

DUAL CURRENCY INVESTMENT (DCI)

RESPONSIBILITY STATEMENT

This **Product Highlights Sheet** has been reviewed and approved by the directors or authorized committee or persons approved by the Board of **Kenanga Investment Bank Berhad (Company No.: 15678-H)** and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the **Dual Currency Investment (DCI)**, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the **Dual Currency Investment (DCI)**, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the **Dual Currency Investment (DCI)** or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of **Kenanga Investment Bank Berhad** responsible for the **Dual Currency Investment (DCI)** and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

THIS INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA

Issuance Date: 24 September 2018

WARNING

THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.

THIS INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

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

PRODUCT HIGHLIGHTS SHEET

DUAL CURRENCY INVESTMENT (DCI)

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

This **Dual Currency Investment (DCI)** is a **non-principal protected** term investment comprising of 2 essential features, first a deposit in the original currency of the investment ("Base currency") and secondly, possible payment by the bank of the principal and interest on the investment on the Investment Maturity Date, in either the base currency or in the alternate currency at the pre-agreed Strike Rate on Investment Expiry Date, at the bank's absolute discretion. In return of giving the bank the right to repay the principal in either base currency or alternate, Investor stand to earn an enhanced interest higher than prevailing time deposit (of the base currency) of the equivalent tenor. The actual returns on your investment depend on the details spelt out in the Indicative Term sheet.

PRODUCT SUITABILITY

2. Who is this product suitable for?

This structured investment is suitable for Investor who:

- seek potentially higher interest rate return than ordinary time deposit,
- may have potential requirements in the alternate currency,
- are receptive towards receiving either the base currency or the alternate currency,
- has direct view on the movement of the currency pair.

KEY PRODUCT FEATURES

3. What are the key product features?

Minimum Investment Amount	RM50,000.00 or its equivalent in foreign currency
Eligibility	<p><u>For Individual:</u></p> <ul style="list-style-type: none"> • Total net personal assets, or total net joint assets with his or her spouse, exceed MYR3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence, • Has a gross annual income exceeding MYR300,000 or its equivalent in foreign currencies per annum in the preceding twelve (12) months, OR • Jointly with his or her spouse, has a gross annual income exceeding MYR400,000 or its equivalent in foreign currencies per annum in the preceding twelve (12) months. <p><u>For Corporation:</u></p> <ul style="list-style-type: none"> • Total net assets exceeding MYR10 million or its equivalent in foreign currencies based on the last audited accounts. <p><u>For Partnership:</u></p> <ul style="list-style-type: none"> • Total net assets exceeding MYR10 million or its equivalent in foreign currencies.
Investment Tenure	Customizable, up to 6 months.
Principal Protection	NON-PRINCIPAL PROTECTED INVESTMENT.
Interest Payable	Enhanced Interest Rate * Principal Amount * Number of days / days-count.
Interest Payment Frequency	Once, on the maturity date.

WARNING

THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.

THIS INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

Underlying Asset	The reference currency spot rate.
Other Key Features	The payment of the principal amount plus the interest proceeds on the maturity date can be in either base currency or alternate currency, depending on the fixing result of the reference currency spot rate at or about 2pm Kuala Lumpur time on the expiry date.

4. What are the key terms and conditions of this product that I should know?

- **Redemption at maturity**
The payment of the principal amount plus the interest proceeds on the maturity date can be either base currency or alternate currency, depending on the fixing result of the reference currency spot rate at or about 2pm Kuala Lumpur time on the Expiry date. The redemption at maturity will be credited into the Investor's account on maturity date.
- **Early withdrawal**
There is NO cooling off period for this investment. Early withdrawal of investment is discouraged as the Investor may incur premature withdrawal costs which could result in the Investor LOSING PART or the entire Principal Amount invested. Interest earned during the investment period prior to early withdrawal/termination of Investment will ALL be forfeited. Investor shall only receive Principal Amount less Unwinding Costs on withdrawal day. Unwinding cost varies depending on the market conditions, such as underlying asset's spot rate, interest rate volatility, future interest rate levels, and the remaining tenor of the investment at the time of early withdrawal.
- Payment of the interest proceeds will be in either base currency or alternate currency, depending on the performance/fixing result of the reference currency spot rate at or about 2pm Kuala Lumpur time on the expiry date as stipulated in the Term Sheet.
- **This product is not insured by Perbadanan Insurans Deposit Malaysia (PIDM).**
- Under Section 158 of the Capital Markets and Services Act 2007 (CMSA), investors are not covered by the compensation fund. The compensation fund does not extend to the investor who has suffered monetary loss as a result of a defalcation, or fraudulent misused of moneys or other property, by director, office, employee or representative of Kenanga Investment Bank Berhad.

5. What are the possible outcomes of my investment?

ILLUSTRATION ON PRODUCT RETURNS

Effective Interest Rate:

The calculation is for illustration purpose and based on Principal Amount of MYR100, 000.00 and Strike Rate of 3.2750 with investment period of 7days at the rate of 12.00%p.a

Best Case Scenario:

On expiry, if Spot rate trades at or above the strike rate, Investor earns an enhanced interest rate of 12.00%p.a. Investor will receive Principal Amount with Interest earned in Base Currency on maturity.

Worst Case Scenario:

On expiry, if Spot rate trade below the strike rate, Investor earns an enhanced interest rate of 12.00%p.a. Principal Amount with Interest earned in Base Currency will be converted to Alternate Currency at the pre-agreed Strike Rate. On maturity, Investor takes delivery of the Alternate Currency AUD at 3.2750 corresponding to the pre-agreed Strike Rate. If the MYR amount is converted at prevailing exchange rate, Investor may realize a much lower return compared to 12.00% p.a. and may even realize a negative yield.

WARNING

THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.

THIS INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

Base Currency	Principal Amount	Enhanced Interest Rate	Number of Days	Strike Rate	At Maturity Settled in	Proceeds in AUD	If Converted to Alternate Currency
MYR	100,000.00	12.00%	7	3.2750	AUD	((Principal Amount * Enhanced Interest Rate * Number of Days/ days-count] + Principal Amount / Strike Rate)	AUD30,604.62
Base Currency	Principal Amount	Enhanced Interest Rate	Number of Days	Strike Rate	At Maturity Settled in	Proceeds in MYR	If no Conversion
MYR	100,000.00	12.00%	7	3.2750	MYR	((Principal Amount * Enhanced Interest Rate * Number of Days/ days-count]) + Principal Amount	MYR 100,230.14

KEY RISKS

- Credit Risk/Bank Default Risk
Investor is placing funds with the bank and is therefore relying on the bank's ability to pay any interest and the investment amount at maturity.
- Market Risk
The market value of this investment is subject to many factors, including, but not limited to the foreign exchange rate, the level and shape of the relevant interest yield curve, levels of foreign exchange rate volatility and the implied future discretion and liquidity of such factors.
- Premature Withdrawal Risk
If the investment is redeemed by the investor prior to maturity date, the investor may LOSE PART or ALL of the principal amount invested.
- Option Risk
This investment is combined from many financial instruments, including options. Hence, the interest/yield and/or the currency of this investment amount to be repaid are dependent on the options embedded in this product.

FEES AND CHARGES

6. What are the fees and charges involved?

There will be no charges or fees when transacting Dual Currency Investment (DCI).

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

Unwinding Cost for Early Withdrawal

The simulations of early withdrawal are for illustration purpose only and it is based on the assumption of unchanged interest rate volatility and future interest rate levels. The illustration above does not represent the actual unwinding cost that may be available to you as the unwinding cost is different for every investment.

Example: Principal Amount of MYR100, 000.00 and Strike Rate of 3.2750 with investment period of 7days at the rate of 12.00%p.a

- If Investor early withdraw/terminate the investment 5 days before the maturity date when base currency spot rate weakened to 3.2890, cost to unwind this investment is RM250.00.
RM100,000.00 – RM250.00 = RM99,750.00 will be credited to Investor's account on T+2.
- If Investor early withdraw/terminate the investment 5 days before the maturity date when base currency spot rate strengthened to 3.2530, cost to unwind this investment is RM750.00.
RM100,000.00 – RM750.00 = RM99,250.00 will be credited to Investor's account on T+2.

WARNING

THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.

THIS INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

CONTACT INFORMATION

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

i. For internal dispute resolution, you may contact:

Treasury Sales & Structuring
 Kenanga Investment Bank Berhad
 Level 16, Group Treasury, Kenanga Tower,
 No. 237, Jalan Tun Razak,
 50400 Kuala Lumpur
 Tel: 03-2167 6999
 Fax: 03-2172 2754

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

(a) via phone to: 03-2282 2280

(b) via fax to: 03-2282-3855

(c) via email to: 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

iii. 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 Investor Affairs & Complaints Department:

(a) Via phone to the Aduan Hotline at : 03-6204 8999

(b) Via fax to: 03-6204 8991

(c) Via e-mail to: aduan@seccom.com.my

(d) Via online complaint form available at www.sc.com.my

(e) Via letter to: Investor Affairs & Complaints Department

Securities Commission Malaysia

3 Persiaran Bukit Kiara

Bukit Kiara

50490 Kuala Lumpur

iv. If you wish to refer your complaint to Bank Negara Malaysia, you may contact:

• Laman Informasi Nasihat dan Khidmat (BNMLINK)

(a) Via phone: 03-2698 8044 (ext: 8950 / 8958)

(b) Via website: <http://www.bnm.gov.my/bnmlink/index.htm>

• BNM TELELINK

(a) Via phone: 1300-88-LINK (1300-88-5465)

(b) Via fax: 03-2174 1515

(c) Via email: bnmtelelink@bnm.gov.my

(d) Via letter: Laman Informasi Nasihat dan Khidmat (LINK)

Bank Negara Malaysia

P.O. Box 10922

50929 Kuala Lumpur

WARNING

THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.

THIS INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.