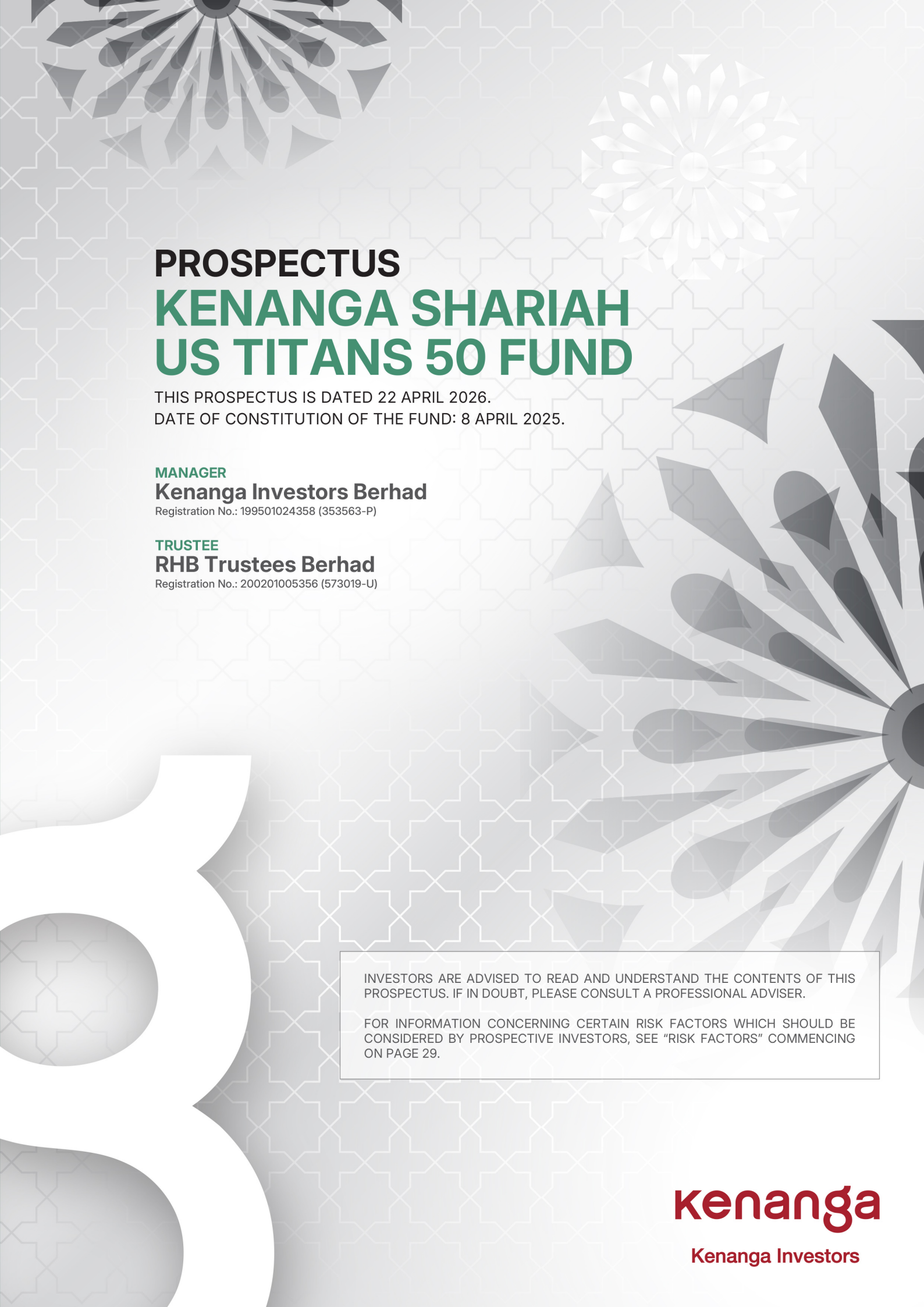




PROSPECTUS KENANGA SHARIAH US TITANS 50 FUND

THIS PROSPECTUS IS DATED 22 APRIL 2026.
DATE OF CONSTITUTION OF THE FUND: 8 APRIL 2025.

MANAGER

Kenanga Investors Berhad

Registration No.: 199501024358 (353563-P)

TRUSTEE

RHB Trustees Berhad

Registration No.: 200201005356 (573019-U)

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 29.

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Kenanga Investors

RESPONSIBILITY STATEMENTS

This Prospectus has been reviewed and approved by the directors of Kenanga Investors Berhad and they collectively and individually accept full responsibility for the accuracy of all 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 Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Kenanga Shariah US Titans 50 Fund ("Fund") and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and registration of this Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus.

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

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

ADDITIONAL STATEMENTS

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to the Fund.

Kenanga Shariah US Titans 50 Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

This Prospectus is not intended to and will not be issued and distributed in any country or jurisdiction other than Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units of Kenanga Shariah US Titans 50 Fund to which this Prospectus relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

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1. DEFINITIONS

Authorised Securities : any or all of the following:

- (a) Index Securities;
- (b) non-Index Securities which in the opinion of the Target Fund Manager has a high correlation (i.e. positive correlation coefficient of at least 0.7) to one or more of the Index Securities that it is substituting; and
- (c) if the Target Fund Manager is of the opinion there exists liquidity constraints with the Index Securities and/or non-Index Securities, one or more local or foreign Islamic collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Target Fund as determined by the Target Fund Manager.

baitulmal : the treasury of a State Islamic Religious Council.

BNM : Bank Negara Malaysia.

Bursa Malaysia : the stock exchange managed and operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).

Business Day : a day (excluding Saturdays, Sundays and public holidays in Malaysia) on which banks in Kuala Lumpur are open for business and a day on which Bursa Malaysia is open for trading.

Note: The Manager may declare certain Business Day as a non-Business Day in situations when Bursa Malaysia and/or banks in Kuala Lumpur are open but the Relevant Exchanges in which the Target Fund is invested in are closed for trading. This is to ensure that investors are given fair valuation of the Fund when making subscriptions or redemptions of Units. You may contact our customer service as referred to in Section 3.2 of this Prospectus for further information.

Cash Component : the amount of cash to be received per Redemption Unit Block which forms part of the In-Kind Redemption Basket.

Cash Redemption : the redemption of existing units of the Target Fund in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for the Redemption Amount.

CMSA : Capital Markets and Services Act 2007 as may be amended from time to time.

Dealing Day of the Target Fund : each market day during the continuance of the Target Fund on which Bursa Malaysia is open for trading. The Target Fund Manager may, in consultation with the trustee of the Target Fund, declare certain Dealing Days as non-Dealing Days when one or more of the Relevant Exchanges in which the Target Fund is invested in is closed for trading but shall not include a Dealing Day on which a force majeure event occurs or is continuing.

Dealing Deadline for the Target Fund	: for the purposes of creation application(s) and/or redemption application(s) for the Target Fund, 4.00 p.m. on any particular Dealing Day of the Target Fund or such other time as the Target Fund Manager may, in consultation with the trustee of the Target Fund, from time to time determine and notified to the Participating Dealer.
Deed	: the deed in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee and registered with the SC.
Eligible Market	: an exchange, government securities market or an OTC market: (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded.
ETF(s)	: exchange-traded fund(s).
financial institution	: (a) If the institution is in Malaysia: (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank; or (b) If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Fund	: Kenanga Shariah US Titans 50 Fund.
Guidelines	: Guidelines on Unit Trust Funds issued by the SC as may be amended from time to time and any other relevant guidelines issued by the SC.
In-Kind Redemption	: the redemption of existing units of the Target Fund in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for In-Kind Redemption Basket(s).
In-Kind Redemption Basket	: the portfolio of Redemption Securities and Cash Component (if any) determined by the Target Fund Manager in respect of each Dealing Day of the Target Fund, that will be received by the Participating Dealer pursuant to a redemption application in exchange for one (1) Redemption Unit Block.
Index Licensor	: S&P Opco, the licensor of the Target Fund's Benchmark, who has the right to grant the Target Fund Manager usage of the Target Fund's Benchmark.
Index Securities	: the securities or interests issued by the companies that are included in the Target Fund's Benchmark from time to time or depository receipts that may be issued against such securities or interests.

Islamic deposits	: has the same meaning as defined in the Islamic Financial Services Act 2013.
long term	: a period of more than three (3) years.
LPD	: 28 February 2025, which is the latest practicable date of this Prospectus.
Manager or KIB	: Kenanga Investors Berhad (Registration No.: 199501024358 (353563-P)).
medium term	: a period between one (1) year to three (3) years.
Net Asset Value or NAV	: the total value of the Fund's assets minus its liabilities at the valuation point.
NAV per Unit	: the NAV of the Fund divided by the total number of Units in circulation at the same valuation point.
OTC	: over-the-counter trades refer to the trading of financial instruments dealt directly between two parties without going through any securities exchange.
Participating Dealer	: CGS International Securities Malaysia Sdn Bhd and/or any other person who enters into a Participating Dealer Agreement in the form and substance acceptable to the Target Fund Manager and trustee of the Target Fund.
Participating Dealer Agreement	: the agreement entered into between the Participating Dealer, the Target Fund Manager and trustee of the Target Fund setting out, amongst others, the arrangement in respect of the creation and the issue of units of the Target Fund and the redemption and cancellation of units of the Target Fund.
Prospectus	: this prospectus for this Fund.
Redemption Amount	: the cash sum to be delivered to the Participating Dealer in respect of a Cash Redemption equivalent to the redemption price of the Target Fund multiplied by the number of units of the Target Fund to be redeemed.
Redemption Price	: the NAV per Unit as at the next valuation point (forward pricing) after a redemption request is received by the Manager.
Redemption Securities	: the Authorised Securities comprised in an In-Kind Redemption Basket.
Redemption Unit Block	: the quantity of units of the Target Fund which is required to be delivered to the trustee of the Target Fund upon a successful redemption application: (a) for In-Kind Redemption, in respect of one (1) whole In-Kind Redemption Basket; and (b) for Cash Redemption, in respect of the Redemption Amount.

The size of a Redemption Unit Block may change from time to time as determined by the Target Fund Manager, upon consultation with the trustee of the Target Fund and notified to the Participating Dealer.

RM or MYR	: Ringgit Malaysia, the lawful currency of Malaysia.
Relevant Exchanges	: The stock exchanges in which the Target Fund may invest, which includes New York Stock Exchange ("NYSE"), National Association of Securities Dealers Automated Quotation System ("Nasdaq"), NYSE MKT LLC ("NYSE MKT"), NYSE Arca and BATS Exchange.
SAC	: Shariah Advisory Council.
SC	: Securities Commission Malaysia.
Selling Price	: the NAV per Unit as at the next valuation point (forward pricing) after a written request to buy Units is received by the Manager.
Shariah	: Islamic law comprising the whole body of rulings pertaining to human conducts derived from the sources of Shariah namely the <i>Qur'an</i> (the holy book of Islam), and <i>Sunnah</i> (practices and explanations rendered by the Prophet Muhammad (<i>pbuh</i>)) and other sources of Shariah such as <i>Ijtihad</i> (intellectual reasoning) of Shariah scholars.
Shariah Adviser	: BIMB Securities Sdn Bhd (Registration No.: 199401004484 (290163-X)).
Shariah requirements	: the rulings, guidelines and resolutions made by the SAC of the SC or the advice given by the Shariah Adviser.
short term	: a period of less than one (1) year.
Special Resolution	: A resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority of not less than three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy. For the avoidance of doubt, <i>"three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy"</i> means three-fourths (3/4) of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy. For the purposes of terminating the Fund, <i>"Special Resolution"</i> means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths (3/4) of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
Target Fund	: Eq8 Dow Jones US Titans 50 ETF.
Target Fund's Benchmark	: Dow Jones Islamic Market U.S. Titans 50 Index

Target Fund Manager	: Eq8 Capital Sdn Bhd (Registration No.: 200701034939 (792968-D)).
Trade Date	: the Dealing Day of the Target Fund on which the Target Fund Manager receives a valid application in accordance with the deed of the Target Fund and the Participating Dealer Agreement provided that if such valid application is received after the Dealing Deadline for the Target Fund, the next Dealing Day of the Target Fund shall be the Trade Date.
Trustee	: RHB Trustees Berhad (Registration No.: 200201005356 (573019-U)).
Unit	: a measurement of the interest and/or right of a Unit Holder in the Fund and means a unit of the Fund including a fraction of a Unit.
Unit Holder	: the person for the time being registered under the provisions of the Deed as a holder of a Unit or Units, including jointholders.
USD	: United States Dollar.
U.S.	: United States of America.
U.S. Persons	: Any person falling within the definition of the term "U.S. Person" under Regulation S promulgated under the US Securities Act 1933, as amended from time to time.

All references to "we", "us" and "our" in this Prospectus mean KIB, the manager of the Fund.

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*.

Any reference to any legislation or guideline in this Prospectus is a reference to that legislation or guideline as for that time being amended or re-enacted.

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2. CORPORATE DIRECTORY

MANAGER	Kenanga Investors Berhad Registration No.: 199501024358 (353563-P)
REGISTERED OFFICE	Level 17, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Tel No.: 03-2172 2888 Fax No.: 03-2172 2999
BUSINESS OFFICE	Level 14, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Tel No.: 1800 88 3737 Fax No.: 03-2172 3080 E-mail: investorservices@kenanga.com.my Website: www.kenangainvestors.com.my
TRUSTEE	RHB Trustees Berhad Registration No.: 200201005356 (573019-U)
REGISTERED OFFICE	Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2302 8552 Fax No.: 03-2302 8298
BUSINESS OFFICE	Level 11, Tower Three RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2302 8252 Fax No.: 03-2302 8298 E-mail: rhbtrustees@rhbggroup.com Website: www.rhbggroup.com
SHARIAH ADVISER	BIMB Securities Sdn Bhd Registration No.: 199401004484 (290163-X)
REGISTERED OFFICE	32 nd Floor, Menara Bank Islam No. 22 Jalan Perak 50450 Kuala Lumpur Tel No.: 03-2726 7814 Fax No.: 03-2088 8033
BUSINESS OFFICE	Level 34, Menara Bank Islam No. 22 Jalan Perak 50450 Kuala Lumpur Tel No.: 03-2613 1600 Fax No.: 03-2613 1799 E-mail: shariah.bimbsec@bankislam.com.my Website: www.bimbsec.com.my

3. KENANGA SHARIAH US TITANS 50 FUND

Fund Category	: Feeder Fund (Shariah-compliant equity).
Fund Type	: Growth.
Base Currency	: MYR.
Benchmark	: 85% Dow Jones Islamic Market U.S. Titans 50 Index ¹ + 15% Maybank Islamic Overnight Deposit Rate ²

Source:

¹ The information on Dow Jones Islamic Market U.S. Titans 50 Index can be obtained via www.spglobal.com.

² The information on Maybank Islamic Overnight Deposit Rate can be obtained via www.maybank2u.com.my.

The composite benchmark serves as a broad representation of the Fund's investment objective and overall portfolio structure.

Notes:

(1) *The benchmark is used only for the purpose of measuring the financial performance of the Fund.*

(2) *The risk profile of the Fund is not the same as the risk profile of the benchmark.*

Initial Offer Price : RM1.0000

Initial Offer Period : Twenty-one (21) days from the date of this Prospectus.

Note: We may shorten the initial offer period if we determine that it is in the investors' best interest for the Fund to commence investments.

Commencement Date : Within seven (7) Business Days after the end of the initial offer period.

Distribution Policy : Distribution of income is incidental.

Investment Objective, Policy and Strategy

The Fund aims to provide investment results that broadly track the performance of the Target Fund, the Eqs8 Dow Jones US Titans 50 ETF.

Any material change to the investment objective of the Fund would require the approval of Unit Holders.

The Target Fund is designed to closely track the performance of the Target Fund's Benchmark, namely the Dow Jones Islamic Market U.S. Titans 50 Index, regardless of its performance. The Target Fund is a passively managed fund which typically employs a replication strategy to mirror the Target Fund's Benchmark.

Please refer to Section 4.3 - Investment objective and investment policy and strategy of the Target Fund for further details.

The Fund will invest at least 85% of its NAV in the Target Fund. The Fund's remaining NAV will be invested in Islamic money market instruments, Islamic deposits with financial institutions and/or Islamic financial derivative instruments for hedging purposes.

The Manager may participate in Islamic financial derivative instruments which include but are not limited to Islamic forwards, Islamic futures and Islamic swaps to hedge the foreign exchange movement between the base currency of the Fund and the investments of the Fund which are not denominated in MYR. However, any potential upside of currency movement will be limited. The Manager may choose to unwind its hedging position in the event that the Fund's counterparty for Islamic financial derivative instruments is downgraded or face the risk of being downgraded in its credit rating.

Asset Allocation

- A minimum of 85% of the Fund's NAV in the Target Fund; and
- Up to 15% of the Fund's NAV in Islamic money market instruments, Islamic deposits with financial institutions and/or Islamic financial derivative instruments for hedging purposes.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there is no inconsistency with the investment objective of the Fund, the Fund may invest in the following:

1. units or shares in an Islamic collective investment scheme;
2. Islamic money market instruments;
3. Islamic deposits with financial institutions; and
4. Islamic financial derivative instruments for hedging purposes.

Shariah Investment Guidelines

1. Shariah Investment Guidelines

The following guidelines are adopted by the Shariah Adviser in determining the Shariah status of investments of the Fund:

1.1 Shariah Requirements for Investments and Operations of the Fund

- The Fund must at all times and all stages of its operation comply with Shariah requirements as resolved by the SAC of the SC or in cases where no specific rulings are made by the SAC of the SC, the decisions of the Shariah Adviser.
- The Fund must be established and operated by the Manager, and finally redeemed by the Unit Holders on the basis of contracts which are acceptable in Shariah. The banking facilities and short-term Islamic money market instruments used for the Fund have to be Shariah-compliant. Similarly, all the other investment instruments must be Shariah-compliant.
- For investments in the Target Fund, the Manager must submit to the Shariah Adviser all pertinent information including the prospectus, its structures, investment avenues, Shariah investment guidelines, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the Target Fund, for the Shariah Adviser to confirm the Shariah status of the Target Fund.
- For Islamic deposits or Islamic money market instruments, they shall be based on the data readily available on BNM's and the financial institutions' websites respectively.
- The Fund may only use Islamic financial derivative instrument for hedging purposes. However, if Islamic financial derivative instruments are not available or are not commercially viable, the Fund may use conventional financial derivative instruments subject to prior approval from the Shariah Adviser being obtained.
- The decision of the Shariah Adviser shall be final.

1.2 Cleansing Process for the Fund

(a) Wrong Investment

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

(b) Reclassification of Shariah Status of the Fund's Investments

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

dispose of or withdraw such Islamic collective investment schemes or Islamic money market instruments or Islamic deposits.

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

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

However, any income received, and excess capital gain derived from the disposal or withdrawal after the reclassification effective date at a price that is higher than the price on the reclassification effective date shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within one (1) calendar month upon confirmation by the Shariah Adviser.

The Fund is allowed to hold the Shariah non-compliant instruments if the market price of the said instruments is below the investment cost. It is also permissible for the Fund to keep the income received during the holding period until such time when the total amount of the income received, and the market value of the Shariah non-compliant instruments held equal the investment cost. At this stage, the Fund is advised to dispose of their holdings.

In addition, during the holding period, the Fund is allowed to subscribe to:

- any issue of new Shariah-compliant instruments by the issuer of the Shariah non-compliant instruments held by the Fund; and
- Shariah-compliant instruments of other issuer offered by the issuer of the Shariah non-compliant instruments held by the Fund,

on conditions that the Fund expedites the disposal of the Shariah non-compliant instruments.

1.3 Maqasid Al-Shariah Aspirations and Guiding Principles

The Fund is designed in accordance with the following "Aspirations and Guiding Principles" as outlined in the Maqasid Al-Shariah Guidance issued by the SC:

- (a) Aspiration 3: Clarity and Transparency
Principle 8: Enhancing Disclosure and Documentation

The Fund ensures quality disclosure and documentation of information by providing comprehensive and accurate details regarding its investments in the Prospectus as well as the performance of the Fund through the periodic Fund's reports.

Through these channels, Unit Holders are able to access insights into the Fund's performance, enabling them to make informed decisions. This commitment to transparency also ensures a clear understanding of the Fund's trajectory and potential opportunities.

- (b) Aspiration 5: Fiduciary and Accountability
Principle 11: Upholding Fiduciary Duty with Utmost Good Faith

The Manager shall exercise the degree of care and diligence in managing the Fund and effectively employ the resources to ensure that the Fund complies with the relevant SC rules and regulations including the Shariah requirements.

With regard to the investments of the Fund, the Manager has a duty to carefully select and assess the Shariah-compliant investment instruments, conduct thorough due diligence particularly prior to the investment and monitor the performance of investments at all times to safeguard the interests of the Unit Holders.

- (c) Aspiration 6: Accessibility and Inclusivity
Principle 13: Broadening the Circulation of Wealth and Participation

The Fund strategically invests in a carefully selected Target Fund, focusing the majority of its investments on a prominent and liquid entity that adheres to Shariah principles. This targeted approach ensures Shariah-compliant investments, offering Unit Holders a focused, ethical, and liquid opportunity.

The Fund also allocates its investments in Islamic money market instruments and Islamic deposits, providing additional flexibility while maintaining compliance with Shariah requirements. This strategy is particularly appealing to investors with a higher risk tolerance who are seeking potentially higher returns from a concentrated equity investment, while ensuring ethical and Shariah compliance.

By focusing on a single high-potential target within the Islamic capital market, the Fund aims to foster broader participation and support the circulation of wealth, in line with Islamic financial principles of inclusivity and accessibility.

Zakat for the Fund

The Fund does not pay zakat on behalf of both Muslim individuals and Islamic legal entities who are Unit Holders of the Fund. Thus, Unit Holders are advised to pay zakat on their own.

The Shariah Adviser confirms that the investment portfolio of the Fund will comprise instruments that have been classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of BNM. For instruments that are not classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of BNM, the Shariah Adviser will review and determine the Shariah status of the instruments in accordance with the ruling issued by the Shariah Adviser.

Investment Restrictions and Limits

The investment restrictions and limits of the Fund are as follows:

1. The Fund must invest at least 85% of the Fund's NAV in units or shares of a single Islamic collective investment scheme (i.e., the Target Fund).
2. The Fund must not invest in:
 - (a) a fund-of-funds;
 - (b) a feeder fund; and
 - (c) any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

3. Where the Fund invests in an Islamic collective investment scheme operated by us or our related corporation, i.e. the Target Fund, we will ensure that:
 - (a) there is no cross-holding between the Fund and the Target Fund;
 - (b) all initial charges on the Target Fund is waived; and
 - (c) the management fee must only be charged once, either at the Fund or the Target Fund.
4. The Fund may invest up to 15% of its NAV in the following permitted investments:
 - (a) Islamic money market instruments that are dealt in or under the rules of an Eligible Market and whose residual maturity does not exceed twelve (12) months;
 - (b) placement in short-term Islamic deposits; and
 - (c) Islamic financial derivative instruments for the sole purpose of hedging arrangement.
5. The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.
6. The counterparty of an OTC Islamic financial derivative instrument must be a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories).
7. For investment in Islamic financial derivative instruments, the Fund's global exposure from Islamic financial derivative instruments position must not exceed the Fund's NAV at all times. The Fund's exposure to Islamic financial derivative instruments will be calculated based on commitment approach and the Fund's exposure to counterparty of OTC Islamic financial derivative instruments will be calculated in the manner as disclosed in the section below under the heading "Use of Islamic Financial Derivative Instruments".

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's Shariah-compliant investments. Where the limit or restriction is breached as a result of any appreciation or depreciation in value of the Shariah-compliant assets of the Fund, redemption of Units or payments made from the Fund, change in capital of a corporation in which the Fund has invested in or downgrade in or cessation of a credit rating, the Manager should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach. The three (3) month period may be extended if it is in the best interest of Unit Holders and the Trustee's consent is obtained. Such extension will be subject to at least a monthly review by the Trustee.

There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or BNM.

Use of Islamic Financial Derivative Instruments

Calculation of Global Exposure to Islamic Financial Derivative Instruments

The global exposure of the Fund is calculated based on commitment approach and is calculated as the sum of:

- (a) the absolute value of the exposure of each individual Islamic financial derivative instrument not involved in netting or hedging arrangements;
- (b) the absolute value of the net exposure of each individual Islamic financial derivative instrument after netting or hedging arrangements; and
- (c) the values of cash collateral received pursuant to the reduction of exposure to counterparties of OTC Islamic financial derivative instruments.

Netting and hedging arrangements may be taken into account to reduce the Fund's exposure to Islamic financial derivative instruments.

Netting arrangements

The Fund may net positions between:

- (a) Islamic financial derivative instruments on the same underlying constituents, even if the maturity dates are different; or
- (b) Islamic financial derivative instruments and the same corresponding underlying constituents, if those underlying constituents are transferable securities, money market instruments, or units or shares in collective investment schemes.

Hedging arrangements

The marked-to-market value of Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to Islamic financial derivative instruments.

The hedging arrangement must:

- (a) not be aimed at generating a return;
- (b) result in an overall verifiable reduction of the risk of the Fund;
- (c) offset the general and specific risks linked to the underlying constituent being hedged;
- (d) relate to the same asset class being hedged; and
- (e) be able to meet its hedging objective in all market conditions.

Calculation of Exposure to Counterparty of OTC Islamic Financial Derivative Instruments

The exposure to a counterparty of an OTC Islamic financial derivative instrument must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC Islamic financial derivative instrument.

The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC Islamic financial derivative instrument transactions entered into with the same counterparty.

The maximum exposure of the Fund to the counterparty of OTC Islamic financial derivative instrument, calculated based on the above, must not exceed 10% of the Fund's NAV.

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Investors' Profile

The Fund is suitable for investors who are seeking:

- diversification and investment opportunities in the U.S. market through the Target Fund; and
- medium term to long term investment horizon as well as short-term trading and arbitrage opportunities.

Investors are advised to read this Prospectus and obtain professional advice before subscribing to the Units of the Fund. As this is a feeder fund, the Manager has provided investors with information on the Target Fund based on the prospectus of the Target Fund and any supplementary prospectus of the Target Fund made available to the Manager. You may request a copy of the latest prospectus of the Target Fund and/or supplementary prospectus of the Target Fund from the Manager.

Investors should also be aware that the Manager may from time to time introduce additional Class(es) to the Fund by way of a replacement or supplementary prospectus. A notification will be sent to all Unit Holders prior to the launch of the additional Class(es). Unit Holders' approval is not required if the launch of additional Class(es) does not prejudice the interests of the existing Unit Holders.

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4. EQ8 DOW JONES US TITANS 50 ETF

Name of the Target Fund	: Eq8 Dow Jones US Titans 50 ETF.
Target Fund Category	: Islamic ETF.
Target Fund Type	: Index tracking fund.
Target Fund Manager	: Eq8 Capital Sdn Bhd
Domiciled Country	: Malaysia.
Regulatory Authority	: SC and Bursa Malaysia.
Date of Establishment	: 15 January 2018.
Base Currency of the Target Fund	: USD.
Trading Currency	: USD.

4.1 Background Information of the Target Fund

The Target Fund is an Islamic ETF listed on the Main Market of Bursa Malaysia on 28 February 2018. The Target Fund is established under the terms of the deed dated 25 September 2017 and is governed by the laws of Malaysia.

The Target Fund is managed by Eq8 Capital Sdn Bhd, a wholly-owned subsidiary of the Manager.

4.2 Information of the Target Fund Manager

The Target Fund Manager was incorporated on 25 October 2007 under the Companies Act 2016 at Kuala Lumpur, Malaysia. The Target Fund Manager is a licensed fund management company approved by the SC on 7 January 2008.

The Target Fund Manager is also the management company for Eq8 Dow Jones Islamic Market Malaysia Titans 25 ETF established in 2008, Eq8 MSCI Malaysia Islamic Dividend ETF established in 2014, Eq8 MSCI SEA Islamic Dividend ETF established in 2015, Eq8 Dow Jones US Titans 50 ETF established in 2018 and Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF established in 2024 all of which are currently listed on the Main Market of Bursa Malaysia.

4.3 Investment Objective and Investment Policy and Strategy of the Target Fund

The Target Fund aims to provide investment results that closely correspond to the performance of the Target Fund's Benchmark, regardless of its performance.

The Target Fund is not an actively managed investment fund where considerable discretion is involved in the buying and selling of Shariah-compliant securities based on the Target Fund Manager's economic, financial and market analysis and investment judgment. Instead, the role of the Target Fund Manager is essentially passive. The Target Fund Manager aims to deliver an investment performance which reflects the performance of the Target Fund's Benchmark.

The Target Fund Manager will generally adopt a replication strategy to manage the Target Fund. The Target Fund Manager may use techniques including indexing via full or partial replication in seeking to achieve the investment objective of the Target Fund, subject to conformity with the Shariah investment guidelines of the Target Fund.

(i) Full replication technique

Under the full replication technique, the Target Fund Manager will ensure (insofar as practicable and in accordance with the provisions of the deed of the Target Fund) that the Target Fund assets comprise only, or substantially the Index Securities in substantially the same weightings as they appear in the Target Fund's Benchmark. However, a partial replication technique may be adopted if the Target Fund Manager believes that the full replication technique is not the most efficient method to track the Target Fund's Benchmark.

(ii) Partial replication technique

Under the partial replication technique, the Target Fund Manager will invest in a representative sample of Shariah-compliant securities selected by the Target Fund Manager using amongst others, a quantitative analytical model in a technique known as "portfolio sampling". Non-Index Securities may be held by the Target Fund when using the partial replication technique. However, such non-Index Securities will be expected to have a high level of correlation (i.e. positive correlation coefficient of at least 0.7) with the Index Securities they are substituting and must be constituents of the Dow Jones Islamic Market World Index which are listed on the Relevant Exchanges, ensuring that they have passed the necessary Shariah and liquidity screenings. If the Target Fund Manager is of the opinion that there is liquidity constraints with the Index Securities and/or non-Index Securities, the Target Fund may invest in one (1) or more local or foreign Islamic collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Target Fund, as determined by the Target Fund Manager.

As the Target Fund is designed as an Islamic ETF, it will comply strictly with the Shariah investment guidelines of the Target Fund that has been issued by the Shariah adviser of the Target Fund. The Shariah investment guidelines of the Target Fund cover the Target Fund's investments as well as its operational and administrative matters in relation to Shariah.

Asset Allocation

As a general rule, the Target Fund will adhere to the following asset allocation:

- (a) at least 90% in Authorised Securities; and
- (b) not more than 10% in Islamic liquid assets (i.e. including but not limited to Islamic deposits and Islamic money market instruments).

The Target Fund's investment scope may include Shariah-compliant securities and investments other than Authorised Securities in order to facilitate the Target Fund's portfolio rebalancing activities.

The investments other than Authorised Securities may include:

- (a) Shariah-compliant securities received by or distributed to the Target Fund by way of dividend-in-specie, capital distribution or any other distribution; and
- (b) former Index Securities i.e. securities which were formerly but have ceased to be Index Securities. Such former Index Securities will only be held for such period after they cease to be Index Securities as the Target Fund Manager, in consultation with the trustee of the Target Fund, determines necessary to dispose of and replace or substitute such former Index Securities.

4.4 The Target Fund's Benchmark

The Target Fund's Benchmark, namely the Dow Jones Islamic Market U.S. Titans 50 Index is a float-adjusted market capitalisation weighted, price return index calculated, maintained and published by S&P Dow Jones Indices.

The Target Fund's Benchmark was created with a base date of 29 December 1995 by S&P Dow Jones Indices and was constructed based on a reference value of 1000. The Target Fund's Benchmark is designed as a performance benchmark of blue-chip companies that are listed on primary stock exchanges in the U.S.. The Target Fund's Benchmark consists of the 50 largest companies by float-adjusted market capitalisation listed on the Relevant Exchanges which have passed rules-based screens for Shariah compliance.

As at LPD, the constituent securities of the Target Fund's Benchmark are listed on the New York Stock Exchange ("NYSE") and National Association of Securities Dealers Automated Quotation System ("Nasdaq").

The universe for selection of the constituents of the Target Fund's Benchmark is the constituents of the Dow Jones Islamic Market World Index. The Dow Jones Islamic Market World Index, is a float-adjusted market capitalisation weighted index that is designed to measure performance of the global universe of investable equities that pass screens for Shariah compliance. As at 28 February 2025, the Dow Jones Islamic Market World Index comprises over 4,569 securities in fifty four (54) countries globally.

The Target Fund's Benchmark employs a modified market capitalization weighting scheme*. The weight of each individual constituent is capped at 10% of the Target Fund's Benchmark.

The Target Fund's Benchmark is calculated and published in USD and the end of the day index values are available through Bloomberg (DJUS50 Index) and the Target Fund's website at www.eq8.com.my.

The Dow Jones Islamic Market World Index and the Target Fund's Benchmark consist only of companies that passed the Shariah Compliance Screens published under the Dow Jones Islamic Market Indices Methodology. S&P Dow Jones Indices has contracted with Ratings Intelligence Partners ("RI") to provide the Shariah screens and filter index constituents based on these screens. RI is a London/Kuwait-based consulting company specializing in solutions for the global Islamic investment market. Its team consists of qualified Islamic researchers who work directly with a Shariah Supervisory Board, which is a board of Islamic scholars serving to interpret business issues and recommend actions related to business decisions for the indices.

The Index Licensor is not a related corporation of the Target Fund Manager.

* *Maximum weights on the effective rebalancing dates are equal to the lesser of the companies' float-adjusted market capitalization weight or 10% of the Target Fund's Benchmark.*

4.5 Permitted Investments and Investment Restrictions of the Target Fund

Permitted investments

The Target Fund Manager is authorised to invest in the following types of assets subject to the investment restrictions set out below.

(a) Authorised Securities which includes any or all of the following:

- (i) Index Securities;
 - (ii) non-Index Securities which in the opinion of the Target Fund Manager has a high correlation (i.e. positive correlation coefficient of at least 0.7) to one or more of the Index Securities that it is substituting;
 - (iii) if the Target Fund Manager is of the opinion there exists liquidity constraints with the Index Securities and/or non-Index Securities, one or more local or Islamic collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Target Fund as determined by the Target Fund Manager;
- (b) Islamic liquid assets (i.e. including but not limited to Islamic deposits and Islamic money market instruments); and
- (c) any other Shariah-compliant investments permitted by the SC from time to time.

Notwithstanding the above, the Target Fund Manager is only allowed to invest in securities which comply with the Shariah investment guidelines of the Target Fund which have been issued by the Shariah adviser of the Target Fund. If any of the Index Securities do not comply with the Shariah investment guidelines of the Target Fund, the Target Fund Manager may:

- (a) rebalance the Target Fund's portfolio by increasing the holdings in the other Index Securities which comply with the Shariah investment guidelines of the Target Fund;
- (b) replace the Shariah non-compliant Index Securities with non-Index Securities that comply with the Shariah investment guidelines of the Target Fund and have a high correlation to the Index Securities that they are substituting; or
- (c) invest in Islamic liquid assets (i.e. including but not limited to Islamic deposits and Islamic money market instruments),

subject always to the investment scope and restrictions of the Target Fund.

Investment restrictions

The investment restrictions imposed upon the Target Fund are as follows:

- (a) the Target Fund may invest in units/shares in other Islamic collective investment schemes provided that the investment must not exceed 20% of the net asset value of the Target Fund based on the most up-to-date value of the Target Fund assets and such Islamic collective investment scheme must:
 - (i) be regulated by a regulatory authority;
 - (ii) where the Islamic collective investment scheme is constituted in Malaysia, be authorised or approved by the SC;
 - (iii) where the Islamic collective investment scheme is constituted outside of Malaysia:
 - a. be registered, authorised or approved by the relevant regulatory authority in its home jurisdiction;
 - b. the laws and practices provide the level of investor protection that is at least equivalent to that offered in Malaysia; and

- c. save for real estate investment trust, the rules on investments, borrowing and lending are substantially similar to the requirements in the Guidelines on Exchange-traded Funds issued by the SC.

Where the Target Fund invests in an Islamic collective investment scheme operated by the Target Fund Manager or its related corporation, the Target Fund Manager must ensure that:

- (i) there is no cross-holding between the Target Fund and the Islamic collective investment scheme;
- (ii) all initial charges on the Islamic collective investment scheme are waived; and
- (iii) the management fee must only be charged once, either at the Target Fund or the Islamic collective investment scheme.

(b) The Target Fund must not invest in Islamic derivatives.

(c) The Target Fund must not borrow cash or other assets (including borrowing of securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC) in connection with its activities. However, the Target Fund may obtain cash financing for the purposes of meeting redemption request for units of the Target Fund and for short term bridging requirements.

(d) The Target Fund must not participate in securities lending or Islamic Securities Selling and Buying Negotiated Transaction activities.

Further, the Target Fund is governed by the Shariah investment guidelines of the Target Fund which is issued by the Shariah adviser of the Target Fund and is set out in Section 4.6 below.

4.6 Shariah Investment Guidelines of the Target Fund

The Shariah investment guidelines of the Target Fund are in compliance with the stock screening methodology of the Dow Jones Shariah Advisory Board established and endorsed by the Shariah adviser for the Target Fund, are as follows:

1. As a general rule, the Target Fund can only invest in securities and financial instruments that comply with the Shariah principles and is prohibited from investing in securities and financial instruments which do not comply with the Shariah principles.
2. The Target Fund shall invest in securities listed under the List of Shariah-compliant Securities by the Dow Jones Islamic Market.
3. The Target Fund shall invest in domestic and foreign Islamic collective investments schemes.
4. The Target Fund shall invest in Islamic deposits which placements are made with financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For avoidance of doubt, only Islamic account is permitted for placement of Islamic deposit with financial institutions licensed under the Financial Services Act 2013. The Target Fund is also prohibited from investing in interest-bearing deposits and recognising any interest income.
5. The Target Fund shall seek for approval from Shariah adviser of the Target Fund for any other securities or instruments that are not being mentioned above.

6. On the timing for the disposal of securities which have been classified as Shariah non-compliant, the Target Fund must divest such securities if any of the following occurs:

- (i) "Shariah-compliant securities" which are subsequently considered "Shariah non-compliant"

This refers to securities which were classified as Shariah-compliant securities but due to certain reasons, such as changes in the companies' operations, are subsequently considered Shariah non-compliant. In this regard, if on the date the securities turned Shariah non-compliant, the value of the securities held exceeds the investment cost, the Target Fund must expedite the disposal of such securities. Any dividends received up to the date of the announcement/review and capital gains arising from the disposal of the Shariah non-compliant securities on the date of the announcement/review can be kept by the Target Fund.

On the other hand, the Target Fund is allowed to hold its investment in the Shariah non-compliant securities if the market price of the said securities is below the investment cost. It is also permissible for the Target Fund to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the Target Fund is advised to dispose of its holding of such Shariah non-compliant securities.

In addition, during the holding period of such Shariah non-compliant securities, the Target Fund is allowed to subscribe to:

- (a) any issue of new securities by the company such as rights issues, bonus issues, special issues and warrants but excluding securities whose nature is Shariah non-compliant such as irredeemable convertible unsecured loan stock; and

- (b) Shariah-compliant securities of other companies offered by the company,

on condition that the Target Fund expedite the disposal of such Shariah non-compliant securities.

- (ii) Shariah non-compliant securities

If the Target Fund invests in Shariah non-compliant securities by mistake, the Target Fund is required to dispose of such securities within a month of knowing the status of the securities. Any gain made in the form of capital gain or dividend received during or after the disposal of the securities is subject to an income purification process. The Target Fund has a right to retain only the investment cost, which may include brokerage fee and other transaction costs.

7. Dividends or other such income on the shares and cash held by the Target Fund which are considered impure under the Shariah principles will be subject to an income purification process.

These Shariah investment guidelines of the Target Fund have been endorsed by the Shariah adviser of the Target Fund. At the end of each quarter, the Shariah adviser of the Target Fund audits the Target Fund to ensure that the Target Fund's operating procedures and investments comply with the Shariah principles. Upon completion of each audit, the Shariah adviser of the Target Fund will deliver a certificate attesting that the Target Fund is in compliance with the Shariah principles.

8. Income Purification

Any income from Shariah non-compliant investments such as interest income, excess capital gain from disposal of Shariah non-compliant securities or dividend distribution received by the Target Fund from its investment portfolio which relates to fortuitous activities are considered impure income. This impure income is subject to an income purification process as determined by the Shariah adviser of the Target Fund from time to time and without limitation. The impure income has to be channelled to charitable bodies as endorsed by the Shariah adviser of the Target Fund and approved by the trustee of the Target Fund.

Any cash dividend received from the constituents of the Target Fund's Benchmark will be subject to a purification process as determined by the Target Fund Manager upon consultation and endorsement by the Shariah adviser of the Target Fund from time to time.

9. Periodic Review

The Shariah adviser of the Target Fund will review the Target Fund on a monthly basis to ensure that the Target Fund's operating procedures and investments comply with Shariah. Upon completion of each review, the Shariah adviser of the Target Fund will deliver its opinion on the Target Fund's compliance with Shariah. Further, a report on the Target Fund's compliance status for the financial period concerned will be prepared by the Shariah adviser of the Target Fund and included in the Target Fund's annual report.

The Shariah adviser of the Target Fund confirms that the investment portfolio of the Target Fund will comprise instruments that have been classified as Shariah-compliant by the SAC of the SC or the Shariah Advisory Council of BNM. For instruments that are not classified as Shariah-compliant by the SAC of the SC or the Shariah Advisory Council of BNM, the Shariah adviser of the Target Fund will review and determine the Shariah status of the said securities in accordance with the ruling issued by the Shariah adviser of the Target Fund.

4.7 Distribution Policy of the Target Fund

The Target Fund may distribute to the unit holders of the Target Fund all or a substantial portion of the Target Fund's distributable income, pro-rated based on the number of units of the Target Fund held by each unit holder of the Target Fund as at the entitlement date of the income distribution. The exact amount to be distributed will be at the absolute discretion of the Target Fund Manager.

Income distributions (if any) are expected to be made annually subject to the discretion of the Target Fund Manager. However, if the distribution available is too small or insignificant, any distribution may not be of benefit to the unit holders of the Target Fund as the total cost to be incurred in any such distribution may be higher than the amount for distribution.

4.8 Risk Management Strategies and Techniques of the Target Fund

The risk management strategies and techniques employed by the Target Fund Manager include the use of a replication strategy either via full or partial replication to achieve the investment objective of the Target Fund as well as to minimise its tracking error.

The Target Fund Manager has established liquidity risk management policy to identify, monitor and manage the liquidity risk of the Target Fund in order to meet the redemption requests from the unit holders of the Target Fund as well as to safeguard the interests of

the remaining unit holders of the Target Fund. In managing the Target Fund's liquidity, the Target Fund Manager will:

- (a) ensure the Target Fund maintains sufficient Islamic liquid assets to meet redemption requests from unit holders of the Target Fund;
- (b) regularly review the Target Fund's investment portfolio including its liquidity profile;
- (c) monitor the Target Fund's net flows against redemption requests during normal and adverse market conditions to ensure the Target Fund has sufficient cash holdings to mitigate potential risk in not being able to meet the redemption requests from unit holders of the Target Fund; and
- (d) where available, obtain Islamic financing on a temporary basis for the purpose of meeting redemption requests for units of the Target Fund and for short-term bridging requirements.

However, if the Target Fund Manager has exhausted the above avenue, it will, in consultation with the trustee of the Target Fund and having considered the interests of the unit holders of the Target Fund, resort to suspend the redemption applications to manage the liquidity of the Target Fund under exceptional circumstances, where the fair value of a material portion of the Target Fund assets cannot be reasonably determined. In such event, unit holders of the Target Fund will not be able to redeem their units of the Target Fund and will be compelled to remain invested in the Target Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Target Fund. Any redemption application received by the Target Fund Manager during the suspension period will only be accepted and processed on the next business day of the Target Fund after the cessation of suspension of the Target Fund.

4.9 Redemption Policy of the Target Fund

Investors of the Target Fund may redeem/sold units of the Target Fund:

- (a) through the Participating Dealer; or
- (b) the secondary market on Bursa Malaysia through a licensed intermediary such as a stockbroker or any of the share dealing services offered by banks or other financial advisers.

Under certain circumstances, the Target Fund Manager, in consultation with the trustee of the Target Fund, may substitute the Authorised Securities comprised in an In-Kind Redemption Basket with cash.

Investors should note that transactions in the secondary market on Bursa Malaysia will occur at quoted market prices, which may differ from the net asset value per unit of the Target Fund due to market demand and supply, liquidity and scale of trading spread for the units of the Target Fund.

If units of the Target Fund is sold via Bursa Malaysia, the Fund will receive the redemption proceeds within two (2) Business Days and if units of the Target Fund are redeemed through a Participating Dealer, the Fund will receive the redemption proceeds within five (5) Business Days from the day the Fund's redemption request to redeem the units of the Target Fund is accepted by the manager of the Target Fund. However, if the Target Fund's daily redemption limit has been breached, resulting in the Fund's redemption requests being deferred at the Target Fund level, or there is a currency holiday for settlement of transactions, a longer redemption proceed payout period of up to two (2) Business Days is needed for the Fund to receive the redemption proceeds from the Target Fund.

Limit on redemption per Trade Date

- (i) If the total number of units of the Target Fund (for which redemption applications have been received by the Target Fund Manager) on a Trade Date exceeds 10% (or such higher percentage as the Target Fund Manager may determine) of the net asset value of the Target Fund on that day, the Target Fund Manager shall be entitled to limit the total number of units of the Target Fund to be redeemed on that day to 10% (or such higher percentage as the Target Fund Manager may determine) of the net asset value of the Target Fund.
- (ii) Any units of the Target Fund which are not redeemed in respect of a particular Trade Date ("First Relevant Dealing Day of the Target Fund") as a result of the limit imposed by the Target Fund Manager shall be carried forward for redemption on the Dealing Day of the Target Fund following the First Relevant Dealing Day of the Target Fund (such Dealing Day of the Target Fund being hereinafter referred to as "Second Relevant Dealing Day of the Target Fund").
- (iii) The Target Fund Manager will inform the Participating Dealer of the higher percentage (if any) and of the number of units of the Target Fund the redemption of which have been deferred, within one (1) Dealing Day of the Target Fund after the First Relevant Dealing Day of the Target Fund and these units of the Target Fund shall be redeemed on the Second Relevant Dealing Day of the Target Fund.
- (iv) If redemption applications are carried forward, any other redemption application received after the First Relevant Dealing Day of the Target Fund and before the Second Relevant Dealing Day of the Target Fund shall also be carried forward, and be deemed to be a redemption application submitted on the Second Relevant Dealing Day of the Target Fund. Redemption applications carried forward from the First Relevant Dealing Day of the Target Fund shall be redeemed in priority to redemption applications received after such First Relevant Dealing Day of the Target Fund.

4.10 Investing in the Target Fund via the Fund vs investing directly in the Target Fund

In addition to investing in the Target Fund via the Fund, investors may also invest directly in the Target Fund. The key differences of investing via these two (2) modes are as follows:

Features	Investing in the Target Fund via the Fund	Investing directly in the Target Fund
Structure	Unlisted unit trust fund	ETF listed on Main Market on Bursa Malaysia
Transactions	Investors can transact Units by completing the application forms or redemption forms, which are available at the Manager's head office, regional offices, approved Institutional Unit Trust Scheme Advisers ("IUTAs") and the Manager's tied agents throughout Malaysia.	Investors can purchase/sell directly units of the Target Fund through the Participating Dealer or trade via Bursa Malaysia.
Pricing	The Selling Price and the Redemption Price will be the NAV per Unit as at the next valuation point (forward pricing) after a written request to buy and/or redeem Units is received by the	The units of the Target Fund can be bought and sold on Bursa Malaysia throughout the trading day like other publicly-traded shares. There is no minimum investment. Although, units of the

	Manager. Investors must take note of the minimum initial investment, minimum subsequent investment, minimum Units for redemption and minimum holdings pertaining to the Fund as disclosed Section 7.4 of this Prospectus.	Target Fund are generally purchased and sold in “board lots” of 100 units of the Target Fund, brokerage firms may permit the investor to purchase or sell units of the Target Fund in smaller “odd lots”. However, prices of units of the Target Fund traded in “odd-lots” may differ from units of the Target Fund purchased and sold in “board lots”. Where the investor is buying or selling units of the Target Fund through a broker, the investor will incur customary brokerage fee, stamp duty and clearing fees. The trading prices of units of the Target Fund on Bursa Malaysia may differ from their daily net asset value per unit of the Target Fund and can be affected by market forces such as supply and demand, economic conditions and other factors. The investor may keep track of the current market price of the units of the Target Fund via Bursa Malaysia’s website at www.bursamalaysia.com on a daily basis.						
Period for payment of redemption proceeds	Redemption proceeds will be paid within ten (10) Business Days from the date on which a redemption request is deemed received by the Manager.	(a) For redemption of units of the Target Fund through the Participating Dealer - proceeds denominated in USD will be received by the investors within five (5) Business Days from the Trade Date. (b) For selling of units of the Target Fund on Bursa Malaysia - proceeds denominated in USD will be received by the investors within two (2) Business Days from the Trade Date.						
Fees and Charges	The charges that investors may directly incur when buying or redeeming Units are as follows: <table><tr><th>Charges</th><th>Description</th></tr><tr><td>Sales charge</td><td>Up to 3.00% of the NAV per Unit.</td></tr><tr><td>Exit charge</td><td>Nil.</td></tr></table>	Charges	Description	Sales charge	Up to 3.00% of the NAV per Unit.	Exit charge	Nil.	<u>Direct fees and charges payable by an investor</u> (a) For creation and redemption of units of the Target Fund through the Participating Dealer
Charges	Description							
Sales charge	Up to 3.00% of the NAV per Unit.							
Exit charge	Nil.							

	<table><tr><td>Transfer fee</td><td>Nil.</td></tr><tr><td>Switching fee</td><td>Nil.</td></tr></table>	Transfer fee	Nil.	Switching fee	Nil.	The fees and charges (excluding out-of-pocket expenses) to be paid by the Participating Dealer to the Target Fund Manager and/or trustee of the Target Fund (which may be charged to the investor by the Participating Dealer) as set out in the Participating Dealer Agreement are as follows: <table><tr><th>Fees and charges</th><th>Description</th></tr><tr><td>Creation/ Redemption Application fee</td><td>Nil.</td></tr><tr><td>Creation/ Redemption Application cancellation fee</td><td>1.00% of the Cash Redemption or 1.00% of the value of the In-Kind creation basket/In-Kind Redemption Basket, whichever is applicable, payable in USD to the Target Fund Manager or such amount as may be determined by the Target Fund Manager from time to time, in consultation with the trustee of the Target Fund.</td></tr><tr><td>Transaction costs</td><td>The Target Fund Manager may charge transaction costs (incurred by the Target Fund). This is to prevent the net asset value of the</td></tr></table>	Fees and charges	Description	Creation/ Redemption Application fee	Nil.	Creation/ Redemption Application cancellation fee	1.00% of the Cash Redemption or 1.00% of the value of the In-Kind creation basket/In-Kind Redemption Basket, whichever is applicable, payable in USD to the Target Fund Manager or such amount as may be determined by the Target Fund Manager from time to time, in consultation with the trustee of the Target Fund.	Transaction costs	The Target Fund Manager may charge transaction costs (incurred by the Target Fund). This is to prevent the net asset value of the
	Transfer fee	Nil.												
	Switching fee	Nil.												
	Fees and charges	Description												
	Creation/ Redemption Application fee	Nil.												
	Creation/ Redemption Application cancellation fee	1.00% of the Cash Redemption or 1.00% of the value of the In-Kind creation basket/In-Kind Redemption Basket, whichever is applicable, payable in USD to the Target Fund Manager or such amount as may be determined by the Target Fund Manager from time to time, in consultation with the trustee of the Target Fund.												
	Transaction costs	The Target Fund Manager may charge transaction costs (incurred by the Target Fund). This is to prevent the net asset value of the												
	The fees that investors may indirectly incur when investing in the Fund are as follows: <table><tr><th>Fees</th><th>Description</th></tr><tr><td>Management fee</td><td>Up to 1.20% per annum of the NAV per Unit.</td></tr><tr><td>Trustee fee</td><td>Up to 0.04% per annum of the Fund's NAV (excluding foreign sub-custodian fees and charges).</td></tr></table>		Fees	Description	Management fee		Up to 1.20% per annum of the NAV per Unit.	Trustee fee	Up to 0.04% per annum of the Fund's NAV (excluding foreign sub-custodian fees and charges).					
	Fees	Description												
	Management fee	Up to 1.20% per annum of the NAV per Unit.												
Trustee fee	Up to 0.04% per annum of the Fund's NAV (excluding foreign sub-custodian fees and charges).													
The charges and fees above are subject to such increased/variation as permitted by the Deed. There are other expenses which are directly related and necessary to the operation and administration of the Fund that may be charged to the Fund. Notwithstanding the above, there are also other charges incurred by the Fund when investing into the Target Fund via the following modes: (i) For creation and redemption of units of the Target Fund through the Participating Dealer. <i>Kindly refer to the next column of "Investing Directly in the Target Fund" on the charges incurred when investing into the Target Fund via this mode.</i> (ii) For trading of units of the Target Fund on Bursa Malaysia. <i>Kindly refer to the next column of "Investing Directly in the Target Fund" on the charges incurred</i>														

	when investing into the Target Fund via this mode.		Target Fund from being diluted by the transaction costs.						
		Other fees	The amount (other than transaction costs described above) that may be incurred by the Target Fund Manager and/or the trustee of the Target Fund from time to time in relation to the applications submitted by the Participating Dealer, which is charged by Bursa Depository Sdn Bhd.						
		(b) For trading of units of the Target Fund on Bursa Malaysia This table describes the charges that a typical investor may incur (based on the charges set out by Bursa Malaysia as at LPD, which may be varied from time to time) when an investor buys or sells units of the Target Fund on Bursa Malaysia:							
		<table><tr><th>Fees and charges</th><th>Description</th></tr><tr><td>Brokerage fee¹</td><td>As prescribed by Bursa Malaysia.</td></tr><tr><td>Bursa Malaysia clearing fee¹</td><td>0.03% of the transaction value, subject to a maximum of RM1,000 per transaction. A</td></tr></table>	Fees and charges	Description	Brokerage fee ¹	As prescribed by Bursa Malaysia.	Bursa Malaysia clearing fee ¹	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction. A	
Fees and charges	Description								
Brokerage fee ¹	As prescribed by Bursa Malaysia.								
Bursa Malaysia clearing fee ¹	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction. A								

		RM10 minimum fee per transaction is applicable for direct business contracts.
	Stamp duty ¹	The stamp duty is RM1.00 for every RM1,000 (or fractional part) of the transaction value of securities (payable by both buyer and seller), subject to a maximum of RM200 per transaction.

Note:
¹ All trading fees and charges are payable in Ringgit Malaysia. Any foreign currency conversions from USD to Ringgit Malaysia will be subject to foreign currency exchange rates imposed by the respective brokers and are negotiable. Investors may refer to <http://www.bursamalaysia.com/market/products-services/transactioncosts-fees-and-charges/> for further details.

Indirect fees and expenses payable by an investor of the Target Fund

This table describes the fees and expenses that an investor may indirectly incur when an investor invests in the Fund:

Fees and charges	Description
Annual management fee	0.40% ¹ per annum.
Annual trustee fee	0.035% ¹ per annum, subject to a minimum of

			RM12,000 per annum (excluding foreign sub-custodian fees and charges).
		Annual index licence fee	0.04% ¹ per annum, subject to an annual minimum fee of USD8,000.

Note:

¹ Calculated based on the net asset value of the Target Fund in USD, accrued daily. This fee is the current fee and is subject to such increase/variation as permitted by the deed for the Target Fund for management fee and trustee fee and as permitted by the index licence agreement for index licence fee.

As the Fund is investing in the Target Fund, the Fund will incur certain indirect fees charged by the Target Fund. Investors may be subjected to higher fees arising from the layered investment structure of a feeder fund.

Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the management fee charged by us at the Fund level. There is no double charging of management fee.

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5. RISK FACTORS

5.1 General Risks of Investing in the Fund

Below are some of the general risks which Unit Holders should be aware of when investing in the Fund.

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.

Management Risk

The performance of the Fund is affected by the experience, expertise and investment strategy of the Target Fund Manager. A lack of experience, knowledge and expertise, as well as poor execution of the investment strategy of the Target Fund may affect the returns of the Fund and may result in a loss of the capital invested.

Liquidity Risk

This risk refers to the possibility that the investments of the Fund cannot be readily sold or converted into cash as the Fund's investments in the Target Fund can only be redeemed through the Participating Dealer or trade on Bursa Malaysia, and is subject to the redemption policy of the Target Fund.

Performance Risk

The performance of the Fund depends on the investments of the Target Fund. If the investments of the Target Fund do not perform in accordance with expectations, there will be a negative impact on the performance of the Fund.

Inflation Risk

Inflation creates uncertainties over the future value of investments. There is a risk that the Fund may generate a return on investment lower than the inflation rate. This would reduce investors' purchasing power even though the nominal value of the investment in monetary terms has increased.

Risk of Non-Compliance

This refers to the current and prospective risk to the Fund and the investors' interest arising from non-compliance of regulations imposed by the CMSA, the Guidelines, the Deed, the Prospectus and/or the Manager's internal policies and procedures by the Manager. Risk of non-compliance can lead to diminished reputation, reduced franchise value, limited business opportunities and reduced expansion potential for the company. Accordingly, non-compliance may affect the investor's investments by causing a fall in the value of the Fund.

Suspension of Redemption Risk

The redemption of Units of the Fund may be suspended under exceptional circumstances, where: (i) the dealing in units of the Target Fund is suspended, including but not limited to when the trading of the Target Fund units on Bursa Malaysia is suspended, or (ii) the Target Fund is delisted from Bursa Malaysia. If the right of the Fund to redeem its units of the Target Fund via the Participating Dealer in the primary market is suspended, the Fund may be affected if the Fund does not have sufficient liquidity to meet redemption request from the Unit Holder. In such circumstances, we will suspend the redemption of Units of the Fund. If the Target Fund announced on Bursa Malaysia of its intention to delist, we will suspend the dealing in Units of the Fund from the date the Target Fund ceased to be traded on Bursa Malaysia until the delisting of the Target Fund, and thereafter, we will proceed to terminate the Fund. Upon suspension, the Fund will not be able to pay Unit Holders' redemption proceeds in a timely manner and Unit Holders will be compelled to remain

invested in the Fund for a longer period of time than the stipulated redemption timeline. Hence, Unit Holder's investments will continue to be subjected to the risk factors inherent to the Fund. Please refer to Section 7.7 – Suspension of Dealing in Units for further details.

Financing Risk

This risk occurs when investors take a financing to finance their investment. The inherent risk of investing with financed money includes investors being unable to service the financing. In the event Units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the financing.

No Guarantee of a Return on Investment

There is no guarantee on the investment returns to Unit Holders nor any assurance that the investment objective of the Fund will be achieved, as the investment of the Fund is subject to market fluctuations and its inherent risk.

5.2 Specific Risks related to the Fund

The specific risks affecting investments of the Fund include but are not limited to:

Currency Risk

Although the Target Fund is listed and traded on Bursa Malaysia, the Fund is exposed to currency fluctuation risk as well as changes in foreign exchange regulations as the Fund is substantially invested in the Target Fund which is denominated in USD. As a result, the Fund will be subject to currency risk arising from the movements in the USD/MYR exchange rate. Any gains or losses arising from the currency movements will affect the value of the Fund's investment in addition to the capital gains or losses of the Fund's investment, which in turn will impact the investment value of the Fund. The Manager may manage this risk by hedging the foreign currency exposure; however, investors will not be able to enjoy any upside from the foreign currency appreciation.

Islamic Collective Investment Scheme Risk

The Fund invests in an Islamic collective investment scheme which is exposed to price fluctuations in foreign securities that the Islamic collective investment scheme invests in. This may then affect the Unit price of the Fund.

Concentration Risk

The Fund is exposed to concentration risk as it is investing into one Islamic collective investment scheme, i.e. the Target Fund. Hence, the value of the Fund and its performance is substantially dependent on the performance of the Target Fund.

Redemption Risk

The ability of the Fund to honour requests for redemption in a timely manner is subject to the Target Fund Manager's ability to honour its obligations, the Fund's holding of adequate Islamic liquid assets and/or the Fund's ability to seek cash financing on a temporary basis as permitted by the relevant laws to meet redemption requests. In the event there are insufficient Islamic liquid assets, the Manager may have to liquidate the Fund's investments at an unfavourable price.

Islamic Financial Derivative Instruments Risk

The Fund may from time to time use Islamic financial derivative instruments for hedging. Islamic financial derivative instruments are financial contracts whose value depend on, or are derived from, the value of an underlying asset, reference rate or index. The use of Islamic financial derivative instruments may result in a lower NAV of the Fund due to the

costs of hedging. While the hedging strategy will assist in mitigating the potential losses by the Fund, any potential gains from the hedging strategy will be capped as well.

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant investments in the Fund may be reclassified as Shariah non-compliant in the periodic review of the investments by the SAC of the SC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such investments. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant investments. Please refer to the "Shariah Investment Guidelines" under Section 3 of this Prospectus for details on the treatment of gains and losses as a result of the reclassification of Shariah non-compliant investments.

Shariah Non-Compliance Risk

This risk refers to the risk that the Fund not conforming to Shariah requirements. The Manager with the advice of the Shariah Adviser would be responsible for ensuring that the Fund is managed and operated in accordance with Shariah requirements.

Any Shariah non-compliant investment made by the Fund due to error of the administration shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. Any gain resulting from the said disposal shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser whilst any loss is to be borne by the Manager.

Related Party Transaction Risk

The Target Fund Manager is a wholly-owned subsidiary of the Manager and may also have dealings with parties related to the Manager. Nevertheless, it is the Manager's policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

5.3 Specific Risks related to the Fund's investment in the Target Fund

5.3.1 General Risks of investing in the Target Fund

Returns and capital are not guaranteed

Investors of the Target Fund should be aware that by investing in the Target Fund, there is no guarantee of any returns. There is also no guarantee that investors of the Target Fund will enjoy any capital appreciation or will not experience any loss of capital invested in the Target Fund.

Income distributions are contingent on dividends from the Target Fund assets

This risk relates to the ability of the Target Fund to make income distributions to the unit holders of the Target Fund which depends principally on the dividends/profits declared and paid by the Target Fund's constituents and the level of fees and expenses payable by the Target Fund. Nonetheless, the Target Fund Manager currently intends to pay out income distributions of the Target Fund at least annually.

Market risk

The trading price of units of the Target Fund is determined by the market forces on Bursa Malaysia. The reference price of the Target Fund will be the net asset value per unit of the Target Fund. The net asset value of the Target Fund will fluctuate with changes in the market value of the securities it holds. The price of units of the Target Fund and income may go down as well as up. There can be no assurance that an investor of the Target Fund will achieve profits or avoid losses, significant or otherwise. Investors of the Target Fund

are exposed to similar market risks as investors who invest directly in the underlying securities. These risks include market fluctuations caused by factors such as economic and political developments, changes in interest rates and foreign exchange rates. A significant decline in the value of the Index Securities can therefore be expected to result in a similar decline in the net asset value of the Target Fund.

Passive investment

As the objective of the Target Fund is to track the performance of the Target Fund's Benchmark, the Target Fund is not actively managed and invests all or a substantial portion of the Target Fund assets in the Index Securities regardless of their investment merit. Investors should take note that the Target Fund Manager does not attempt to select securities individually or take defensive positions in declining markets. Therefore, a decline in the performance of the Target Fund's Benchmark will result in a corresponding fall in the value of the Target Fund irrespective of the performance of the overall equity market. Accordingly, there can be no assurance that the movement of the Target Fund's Benchmark and the net asset value of the Target Fund correspond with the movement of the overall equity market.

Tracking error risk

Imperfect correlation between the net asset value of the Target Fund and the Target Fund's Benchmark may occur due to factors such as the fees and expenses incurred by the Target Fund, rounding of share prices, changes to the Target Fund's Benchmark, dividend purification and, regulatory policies. There is no assurance that the Target Fund will be able to fully track the performance of the Target Fund's Benchmark. To minimise the tracking error, the Target Fund Manager aims to adopt a full replication strategy in managing the Target Fund. However, a partial replication technique may be adopted if the Target Fund Manager believes that the full replication technique is not the most efficient method to track the Target Fund's Benchmark.

Concentration in a particular group of securities, industry or group of industries

If the Target Fund's Benchmark comprises Index Securities that are concentrated in a particular group of securities, industry or group of industries, the Target Fund may be adversely affected by the performance of those securities and be subject to price volatility. Further, the Target Fund may also be more susceptible to any single economic, market, political or regulatory occurrence. This is partly mitigated by the single-security and single-country limits embedded in the Target Fund's Benchmark's construction.

Foreign investment risk

The Target Fund will invest in constituents of the Target Fund's Benchmark which are listed on the Relevant Exchanges across the U.S.. An investment in the units of the Target Fund involves risks similar to those of investing in a broad-based portfolio of equity securities traded on exchanges in the relevant overseas securities market, including market fluctuations caused by factors such as economic and political developments, changes in interest rates and perceived trends in stock prices. In comparison to the Malaysian market, investing in foreign markets may attract additional risks as such markets may exhibit the following characteristics:

- higher price volatility;
- fluctuations in exchange rates and exchange controls;
- imposition of restrictions on the repatriation of funds or other assets of the Target Fund;
- higher transaction and custody costs, delays and risks settlement procedures;
- difficulties in enforcing contractual obligations;
- lower levels of regulation of the securities markets;
- different accounting, disclosure and reporting requirements;
- higher levels of government involvement in the economy; and
- greater social, economic, and political uncertainty and the risk of nationalisation or expropriation of assets and risk of war or terrorism.

Reliance on the Participating Dealer

The creation and redemption of units of the Target Fund may only be effected through a Participating Dealer. The Participating Dealer may, in its absolute discretion, refuse to accept a creation or redemption order from an investor and can charge fees as it may determine. The Participating Dealer will not be able to apply to create or redeem units of the Target Fund during any period when, amongst other things, dealing on Bursa Malaysia is restricted or suspended, settlement or clearing of securities through Bursa Depository Sdn Bhd is disrupted or the Target Fund's Benchmark is not compiled or published. In addition, the Participating Dealer will not be able to apply to create or redeem units of the Target Fund if some other events occur which impedes the calculation of the net asset value of the Target Fund or disposal of the Target Fund's portfolio securities cannot be effected. Since there may be only one (1) participating dealer at any given time, there is a risk that investors of the Target Fund may not always be able to create or redeem units of the Target Fund freely.

Liquidity risk

Investors of the Target Fund should be aware that there can be no assurance that an active trading market for the units of the Target Fund will be developed or be maintained. There is no certain basis for predicting the actual price levels at, or volume in, which the units of the Target Fund may trade. Further, there can be no assurance that unit holders of the Target Fund will experience trading or pricing patterns similar to those of market-traded securities which are issued in other jurisdictions or which are based upon indices other than the Target Fund's Benchmark.

Furthermore, there is a possibility that the units of the Target Fund are not widely held following its listing on Bursa Malaysia. Consequently, investors of the Target Fund may not be able to trade their units of the Target Fund on Bursa Malaysia due to the lack of liquidity. Whilst a liquidity provider has been appointed for the Target Fund, there can be no assurance that such liquidity risk will be fully mitigated.

Units of the Target Fund may trade at prices other than at the net asset value per unit of the Target Fund

The net asset value per unit of the Target Fund represents the fair price for buying or selling units of the Target Fund. As with any listed fund, the secondary market price of units of the Target Fund may sometimes trade above or below the net asset value per unit of the Target Fund. There is a risk, therefore, that unit holders of the Target Fund may not be able to buy or sell at a price close to the net asset value per unit of the Target Fund. The deviation from net asset value per unit of the Target Fund is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for units of the Target Fund on the Main Market on Bursa Malaysia.

However, given that the Participating Dealer can apply to create and redeem units of the Target Fund in creation unit blocks and Redemption Unit Blocks, it is not anticipated that the market prices of units of the Target Fund will have large deviations from the net asset value per unit or even if there is, that such deviations will be sustained. However, if the creation and redemption of units of the Target Fund is temporarily suspended due to market events in any of the Relevant Exchanges, the trading price of the units of the Target Fund may be adversely affected and differs from the net asset value per unit of the Target Fund.

Trading in Units of the Target Fund on Bursa Malaysia may be suspended or de-listed

Investors of the Target Fund will not be able to purchase or sell units of the Target Fund on Bursa Malaysia during any period that Bursa Malaysia suspends trading in the units of the Target Fund. Bursa Malaysia may suspend the trading of units of the Target Fund whenever it determines as appropriate in the interests of a fair and orderly market to protect investors of the Target Fund. The creation and redemption of units of the Target

Fund will also be suspended in the event that the trading of units of the Target Fund on Bursa Malaysia is suspended.

Further, Bursa Malaysia imposes certain requirements for the continued listing of securities, including the units of the Target Fund, on Bursa Malaysia. Investors of the Target Fund cannot be assured that the Target Fund will continue to meet the requirements necessary to maintain the listing of the units of the Target Fund on the Main Market on Bursa Malaysia or that Bursa Malaysia will not change the Main Market Listing Requirements issued by Bursa Malaysia. The Target Fund may be terminated if its units are de-listed from Bursa Malaysia.

Market disruption events and settlement disruption events

There may be a suspension of the determination of the net asset value of the Target Fund, suspension of trading in units of the Target Fund and/or suspension in creation application and/or redemption application if there is a market disruption event or a settlement disruption event in any of the Relevant Exchanges.

Market disruption events may include without limitation, any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Relevant Exchanges) in the constituents of the Target Fund's Benchmark, the closure of any of the Relevant Exchanges prior to its scheduled closing time on any market day and any general moratorium declared in respect of banking activities which may result in the inability to perform settlement activities relating to the constituents of the Target Fund.

Settlement disruption events may include without limitation, any technical difficulties experienced by the Target Fund Manager, which are out of the control of the Target Fund Manager in processing a valid creation application and/or redemption application.

Minimum creation and redemption size

Units of the Target Fund will only be issued and redeemed in a creation unit block and Redemption Unit Block (currently 300,000 units of the Target Fund) or whole multiples thereof. Investors who do not hold Redemption Unit Blocks will only be able to realise the value of their units of the Target Fund by selling their units of the Target Fund on Bursa Malaysia at the trading market prices. The market prices of units of the Target Fund as traded on Bursa Malaysia may deviate from the net asset value per unit of the Target Fund.

Legal and regulatory risk

The Target Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objective followed by the Target Fund. Furthermore, such changes in the laws may have an impact on the market sentiment which may in turn affect the performance of the Target Fund's Benchmark and as a result, the performance of the Target Fund. It is impossible to predict whether such an impact caused by any change in the law will be positive or negative for the Target Fund. In the worst case scenario, a unit holder of the Target Fund may lose all his investments in the Target Fund.

Registration or cross-listing of the Target Fund in other markets

The Target Fund may in the future be registered on other markets, or cross-listed on other exchanges, or otherwise offered in other jurisdictions. As this is expected to improve the liquidity for existing unit holders of the Target Fund and may result in more efficient secondary market pricing due to increased scope for arbitrage, the Target Fund Manager may be permitted by the trustee of the Target Fund to charge the related costs to the Target Fund, which increases the management expense ratio of the Target Fund and may result in a larger tracking error between the Target Fund and the Target Fund's Benchmark.

Settlement risk

Settlement risk is the risk that a counterparty trading with the Target Fund is unable to settle a trade due to changing financial or market conditions.

Trading risk

While the creation/redemption feature of the Target Fund is designed to make it likely that units of the Target Fund will trade close to their net asset value, disruptions to creations and redemptions activities (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the net asset value of the Target Fund. Also, there can be no assurance that an active trading market will exist for the units of the Target Fund on any securities exchange on which units of the Target Fund may trade.

Trading costs risk

Buying or selling units of the Target Fund involves various types of costs that apply to all securities transactions. When trading units of the Target Fund through a broker, investors will incur a brokerage commission or other charges imposed by the broker. In addition, investors on the secondary market, will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the units of the Target Fund (bid price) and the price they are willing to sell units of the Target Fund (ask price). Frequent trading may detract significantly from investment results and an investment in units of the Target Fund may not be advisable particularly for investors who anticipate regularly making small investment transactions.

Inflation risk

This is the risk that investors' investment in the Target Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

Suspension of creations and redemptions

Dealings of units of the Target Fund on Bursa Malaysia may not necessarily be suspended in the event that the creation and redemption of units of the Target Fund is temporarily suspended by the Target Fund Manager in accordance with the terms of the deed of the Target Fund. If the creation and redemption of units of the Target Fund is temporarily suspended, the trading price of the units of the Target Fund may be adversely affected and differ from the market value of the Target Fund's underlying assets.

5.3.2 Risk Factors specific to the Investment Portfolio of the Target Fund

Concentration risk

The Target Fund assets are invested mainly in constituents of the Target Fund's Benchmark, comprising securities of large market capitalisation U.S. companies that are listed on the Relevant Exchanges. As most of these companies' business activities are based predominantly in the U.S., the performance of the Target Fund's Benchmark and consequently the Target Fund, would be susceptible to any major economic, market, political or regulatory changes in the U.S..

Reclassification of Shariah-compliant securities

The reclassification may occur if the Shariah-compliant securities invested by the Target Fund are reclassified to be Shariah non-compliant in the periodic review of the securities by the SAC of the SC, the Shariah adviser of the Target Fund or the Shariah boards of the relevant Islamic indices. If this occurs, the Target Fund Manager will have to take the necessary steps to dispose of such securities. There may be opportunity loss to the Target Fund due to the Target Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Target Fund may also be adversely affected in the event of a disposal of Shariah non-compliant

securities at a price lower than the investment cost. Please refer to Section 4.6 - Shariah Investment Guidelines of the Target Fund for further details.

Risk related to restrictions on foreign investors

The Relevant Exchanges on which the Target Fund's Benchmark's constituents are listed may require prior governmental approvals or impose limits on the amount or types of securities or companies in which foreigners may invest. These restrictions may limit the Target Fund's investments, increase its costs and impact its ability to accurately match the composition of and weightings in the Target Fund's Benchmark. This, to a certain extent is mitigated by the periodic investability screenings by the Index Licensor which takes into consideration the respective markets' restrictions on foreign equity holdings.

Taxation in foreign jurisdictions

The Target Fund will invest in the Relevant Exchanges in the U.S.. Profits, dividend and other income realised by the Target Fund from sources in this jurisdiction, and capital gains realised on the sale of assets may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced and/or in which the issuer is located and/or in which the permanent establishment is located. It is impossible to predict the rate of foreign tax that the Target Fund may be required to pay since the nature and amounts of assets to be invested in any particular jurisdiction, the tax treatment of the activities of the Target Fund in any particular jurisdiction, and the ability of the Target Fund to reduce such taxes in any particular jurisdiction are not known. It is not practical to provide more specific disclosure of the tax consequences that might result from an investment in the Target Fund.

Valuation and liquidity risk

The price at which portfolio securities may be purchased or sold by the Target Fund upon any rebalancing activities or otherwise (necessary to track the Target Fund's Benchmark) and the value of the units of the Target Fund will be adversely affected if trading markets for the securities comprised in the Target Fund assets are limited or absent or if spreads are wide.

Foreign currency exchange risk

Since this is a USD denominated fund, investors who have opted to receive their income distribution in USD will not be subjected to any foreign currency exchange risk.

However, investors who will be receiving their income distribution in Ringgit Malaysia will be exposed to foreign currency exchange risk upon their income distribution being translated from USD into Ringgit Malaysia.

Similarly, investors who have multi-currency trust accounts may dispose their Units through their brokers or redeem their Units through the Participating Dealer and will receive proceeds from the disposal or redemption of Units in USD and will not be subjected to any foreign currency exchange risk. Investors without a multi-currency trust account are encouraged to have one to avoid direct exposure to the foreign currency exchange risk.

5.3.3 Risk Factors related to the Target Fund's Benchmark

Errors or inaccuracies in the Target Fund's Benchmark

Factors such as technical glitch in S&P Dow Jones' or the exchange's system and inconsistency of information provided by multiple data vendors to the Index Licensor may affect the accuracy and completeness in the calculation of the Target Fund's Benchmark. These inaccuracies, errors, omissions or mistakes in the compilation or calculation of the Target Fund's Benchmark may result in significant deviations between the net asset value of the Target Fund and the Target Fund's Benchmark. The Target Fund Manager and the trustee of the Target Fund are not responsible or involved in the compilation or calculation of the Target Fund's Benchmark, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

The Target Fund's Benchmark is subject to fluctuations

The investment objective of the Target Fund is to ensure that the net asset value of the Target Fund corresponds closely with the performance of the Target Fund's Benchmark. As the Target Fund's Benchmark may experience periods of volatility or decline in the future, this may result in the net asset value of the Target Fund and the price of the units of the Target Fund experiencing similar volatility or decline.

Composition of and weightings in the Target Fund's Benchmark may change

The constituents in the Target Fund's Benchmark can be changed by the Index Licensor from time to time and may not necessarily comprise the same set of constituents at the time of the investment in the units of the Target Fund. The price of the units of the Target Fund may rise or fall as a result of such changes. The composition of the Target Fund's Benchmark may also change if one of the constituent companies were to be de-listed or if a new eligible company were to be listed and is added to the Target Fund's Benchmark. If this happens, the weighting and composition of the Index Securities invested by the Target Fund would be changed as considered appropriate by the Target Fund Manager in order to achieve the Target Fund's investment objective. Further, the weighting and/or composition of the Index Securities invested by the Target Fund may also change during the rebalancing of the Target Fund's portfolio of investments which may be undertaken not more than once a month.

Licence to use the Target Fund's Benchmark may not be renewed

The Target Fund Manager has been granted a licence by the Index Licensor to use the Target Fund's Benchmark in connection with the operation, marketing and promotion of the Target Fund. The Target Fund may be terminated if the index licence agreement entered into between the Target Fund Manager and the Index Licensor is not renewed or is terminated and the Target Fund Manager is unable to identify or agree with the Index Licensor or any other index provider's terms for the use of a suitable replacement index that uses, in the opinion of the Target Fund Manager, the same or substantially similar formula for the method of calculation as the Target Fund's Benchmark. If the objective of the replacement index differs from the Target Fund's Benchmark, any replacement index will be subject to the approval of the unit holders of the Target Fund and the approval of the SC. If the objective of the replacement index does not differ from the Target Fund's Benchmark, any replacement index will be subject to the approval of the SC and notified to unit holders of the Target Fund. Accordingly prospective investors should note that the ability of the Target Fund to track the Target Fund's Benchmark depends on the continuation in force of the index licence agreement in respect of the Target Fund's Benchmark or a suitable replacement.

Compilation of the Target Fund's Benchmark

No warranty, representation or guarantee is given as to the accuracy or completeness of the Target Fund's Benchmark and its computation or any information related thereto. The process and the basis of computing and compiling the Target Fund's Benchmark and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Licensor without notice.

The above does not purport to be a complete explanation of all the risks involved in an investment in the Target Fund. Please refer to the prospectus of the Target Fund and any supplementary prospectus of the Target Fund for the risks related to the Target Fund. You may request a copy of the latest prospectus of the Target Fund and/or supplementary prospectus of the Target Fund from the Manager.

5.4 Risk Management Strategies

Portfolio risk management is central to the Manager's investment process. Portfolio risk management can therefore include the application of policies, procedures and practices

which continually seek to identify, analyse, assess, control and mitigate unacceptable risk as it accumulates and/or concentrates within a portfolio. Accordingly, the portfolio of the Fund is subjected to numerous risk management techniques including the Fund's exposure limits (specific funds, asset classes, geographic regions, etc.), pre-determined Fund's liquidity levels and risk budgets, and clear "allocation / rebalancing" and "exit" strategies.

We have established liquidity risk management policy to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the redemption requests from the Unit Holders as well as to safeguard the interests of the remaining Unit Holders. In managing the Fund's liquidity, we will:

- (i) ensure the Fund maintains sufficient Islamic liquid assets to meet redemption requests from Unit Holders;
- (ii) regularly review the Fund's investment portfolio including its liquidity profile;
- (iii) monitor the Fund's net flows against redemption requests during normal and adverse market conditions to ensure the Fund has sufficient cash holdings to mitigate any potential risk in not being able to meet the redemption requests from Unit Holders; and
- (iv) where available, obtain Islamic cash financing on a temporary basis for the purpose of meeting redemption requests for Units and for short-term bridging requirements.

However, if we have exhausted the above avenue, we will, in consultation with the Trustee and having considered the interests of the Unit Holders, resort to suspend the redemption of Units to manage the liquidity of the Fund under exceptional circumstances, where: (i) the dealing in units of the Target Fund is suspended, including but not limited to when the trading of the Target Fund units on Bursa Malaysia is suspended, or (ii) the Target Fund is delisted from Bursa Malaysia. Except in the case of the Target Fund is delisted, any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer to Section 7.7 – Suspension of Dealing in Units for further details.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. Different investment instruments generally exhibit different levels of risk. Please note that the returns of the Fund are not guaranteed.

The investment of the Fund carries risk and you should read the whole Prospectus to assess the risks of the Fund. You are also reminded that the risks listed above may not be exhaustive. If in doubt, please consult your advisers, e.g. bankers, lawyers, Shariah advisers, stockbrokers or independent professional advisers for a better understanding of the risks.

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6. FEES, CHARGES AND EXPENSES

6.1 Charges

The charges that you may directly incur when buying or redeeming Units are as follows:

6.1.1 Sales Charge

Up to 3.00% of the NAV per Unit

Note: We may waive or reduce the sales charge imposed. You may also negotiate for a lower sales charge with your preferred distributor, subject to the respective channels' qualifying criteria.

6.1.2 Exit Charge

Nil.

6.1.3 Transfer Fee

Nil.

6.1.4 Switching Fee

Nil.

6.2 Fees and Expenses

The fees and expenses that you may indirectly incur when investing in the Fund are as follows:

6.2.1 Management Fee

Up to 1.20% per annum of the Fund's NAV

The management fee is calculated and accrued on a daily basis and payable to the Manager on a monthly basis. We may, at our discretion, from time to time, charge a management fee that is lower than stated above. Please refer to <https://www.kenangainvestors.com.my/fund-list>, under fees and charges of the Fund for information on the current management fee charged to the Fund.

6.2.2 Trustee Fee

Up to 0.04% per annum of the Fund's NAV (excluding foreign sub-custodian fees and charges)

The trustee fee is calculated and accrued on a daily basis and payable to the Trustee on a monthly basis. The Trustee may, at its discretion, from time to time, charge a trustee fee that is lower than stated above. Please refer to <https://www.kenangainvestors.com.my/fund-list>, under fees and charges of the Fund for information on the current trustee fee charged to the Fund.

Please refer to Section 7.3 – Pricing Policy for an illustration of the computation of management fee and trustee fee and their impact on NAV and NAV per Unit.

6.2.3 Fund's Expenses

These would include (but are not limited to) the following:

- (a) commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes (if any);
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) fees and expenses properly incurred by the auditor appointed for the Fund;
- (d) fees for the valuation of any Shariah-compliant investment of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any Shariah-compliant asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed Shariah-compliant 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 or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any Shariah-compliant asset of the Fund, including proceedings against the Trustee or the Manager 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 Manager 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 person(s) or members of the committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (o) expenses and charges incurred in connection with the printing and postage for the annual or semi-annual report, tax certificates, reinvestment statements and other services associated with the administration of the Fund;
- (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians for taking into its custody any foreign assets of the Fund;
- (q) fees in relation to fund accounting;
- (r) all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and
- (s) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under subparagraphs (a) to (r) above.

6.3 Policy on Rebates and Soft Commissions

It is our policy to credit any rebates received into the account of the Fund.

Goods and services ("soft commissions") provided by any broker or dealer may be retained by the Manager if:

- (a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

6.4 Tax

Unit Holders and/or the Fund, as the case may be, will bear any tax which may be imposed by the government or other authorities from time to time in addition to the applicable fees, charges and expenses stated in this Prospectus.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

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7. TRANSACTION INFORMATION

7.1 Valuation of Assets

We will ensure that all the assets of the Fund are valued at fair value and comply at all times with Schedule C of the Guidelines. The valuation bases for the investments permitted by the Fund are as follows:

Investment Instruments	Valuation Basis
Islamic collective investment scheme listed on any exchange	Islamic collective investment scheme (i.e., the Target Fund) which is quoted on an exchange shall be valued based on the official closing price or last known transacted price on the exchange on which the Islamic collective investment scheme is quoted. However, if the price is not representative or not available to the market, the Islamic collective investment scheme must be valued at fair value as determined in good faith by the Manager, on methods or bases which have been approved by the Trustee.
Islamic money market Instruments	Investments in Islamic financial instruments such as Islamic accepted bills, BNM Islamic negotiable instruments or other short-term Islamic financial instruments issued by government or government-related agencies are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period. For investments in Islamic commercial papers, valuation will be performed by reference to the fair value prices quoted by a bond pricing agency registered with the SC.
Islamic deposits	Islamic deposits placed with financial institutions will be valued by reference to the value of such investments and the profit accrued thereon for the relevant period.
Islamic financial derivative instruments	Islamic financial derivative instrument is classified as a financial asset and is measured at fair value through profit or loss ("FVTPL"). The Islamic financial derivative instrument is marked-to-market using valuation price quoted by the Islamic financial derivative instrument provider. The fair value of the Islamic financial derivative instrument will be valued at least once a week. Any unrealised gain or loss comprise of the changes in fair value of the Islamic financial derivative instrument is reported immediately on the statement of comprehensive income of the Fund.

7.2 Valuation Point

The Fund must be valued at least once every Business Day (or "trading day" or "T" day).

The Fund invests in the Target Fund, an ETF that is listed on Bursa Malaysia but denominated and traded in USD. As a result, the Fund's valuation requires converting the Target Fund's closing price from USD into MYR. The foreign exchange rate used for valuation of foreign investment is based on bid rate obtained from Reuters or Bloomberg at 4.00 p.m. United Kingdom time the same day in accordance with the Investment Management Standards - IMS-4 issued by the

Federation of Investment Managers Malaysia ("FiMM"), or such other time as amended from time to time by the FiMM, any other relevant guidelines or regulations.

If you want to know the latest prices of the Units, please contact the Manager directly or refer to our website www.kenangainvestors.com.my.

7.3 Pricing Policy

We adopt a single pricing policy for any transactions, that is both the Selling Price and Redemption Price will be quoted based on the NAV per Unit. The NAV per Unit will be rounded to four (4) decimal points for the purposes of publishing the NAV per Unit.

When you invest in the Fund, the investment amount payable to us is rounded to two (2) decimal points. The Units allocated to your investment account will be rounded to two (2) decimal points. Your redemption value will also be rounded to two (2) decimal points.

- Computation of NAV and NAV per Unit**

The NAV of the Fund is calculated once every Business Day, and is defined as the total value of the Fund's assets less the total value of the Fund's liabilities at the valuation point. Where applicable, investment income, interests payable, fees and other liabilities (including management fee) will be accrued daily in arriving at the NAV of the Fund.

$$\text{NAV per Unit} = \frac{\text{NAV of the Fund}}{\text{Number of Units in circulation}}$$

Illustration: Computation of NAV and NAV per Unit for a particular day: -			
	Investments in Target Fund	RM	100,000,000.00
	Liquid Assets	RM	10,000,000.00
	Total Assets	RM	110,000,000.00
Less:	Liabilities	RM	(200,000.00)
	NAV (before fees)	RM	109,800,000.00
Less:	Management fee (1.20% per annum)*	RM	(2,513.97)
Less:	Trustee fee (0.04% per annum/365 days)	RM	(120.33)
	NAV (after fees)	RM	109,797,365.70
	Units in circulation		100,000,000.00
	NAV per Unit of the Fund (rounded to 4 decimal points)	RM	1.0980

Please note that the above example is for illustrative purpose only.

Note:

* Management fee is computed as per the following:

Investments in Target Fund x (management fee rate – Target Fund management fee rate)	+	(NAV (before fees) – investments in the Target Fund) x management fee rate
365 days		365 days

$\frac{\text{RM}100,000,000 \times (1.20\% - 0.40\%)}{365 \text{ days}}$	+	$\frac{(\text{RM}109,800,000 - \text{RM}100,000,000) \times 1.20\%}{365 \text{ days}}$
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RM2,191.78 per day	+	RM322.19
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= RM2,513.97

Computation of Selling Price

You may invest in Units of the Fund on any Business Day.

The number of Units invested is determined by dividing the investment amount (excluding sales charge) with the NAV per Unit at the next valuation point after we receive the investment application, rounded to the nearest two (2) decimal places.

Illustration: Determining Investment Amount & Units Entitlement			
	Investment amount	RM	10,000.00
Add:	Sales charge (3.00%)	RM	300.00
	Total amount payable by investor	RM	10,300.00
If the NAV per Unit calculated at the next valuation point was RM1.0000, the number of Units invested would be:			
	Investment amount	RM	10,000.00
Divide:	NAV per Unit	RM	1.0000
	Number of Units invested		10,000.00 Units

• Computation of Redemption Proceeds

You may redeem your investment on any Business Day.

The redemption proceeds are calculated by multiplying the NAV per Unit at the next valuation point after we receive the redemption request, by the number of Units held.

Illustration: Determining the Redemption Proceeds			
	Number of Units to be redeemed		10,000.00
If the NAV per Unit calculated at the next valuation point was RM1.1000, the redemption proceeds would be:			
Multiply:	NAV per Unit	RM	1.1000
	Redemption proceeds	RM	11,000.00
Less:	Exit charge (Nil)		NIL
	Net amount payable to investor	RM	11,000.00

- **Movement between Funds – Determining Investment Amount and Units Entitlement**

Example : Movement from the Fund to another fund that you intend to switch into

Step 1 : To determine the switching amount of the Fund.

The switching amount is determined by multiplying the NAV per Unit of the Fund at the end of the Business Day with the number of Units to be switched.

Step 2 : A switching fee, where applicable, is deducted from the switching amount derived in Step 1.

Step 3 : To determine the number of units in the other fund that you intend to switch into (i.e., Fund A)

The number of units is calculated by dividing the switching amount with the NAV per unit of Fund A at the end of the Business Day and rounded to the nearest two (2) decimal places.

Illustration: Determining the Switching Amount			
Assuming an investor wishes to switch 10,000 Units in the Fund to Fund A			
Multiply:	Units in the Fund to be switched out		10,000.00
	NAV per Unit of the Fund	RM	1.0050
	Switching amount	RM	10,050.00
Less:	Switching Fee (Nil)		NIL
	Net switching amount	RM	10,050.00
Divide:	NAV per unit of Fund A	RM	0.5233
	Number of units in Fund A	RM	19,205.04
	Therefore:	Fund	Fund A
	Units before switch	10,000.00	0.00
	Units switch (out) / in	(10,000.00)	19,205.04
	Units after switch	0.00	19,205.04

- **Incorrect Pricing Policy**

Subject to any relevant law, if there is an error in the pricing of the NAV per Unit, we will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursements of monies in the following manner if the error is at or above the significant threshold of 0.5% of the NAV per Unit unless the total impact on the Unit Holder's account is less than RM10.00:

- if there is an over-pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;
- if there is an over-pricing in relation to the redemption of Units, we shall reimburse the Fund;
- if there is an under-pricing in relation to the purchase and creation of Units, we shall reimburse the Fund; and
- if there is an under-pricing in relation to the redemption of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

7.4 Application and Redemption of Units

Who Can Invest

- Local and foreign individuals, investing in single or joint names (joint-holders). Persons under the age of eighteen (18) are to jointly hold the investment with an adult.
- Corporate entities, trusts, co-operatives and foundations.

How can I Purchase or Redeem an Investment?

- You are required to complete application forms or redemption forms, which are available at our head office, regional offices, approved IUTAs and our tied agents throughout Malaysia. Please refer to Directory of the Manager's Offices and List of IUTAs at the end of this Prospectus.
- Investors are recognised as Unit Holders only after they have been registered in the Unit Holders' register. The registration takes effect from the date we receive and accept the application to purchase Units from you together with the payment thereof.

You are advised not to make payment in cash to any individual agent when purchasing Units of the Fund.

Transaction Details

Minimum Initial Investment	RM1,000
Minimum Subsequent Investment	RM100
Minimum Units for Redemption	500 Units
Minimum Holdings	500 Units
Minimum Switching of Units	500 Units
Minimum Transfer of Units	500 Units

Note: We reserve the right to change the minimum amounts and number of Units stipulated above from time to time. In the event of an increase to the minimum Units for redemption, switching, transfer or holdings, you will be informed prior to the increase in accordance with the requirements of the Guidelines.

Redeeming Your Investment

- The Fund does not have any restriction on the frequency of redemption.
- You may redeem all or a minimum of 500 Units per transaction (with a minimum of 500 Units to remain in your account at any time) at any time by simply completing the

redemption form and returning it to us through our appointed agents or directly to our business office.

- The cut-off time for making a redemption request is 4:00 p.m. on any Business Day. The cut-off time will be determined based on the time and date stamp made by us. Redemption requests received by us before the cut-off time will be transacted at the Redemption Price calculated at the next valuation point after such request is received by us (i.e. "forward pricing"). Any redemption request received by us after the cut-off time will be deemed to have been received on the next Business Day.
- Payment of redemption proceeds will be made within ten (10) Business Days* from the date on which a redemption request is deemed received.
- If you hold less than 500 Units (Minimum Holdings) after the redemption request, we will automatically redeem the balance of the Units held in your account and pay the redemption proceeds to you.

Note:

- * *Under normal circumstances, we will sell the Target Fund's units via the secondary market on Bursa Malaysia on the next Business Day and the Fund will receive the redemption proceeds within two (2) Business Days from the Trade Date. However, if there is insufficient liquidity in the secondary market or the redemption requests meets the minimum Redemption Unit Block, the Fund may redeem units of the Target Fund via the primary market through a Participating Dealer. In such a case, the Fund will receive the redemption proceeds within five (5) Business Days from the day the Fund's redemption request to redeem the Target Fund's units through the Participating Dealer is accepted by the manager of the Target Fund. Upon the Fund receiving the redemption proceeds from the Target Fund, payment will be made to you within four (4) Business Days. This additional time is required to complete the currency conversion process, as the Target Fund is denominated and traded in USD while the Fund's base currency is MYR. As such, the redemption proceeds will be paid to the Unit Holders within ten (10) Business Days from the date the Unit Holder's redemption request is received by us.*

However, if the Target Fund's daily limit on redemption has been breached on a Trade Date, resulting in the Fund's redemption requests at the Target Fund level being deferred, or there is a currency holiday for settlement of transactions, a longer redemption proceeds payout period of up to two (2) Business Days is needed for the Fund to receive the redemption proceeds from the Target Fund. In the event of any delay in payment of redemption proceeds to the Unit Holders beyond ten (10) Business Days, Unit Holders will be informed of such delay in payment within seven (7) Business Days from the date their redemption request is received by us. Please refer to Section 4.9 – Redemption Policy of the Target Fund for further details.

Transfer of Units

- Units of the Fund are transferable without any fee and restrictions, save and except for the minimum Units required for each transfer is 500 Units.
- A copy of the "Transfer Form" can be obtained from our office.
- If you will hold less than 500 Units (Minimum Holdings) after the transfer request, we will not proceed with the transfer request and the transaction is considered void until you make a fresh transfer request.

Switching Facility

- You may move your investments between equity funds and non-equity funds, whereby a movement from a non-equity fund into an equity fund will attract a payment of up to 5.50% of the net asset value per unit of the relevant fund, being the difference in sale charge, in addition to the switching fee. A Unit Holder switching from a fund with a lower sales charge, to a fund with a higher sales charge will pay the difference in sales charge between the sales charge of these two (2) funds. If a Unit Holder switches from one (1) fund with higher sales charge to another fund with a lower sales charge, the Unit Holder will switch at the net asset value per unit of the other fund. All switches are subject to the availability of units of the relevant funds.
- Switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Unit Holders.

Cooling-Off Right

- A cooling-off right refers to the right of the investor to obtain a refund of his/her investment if he/she so requests within the cooling-off period (within six (6) Business Days from the date of receipt of application to purchase Units). This is to allow investors the opportunity to reverse their investment decision that could have been unduly influenced by certain external elements or factors.
- The cooling-off right is only given to an individual investor, other than those listed below, who is investing for the first time in any unit trust funds managed by us:
 - (a) our staff; and
 - (b) persons registered with a body approved by the SC to deal in unit trust funds.
- Within the cooling-off period, the refund to the investors, shall be as follow:
 - (a) the NAV per Unit on the day the Units were purchased, or the prevailing NAV per Unit at the point of exercise of the cooling-off right (whichever is lower); and
 - (b) the sales charge originally imposed on the day the Units were purchased.
- The investors shall be refunded within seven (7) Business Days (from the date of receipt of the cooling-off notice by the investors). Any application for cooling-off must be made before the cut-off time of 4.00 p.m. on any Business Day.

7.5 Distribution Policy and Reinvestment Policy

Distribution of income is incidental.

Mode of Distribution

Income distribution will be paid to Unit Holders in the form of cash payout or reinvestment into the Fund as indicated by the Unit Holders in the application form.

Cash Payout Policy

Unit Holders who opt for income distribution in the form of cash payout will receive their income distribution by way of electronic transfer into their designated bank account.

Note: If the payment for income distribution is unsuccessful or cannot be effected for any reason whatsoever and the income distribution remains unclaimed for six (6) months, the unclaimed income distribution will be reinvested into the Fund within fifteen (15) Business Days after the expiry of the six (6) months period based on the prevailing NAV per Unit on the day of the reinvestment if the Unit Holders still hold Units of the Fund and have an account with us. If the

Unit Holders no longer hold any Units of the Fund, we will deal with the unclaimed income distribution in accordance with the requirements of the Unclaimed Moneys Act, 1965 (as amended by the Unclaimed Moneys (Amendment) Act 2024).

Reinvestment Policy

Units will be created based on the NAV per Unit at the end of the income distribution day (at ex-distribution NAV per Unit) with no sales charge.

In the absence of instructions from a Unit Holder, distributions from the Fund are automatically reinvested into additional Units of the Fund based on the NAV per Unit at the end of the income distribution day (at ex-distribution NAV per Unit) with NO sales charge. If income earned is RM250 or less, it will be automatically reinvested.

7.6 Financing and Borrowing

The Fund is prohibited from borrowing other assets (including borrowing of securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC) in connection with its activities. However, the Fund may take Islamic cash financing on a temporary basis for the purpose of meeting redemption requests for Units and for short term bridging requirements subject to the following:

- (a) the Fund's Islamic cash financing is only on a temporary basis and that Islamic cash financings are not persistent;
- (b) the Islamic cash financing period shall not exceed one (1) month;
- (c) the aggregate Islamic cash financings of the Fund shall not exceed 10% of the Fund's NAV at the time the financing is incurred; and
- (d) the Fund only obtains Islamic cash financing from financial institutions.

7.7 Suspension of Dealing in Units

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances, where the dealing in units of the Target Fund is suspended, amongst others, when the trading of the Target Fund units on Bursa Malaysia is suspended.

The Manager will cease the suspension as soon as practicable after the aforesaid circumstances has ceased, and in any event within twenty-one (21) days of commencement of suspension. The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of Unit Holders for the dealing in Units to remain suspended. Such suspension will be subject to weekly review by the Trustee.

Any redemption request received by the Manager during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. In such cases, Unit Holders will be compelled to remain invested in the Fund for a longer period of time than the stipulated redemption timeline. Hence, their investments will continue to be subjected to the risk factors inherent to the Fund.

Where such suspension is triggered, the Manager will inform all Unit Holders in a timely and appropriate manner of its decision to suspend the dealing in Units.

7.8 Unclaimed Moneys Policy

Under the provision of the Unclaimed Moneys Act 1965, any money that remains unsettled after more than two (2) years as at 31 December of each year from its payment date have to be gazetted and surrendered to the Registrar of Unclaimed Moneys, Accountant General's Department by 31 March in the following year.

Thereafter, you will have to claim your money directly from the Registrar of Unclaimed Moneys by completing Form UMA7 (Claim form to refund unclaimed moneys from the Consolidated Trust Account) together with supporting documents, i.e., identity card, original documents (example: distribution warrant) and a copy of bank statement. Form UMA7 can be obtained from the office of Registrar of Unclaimed Moneys or downloaded from the website: <https://ewtd.anm.gov.my/index.php>.

7.9 Anti-Money Laundering Policy

Money laundering is a process intended to conceal the benefits derived from unlawful activities which are related, directly or indirectly, to any serious offence so that they appear to have originated from a legitimate source.

The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA") is the act that provides for the offence of money laundering and also the measures to be taken for the prevention of money laundering and terrorism financing offences. The Financial Intelligence and Enforcement Department ("FIED") of BNM has been established to carry out the functions as the competent authority under the AMLA. All market intermediaries under the CMSA and management companies approved by the SC under the CMSA are obliged to comply with the provisions of the AMLA.

Under the AMLA, any person who:

- (a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
- (b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence;
- (c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence; or
- (d) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence,

commits a money laundering offence and shall on conviction be liable to imprisonment for a term not exceeding fifteen (15) years and shall also be liable to a fine of not less than five (5) times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or RM5 million, whichever is the higher.

When opening new accounts and entering into a transaction with a client, we identify and verify the client through documents such as identity card, passport, birth certificate, driver's licence, constituent documents or any other official documents, whether in the possession of a third party or otherwise. Such documents shall be filed by us in accordance with the requirements of the relevant laws. Where we suspect that a particular transaction may not be genuine, a report will be made to the FIED.

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

8. THE MANAGER

8.1 Background

The information in relation to the corporate information, including the experience of KIB in operating unit trust funds is available on the Manager's website at <https://www.kenangainvestors.com.my/who-we-are>.

8.2 Functions of the Manager

The Manager is responsible for the day-to-day management, marketing and administration of the Fund, where its key functions include:

- (a) managing the Fund in a sound and professional manner in accordance with its investment objective, the provisions of this Prospectus and the Deed;
- (b) arranging for sale and redemption of Units of the Fund;
- (c) issuing the Fund's semi-annual and annual reports to Unit Holders;
- (d) keeping proper records of the Fund; and
- (e) keeping Unit Holders informed on material matters relating to the Fund.

8.3 Board of Directors

The functions of the board of directors are to elaborate, decide, endorse or resolve all matters pertaining to the Manager and the Fund at the board meetings that are held formally four (4) times yearly or as and when circumstances require.

Board of Directors

Choy Khai Choon, Steven (*Chairman / Non-Independent Non-Executive Director*)
Norazian Binti Ahmad Tajuddin (*Independent Non-Executive Director*)
Luk Wai Hong, William (*Non-Independent Non-Executive Director*)
Norazilla Binti Md Tahir (*Independent Non-Executive Director*)
Datuk Wira Ismitz Matthew De Alwis (*Chief Executive Officer / Executive Director*)

The list of the board of directors of KIB may be updated from time to time. Please refer to the Manager's website at <https://www.kenangainvestors.com.my/board-of-directors> for the latest update on the board of directors of KIB.

8.4 Material Litigation

As at LPD, the Manager is not engaged in any litigation or arbitration proceedings, either as plaintiff or defendant which has a material effect on its financial position, and the board of directors is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any such proceedings which might materially and adversely affect the position or business of the Manager.

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8.5 Investment Management Team

The investment management team is responsible to actively manage the Fund in accordance with the investment objective of the Fund and the provision of the Deed. The investment management team shall have discretionary authority over the investment of the Fund subject to the rules and guidelines issued by the relevant authorities. Chief Investment Officer, Ms. Lee Sook Yee heads the investment management team and is the designated person responsible for the fund management of the Fund. She is assisted by a team of investment management professionals.

The profile of Ms. Lee Sook Yee is available on the Manager's website at <https://www.kenangainvestors.com.my/lee-sook-yee>.

Further information on the Manager is provided in the Manager's website at www.kenangainvestors.com.my

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9. THE TRUSTEE

9.1 Background

The Trustee was incorporated in Malaysia under the Companies Act 1965 (now known as the Companies Act 2016) on 6 March 2002. It is registered as a trust company under the Trust Companies Act, 1949 and is also registered with the SC to conduct unit trust business. The principal activity of the Trustee is providing retail and corporate trustee services. The Trustee has been in the trustee business since 2002.

9.2 Experience in Trustee Business

The Trustee undertakes all types of trustee business allowed under the Trust Companies Act, 1949, ranging from corporate trustee services to retail services. The Trustee offers corporate trustee services such as trustee for real estate investment trusts (REITs), unit trust funds (UTF), private retirement schemes and custodian services. Its retail services include estate planning services (will writing, custodian and executor/trustee services) and private trustee services (private purpose trust, investment trust, charitable trust, insurance trust, business succession trust, estate administration trust, custodian and stakeholder services).

9.3 Duties and Responsibilities

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

- (a) acting as trustee and safeguarding the rights and interests of the Unit Holders;
- (b) holding the assets of the Fund for the benefit of the Unit Holders; and
- (c) exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of the Fund.

The 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 Unit Holders.

9.4 Litigation and Arbitration

As at LPD, the Trustee is not engaged in any material litigation or arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect its business or financial position.

9.5 The Trustee's Delegate

The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as custodian of the quoted and unquoted investments of the Fund. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. The assets are also automatically registered into the name of the Fund. SCBMB was incorporated in Malaysia on 29 February 1984 under the Companies Act 1965 (now known as the Companies Act 2016) as a public company and is a subsidiary of Standard Chartered plc (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Banking and Financial Institutions Act 1989 (which has been repealed and replaced by the Financial Services Act 2013).

SCBMB has been providing custody services for more than twenty (20) years. SCBMB has been providing sub-custody services to local investors in Malaysia since 1995.

The custodian acts only in accordance with instructions from the Trustee.

10. THE SHARIAH ADVISER

10.1 Background

BIMB Securities Sdn Bhd ("BIMB Securities") has been appointed as the Shariah Adviser for the Fund. BIMB Securities will provide Shariah advisory services on the management and operations of the Fund to ensure the operations of the Fund comply with Shariah requirements.

10.2 About BIMB Securities

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

10.3 Experience in Shariah Advisory Services

BIMB Securities is registered with the SC to act as a Shariah adviser for Islamic products and services regulated by the SC, which include Islamic collective investment schemes. BIMB Securities is independent from the Manager and does not hold office as a member of the committee undertaking the oversight function of the Fund or any other funds managed and administered by the Manager. As at LPD, BIMB Securities is a corporate Shariah adviser to 104 Islamic funds including two (2) Islamic real estate investment trusts.

10.4 Roles and Responsibilities

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

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

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

1. to advise on all Shariah aspects of the Fund and the Fund's operations and processes such that they are in accordance with Shariah requirements;
2. to provide Shariah expertise and advice to the Manager on all Shariah matters in relation to the Fund, including matters in relating to the Deed, the prevailing prospectus, the documentation, structure, feature and investment instruments, and ensure that all aspects of the Fund are in accordance with Shariah requirements as set out in the relevant laws and guidelines issued by the SC;
3. to ensure that the Fund is managed and operated in accordance with Shariah requirements;

4. to review the Fund's compliance reports as provided by the Manager and the investment transaction reports provided by the Manager and duly approved by the Trustee to ensure that the Fund's investments are in compliance with Shariah;
5. to prepare a report to be included in the semi-annual and annual reports of the Fund stating the Shariah Adviser's opinion whether the Fund has been operated and managed in compliance with Shariah, including rulings, principles and concepts endorsed by the SAC of the SC for the financial period concerned;
6. to apply *Ijtihad* (intellectual reasoning) to ensure all aspects relating to the Fund are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SAC of the SC;
7. to consult the SC where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process; and
8. to meet with the Manager on a semi-annual basis, (or as and when required by the Manager and/or the Shariah Adviser) for review of the Fund's operations and processes.

10.5 Profile of the Shariah Personnel

Muhammad Shahier Bin Sa'min

Muhammad Shahier Bin Sa'min ("Muhammad Shahier") joined BIMB Securities as the Head of Shariah in October 2024. He is responsible for all Shariah-related matters at BIMB Securities and serves as the Secretary of the Shariah Advisory Committee and has been appointed as the designated Shariah person. He holds a Bachelor of Shariah, majoring in Economics and Islamic Banking from Yarmouk University, Jordan, completed in 2014, and obtained a professional certificate, Associate Qualification in Islamic Finance (AQIF), from the Islamic Banking and Finance Institute Malaysia (IBFIM) in 2019. In addition, he has recently earned the Certified Shari'a Adviser and Auditor (CSAA) certification from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Prior to this, Muhammad Shahier was the Head of Shariah at Yayasan Pembangunan Ekonomi Islam Malaysia (YAPEIM) from June 2021 to October 2024, where he oversaw Shariah governance and compliance across the YAPEIM group. He also served as the Head of Business Development, Business Advisory at IBFIM from June 2019 to June 2021, providing Shariah advisory services and delivering Shariah training. Before that, he was the Senior Executive/Unit Lead of Shariah Compliance, Risk Management Division at Malaysia Debt Ventures Berhad (MDV) from January 2018 to June 2019, and a Consultant in Shariah Business Advisory at IBFIM from January 2015 to December 2017.

Currently, Muhammad Shahier also actively serves as a facilitator for IBFIM's professional certification training programs and a speaker for Institut Koperasi Malaysia (IKMa) awareness programs.

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11. SALIENT TERMS OF THE DEED

11.1 Unit Holders' Rights and Liabilities

Unit Holders' Rights

A Unit Holder has the right, amongst others, to:

- (a) receive distributions of income (if any);
- (b) participate in any increase in the value of the Units;
- (c) call for Unit Holders' meetings and to vote for the removal of the Manager or the Trustee through a Special Resolution;
- (d) receive annual and semi-annual reports on the Fund; and
- (e) enjoy such other rights and privileges as are provided for in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the Fund's assets or be entitled to interfere with or question the exercise by the Trustee, or the Manager on the Trustee's behalf, of the rights of the Trustee as the registered owner of such assets.

Unit Holders' Liabilities

- (a) No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased and any charges payable in relation thereto.
- (b) A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the 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 Manager and/or the Trustee shall be limited to recourse to the Fund.

11.2 Maximum Fees and Charges Permitted by the Deed

Maximum Sales Charge	Maximum Exit Charge	Maximum Management Fee	Maximum Trustee Fee
6.00% of the NAV per Unit	Nil	3.00% per annum of the Fund's NAV	0.10% per annum of the Fund's NAV (excluding foreign sub-custodian fees and charges)

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

11.3 Procedures to Increase the Direct and Indirect Fees and Charges

Sales Charge

The Manager may not charge a sales charge at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has notified the Trustee in writing of the higher sales charge and the effective date for the higher sales charge;

- (b) a supplementary prospectus or replacement prospectus in respect of the Fund setting out the higher sales charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplementary prospectus or replacement prospectus.

Exit Charge

The Manager may not charge an exit charge at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has notified the Trustee in writing of the higher exit charge and the effective date for the higher exit charge;
- (b) a supplementary prospectus or replacement prospectus in respect of the Fund setting out the higher exit charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplementary prospectus or replacement prospectus.

Management Fee

The Manager may not charge a management fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplementary prospectus or replacement prospectus stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplementary prospectus or replacement prospectus.

Trustee Fee

The Trustee may not charge a trustee fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplementary prospectus or replacement prospectus stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplementary prospectus or replacement prospectus.

11.4 Expenses Permitted by the Deed

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the 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 Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes (if any);
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) fees and expenses properly incurred by the auditor appointed for the Fund;

- (d) fees for the valuation of any Shariah-compliant investment of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any Shariah-compliant asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed Shariah-compliant 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 or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any Shariah-compliant asset of the Fund, including proceedings against the Trustee or the Manager 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 Manager 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 person(s) or members of the committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (o) expenses and charges incurred in connection with the printing and postage for the annual or semi-annual report, tax certificates, reinvestment statements and other services associated with the administration of the Fund;
- (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians for taking into its custody any foreign assets of the Fund;
- (q) fees in relation to fund accounting;
- (r) all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and
- (s) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under subparagraphs (a) to (r) above.

11.5 Retirement, Removal and Replacement of the Manager

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

Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:

- (a) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for the Trustee to do so after the Trustee has given notice to the Manager of the Trustee's opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;

- (b) unless expressly directed otherwise by the relevant authorities, if the Manager 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 management company under the relevant laws; or
- (c) the Manager 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.

If any of the events set out above occurs, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, by writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

11.6 Retirement, Removal and Replacement of the Trustee

The Trustee may retire upon giving three (3) months' notice to the Manager of its desire to do so, or such other period as the Manager and the Trustee shall agree, and may by deed appoint in its stead a new trustee approved by the relevant authorities and under any relevant law.

The Trustee may be removed or replaced and such other corporation may be appointed as the replacement trustee of the Fund by Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed or as stipulated in the CMSA.

The Manager shall take all reasonable steps to remove or replace the Trustee as soon as practicable after becoming aware that:

- (a) the Trustee has ceased to exist;
- (b) the Trustee has not been validly appointed;
- (c) the Trustee is not eligible to be appointed or to act as trustee under any relevant law;
- (d) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under the appointment;
- (f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or
- (g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

11.7 Termination of the Fund

The Fund may be terminated or wound up should a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

Notwithstanding the above, the Manager may, in its sole discretion and without having to obtain the prior approval of the Unit Holders, terminate the Fund if the termination of the Fund is in the best interest of the Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

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11.8 Unit Holders' Meeting

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed and/or the Guidelines.

Every question arising at any meeting shall be decided in the first instance by a show of hands unless a poll is demanded or, if it be a question which under the Deed requires a Special Resolution, a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one (1) vote. Upon a voting by poll, the votes by every Unit Holder present in person or by proxy shall be proportionate to the value of Units held by him.

Quorum

- (a) The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy; however, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy.
- (b) If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in circulation of the Fund at the time of the meeting.
- (c) If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders.

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12. RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

12.1 Related-Party Transactions

As at LPD, we are not aware of any existing or proposed related party transactions or conflict of interest situations or other subsisting arrangements involving the Fund.

12.2 Policy on Conflict of Interest

Manager

A situation of conflict of interest may erode the trust and confidence of the public in dealing with us. Hence, our directors and investment committee members must be alert and avoid or declare any conflict of interest's situations to the company secretary. Our staff will declare to the compliance officer in the event of all conflicts or any potential conflict of interest's situations.

Any conflict of interest situation will be forwarded to the audit committee (AC) for deliberation before a fair and equitable decision is reached.

Dealing in Securities

- (a) Trading in securities by employees for their personal account or for a connected person or under the name of a nominee is not encouraged and if done so, they should ensure that the dealing is not taking advantage or be viewed as taking advantage of information not generally known to the public.
- (b) Dealings by employees in their own name or on behalf, and for the benefit, of another person may only be carried out with the prior approval of compliance officer.
- (c) An employee, when dealing in securities whether for the company, the client or personal account, shall consistently adhere to ethical standards in such dealings. An employee shall not engage in share dealing transactions of a nature that is questionable or illegal and therefore shall not engage in share dealing transactions, either by himself or with others that are, or that will give resemblance of false trading, market rigging or market manipulation.

12.3 Cross-Trade

The Fund will not participate in any cross trades transaction.

12.4 Other Declarations

Advisers

The tax adviser, Shariah Adviser and solicitor have confirmed that they have no interest/potential interest or conflict of interest/potential conflict of interest in their respective capacity as advisers for the Manager and the Fund.

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13. ADDITIONAL INFORMATION

13.1 Fund Updates

You can refer to our website: www.kenangainvestors.com.my for pricing information.

We will issue you a statement of accounts on a half-yearly basis. The statement will summarise all transactions effected within the Fund for the past six (6) months and/or since inception as a Unit Holder.

13.2 Customer Service

You can seek the assistance of our marketing personnel on Fund-related issues at our business office during our business hours from 8.30 a.m. to 5.30 p.m. from Monday to Friday (refer to the Directory of the Manager's Office and List of IUTAs section for contact numbers).

13.3 Financial Year End of the Fund

31 July.

The latest annual and semi-annual reports of the Fund will be made available (without charge) to you within two (2) months after the end of financial period of the Fund.

The Fund's annual report is available upon request.

13.4 Deed of the Fund

The Deed is dated 8 April 2025.

13.5 Consents

- (a) The Trustee and the Shariah Adviser have consented in writing to the inclusion of their names in this Prospectus in the form and context in which their names appear in this Prospectus, and they have not subsequently withdrawn their written consents.
- (b) The tax adviser has consented in writing to the inclusion of its name and the Tax Adviser's Letter on Taxation of the Fund and Unit Holders in the form and context in which they appear in this Prospectus, and has not subsequently withdrawn its written consent.

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13.6 Documents Available for Inspection

Copies of the following documents are available for inspection at our registered office or such other place as the SC may determine:

- (a) the Deed;
- (b) this Prospectus;
- (c) the latest annual and semi-annual reports for the Fund;
- (d) each material contract disclosed in this Prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract;
- (e) where applicable, the audited financial statements of the Manager and the Fund for the current financial year and the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- (f) any report, letter or other document, valuation and statement by an expert, any part of which is extracted or referred to in this Prospectus;
- (g) writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
- (h) consent given by an expert disclosed in this Prospectus.

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14. TAXATION ADVISER'S LETTER

TAXATION ADVISER'S LETTER ON TAXATION OF THE FUND AND UNIT HOLDERS (Prepared for inclusion in this Prospectus)

PricewaterhouseCoopers Taxation Services Sdn Bhd

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

The Board of Directors
Kenanga Investors Berhad
Level 14, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

20 March 2025

TAXATION OF KENANGA SHARIAH US TITANS 50 FUND AND UNIT HOLDERS

Dear Sirs,

This letter has been prepared for inclusion in the Prospectus ("hereinafter referred to as "the Prospectus") in connection with the offer of Units in Kenanga Shariah US Titans 50 Fund ("the Fund").

The taxation of income for both the Fund and the Unit Holders are subject to the provisions of the Malaysian Income Tax Act 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

TAXATION OF THE FUND

The Fund will be regarded as resident for Malaysian tax purposes where the Trustee of the Fund is resident in Malaysia.

(1) Domestic Investments

(i) General Taxation

Subject to certain exemptions, the income of the Fund consisting of dividends or interest or profit¹ (other than interest and profit¹ which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

With effect from 1 January 2024, gains from disposal of capital assets will be subject to Capital Gains Tax ("CGT"). Please refer to the CGT section below for further details.

(ii) Dividends and Other Exempt Income

Effective 1 January 2014, all companies would adopt the single-tier system. Hence dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or profit¹ or discount income derived from the following investments is exempt from tax:

- (a) Securities or bonds issued or guaranteed by the government of Malaysia;
- (b) Debentures² or sukuk, other than convertible loan stocks, approved or authorized by, or lodged with, the Securities Commission Malaysia; and
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest or profit¹ derived from the following investments is exempt from tax:

- (a) Interest or profit¹ paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013;
- (b) Interest or profit¹ paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- (d) Interest or profit¹ paid or credited by Malaysia Building Society Berhad³.

The interest or profit¹ or discount income exempted from tax at the Fund level will also be exempted from tax upon distribution to the Unit Holders.

Exception: -

- i. Wholesale money market fund

With effect from 1 January 2019, the exemption shall not apply to interest or profit¹ paid or credited to a unit trust that is a wholesale money market fund.

- ii. Retail money market fund ("RMMF")

Based on the Finance Act 2021, the interest or profit¹ income of a RMMF will remain tax exempted under Paragraph 35A, Schedule 6 of the Act. However, resident and non-resident Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit¹ income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to withholding tax ("WHT") at the rate of 24 per cent. This WHT is effective from 1 January 2022 onwards.

The WHT is to be withheld and remitted by the RMMF to the tax authorities within 30 days upon distribution of the income to the Unit Holders.

¹ Under Section 2(7) of the Income Tax Act 1967, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah.

The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

² Structured products approved by the Securities Commission Malaysia are deemed to be "debenture" under the Capital Markets and Services Act, 2007 and fall within the scope of exemption.

³ Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect YA 2015.

(2) Foreign Investments

Gross foreign-sourced income remitted to Malaysia by Malaysian resident unit trusts will be subject to Malaysian income tax at the prevailing rate, currently at 24%. Effective from 1 January 2024, the scope of taxable foreign source income received in Malaysia has been expanded to include capital gains from disposal of assets outside Malaysia brought into Malaysia. See also CGT section below for further details.

Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. Subject to meeting the relevant prescribed requirements, the Fund in Malaysia is entitled for double taxation relief on any foreign tax suffered on the income in respect of overseas investment.

Exemption from tax on foreign-sourced income for unit trusts

The Finance Minister II on 16 January 2024 has announced that unit trusts in Malaysia will be exempted from income tax on foreign-sourced income (including capital gains from disposal of assets outside Malaysia), provided that economic substance requirements are met.

To qualify for this tax exemption, unit trusts must satisfy one of the following conditions:

- a. Option A - The FSI has been subjected to foreign tax, with the source jurisdiction's minimum headline income tax rate being at least 15%; or
- b. Option B - The management company of the unit trust has met Economic Substance Requirements (ESR) in Malaysia, which includes employing an adequate number of employees and incurring sufficient operating expenditure.

Consistent with the announcement, the exemption from income tax on foreign-sourced income takes effect from 1 January 2024 until 31 December 2026.

(3) Hedging Instruments

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

(4) Real Property Gains Tax ("RPGT")

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies⁴ ("chargeable asset") would be subject to RPGT as follows:-

Disposal time frame	RPGT rates (Companies incorporated in Malaysia and Trustee of a trust)
Within 3 years	30%
In the 4 th year	20%
In the 5 th year	15%
In the 6 th year and subsequent years	10%

⁴ A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 percent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

Effective from 1 March 2024, CGT will be applicable on the gains from sale of Malaysian unlisted shares. Therefore, gains from disposal of all Malaysian unlisted shares will be subjected to CGT from 1 March 2024 instead. Please refer to the section on CGT.

Other real properties disposed of, apart from RPC shares, will continue to be subject to RPGT. RPGT will continue to apply for disposal of RPC shares by individuals.

(5) Capital Gains Tax ("CGT")

CGT has been introduced in Malaysia and will be imposed on gains from the disposal of capital assets as set out below:

a) Disposal of capital assets from outside Malaysia

The scope of CGT will include gains from disposal of capital assets situated outside Malaysia, remitted into Malaysia. The foreign gains remitted to Malaysia will be subject to the prevailing income tax rates, that is 24%.

The gains are eligible for tax exemption subject to meeting economic substance requirements. As highlighted above, capital gains from disposal of assets outside Malaysia of a unit trust will be exempted if the following conditions can be met:

- (i) Option A - The FSI has been subjected to foreign tax, with the source jurisdiction's minimum headline income tax rate being at least 15%; or
- (ii) Option B - The management company of the unit trust has met Economic Substance Requirements (ESR) in Malaysia, which includes employing an adequate number of employees and incurring sufficient operating expenditure.

The exemption from income tax on foreign-sourced income takes effect from 1 January 2024 until 31 December 2026.

b) Disposal of Malaysian unlisted shares

Effective from 1 March 2024, CGT will be imposed on the disposal of Malaysian unlisted shares by companies, Limited Liability Partnerships, cooperatives and trust bodies (which include unit trusts).

The CGT rate to be imposed is as follows:

Shares Acquisition Date	CGT Rate
Before 1 January 2024	The taxpayers may choose: i. 10% on the net gain of the disposal of shares; or ii. 2% on the gross disposal price.
From 1 January 2024	10% on the net gain of the disposal of shares

"shares" has been defined as in relation to a company, includes stock other than debenture stock.

Capital Gains Tax exemption - Income Tax (Unit Trust) (Exemption) Order 2024

As announced on 16 January 2024 by the Finance Minister II, Datuk Seri Amir Hamzah Azizan, unit trusts will be exempted from CGT. The exemption on CGT is effective from 1 January 2024 until 31 December 2028.

(6) Tax Deductible Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

(7) Sales and Service Tax ("SST")

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. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 8 per cent for all prescribed taxable services with certain exceptional taxable services ie. food and beverages services, telecommunications services, parking services and logistics services which remain at 6 per cent.

In general, the Fund, being a collective investment vehicle, will not be caught under the service tax regime.

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 8 percent. However, fund management services and trust services are excluded from service tax.

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 Fund, 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").

Service tax on digital services was implemented at the rate of 8 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. Hence, where the Fund obtains any of the prescribed digital services, those services may be subject to service tax at 8 percent.

TAXATION OF UNIT HOLDERS

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. Generally, no additional withholding tax will be imposed on the income distribution from the Fund; unless the Fund is an RMMF, in which case there is a WHT on distribution from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6 and distributed to non-individual Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.

Corporate Unit Holders, resident⁵ and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

Individuals and other non-corporate Unit Holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 30 per cent. Individuals and other non-corporate Unit Holders who are not resident in Malaysia will be subject to income tax at 30 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

The distribution of exempt income by the Fund will be exempted from tax in the hands of the Unit Holders.

Based on the Finance Act 2021, in respect of distribution from a RMMF, resident and non-resident corporate Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit¹ income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to WHT at the rate of 24 per cent, effective from 1 January 2022.

For resident corporate Unit Holders, the WHT is not a final tax. The resident corporate Unit Holders will need to subject the income distributed from interest or profit¹ income of a RMMF which are exempted under Paragraph 35A of Schedule 6 to tax in its income tax returns and the attached tax credit i.e. the 24 per cent WHT suffered will be available for set-off against the tax chargeable on the resident corporate Unit Holders.

For non-resident Corporate Unit Holders, the 24 per cent WHT on income distributed from interest or profit¹ income of a RMMF which are exempted under Paragraph 35A of Schedule 6, is a final tax.

Any gains realised by Unit Holders (other than those in the business of dealing in securities, insurance companies or financial institutions) on the sale or redemption of the Units are treated as capital gains and will not be subject to income tax. This tax treatment will include in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit Holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new Units out of their income distribution after tax.

Unit splits issued by the Fund are not taxable in the hands of Unit Holders.

⁵ Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below and having an annual sales of not more than RM50 million will pay tax at 15% for the first RM150,000 of chargeable income, 17% for RM150,001 to RM600,000 with the balance taxed at 24% with effect from YA 2023.

The above shall not apply if more than –

- (a) 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50% of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50% of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

“Related company” means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

Additional shareholding condition of not more than 20% of the paid up capital or capital contribution, at the beginning of a YA is directly own or indirectly by one or more:

- Companies incorporated outside of Malaysia, or
- individuals who are not Malaysian citizens,

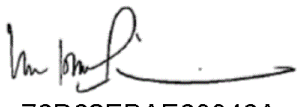
which is required to be observed from YA 2024.

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 Fund.

Yours faithfully,

for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

DocuSigned by:

76D62EBAE68846A...

Lim Phaik Hoon
Partner

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

15. DIRECTORY OF OUR OFFICES AND LIST OF IUTAs

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Investors can refer to our website: <https://www.kenangainvestors.com.my/regional-offices> for the list of our regional offices.

THIRD PARTY DISTRIBUTORS / INSTITUTIONAL UNIT TRUST SCHEME ADVISERS

1. AllianceGroup Nominees (Tempatan) Sdn Bhd
2. Alliance Bank Malaysia Berhad
3. Ambank (M) Berhad
4. Areca Capital Sdn Bhd
5. Astute Fund Management Berhad
6. CIMB Bank Berhad
7. Hong Leong Bank Berhad
8. HSBC (Kuala Lumpur) Nominees Sdn Bhd
9. iFAST Capital Sdn Bhd
10. Kenanga Investment Bank Berhad
11. Kuwait Finance House (Malaysia) Berhad
12. Malayan Banking Berhad
13. Malaysia Nominees (Tempatan) Sdn Bhd
14. Phillip Mutual Berhad
15. RHB Capital Nominees (Tempatan) Sdn Bhd
16. Standard Chartered Bank Malaysia Berhad
17. Cartaban (Malaya) Nominees Sdn Bhd
18. TA Investment Management Berhad
19. United Overseas Bank (Malaysia) Bhd
20. UOB Kay Hian Securities (M) Sdn Bhd

We may appoint additional third-party distributors and/or Institutional Unit Trust Scheme Advisers (IUTA). Please contact us at 03-2172 3123 for the updated list of appointed third party distributors/IUTAs.

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