> <p>(c) via email to : complaints@fimm.com.my</p> <p>(d) via online complaint form available at : www.fimm.com.my</p> <p>(e) via letter to : Legal, Secretarial & Regulatory Affairs Federation of Investment Managers Malaysia 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.
Inflation/Purchasing power risk
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.
Fund manager risk
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.
Legal and regulatory risk
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

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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.

Non-compliance risk

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.

Risks associate with Default Option

For Members who are in the Default Option, their current investment will be automatically switched into the Core Fund that corresponds to the age of the Members upon reaching the next age group. The NAV per Unit may be lower at the point of switching than the NAV per Unit when Members initially contributed into the Core Fund. Hence, Members may have to suffer losses upon switching out from the Core Fund in which the Member is currently invested. However, the Provider will notify Members one (1) month before they reach the maximum age of a particular age group. This will provide Members the option to stay on with that particular Core Fund before their investments are switched.

3.6.2 Specific Risks

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

Particular security risk	Funds
<p>The performance of each individual security that the CIS invests in will affect the price of units. The performance of each security is dependent on factors which include but are not limited to the management quality of the particular company, its growth potential, changes in consumer tastes and preferences, and conditions specific to the industry of the security that the CIS has invested in. Valued collectively, the performance of individual securities will cause the CIS's net asset value per unit to rise or fall accordingly. The CIS's net asset value per unit is also dependent on the weightage of the individual securities within the CIS's portfolio. This risk is managed by adherence to a strict investment decision-making process which is applied in the security selection process and involves conducting primary and secondary research on factors relevant to each individual security issuer. For each security, emphasis will be on the company's industry and business outlook, management track record, financial health, earnings quality, growth potential and other financial valuations.</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund Hong Leong PRS Asia Pacific Fund</p>
Credit/default risk	
<p>Credit risk relates to the creditworthiness of the issuer of the fixed income securities and the issuer's ability to make timely payments of interest and/or principal. If the issuer fails to meet its fixed income securities repayment/payment obligation in a timely manner, it will lead to a loss in principal and/or interest and result in a default on the payment of principal and/or interest accrued and cause a decline in the value of the defaulted fixed income security and subsequently affect the CIS's net asset value per unit. The CIS's credit/default risk can be mitigated through a rigorous and disciplined credit research and analysis to ascertain the creditworthiness of the issuer of fixed income securities prior to</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund Hong Leong PRS Asia Pacific Fund</p>

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<p>the investments. In addition, the fund manager may also mitigate this risk by diversifying its investments in fixed income securities across many issuers. The fund manager reserves the right to deal with rating downgrade of an investment in the best interest of the unit holders including to dispose the invested fixed income securities within a reasonable time frame if the downgrade is below the stipulated minimum rating.</p>	
<p>Interest rate risk</p>	
<p>This risk refers to the effect of interest rate changes on the market value of the CIS's investments in fixed income securities/debentures. In the event of rising interest rates, prices/valuation of fixed income securities/debentures tend to move inversely. Meanwhile, fixed income securities/debentures with longer maturities and lower coupon /profit rates are more sensitive to interest rate changes. This risk can be mitigated via the management of the duration structure of the fixed income securities/debentures portfolio by diversifying the investments in fixed income securities/debentures across different maturities (e.g. one year, three years and five years) and investing in short-term (i.e. less than three years) fixed income securities/debentures.</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund Hong Leong PRS Asia Pacific Fund</p>
<p>Single issuer risk</p>	
<p>The CIS may invest a greater portion of its assets in a single issuer, and as such, the CIS is susceptible to any adverse developments affecting the single issuer held in its portfolio. Any changes in the financial condition of the single issuer may cause fluctuations in the CIS's 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.</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund Hong Leong PRS Asia Pacific Fund</p>
<p>Currency risk</p>	
<p>This risk is associated when the CIS has investments that are denominated in foreign currency. Any fluctuations in the currency exchange rates can affect the CIS's foreign investments when it is converted back to the CIS's base currency in RM, and subsequently affect the CIS's net asset value per unit. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the net asset value of the CIS in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. This risk may be mitigated through investing in a wide range of foreign currency denominated assets, thus reducing the risk of single currency exposure. Alternatively, hedging may be applied to mitigate the currency risk, where necessary. While currency hedging has the potential to mitigate adverse currency fluctuations, any potential gains from currency appreciation will be capped. Therefore, unit holders will not benefit from any currency appreciation.</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund Hong Leong PRS Asia Pacific Fund</p>

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<p>Country risk</p>	
<p>The foreign investments made by the CIS may be affected by changes in the economic, social and/or political conditions of the countries in which the investments are made. These changes may in turn, influence the growth and development of businesses and have an adverse impact on market sentiment. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the CIS in those affected countries. This in turn may cause the net asset value of the CIS or prices of units to fall. However, this risk may be mitigated by conducting thorough research on the respective markets, their economies, companies, politics and social conditions as well as minimising or omitting investments in such markets.</p> <p>The fund manager will ensure all necessary licenses/permits for investments are applied for in countries that require such licenses/permits. The fund manager will seek to invest in other accessible markets if the fund manager is unable to obtain the necessary licenses/permits in those countries, or that such licenses/permits to invest in are revoked or not renewed.</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund Hong Leong PRS Asia Pacific Fund</p>
<p>Dividend policy risk</p>	
<p>This risk is particular to a CIS that invests in dividend yielding stocks. As such, the CIS's net asset value per unit may be affected when there is a significant deterioration in an invested company's business or fundamentals, or if there is a change in management policy resulting in a reduction or removal of its dividend policy. This risk can be mitigated by investing mainly in companies with consistent historical records of paying dividends, operating in fairly stable industries and with strong cash flows.</p>	<p>Hong Leong PRS Asia Pacific Fund</p>
<p>Emerging markets risk</p>	
<p>This risk is associated with the CIS's investments in emerging markets. Emerging markets such as China, Indonesia, Thailand, Korea, India, Philippines and Vietnam are still at a relatively early stage of development and are not well established. Investments in securities of these markets would generally entail a higher risk than investments in securities of developed markets. This is because investments in emerging markets are more susceptible to the risk that the government may discriminately impose or fail to enforce the laws, regulations, policies or contracts governing an investment. The effect of such changes can have an adverse impact on the CIS's net asset value per unit and affect the investor's capital and returns. To mitigate this risk, the fund manager will monitor more closely the CIS's investments in such companies.</p>	<p>Hong Leong PRS Asia Pacific Fund</p>
<p>Repatriation risk</p>	
<p>Investments in some emerging markets could be adversely affected by delays in, or refusal to grant relevant approvals for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. This could arise due to the imposition of new exchange control policies.</p>	<p>Hong Leong PRS Asia Pacific Fund</p>
<p>Small capitalization risk</p>	
<p>The CIS may have investments in small capitalisation companies. Small capitalisation companies may offer greater opportunities in</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund</p>

<p>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.</p>	<p>Hong Leong PRS Conservative Fund</p>
<p>Derivatives/Structured products risk</p>	
<p>The CIS may invest into derivatives or structured products, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include shares, interest rates, currency exchange rates and stock indices. While the judicious use of these financial derivative instruments by the fund manager can be beneficial, the risks involved in the investments of these financial derivative instruments may be higher than risks involved in traditional securities investments.</p> <p>Investors should be aware that there is a risk of higher volatility in the net asset value per unit of the CIS when derivatives or structured products are part of the CIS's investment assets. Some of the risks associated with investments in derivatives or structured products by the CIS include the following:</p> <p>a) Leverage risk Investments in derivatives or structured products involve leverage risk because derivatives allow the CIS to buy exposure to a selected underlying with a nominal amount significantly larger than the premium paid for by the CIS. Investors should be aware there is no assurance that the CIS's derivative strategy will succeed. Therefore, investors should carefully consider their risk tolerance level and be aware that there is a risk of higher volatility in the net asset value per unit of the CIS before investing in the CIS. However, this risk is mitigated as any downside risk will be limited only to the premium paid for by the CIS. In addition to that, investments in derivatives or structured products are closely monitored by the fund manager with careful research before its investments.</p> <p>b) Derivatives/Structured products counterparty risk When the CIS invests in derivatives or structured products, it will be subjected to the derivatives or structured products counterparty default risk. This risk refers to the possibility of the counterparty of these financial derivative instruments being unable to make payments and/or pay/repay the obligations in a timely manner. As a result, this could lead to a lower or zero valuation of these financial derivatives instruments, which would then have an adverse impact on the net asset value per unit of the CIS. Therefore, the fund manager will only invest in derivatives or structured products issued by counterparties with a strong credit rating. A Malaysian counterparty must have a credit rating of at least "AA3" by RAM or its equivalent rating by MARC. A foreign counterparty must have a credit rating of at least "A" as rated by S&P or its equivalent rating by another recognised global rating agency. The fund manager will unwind the invested financial</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Asia Pacific Fund</p>

<p>derivative instruments or hold the financial derivative instruments to maturity if its period to maturity is less than six (6) months if the counterparty is downgraded below the abovementioned credit ratings.</p> <p>c) Derivatives/Structured products valuation risk The fund manager is relying on the counterparty of the derivatives or structured products to conduct the daily valuation of the derivatives or structured products. Any error in valuation would result in an under or over computation of the net asset value per unit of the CIS. However, this risk is mitigated as the fund manager will conduct a periodic independent in-house verification of the prices of the derivatives or structured products provided by its counterparty.</p>	
Collective Investment Scheme risk	
<p>The Funds may invest into CIS and are subject to the risks faced by the respective CIS. The performance of the Funds is dependent on the performance of the CIS and any adverse effect on the CIS will impact the net asset value of the Funds.</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund Hong Leong PRS Asia Pacific Fund</p>
Counterparty risk	
<p>The CIS's placements of deposits and/or investments in 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 interest and/or principal payment on the maturity date. This may then lead to a default in the payment and/or interest and ultimately affect the net asset value per unit of the CIS. To mitigate this risk, the fund manager will ascertain the creditworthiness of the financial institutions of the money market instruments, deposits and negotiable instruments of deposit through a rigorous and disciplined credit research and analysis prior to its investments.</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund</p>
Liquidity risk	
<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 security can be sold at or near its fair value depending on the trading volume of that security in the market. If the CIS holds a large portfolio of securities that are less liquid, the securities may have to be sold at unfavourable prices and/or withdraw deposits placed with financial institutions prior to maturity which would expose the CIS to a higher degree of market liquidity risk. As such any premature withdrawal of deposits where interest income may be forfeited or forced sale of the CIS's investment to meet any shortfall will have adverse impact on the CIS's net asset per unit.</p> <p>Funding Liquidity Risk is defined as the risk that the CIS will not be able to meet efficiently both the expected and unexpected current and future cash outflow. The risk primarily involves the CIS's inability to meet redemption requests without major distortion to the portfolio allocation.</p> <p>To mitigate this risk, the fund manager will employ prudent liquidity management such as cash flow and redemption monitoring to ensure that the CIS maintains reasonable levels of</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund</p>

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<p>liquidity to meet any redemption request supplemented by a temporary defensive strategy should adverse conditions prevail. The fund manager will apply Liquidity Risk Management tools inclusive of liquidity stress test to assess the CIS's viability to meet expected and unexpected redemptions under adverse scenarios.</p> <p>The fund manager in consultation with the CIS's trustee may suspend dealing in units under exceptional circumstances where there is sufficient reason to do so having regard to the interests of the unit holders, in an effort to further curtail the liquidity risk experienced by the CIS.</p>	
Reinvestment risk	
<p>This risk is more prevalent during times of declining interest rates when the CIS has received its principal and interest earned from a maturing deposit and/or money market instrument or when an issuer of a debenture (if any) decides to repay the principal earlier than the intended maturity date. As a result, the CIS has to reinvest the above proceeds in a new deposit, money market instrument and/or debenture offering a lower return than the previous deposit, money market instruments and/or debentures.</p>	<p>Hong Leong PRS Growth Fund Hong Leong PRS Moderate Fund Hong Leong PRS Conservative Fund</p>

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.

4. SCHEME AND FUNDS DETAILS

4.1 Scheme Information

HLPRS Conventional 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 four (4) Funds which are divided into two (2) categories – three (3) Core Funds and one (1) Non-Core Fund, which Members may choose to invest based on their retirement needs, risk appetite and age profile. On 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 extra 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	Hong Leong PRS Growth Fund
	Hong Leong PRS Moderate Fund
	Hong Leong PRS Conservative Fund
Non-Core Fund	Hong Leong PRS Asia Pacific Fund

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 PRS 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	Hong Leong PRS Conservative Fund
45 years to below 55 years	Hong Leong PRS Moderate Fund
Below 45 years	Hong Leong PRS Growth Fund

**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 years, the Provider must allocate the contribution to Hong Leong PRS Moderate Fund or Hong Leong PRS Conservative Fund 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 years[^], redeem the Units in the Hong Leong PRS Growth Fund and purchase Units in Hong Leong PRS Moderate Fund; or
 - (b) before the end of the next calendar month from the day the Member attains the age of 55 years[^], redeem the Units in the Hong Leong PRS Moderate Fund and purchase Units in the Hong Leong PRS Conservative Fund;
^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-year (5) 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

HONG LEONG PRS GROWTH FUND

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 changes 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 equity collective investment schemes; and • Up to 30% of the Fund's NAV may be invested into fixed income and/or money market collective investment schemes.
Investment policy and strategy	<p>The Fund seeks to achieve its investment objective by investing in a basket of collective investment schemes that have similar investment objective to the Fund's investment objective of long-term capital growth. Investments in collective investment schemes will be confined to those managed by the Provider.</p> <p>The Provider will actively monitor the Fund's investments in selected 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 money market instruments and 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 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

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	<p>the need arise;</p> <ul style="list-style-type: none"> • Practice prudent liquidity management to ensure that the Fund maintains reasonable levels of liquidity to meet any withdrawal requests; • Regular review of the Fund's performance; and • Escalating and reporting investment matters to the Investment Committee.
Performance benchmark	<p>The performance benchmark is a composite of FTSE Bursa Malaysia KLCI (70%) and Malayan Banking Berhad 12 months fixed deposit rate (30%). This composite performance benchmark represents the general asset allocation adopted by the Fund, i.e 70% in equity collective investment schemes and 30% in fixed income and/or money market collective investment schemes.</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 interim and annual reports and is also available on the Provider's website.</p>
Distribution Policy	<p>Incidental. Distribution, if any, will be automatically reinvested into the Fund.</p>
Financial Year End	<p>31 July</p>
Member Profile	<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 equities and fixed income instruments that may have some foreign exposure. <p>Members who are under the Default Option and below the age of 45 years, 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"> • Collective investment schemes; and • Money market instruments and deposits with financial institutions in Malaysia • Any other form of investments as may be agreed upon by the Scheme Trustee and the Provider from time to time.
Investment limits/restrictions	<p>The Fund shall be subject to the following limits/restrictions:</p> <ul style="list-style-type: none"> • Investment in collective investment schemes is permitted in the following circumstances: <ul style="list-style-type: none"> (a) the Fund's investment in a single 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 a single collective investment scheme must not exceed 40% of its NAV; and (c) the investment objective of the collective investment scheme must be similar to the Fund. • The Fund's investments in collective investment schemes

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	<p>must not exceed 25% of the units/shares in any collective investment schemes.</p> <ul style="list-style-type: none"> • The Provider shall ensure that: <ul style="list-style-type: none"> (a) there is no cross-holding between the Fund and the 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. • The value of the Fund’s investments in 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 deposits with any single institution must not exceed 20% of the Fund’s NAV. • The value of the Fund’s investments in money market instruments issued by any group of companies must not exceed 20% of the Fund’s NAV. • The Fund’s investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. <p><i>Note: The above limit does not apply to money market instruments that do not have a pre-determined issue size.</i></p> <ul style="list-style-type: none"> • The aggregate value of the Fund’s investments in money market instruments and 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 collective investment schemes The valuation of each unit or share in any unlisted collective investment scheme will be based on the last published redemption price per unit or share of such collective investment scheme at the valuation point. • Money market instruments The value of any 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. Investments in commercial papers are valued on a daily basis using the fair value prices quoted by a bond pricing agency (BPA) registered with the SC. • Deposits The value of 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>	<ul style="list-style-type: none"> • 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 14 for our contact details.

HONG LEONG PRS MODERATE FUND

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 changes 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 collective investment schemes; and • Up to 30% of the Fund's NAV may be invested into fixed income and/or money market collective investment schemes.
Investment policy and strategy	<p>The Fund seeks to achieve its investment objective by investing in a basket of collective investment schemes that have similar investment objective to the Fund's investment objective of capital growth over the long-term while seeking income returns. Investments in collective investment schemes will be confined to those managed by the Provider.</p> <p>The Provider will actively monitor the Fund's investments in selected 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 money market instruments and 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 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; • Regular review of the Fund's performance; and • Escalating and reporting investment matters to the Investment Committee.
Performance benchmark	The performance benchmark is a composite of FTSE Bursa Malaysia KLCI (60%) and Malayan Banking Berhad 12 months

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	<p>fixed deposit rate (40%). This composite performance benchmark represents the general asset allocation adopted by the Fund, i.e. 70% in balanced collective investment schemes and 30% in fixed income and/or money market collective investment schemes.</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 interim 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 equities and fixed income instruments that may have some foreign exposure. <p>Members who are under the Default Option and who are between 45 years to below 55 years, 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"> • Collective investment schemes; • Money market instruments and deposits with financial institutions in Malaysia; and • Any other form of investments as may be agreed upon by the Scheme Trustee and the Provider from time to time.
Investment limits/restrictions	<p>The Fund shall be subject to the following limits/restrictions:</p> <ul style="list-style-type: none"> • Investment in collective investment schemes is permitted in the following circumstances: <ul style="list-style-type: none"> (a) the Fund's investment in a single 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 a single collective investment scheme must not exceed 40% of its NAV; and (c) the investment objective of the collective investment scheme must be similar to the Fund. • The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any collective investment schemes. • The Provider shall ensure that: <ul style="list-style-type: none"> (a) there is no cross-holding between the Fund and the 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,

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	<p>either at the Fund level or the Target Funds level.</p> <ul style="list-style-type: none"> • The value of the Fund's investments in 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 deposits with any single institution must not exceed 20% of the Fund's NAV. • The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV. • The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. <p><i>Note: The above limit does not apply to money market instruments that do not have a pre-determined issue size.</i></p> <ul style="list-style-type: none"> • The aggregate value of the Fund's investments in money market instruments and deposits issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.
Valuation bases	<ul style="list-style-type: none"> • Unlisted collective investment schemes The valuation of each unit or share in any unlisted collective investment scheme will be based on the last published redemption price per unit or share of such collective investment scheme at the valuation point. • Money market instruments The value of any 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. Investments in commercial papers are valued on a daily basis using the fair value prices quoted by a bond pricing agency (BPA) registered with the SC. • Deposits The value of 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.
Fund Valuation Point	<ul style="list-style-type: none"> • 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 14 for our contact details.

HONG LEONG PRS CONSERVATIVE FUND

Category of Fund	Core (Conservative)
Investment Objective	<p>The Fund aims 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>

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	<i>Any material changes to the investment objective of the Fund would require Members' approval.</i>
Asset Allocation	<ul style="list-style-type: none"> • At least 80% of the Fund's NAV will be invested into fixed income and/or money market collective investment schemes; and • Up to 20% of the Fund's NAV may be invested into equity and/or balanced collective investment schemes.
Investment policy and strategy	<p>The Fund seeks to achieve its investment objective by investing in a basket of collective investment schemes that have similar investment objective to the Fund's investment objective of capital preservation while seeking income. Investments in collective investment schemes will be confined to those managed by the Provider.</p> <p>The Provider will actively monitor the Fund's investments in selected 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 money market instruments and 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 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; • Regular review of the Fund's performance; and • Escalating and reporting investment matters to the Investment Committee.
Performance benchmark	<p>The performance benchmark is the Malayan Banking Berhad 12 months fixed deposit rate.</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 interim and annual reports and is also available</p>

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	on the Provider's website.
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 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>
Permitted Investments	<p>The Fund may invest in any of the following investments:</p> <ul style="list-style-type: none"> • Collective investment schemes; • Money market instruments and deposits with financial institutions in Malaysia; and • Any other form of investments as may be agreed upon by the Scheme Trustee and the Provider from time to time.
Investment limits/restrictions	<p>The Fund shall be subject to the following limits/restrictions:</p> <ul style="list-style-type: none"> • Investment in collective investment schemes is permitted in the following circumstances: <ul style="list-style-type: none"> (a) the Fund's investment in a single 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 a single collective investment scheme must not exceed 40% of its NAV; (c) the investment objective of the collective investment scheme must be similar to the Fund; and (d) the collective investment scheme shall not invest in embedded derivatives. • The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any collective investment schemes. • The Provider shall ensure that: <ul style="list-style-type: none"> (a) there is no cross-holding between the Fund and the 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 derivatives by Target Funds are only for hedging purposes. • The value of the Fund's investments in 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 deposits with any single institution must not exceed 20% of the Fund's NAV. • The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV. • The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single

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	<p>issuer.</p> <p><i>Note: The above limit does not apply to money market instruments that do not have a pre-determined issue size.</i></p> <ul style="list-style-type: none"> • The aggregate value of the Fund's investments in money market instruments and 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 embedded derivatives.
Valuation bases	<ul style="list-style-type: none"> • Unlisted collective investment schemes The value of each unit or share in any unlisted collective investment scheme will be based on the last published redemption price per unit or share of such collective investment scheme at the valuation point. • Money market instruments The value of any 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. Investments in commercial papers are valued on a daily basis using the fair value prices quoted by a bond pricing agency (BPA) registered with the SC. • Deposits The value of 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.
Fund Valuation Point	<ul style="list-style-type: none"> • 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 14 for our contact details.

HONG LEONG PRS ASIA PACIFIC FUND

Category of Fund	Fund-of-Funds (Equity)
Investment Objective	<p>The Fund aims to achieve capital growth by investing primarily in collective investment schemes with exposure in the Asia Pacific ex Japan markets.</p> <p><i>Any material changes 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 equity collective investment schemes; and • Up to 30% of the Fund's NAV may be invested into fixed income and/or money market collective investment schemes.
Investment policy and strategy	The Fund seeks to achieve its investment objective by investing in a basket of collective investment schemes that have similar

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	<p>investment objective to the Fund's investment objective of capital growth, through exposure in countries in the Asia-Pacific ex Japan region which include but are not limited to Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand. Investments in collective investment schemes will be confined to those managed by the Provider and have proven performance track record.</p> <p>The Provider will actively monitor the Fund's investments in selected 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 money market instruments and deposits as a defensive strategy.</p>
<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 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; • Regular review of the Fund's performance; and • Escalating and reporting investment matters to the Investment Committee.
<p>Performance benchmark</p>	<p>The performance benchmark is a composite of MSCI AC Asia-Pacific ex Japan (70%) and Malayan Banking Berhad 12 months fixed deposit rate (30%). This composite performance benchmark represents the general asset allocation adopted by the Fund, i.e 70% in equity collective investment schemes which invest primarily in the Asia-Pacific ex Japan region and 30% in domestic fixed income and/or money market collective investment schemes.</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 interim and annual reports and is also available on the Provider's website.</p>

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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 seeking capital appreciation; • are willing to assume higher risk in their investments to obtain potentially higher returns; and • seek exposure to the Asia Pacific ex Japan markets.
Permitted Investments	<p>The Fund may invest in any of the following investments:</p> <ul style="list-style-type: none"> • Collective investment schemes; • Money market instruments and deposits with financial institutions in Malaysia; and • Any other form of investments as may be agreed upon by the Scheme Trustee and the Provider from time to time.
Investment limits/restrictions	<p>The Fund shall be subject to the following limits/restrictions:</p> <ul style="list-style-type: none"> • Investment in collective investment schemes is permitted in the following circumstances: <ul style="list-style-type: none"> (a) the Fund's investment in a single 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 a single collective investment scheme must not exceed 40% of its NAV; and (c) the investment objective of the collective investment scheme must be similar to the Fund. • The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any collective investment scheme. • The Provider shall ensure that: <ul style="list-style-type: none"> (a) there is no cross-holding between the Fund and 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, • The value of the Fund's investments in 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 deposits with any single institution must not exceed 20% of the Fund's NAV. • The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV. • The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. <p><i>Note: The above limit does not apply to money market instruments that do not have a pre-determined issue size.</i></p> <ul style="list-style-type: none"> • The aggregate value of the Fund's investments in money market instruments and deposits issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV.

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Valuation bases	<ul style="list-style-type: none">• Unlisted collective investment schemes The valuation of each unit or share in any unlisted collective investment scheme will be based on the last published redemption price per unit or share of such collective investment scheme at the valuation point.• Money market instruments The value of any 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. Investments in commercial papers are valued on a daily basis using the fair value prices quoted by a bond pricing agency (BPA) registered with the SC.• Deposits The value of 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.
Fund Valuation Point	<ul style="list-style-type: none">• 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 14 for our contact details.

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 14 June 2022 and that the NAV per Unit for a Fund at the end of the Business Day on 14 June 2022 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	Hong Leong PRS Growth Fund	Hong Leong PRS Moderate Fund	Hong Leong PRS Conservative Fund	Hong Leong PRS Asia Pacific Fund
Annual Management Fee	Up to 1.50% per annum	Up to 1.25% per annum	Up to 1.00% per annum	Up to 1.80% 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:

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

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

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	Hong Leong PRS Growth Fund	Hong Leong PRS Moderate Fund	Hong Leong PRS Conservative Fund	Hong Leong PRS Asia Pacific Fund
Annual Trustee Fee	Up to 0.04% per annum	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

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

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	Hong Leong PRS Growth Fund	Hong Leong PRS Moderate Fund	Hong Leong PRS Conservative Fund	Hong Leong PRS Asia Pacific Fund
PPA Administration Fee	0.04% per annum	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, 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 investment 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, interim reports and half yearly statements;
- Bank charges;
- Tax 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 and the Scheme Trustee 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 by way of soft commissions provided always that the goods and services are of demonstrable benefit to the Members and in the form of research and advisory services that assist in the decision-making process relating to the Funds' investments.

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 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 1 March 2022 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	Hong Leong PRS Growth Fund
Forty five (45) to below fifty five (55) years old	Hong Leong PRS Moderate Fund
Fifty five (55) years old and above	Hong Leong PRS Conservative Fund

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 years, the Provider must allocate the contribution to Hong Leong PRS Moderate Fund or Hong Leong PRS Conservative Fund 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 years^, redeem the Units in the Hong Leong PRS Growth Fund and purchase Units in the Hong Leong PRS Moderate Fund; or
 - (b) before the end of the next calendar month from the day the Member attains the age of 55 years^ redeem the Units in the Hong Leong PRS Moderate Fund and purchase Units in the Hong Leong PRS Conservative Fund;
^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-year(5) period based on the number of units remaining in the relevant Fund and after Member's own redemption, if any. The first switching must be executed on the Switch 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 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 amount 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 ten (10) calendar 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 ten (10) calendar days upon receiving the authorisation from the PPA.

6.3.5 Suspension of Redemptions

Where the Scheme Trustee considers that it is not in the interests of the Members to permit the assets of the Fund to be sold or that the assets cannot be liquidated at an appropriate price or on adequate terms, the Scheme Trustee shall suspend the redemption of Units and immediately call a Members' meeting to decide on the next course of action.

The Scheme Trustee may also suspend the redemption of Units in exceptional circumstances when there is good and sufficient reason to do so having regard to the interests of the Members.

All suspended requests for redemption shall be deemed to have been received on the first Business Day after the lifting of the suspension provided always that the Provider may permit a withdrawal of such requests at any time after the commencement of suspension and before the lifting of the suspension.

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 amount 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.

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 IPRAAs (as and when appointed by the Provider).

Please refer to Section 14 – 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) the NAV per Unit on the day the Units were first purchased; and
- 2) 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 ten (10) calendar 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) years, 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 PPA or 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 and 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.

As at 14 June 2022, the Provider manages twenty-one (21) unit trust funds and five (5) wholesale funds with a total fund size of RM 12.401 billion.

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

7.2 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)

7.3 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.

7.4 Material Litigation and Arbitration

As at LPD, 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.

7.5 The Investment Committee

7.5.1 Functions of the Investment Committee

The Investment Committee meets once every quarter and is responsible for formulating, implementing and monitoring the investment management policies of the Scheme to achieve the objective of the Scheme.

The Investment Committee also assumes a supervisory and guidance role on the investment decisions made by the Provider.

The Investment Committee will ensure that the investment views of the Provider are reasonable and that the strategies proposed are appropriate. Specifically, the Investment Committee will be required to approve the investment strategy covering the following areas:

- asset allocation for the Funds under the Scheme;
- portfolio risk guidelines for the Funds under the Scheme; and
- investment criteria.

The investment team has been granted full discretion to transact any investment so long as it meets the investment strategy. The Investment Committee is not expected to participate in the investment decision for the Scheme on a day-to-day basis.

Any investment which breaches the investment limits set by the SC, the Scheme or internally by HLAM requires immediate reporting to the Investment Committee for ratification and remedial course of action.

7.6 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 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 interim 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, Federation of Investment Managers Malaysia, 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, 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 Securities Berhad; 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 Securities Berhad. 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.

7.7 The Key Personnel of the Investment Team

The investment team of the Provider comprises a number of fund managers and investment research analysts who possess the experience and expertise to undertake the investment management of the funds managed. Portfolio meetings are held on a weekly basis, where the investment team will review and assess the portfolio of the Fund.

The key personnel of the Investment team of Provider are as follows:

Chief Executive Officer /Executive Director

Mr Hoo See Kheng (non-independent, Executive Director) obtained a Bachelor of Commerce, majoring in Accounting and Finance from University of New South Wales Australia and a post-graduate diploma in System Analysis and Design from Japan-Singapore Institute of Software Technology. Mr Hoo is also a member of the Malaysian Institute of Accountants and a Certified Information System Auditors, United States of America. He obtained his Capital Markets Services Representative's License from the SC on 22 October 1998.

Mr Hoo joined HLAM on 1 March 2014. He was appointed as Executive Director of HLAM on 27 March 2014 and subsequently on 12 May 2014 appointed as Chief Executive Officer. He was also appointed as an Investment Committee member with effect from 14 April 2014.

Mr Hoo has more than twenty-one years' experience in the financial industry; mainly in areas of asset management and unit trust.

Fund Manager, Equity

Mr Simon Lim Jiing Liang, holds a Bachelor of Science (Honours) in Accounting and Finance from London School of Economics. He is also a CFA Charterholder. He began his career in Singapore at KPMG as an auditor before joining Mirae Asset Global Investments in Singapore as an equity analyst. Prior to joining HLAM, he was a fund manager at UOB Asset Management in Malaysia for almost 5 years. Mr Simon Lim obtained his Capital Markets Services Representative's license from the SC on 23 December 2010.

Mr Simon Lim has more than eleven years' experience in fund management and is the designated fund manager for the equity investments of the Scheme.

Fund Manager, Fixed Income

Mr Heng Jee Siang is a CFA Charterholder and holds a Bachelor of Engineering in Computing from Imperial College London and was a recipient of the ASEAN scholarship awarded by the government of Singapore. Mr Heng joined HLAM in April 2012. He began his career in Singapore at BNP Paribas as a structured finance analyst. Prior to joining HLAM, he traded Asian dollar credits for the proprietary trading desk at OSK Investment Bank Berhad. Mr Heng holds the Capital Markets Services and Representative's License from the SC on 27 September 2012.

Mr Heng has more than ten years' experience in fund management and is the designated fund manager for the fixed income investments of the Scheme.

For more information on the Provider, Investment Committee and Fund Manager, please visit HLAM's website at www.hlam.com.my.

8. THE SCHEME TRUSTEE

8.1 Corporate Profile

Name of Scheme Trustee	: CIMB Commerce Trustee Berhad (“CCTB”)
Date of Incorporation	: 25 August 1994
Directors	: Zahardin Omarkin Paul Gui Eng Hock Datin Ezreen Eliza Zulkiplee
Chief Executive Officer	: Datin Ezreen Eliza Zulkiplee

8.2 Experience in trustee business

CCTB has been involved in unit trust industry as trustee since 1996. It acts as trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds. As at the 14 June 2022, CIMB Commerce Trustee Berhad acts as trustee to sixty seven (67) unit trust funds, sixty four (64) wholesale funds, two (2) private retirement schemes (consisting of eleven (11) funds) and four (4) exchange-traded funds. CIMB Commerce Trustee Berhad has more than twenty-six (26) years and ten (10) years of experience as trustee to unit trust funds and private retirement schemes respectively.

8.3 Financial Position

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

	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)
Paid-up Share Capital	1,750	1,750	1,750
Shareholders' Funds	20,008	21,261	13,358
Turnover	9,110	10,927	14,461
Profit before Tax	1,260	1,704	5,355
Profit after Tax	654	1,253	4,097

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 private retirement scheme 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;
- (d) 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 of the Scheme, Disclosure Document, the SC's guidelines and securities law; and
 - (f) Require that the accounts be audited at least annually.

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

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

As at 14 June 2022, CIMB Commerce Trustee Berhad 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

CCTB has delegated its custodian function to CIMB Bank Berhad ("CIMB Bank"). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad a listed company on Bursa Malaysia. CIMB 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 Group Nominees (Tempatan) Sdn Bhd". For foreign non-Ringgit Malaysia assets, CIMB 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 Bank acts only in accordance with instructions from the Scheme Trustee.

9. SALIENT TERMS OF DEED

9.1 Right and Liabilities of Members

9.1.1 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 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 interim 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.

9.1.2 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.

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.

9.2 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 (excluding foreign custodian fees and charges).

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.

9.3 Increase In Fees and Charges

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

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.

9.4 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 incurred for the valuation of any investment of the Fund by independent valuers for the benefit 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, insurance 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) 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;
- (n) remuneration and out of pocket expenses of the independent members of the Investment Committee, unless the Provider decides otherwise;
- (o) costs, fees and charges payable to a foreign Scheme Trustee's delegate of the foreign assets or investments of the Funds duly appointed by the Scheme Trustee;
- (p) costs, fees and charges payable to the PPA;
- (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.

9.5 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.

9.6 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 or covenants of the Deed or relevant law;
- 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.

9.7 Termination of the Fund

The Scheme shall be terminated if SC's authorisation 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 must, as soon as practicable, give to each Member of Scheme or of the Fund a notice of such termination; the Provider must 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 must also as soon as practicable after the termination of a Fund, inform the SC of the same 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.

9.8 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.

The Provider shall within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) whichever is less, of all 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 request 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 Scheme shall be five (5) Members of the Scheme, whether present in person or by proxy, provided always if the meeting has been convened for the purpose of voting on a Special Resolution, the quorum shall be five (5) Members of the Scheme, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the Units of all the Funds of the Scheme in circulation at the time of the meeting.

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

9.9 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.

9.10 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 9.9 above.

When requested by a Member other than in the circumstances described in paragraphs (3) and (4) of Section 9.9 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.

9.11 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.

9.12 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:

- (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.

10. 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.	Trustee of the Scheme	<ul style="list-style-type: none"> The Scheme has engaged CIMB Commerce Trustees Berhad as the Scheme trustee for the Schemes.

As at the LPD, the directors and substantial shareholders of the Provider do not have any direct or indirect interest in other companies carrying on a similar business.

11. 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, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50470 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

20 June 2022

TAXATION OF THE FUNDS OFFERED UNDER THE HONG LEONG PRIVATE RETIREMENT SCHEME – CONVENTIONAL (“HLPRS Conventional” 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 Conventional for the core and non-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 scheme¹ 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.

¹ “Approved scheme” is defined to include the Employees Provident Fund, private retirement scheme or any pension or provident fund, scheme or society approved by the Director General under Section 150 of the Act.

“Private retirement scheme” is defined as a retirement scheme approved by the SC in accordance with the Capital Markets and Services Act 2007.

(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

Jennifer Chang
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 and Non-Core Fund:-

Core Funds:

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

Non-Core Fund:-

1. Hong Leong PRS Asia Pacific Fund

12. ADDITIONAL INFORMATION

12.1 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.).

12.2 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 14 – Directory of sales offices for our contact details.

12.3 Deed

The Deed is dated 24 June 2022.

12.4 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 2023.

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

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

12.5 Consents

The Scheme Trustee, Tax 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 name appears in this Disclosure Document, and they have not subsequently withdrawn their written consent.

The Fund's annual report is available upon request.

13. 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 interim 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.

14. DIRECTORY OF SALES OFFICES

HONG LEONG ASSET MANAGEMENT BHD

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Authorised Distributor

For more information about our distributors, kindly contact our Customer Experience Personnel at 03-2081 8600 ext 18611/18612 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.