

This is a Private Retirement Scheme

**Disclosure Document**

# Manulife Shariah PRS NESTEGG Series

 consisting of:

**Core Funds**

**Date of constitution**

Manulife Shariah PRS-Growth Fund	5 July 2013
Manulife Shariah PRS-Moderate Fund	5 July 2013
Manulife Shariah PRS-Conservative Fund	5 July 2013

**Non-Core Funds**

**Date of constitution**

Manulife Shariah PRS-Global REIT Fund	14 October 2019
Manulife Shariah PRS-Golden Asia Fund	16 December 2021

*This Disclosure Document replaces the Disclosure Document dated 29 November 2019 and the First Supplemental Disclosure Document dated 10 February 2021.*

**Provider:**

Manulife Investment Management (M) Berhad  
200801033087 (834424-U)

**Scheme Trustee:**

CIMB Islamic Trustee Berhad 198801000556 (167913-M)

This Disclosure Document is dated 14 February 2022.

The date of constitution of the Manulife Shariah PRS NESTEGG Series is 5 July 2013.

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY MEMBERS, SEE "RISK FACTORS" COMMENCING ON PAGE 34.**



# RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER

## RESPONSIBILITY STATEMENTS

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

## STATEMENTS OF DISCLAIMER

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

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Manulife Investment Management (M) Berhad, the private retirement scheme provider responsible for the Scheme and the Funds under the Scheme, and takes no responsibility for the contents in this Disclosure Document. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Disclosure Document, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

## ADDITIONAL STATEMENTS

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

This Disclosure Document does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Disclosure Document, and the offering of the Scheme and the Funds under the Scheme in certain countries may be restricted by law. It is the responsibility of persons wishing to make contributions to the Scheme and subscription to the Funds under the Scheme pursuant to this Disclosure Document to inform themselves of, and to comply with, any such restrictions together with any applicable exchange control regulations and applicable taxes in the countries of their citizenship, residence, ordinary residence or domicile.

Please note that the Funds under the Scheme are not offered for sale to any U.S. person. If you are a non-Malaysian, your subscription may be restricted by your home country's law or regulation. Please observe and comply with your home country's restrictions, if any. If in doubt, please consult a professional adviser.

**The Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund, Manulife Shariah PRS-Conservative Fund, Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund have been certified as being Shariah-compliant by the Shariah Adviser appointed for the Funds.**

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## DEFINITIONS

<b>the Act</b>	means the <i>Capital Markets and Services Act 2007</i> as may be amended from time to time.
<b>Administrator or PPA</b>	refers to the Private Pension Administrator Malaysia, a person who is approved under Section 139C of the <i>Act</i> to perform the function of record keeping, administration and customer service for Members and contributors in relation to contributions made in respect of a private retirement scheme and such other duties and functions as may be specified by the SC.
<b>Bursa Malaysia</b>	means the stock exchange managed or operated by Bursa Malaysia Securities Berhad.
<b>Business Day</b>	means a day on which the Bursa Malaysia is open for trading. Note: The Provider may declare certain Business Days to be non-business days, although Bursa Malaysia is open for trading, if: <ul style="list-style-type: none"><li>• one or more of the foreign markets in which the Fund is invested therein are closed for business;</li><li>• it is not a business day in the country or domicile of the Fund Manager; or</li><li>• for feeder funds, it is a non-dealing day of the respective Target Fund.</li></ul>
<b>Calendar Month</b>	means the period of 28, 29, 30 or 31 days (as the case may be) beginning on the date which is the first day of a month and ending on the date which is the last day of the same month.
<b>Calendar Year</b>	means the period of 365 or 366 days (as the case may be) beginning on the 1st day of January of a year and ending on the 31st day of December of that same year.
<b>CIS</b>	means collective investment schemes.
<b>class of Units</b>	means any class of Units representing similar interest in the assets of a Fund although a class of Units of a Fund may have different features from another class of Units of the same Fund.
<b>conditionally Vested unit</b>	means a Unit which accords a Member with entitlement to the Unit that is conditional upon fulfilment of condition(s) stipulated in a Vesting Schedule.
<b>contribution</b>	means an amount paid by a contributor into the Scheme.
<b>contributor</b>	means any person who makes a contribution into the Scheme and includes a Member or an employer who makes a contribution into the Scheme on behalf of his employees.
<b>core fund(s)</b>	means Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund and Manulife Shariah PRS-Conservative Fund.
<b>Deed</b>	means the deed dated 17 June 2013 in respect of the Scheme and entered into between the Provider and the Scheme Trustee as modified by a supplemental deed dated 27 January 2014, a second supplemental deed dated 6 March 2015, a third supplemental deed dated 10 December 2015, a fourth supplemental deed dated 25 June 2019, a fifth supplemental deed dated 14 October 2019, a sixth supplemental deed dated 8 October 2020 and a seventh supplemental deed dated 16 December 2021 all entered into between the same parties and as may be modified by any other subsequent supplemental deed.

<b>default option</b>	refers to the manner in which contributions to the Scheme will be allocated for the purchase of Units, and the manner in which Units will be switched, in the absence of written notification to the Provider to the contrary and as described in Division 4.4 of the Deed and as set out under Section 3.3.4 of this Disclosure Document.
<b>Disclosure Document</b>	refers to this Disclosure Document dated 14 February 2022 including any other supplemental disclosure document(s) issued subsequently, as the case may be.
<b>financial institution</b>	<p>if the institution is in Malaysia:</p> <p>(a) a licensed bank as defined in the Financial Services Act 2013 (“FSA”);</p> <p>(b) licensed investment bank as defined in the FSA; or</p> <p>(c) licensed Islamic bank as defined in the Islamic Financial Services Act 2013 (“IFSA”).</p> <p>if the institution is outside Malaysia, any institution that is licensed/ registered/ approved/ authorised by the relevant banking regulator to provide financial services.</p>
<b>Funds</b>	<p>means the following funds:</p> <p>Manulife Shariah PRS-Growth Fund;</p> <p>Manulife Shariah PRS-Moderate Fund;</p> <p>Manulife Shariah PRS-Conservative Fund;</p> <p>Manulife Shariah PRS-Global REIT Fund; and</p> <p>Manulife Shariah PRS-Golden Asia Fund.</p> <p>“Fund” where the context appears, shall refer to any one of them.</p>
<b>Fund Manager</b>	refers to Manulife Investment Management (Hong Kong) Limited.
<b>Guidelines</b>	refers to the Guidelines on Private Retirement Schemes issued by the SC as may be amended from time to time.
<b>healthcare</b>	means illness listed in Schedule J of the Guidelines or any other illnesses as may be specified by the SC including all medical equipment and/or medication prescribed, in writing, by medical practitioners in relation to such illnesses.
<b>housing</b>	<p>means:</p> <p>(a) financing building or purchase of a residential property in Malaysia;</p> <p>(b) redeeming or reducing a housing loan in Malaysia; or</p> <p>(c) financing a rent-to-own scheme or any other housing schemes in Malaysia as may be specified by the SC.</p>
<b>immediate family</b>	<p>means a Member’s:</p> <p>(a) spouse;</p> <p>(b) biological child, step-child, adopted child;</p> <p>(c) biological parent, parent-in-law, adopted parent, step-parent; or</p> <p>(d) sibling.</p>
<b>IOSCO</b>	refers to the International Organization of Securities Commissions.
<b>Islamic deposits</b>	has the same meaning as defined in the Islamic Financial Services Act 2013.
<b>Latest practicable date (LPD)</b>	as at 15 December 2021 being the latest practicable date for the purposes of ascertaining certain information deemed relevant as at the latest practicable date in this Disclosure Document.
<b>Launch Date</b>	means the date on which sale of Units of the Funds’ classes of Units was first made.



<b>long-term</b>	means a period of more than 7 years.
<b>MARC</b>	refers to Malaysian Rating Corporation Berhad.
<b>Member</b>	means an individual who has a private pension account and holds Units in any one or more Funds.
<b>mental disability</b>	means bipolar disorder, major depression or schizophrenia.
<b>NAV</b>	means net asset value.
<b>nominee</b>	means an individual person nominated by a Member to receive the accrued benefits due to that Member from a Fund as- a) a beneficiary in the case of a non-Muslim Member; or b) an executor in the case of a Muslim Member, upon the death of such Member.
<b>non-core funds</b>	means Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund. “non-core fund” where the context appears, shall refer to any one of them.
<b>OTC</b>	means over-the-counter.
<b>permanent total disablement</b>	has the meaning assigned to it in the Employees’ Social Security Act 1969 [Act 4]
<b>private pension account</b>	means an account opened and maintained by the Administrator through the Provider for a Member.
<b>private retirement scheme (PRS)</b>	means a retirement scheme governed by a trust, offered or provided to the public for the sole purpose, or having the effect, of building up long-term savings for retirement for members where the amount of the benefits is to be determined solely by reference to the contributions made to the scheme and any declared income, gains and losses in respect of such contributions but does not include: (a) any pension fund approved under Section 150 of the Income Tax Act 1967; or (b) any retirement scheme or retirement fund established or provided by the federal government, state government or any statutory body established by an Act of Parliament or a state law.
<b>private retirement scheme provider</b>	means a person who provides and manages a private retirement scheme.
<b>the Provider</b>	refers to Manulife Investment Management (M) Berhad, the private retirement scheme provider of the Scheme.
<b>RAM</b>	refers to RAM Rating Services Berhad.
<b>Redemption Charge</b>	means the fee payable by a Member upon any withdrawal from the Scheme (except for upon a Member reaching Retirement Age, permanent departure of a Member from Malaysia or withdrawals due to a Member’s death, permanent total disablement, serious disease or mental disability, healthcare purpose or housing purpose).
<b>Redemption Price</b>	means the price payable pursuant to a redemption of a Unit; for the avoidance of doubt, Redemption Price does not include any Redemption Charge which may be imposed.
<b>REIT</b>	means real estate investment trust.

<b>Retirement Age</b>	means the age of 55 years or any other age as may be specified by the SC.
<b>RM</b>	means Ringgit Malaysia, the lawful currency of Malaysia.
<b>SACSC</b>	refers to the Shariah Advisory Council of the SC.
<b>Sales Charge</b>	means the fee payable upon a successful application for Units.
<b>SC</b>	refers to the Securities Commission Malaysia.
<b>the Scheme</b>	refers to the Manulife Shariah PRS NESTEGG Series, a PRS operated by the Provider.
<b>Scheme Trustee</b>	refers to CIMB Islamic Trustee Berhad, the trustee for the Scheme and the Funds of the Scheme.
<b>Selling Price</b>	means the price payable for a Unit pursuant to a successful application for Units; for the avoidance of doubt, Selling Price does not include any Sales Charge which may be imposed.
<b>serious disease</b>	has the meaning assigned to it in the Income Tax Act 1967.
<b>Shariah</b>	means Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of Shariah.
<b>Shariah Adviser or ZICO Shariah</b>	refers to ZICO Shariah Advisory Services Sdn Bhd, the Shariah adviser for the Scheme and the Funds of the Scheme.
<b>Shariah requirements</b>	is a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct, all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
<b>Special Resolution</b>	means a resolution passed at a meeting of Members duly convened in accordance with the Deed by a majority of not less than three-fourths of the Members present and voting at the meeting in person or by proxy; for the purpose of winding-up of a non-core Fund of the Scheme, " <b>Special Resolution</b> " means a resolution passed at a meeting of Members duly convened in accordance with the Deed by a majority in number representing at least three-fourths of the value of the Units held by the Members present and voting at the meeting in person or by proxy.
<b>Sub-account A</b>	means the sub-account maintained by the Provider for every Member into which shall be placed 70% of the Units of each of the Funds purchased by the Member each time he purchases Units.
<b>Sub-account B</b>	means the sub-account maintained by the Provider for every Member into which shall be placed 30% of the Units of each of the Funds purchased by the Member each time he purchases Units.
<b>Target Fund</b>	means the target fund or underlying fund which the non-core fund may invest in.
<b>Unit</b>	means a measurement of the interest and/or right of a Member in a Fund and means a Unit of the Fund; if a Fund has more than one class of Units, it means a Unit issued for each class of Units.
<b>Units in circulation</b>	means Units created and fully paid for and which have not been cancelled.
<b>U.S.</b>	means the United States of America.

**U.S. person**

means (i) any U.S. citizen or permanent resident; (ii) any entity organized under U.S. law or any jurisdiction within the U.S. (including foreign branches); or (iii) any person physically present in the U.S., regardless of nationality; or (iv) a trust if (a) a court within the U.S. would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the U.S.

Source: U.S. Executive Order 13959 & Malaysia-U.S. IGA Guidance Notes dated 11 September 2015 on Compliance Requirements for Malaysia-US Intergovernmental Agreement on Foreign Account Tax Compliance Act (FATCA).

**Vested unit**

means a Unit which accords a Member with unconditional entitlement to such Unit.

**Vesting Schedule**

refers to a schedule which an employer may issue to the Provider stipulating when a contribution made by the employer on behalf of its employee should vest in the employee.

# CORPORATE DIRECTORY

## THE PROVIDER

Manulife Investment Management (M) Berhad  
200801033087 (834424-U)

Registered Office  
16th Floor, Menara Manulife  
No. 6, Jalan Gelenggang  
Damansara Heights  
50490 Kuala Lumpur

Business Address  
13th Floor, Menara Manulife  
No. 6, Jalan Gelenggang  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 03-2719 9228  
Fax : 03-2094 7654  
Customer Service Hotline: 03-2719 9271  
Email : [PRSinfo\\_MY@manulife.com](mailto:PRSinfo_MY@manulife.com)  
Website : [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my)

## PROVIDER'S DELEGATE

### ➤ Internal audit, corporate secretarial and human resources

Manulife Holdings Berhad  
Registered Office and Business Address  
16th Floor, Menara Manulife  
No. 6, Jalan Gelenggang  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 03-2719 9228  
Fax : 03-2095 3804  
Website : [www.manulife.com.my](http://www.manulife.com.my)

### ➤ Investment back-office services

Manulife Data Services Inc.  
Registered Office and Business Address  
Manulife Building, U.P. North Science &  
Technology Park  
Commonwealth Avenue, Quezon City, Metro  
Manila  
1101 Philippines.  
Tel : (632) 981-5802  
Fax : (632) 441-0970  
Website : [www.manulifeam.com](http://www.manulifeam.com)

### ➤ Fund valuation

HSBC (Malaysia) Trustee Berhad  
Registered Office and Business Address  
13th Floor, Bangunan HSBC, South Tower  
No. 2, Leboh Ampang  
50100 Kuala Lumpur  
Tel : 03-2075 7800  
Fax : 03-8894 2611

## ➤ Registrar and transfer agent services

KFin Technologies (Malaysia) Sdn. Bhd.

*Registered Office*

Level 25, Menara Hong Leong

No. 6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel : 03-2022 4900

Fax : 03-2022 4099

*Business Address*

Suite 16.1, Level 16, Menara IMC

No. 8, Jalan Sultan Ismail

50250 Kuala Lumpur

Tel : 03-2022 4900

Fax : 03-2022 4099

## BOARD OF DIRECTORS OF THE PROVIDER

Dato' Dr. Zaha Rina binti Zahari

*Independent Director*

Edmond Cheah Swee Leng

*Independent Director*

Gianni Fiacco

*Non-Independent Director*

Vibha Hamsi Coburn

*Non-Independent Director*

Wong Boon Choy

*Non-Independent Director*

Chong Soon Min (Jason)

*Non-Independent Executive Director*

## INVESTMENT COMMITTEE MEMBERS FOR THE FUNDS OF THE SCHEME

Edmond Cheah Swee Leng

*Independent*

Dato' Dr. Zaha Rina binti Zahari

*Independent*

Wong Boon Choy

*Non-Independent*

Chong Soon Min (Jason)

*Non-Independent*

Wan Shuhaida Binti Wan Zainal Shukri

*Non-Independent*

## AUDIT COMMITTEE MEMBERS FOR THE PROVIDER

Renzo Christopher Viegas

*Independent and Chairman*

Mrs. Vijayam Nadarajah

*Independent*

Matthew Edward Lawrence

*Non-Independent*

## COMPANY SECRETARIES

Jasbender Kaur a/p Mehar Singh

(LS 0009264)

Sarah Sia Ning (LS0010109)

16th Floor, Menara Manulife

No. 6, Jalan Gelenggang

Damansara Heights

50490 Kuala Lumpur

## THE SCHEME TRUSTEE

CIMB Islamic Trustee Berhad

198801000556 (167913-M)

*Registered Office*

Level 13, Menara CIMB

Jalan Stesen Sentral 2

Kuala Lumpur Sentral

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*Business Address*

Level 21, Menara CIMB

Jalan Stesen Sentral 2

Kuala Lumpur Sentral

50470 Kuala Lumpur

Website: [www.cimb.com](http://www.cimb.com)

Tel : 03-2261 8888

Fax : 03-2261 9894

## THE SCHEME TRUSTEE'S DELEGATE

CIMB Islamic Bank Berhad

### *Registered Office*

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
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Tel : 03-2261 8888  
Fax : 03-2261 8889

### *Business Address*

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50470 Kuala Lumpur  
Website: [www.cimb.com](http://www.cimb.com)  
Tel : 03-2261 8888  
Fax : 03-2261 9892

## AUDITORS FOR THE FUNDS OF THE SCHEME

### Core funds:

PricewaterhouseCoopers PLT  
Level 10, 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral, P O Box 10192  
50706 Kuala Lumpur  
Tel : 03-2173 1188  
Fax : 03-2173 1288

### Non-core funds:

Ernst & Young PLT  
Level 23A, Menara Milenium  
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Fax : 03-2093 2999  
Email : [zh-shariah@zishariah.com](mailto:zh-shariah@zishariah.com)  
Website : [www.zicoholdings.com](http://www.zicoholdings.com)

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Fax : 03-7931 9612

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Tel : 1300-88-7788

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50490 Kuala Lumpur  
Tel : 03-2093 2600  
Fax : 03-2093 2700  
Email : [info@fimm.com.my](mailto:info@fimm.com.my)  
Website : [www.fimm.com.my](http://www.fimm.com.my)

## DISTRIBUTION CHANNEL AND OFFICES

### HEAD OFFICE

13th Floor, Menara Manulife  
No. 6, Jalan Gelenggang  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 03-2719 9228  
Fax : 03-2094 7654  
Customer Service Hotline : 03-2719 9271  
Email : [PRSinfo\\_MY@manulife.com](mailto:PRSinfo_MY@manulife.com)  
Website : [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my)

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5/8  
Dataran Sunway  
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Tel : 03-6140 8101 /  
8102  
Fax : 03-6140 8103

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Bandar Botanik  
41200 Klang  
Selangor Darul Ehsan.  
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Fax : 03-3318 4011

#### Penang

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Jalan Mayang Pasir 3  
11950 Bayan Baru, Penang.  
Tel : 04-611 9944  
04-618 0044  
Fax : 04-618 0505

#### Sungai Petani

Lot 88, No. 17, 2nd Floor  
Jalan Perdana Heights 2/2  
Perdana Heights  
08000 Sg Petani, Kedah.  
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Fax : 04-423 3233

#### Ipoh

No. 1, 1A & 1B  
Pusat Perdagangan Canning 2  
Pusat Perdagangan Canning  
31400 Ipoh, Perak.  
Tel : 05-541 6839  
Fax : 05-541 6627

#### Kota Bharu

1st Floor, Lot 10900  
Wisma Seri Setia  
Jalan Dusun Muda, Sek 26  
15200 Kota Bharu, Kelantan.  
Tel : 09-747 2388  
Fax : 09-747 2588

#### Seremban

160-2, Taipan Senawang  
Jalan Taman Komersil Senawang  
1  
Taman Komersil Senawang  
70450 Seremban  
Negeri Sembilan.  
Tel : 06-671 5019  
Fax : 06-678 0016

#### Johor Bahru

No. 1-01  
Jalan Setia Tropika 1/15  
Taman Setia Tropika  
81200 Johor Bahru, Johor.  
Tel : 07-234 5871  
Fax : 07-234 4620

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87-1 & 87-2  
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Taman Melaka Raya 1  
75000 Melaka.  
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Fax : 06-282 0587

#### Shah Alam

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Selangor Darul Ehsan.  
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Fax : 03-3362 6662

## **BRANCH OFFICES – East Malaysia**

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Fax : 086-343 289

### **Kota Kinabalu**

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Signature Office, KK Times  
Square  
Off Jalan Coastal Highway  
88100 Kota Kinabalu, Sabah.  
Tel : 088-486 671 / 672  
Fax : 088-486 670

### **Kuching**

No. 63 & 65, 2nd Floor  
Jalan Tun Jugah  
93350 Kuching, Sarawak.  
Tel : 082-593 380  
Fax : 082-593 382

### **Miri**

Lot 3554, 1st & 2nd Floor  
Block 5 MCLD, Jalan Miri  
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101 Commercial Centre  
98000 Miri, Sarawak.  
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Fax : 085-326 262

### **Sandakan**

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Lot 33, 1st Floor, Phase 7A  
Jalan Lintas Utara  
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089-229 045  
Fax : 089-226 868

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Haji Openg,  
96000 Sibu, Sarawak.  
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Fax : 084-320 476



## CHAPTER 1: KEY DATA

**THIS IS A PRIVATE RETIREMENT SCHEME (“PRS”). THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE SCHEME AND THE FUNDS UNDER THE SCHEME. FOR DETAILED INFORMATION ON THE FUNDS, PLEASE REFER TO CHAPTER 4.**

SCHEME INFORMATION									
<b>Name of the Scheme</b>	Manulife Shariah PRS NESTEGG Series								
<b>General Information on the Scheme</b>	<p>The Scheme is a voluntary investment scheme designed to facilitate accumulation of retirement savings* by individuals for their retirement needs. The Scheme consists of 3 core funds and 2 non-core funds, each of which has a different objective and investment strategy.</p> <p><i>*Please be aware that the Funds of the Scheme are neither capital guaranteed funds nor capital protected funds; therefore, a Member's capital is neither guaranteed nor protected.</i></p>								
<b>The Funds of the Scheme</b>	<p>The Funds of the Scheme are:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Core Funds</th> <th style="width: 50%; text-align: center;">Non-core Funds</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Manulife Shariah PRS-Growth Fund</td> <td style="text-align: center;">Manulife Shariah PRS-Global REIT Fund</td> </tr> <tr> <td style="text-align: center;">Manulife Shariah PRS-Moderate Fund</td> <td style="text-align: center;">Manulife Shariah PRS-Golden Asia Fund</td> </tr> <tr> <td style="text-align: center;">Manulife Shariah PRS-Conservative Fund</td> <td></td> </tr> </tbody> </table>	Core Funds	Non-core Funds	Manulife Shariah PRS-Growth Fund	Manulife Shariah PRS-Global REIT Fund	Manulife Shariah PRS-Moderate Fund	Manulife Shariah PRS-Golden Asia Fund	Manulife Shariah PRS-Conservative Fund	
Core Funds	Non-core Funds								
Manulife Shariah PRS-Growth Fund	Manulife Shariah PRS-Global REIT Fund								
Manulife Shariah PRS-Moderate Fund	Manulife Shariah PRS-Golden Asia Fund								
Manulife Shariah PRS-Conservative Fund									
<b>Brief Description of the Scheme and its Operations</b>	<p>Unless written notification to the contrary is given to the Provider at the time a contribution is made, all contributions to the Scheme will be automatically allocated in accordance with the default option; this means that the contributions will be allocated for the purchase of Units in the following core funds depending on the age of the Member at the time of contribution:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%; text-align: center;">Name of Fund</th> <th style="width: 40%; text-align: center;">Age at time of contribution</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Manulife Shariah PRS-Growth Fund</td> <td style="text-align: center;">Below 45 years of age</td> </tr> <tr> <td style="text-align: center;">Manulife Shariah PRS-Moderate Fund</td> <td style="text-align: center;">45 to below 55 years of age</td> </tr> <tr> <td style="text-align: center;">Manulife Shariah PRS-Conservative Fund</td> <td style="text-align: center;">55 years of age and above</td> </tr> </tbody> </table> <p>If Units are held under the default option, and unless written notification to the contrary is given to the Provider, the Units will be switched as follows:</p> <ol style="list-style-type: none"> <li>(a) when a Member reaches the age of 45 years, his Units in the Manulife Shariah PRS-Growth Fund will be switched to Units of the Manulife Shariah PRS-Moderate Fund; and</li> <li>(b) when a Member reaches the age of 55 years, his Units in the Manulife Shariah PRS-Moderate Fund will be switched to Units of the Manulife Shariah PRS-Conservative Fund.</li> </ol>	Name of Fund	Age at time of contribution	Manulife Shariah PRS-Growth Fund	Below 45 years of age	Manulife Shariah PRS-Moderate Fund	45 to below 55 years of age	Manulife Shariah PRS-Conservative Fund	55 years of age and above
Name of Fund	Age at time of contribution								
Manulife Shariah PRS-Growth Fund	Below 45 years of age								
Manulife Shariah PRS-Moderate Fund	45 to below 55 years of age								
Manulife Shariah PRS-Conservative Fund	55 years of age and above								

## SCHEME INFORMATION

The switching exercise referred to above will be executed in equal proportion over a five (5)-year period based on the number of Units remaining in the Fund. The first switching shall be executed before the end of the next Calendar Month from the day the Member attains the age of 45 years or 55 years old, as the case may be ("Switch-in Date"), and the subsequent four (4) switching shall be executed no later than ten (10) Business Days from each anniversary of the Switch-in Date.

In addition to the above default option of the Scheme, and provided no written notification to the contrary has been given to the Provider, the first contribution made by or for a Member:

- if made within 30 days before he attains the age of 45 years, shall be allocated for the purchase of Units in the Manulife Shariah PRS-Moderate Fund; and
- if made within 30 days before he attains the age of 55 years, shall be allocated for the purchase of Units in the Manulife Shariah PRS-Conservative Fund.

When Units are to be purchased with a contribution by an employer on behalf of an employee, and regardless whether those Units are to be Vested units or conditionally Vested units, the employee shall have the right to select the Funds to be purchased if he does not wish the Funds to be purchased under the default option.

Contributions to the Scheme will be maintained in 2 separate sub-accounts. Each time Units are purchased with the contributions, 70% of the Units of each of the Funds purchased will be placed in Sub-account A with the remaining 30% placed in Sub-account B. The aforesaid will apply only to Vested units.

Full withdrawals from the Scheme are allowed only in the circumstances as set out in *Section 7.5.1*.

Partial withdrawals from the Scheme may only be made from Sub-account B subject to certain conditions as set out in *Section 7.5.2*.

A request to transfer to a PRS operated by another PRS provider is subject to the conditions as set out in *Section 7.6*.

<b>Name of the Fund</b>	<b>Manulife Shariah PRS-Growth Fund</b>
<b>Fund Category</b>	Core (Growth)
<b>Investment Objective</b>	<p>The Fund aims to facilitate accumulation of retirement savings* by providing capital growth over the long-term.</p> <p><i>*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.</i></p>

Name of the Fund	Manulife Shariah PRS-Growth Fund
<b>Investment Policy and Strategy</b>	<p>The Fund invests in a diversified portfolio of Shariah-compliant equities, Shariah-compliant equity-related securities, Islamic REITs (via Islamic CIS), sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. To achieve the investment objective of the Fund, the Fund may invest a maximum of 95% of its NAV in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS). The Fund will invest at least 5% of the Fund's NAV in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. The Fund may invest in these investments directly or via Islamic CIS.</p> <p>The Fund may invest up to 100% of the Fund's NAV in Shariah-compliant foreign investments in the global markets where the regulatory authority is an ordinary or associate member of the IOSCO.</p>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• Maximum 95% of the Fund's NAV will be invested in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS); and</li> <li>• At least 5% of the Fund's NAV will be invested in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions.</li> </ul>
<b>Performance Benchmark</b>	<p>Median return of all Shariah-compliant PRS core funds – growth funds established in Malaysia.</p> <p>Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information is available at <a href="http://www.manulifeinvestment.com.my">www.manulifeinvestment.com.my</a>.</p>
<b>Principal Risks</b>	<ul style="list-style-type: none"> <li>• Stock specific risk</li> <li>• Country risk</li> <li>• Currency risk</li> <li>• Fund Manager risk</li> <li>• Interest rate risk</li> <li>• Credit and default risk</li> <li>• Islamic CIS risk</li> <li>• Risk considerations for investing in Islamic hedging instruments and Shariah-compliant warrants</li> <li>• Reclassification of Shariah status risk</li> </ul>
<b>Members' Profile</b>	<p>The Fund is suitable for Members who:</p> <ul style="list-style-type: none"> <li>• have a moderate to high risk appetite;</li> <li>• seek capital appreciation on their contributions;</li> <li>• seek an additional retirement savings* scheme other than mandatory retirement scheme;</li> <li>• are not statutorily obliged to contribute to mandatory retirement scheme;</li> <li>• are employers who wish to contribute on behalf of their employees having the aforesaid characteristics; and/or</li> <li>• seek to invest in a Shariah-compliant investment.</li> </ul> <p><i>*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.</i></p>
<b>Distribution Policy</b>	<p>Income distribution is incidental and if any, will be automatically reinvested and distributed as additional Units of the Fund.</p>

Name of the Fund	Manulife Shariah PRS-Growth Fund
Financial Year End	31 August
Base Currency	Ringgit Malaysia
Initial Offer Price	<b>All classes:</b> RM0.5000 per Unit
Launch Date	<b>Class A and Class B:</b> 24 July 2013; <b>Class C:</b> 28 April 2016

Name of the Fund	Manulife Shariah PRS-Moderate Fund
Fund Category	Core (Moderate)
Investment Objective	<p>The Fund aims to facilitate accumulation of retirement savings* through a combination of income# and capital growth over the long-term.</p> <p><i>*Please note that this Fund is neither capital guaranteed nor capital protected; therefore, a Member's capital is neither guaranteed nor protected.</i></p> <p><i>#Income declared will be reinvested in the form of additional Units issued to Members.</i></p>
Investment Policy and Strategy	<p>The Fund invests in a diversified portfolio of Shariah-compliant equities, Shariah-compliant equity-related securities, Islamic REITs (via Islamic CIS), sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. To achieve the investment objective of the Fund, the Fund may invest a maximum of 65% of its NAV in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS). The Fund will invest at least 35% of the Fund's NAV in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. The Fund may invest in these investments directly or via Islamic CIS.</p> <p>The Fund may invest up to 100% of the Fund's NAV in Shariah-compliant foreign investments in the global markets where the regulatory authority is an ordinary or associate member of the IOSCO.</p>
Asset Allocation	<ul style="list-style-type: none"> <li>• Maximum 65% of the Fund's NAV will be invested in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS); and</li> <li>• At least 35% of the Fund's NAV will be invested in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions.</li> </ul>
Performance Benchmark	<p>Median return of all Shariah-compliant PRS core funds – moderate funds established in Malaysia.</p> <p>Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information is available at <a href="http://www.manulifeinvestment.com.my">www.manulifeinvestment.com.my</a>.</p>

Name of the Fund	Manulife Shariah PRS-Moderate Fund
<b>Principal Risks</b>	<ul style="list-style-type: none"> <li>• Stock specific risk</li> <li>• Country risk</li> <li>• Currency risk</li> <li>• Fund Manager risk</li> <li>• Interest rate risk</li> <li>• Credit and default risk</li> <li>• Islamic CIS risk</li> <li>• Risk considerations for investing in Islamic hedging instruments and Shariah-compliant warrants</li> <li>• Reclassification of Shariah status risk</li> </ul>
<b>Members' Profile</b>	<p>The Fund is suitable for Members who:</p> <ul style="list-style-type: none"> <li>• have a moderate risk appetite;</li> <li>• seek capital appreciation on and distribution of Units from their contributions;</li> <li>• seek an additional retirement savings* scheme other than mandatory retirement scheme;</li> <li>• are not statutorily obliged to contribute to mandatory retirement scheme;</li> <li>• are employers who wish to contribute on behalf of their employees having the aforesaid characteristics; and/or</li> <li>• seek to invest in a Shariah-compliant investment.</li> </ul> <p><i>*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.</i></p>
<b>Distribution Policy</b>	Income will be distributed once a year, if any, and will be automatically reinvested and distributed as additional Units of the Fund.
<b>Financial Year End</b>	31 August
<b>Base Currency</b>	Ringgit Malaysia
<b>Initial Offer Price</b>	<b>All classes:</b> RM0.5000 per Unit
<b>Launch Date</b>	<b>Class A and Class B:</b> 24 July 2013; <b>Class C:</b> 28 April 2016

Name of the Fund	Manulife Shariah PRS-Conservative Fund
<b>Fund Category</b>	Core (Conservative)
<b>Investment Objective</b>	<p>The Fund aims to provide steady returns whilst preserving* capital.</p> <p><i>*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.</i></p>

Name of the Fund	Manulife Shariah PRS-Conservative Fund
<b>Investment Policy and Strategy</b>	<p>The Fund invests in a diversified portfolio of Shariah-compliant equities, Shariah-compliant equity-related securities, Islamic REITs (via Islamic CIS), sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. To achieve the investment objective of the Fund, the Fund may invest a maximum of 35% of its NAV in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS). The Fund will invest at least 65% of the Fund's NAV in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. The sukuk and/or Islamic money market instruments which the Fund invests in must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). Further, the Fund may also invest up to 5% of the Fund's NAV in sukuk and/or Islamic money market instruments which are rated below BBB3/P2 and/or are unrated. The Fund may invest in these investments directly or via Islamic CIS.</p>
<b>Asset Allocation</b>	<p>The Fund may invest up to 100% of the Fund's NAV in Shariah-compliant foreign investments in the global markets where the regulatory authority is an ordinary or associate member of the IOSCO.</p> <ul style="list-style-type: none"> <li>• Maximum 35% of the Fund's NAV will be invested in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS); and</li> <li>• At least 65% of the Fund's NAV will be invested in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions.</li> </ul>
<b>Performance Benchmark</b>	<p>Median return of all Shariah-compliant PRS core funds – conservative funds established in Malaysia.</p> <p>Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information is available at <a href="http://www.manulifeinvestment.com.my">www.manulifeinvestment.com.my</a>.</p>
<b>Principal Risks</b>	<ul style="list-style-type: none"> <li>• Stock specific risk</li> <li>• Country risk</li> <li>• Currency risk</li> <li>• Fund Manager risk</li> <li>• Interest rate risk</li> <li>• Credit and default risk</li> <li>• Islamic CIS risk</li> <li>• Risk considerations for investing in Islamic hedging instruments and Shariah-compliant warrants</li> <li>• Reclassification of Shariah status risk</li> </ul>
<b>Members' Profile</b>	<p>The Fund is suitable for Members who:</p> <ul style="list-style-type: none"> <li>• have a low risk appetite;</li> <li>• seek regular distribution of Units from their contributions;</li> <li>• seek an additional retirement savings* scheme other than mandatory retirement scheme;</li> <li>• are not statutorily obliged to contribute to mandatory retirement scheme;</li> <li>• are employers who wish to contribute on behalf of their employees having the aforesaid characteristics; and/or</li> <li>• seek to invest in a Shariah-compliant investment.</li> </ul> <p><i>*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.</i></p>

Name of the Fund	Manulife Shariah PRS-Conservative Fund
Distribution Policy	Income will be distributed once a year, if any, and will be automatically reinvested and distributed as additional Units of the Fund.
Financial Year End	31 August
Base Currency	Ringgit Malaysia
Initial Offer Price	<b>All classes:</b> RM0.5000 per Unit
Launch Date	<b>Class A and Class B:</b> 24 July 2013; <b>Class C:</b> 28 April 2016

Name of the Fund	Manulife Shariah PRS-Global REIT Fund												
Fund Category	Feeder Fund (Islamic REITs)												
Investment Objective	<p>The Fund aims to provide regular income<sup>#</sup> and capital appreciation by investing in one Islamic collective investment scheme, which invests mainly in Islamic REITs.</p> <p><i><sup>#</sup>Income declared will be reinvested in the form of additional Units issued to Members.</i></p>												
Investment Policy and Strategy	<p>The Fund will invest at least 95% of the Fund's NAV in the Manulife Shariah Global REIT Fund ("Target Fund"), while the balance will be invested in Islamic liquid assets such as Islamic money market instruments and placement of Islamic deposits with financial institutions for liquidity purposes.</p> <p>The Fund's portfolio will be closely monitored and rebalanced from time to time to ensure that the Fund's asset is allocated in accordance with its prescribed asset allocation.</p> <p>If the Provider is of the opinion that the Target Fund no longer meets the Fund's objective, the Provider will, in the interest of the Members, seek the Scheme Trustee's consultation and subject to the Member's approval, replace the Target Fund with another Islamic CIS of a similar objective.</p>												
Target Fund Information	<table border="1"> <tbody> <tr> <td><b>Name of Target Fund</b></td> <td>Manulife Shariah Global REIT Fund</td> </tr> <tr> <td><b>Manager</b></td> <td>Manulife Investment Management (M) Berhad</td> </tr> <tr> <td><b>Investment Manager</b></td> <td>Manulife Investment Management (US) LLC</td> </tr> <tr> <td><b>Domicile</b></td> <td>Malaysia</td> </tr> <tr> <td><b>Regulatory Authority</b></td> <td>Securities Commission Malaysia</td> </tr> <tr> <td><b>Launch Date</b></td> <td>12 March 2019</td> </tr> </tbody> </table> <p>Please refer to Chapter 5 for more information on the Target Fund.</p>	<b>Name of Target Fund</b>	Manulife Shariah Global REIT Fund	<b>Manager</b>	Manulife Investment Management (M) Berhad	<b>Investment Manager</b>	Manulife Investment Management (US) LLC	<b>Domicile</b>	Malaysia	<b>Regulatory Authority</b>	Securities Commission Malaysia	<b>Launch Date</b>	12 March 2019
<b>Name of Target Fund</b>	Manulife Shariah Global REIT Fund												
<b>Manager</b>	Manulife Investment Management (M) Berhad												
<b>Investment Manager</b>	Manulife Investment Management (US) LLC												
<b>Domicile</b>	Malaysia												
<b>Regulatory Authority</b>	Securities Commission Malaysia												
<b>Launch Date</b>	12 March 2019												

Name of the Fund	Manulife Shariah PRS-Global REIT Fund
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>At least 95% of the Fund's NAV will be invested in the Target Fund; and</li> <li>Balance of the Fund's NAV will be invested in Islamic liquid assets such as Islamic money market instruments and placement of Islamic deposits with financial institutions for liquidity purposes.</li> </ul> <p><i>Note: The Provider will ensure that there is sufficient liquidity for the Fund to meet withdrawal requests.</i></p>
<b>Performance Benchmark</b>	<p>IdealRatings® Global REITs Islamic Select Malaysia Index, which is also the performance benchmark of the Target Fund.</p> <p><i>Note: Members should be aware that the risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information and disclaimer of IdealRatings are available in <a href="http://www.manulifeinvestment.com.my">www.manulifeinvestment.com.my</a>.</i></p>
<b>Principal Risks</b>	<p><u>Risks of the Target Fund</u></p> <ul style="list-style-type: none"> <li>Stock/Specific security risk</li> <li>Credit and default risk</li> <li>Country risk</li> <li>Currency risk</li> <li>Reclassification of Shariah status risk</li> <li>Taxation risk</li> <li>Risk considerations for investing in Islamic hedging instruments and Shariah-compliant warrants</li> <li>Risk associated with investment in REITs</li> </ul>
<b>Members' Profile</b>	<p>The Fund is suitable for Members who:</p> <ul style="list-style-type: none"> <li>seek investment exposure mainly through a diversified portfolio of REITs globally;</li> <li>seek a sustainable distribution of Units and potential capital growth on their contributions over medium to long-term (means the period of three(3) to five (5) years);</li> <li>seek an additional retirement savings* scheme other than mandatory retirement scheme;</li> <li>are not statutorily obliged to contribute to mandatory retirement scheme;</li> <li>are employers who wish to contribute on behalf of their employees having the aforesaid characteristics; and/or</li> <li>seek to invest in a Shariah-compliant investment.</li> </ul> <p><i>* Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.</i></p>
<b>Distribution Policy</b>	<p>Income will be distributed semi-annually, if any. Subject to availability of income, the Provider has the discretion to declare distribution at a higher frequency. All income distribution will be automatically reinvested and distributed as additional Units of the Fund.</p>
<b>Financial Year End</b>	<p>31 January</p>
<b>Base Currency</b>	<p>Ringgit Malaysia</p>



Name of the Fund	Manulife Shariah PRS-Global REIT Fund
Initial Offer Price	Class C Units: RM0.5000 per Unit
Launch Date	Class C: 29 November 2019

Name of the Fund	Manulife Shariah PRS-Golden Asia Fund
Fund Category	Fund-of-Funds (Islamic)
Investment Objective	The Fund aims to achieve capital appreciation by investing in a portfolio of Islamic collective investment schemes.
Investment Policy and Strategy	<p>To achieve its investment objective, the Fund will invest a minimum of 95% of the Fund's NAV in a portfolio of Islamic CIS that aims to provide capital appreciation through exposure into China and India markets. The Fund will invest in at least two (2) Islamic CIS at all times with investment objective that is similar to the Fund. The Provider shall issue a supplementary / replacement disclosure document and notify Members of the Fund on any amendments to the markets which the Fund may invest in.</p> <p>The remaining NAV of the Fund will be invested in Islamic liquid assets such as cash, Islamic money market instruments, general investment accounts and/or Islamic deposits with financial institutions for liquidity purposes.</p> <p>The Fund adopts a passive strategy by equally allocating the Fund's NAV among the Islamic CIS which the Fund invests in. The Fund's portfolio will be closely monitored and rebalanced from time to time to ensure that the Fund's asset is allocated in accordance with its prescribed asset allocation.</p>
Asset Allocation	<ul style="list-style-type: none"> <li>• Minimum 95% of the Fund's NAV will be invested in a portfolio of Islamic CIS; and</li> <li>• The remaining NAV of the Fund will be invested in Islamic liquid assets such as cash, Islamic money market instruments, general investment accounts and/or Islamic deposits with financial institutions for liquidity purposes.</li> </ul>
Performance Benchmark	<p>50% FTSE Shariah China Index + 50% Nifty Shariah 25 Index</p> <p>Note: The composite performance benchmark provides a balanced gauge on the asset allocation of the Fund which can invest a minimum of 95% of the Fund's NAV in a portfolio of Islamic CIS with exposure in China and India markets. The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of this performance benchmark. The performance benchmark information is available at <a href="http://www.manulifeinvestment.com.my">www.manulifeinvestment.com.my</a>.</p>
Principal Risks	<ul style="list-style-type: none"> <li>• Islamic CIS risk</li> <li>• Country risk</li> <li>• Currency risk</li> <li>• Risk considerations for investing in Islamic hedging instruments and Shariah-compliant warrants</li> </ul>

Name of the Fund	Manulife Shariah PRS-Golden Asia Fund
<b>Members' Profile</b>	<p>The Fund is suitable for Members who:</p> <ul style="list-style-type: none"> <li>• seek capital appreciation with investment focus in China and India market;</li> <li>• have a long-term investment horizon;</li> <li>• seek an additional retirement savings* scheme other than mandatory retirement scheme;</li> <li>• are not statutorily obliged to contribute to mandatory retirement scheme;</li> <li>• are employers who wish to contribute on behalf of their employees having the aforesaid characteristics; and/or</li> <li>• seek to invest in a Shariah-compliant investment.</li> </ul> <p><i>*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.</i></p>
<b>Distribution Policy</b>	Income distribution is incidental and if any, will be automatically reinvested and distributed as additional Units of the Fund.
<b>Financial Year End</b>	31 July
<b>Base Currency</b>	Ringgit Malaysia
<b>Initial Offer Period</b>	<p><b>Class C Units:</b> Twenty-one (21) days from 14 February 2022 to 6 March 2022 or such other shorter period as may be determined by the Provider. The Provider may shorten the initial offer period if the Provider is of the view that it is timely to commence the Fund, e.g., to enable it to purchase assets for the Fund due to market conditions.</p> <p><i>During the initial offer period, the Provider may place the subscription amount collected in the Fund in Islamic deposits with financial institution(s). The accrued interest/profit earned from the placement of Islamic deposits will be reflected in the NAV per Unit of the Class.</i></p>
<b>Initial Offer Price</b>	<p><b>Class C Units:</b> RM0.5000 per Unit</p> <p><i>If the Fund has no subscription during the respective initial offer period, the initial offer price will be used for the first subscription into the Fund after the initial offer period.</i></p>
<b>Launch Date</b>	<b>Class C:</b> 14 February 2022

## FEES, CHARGES AND EXPENSES

This table describes the fees and charges that you may **directly incur** when you purchase or redeem Units of the Fund:

### Fees and Charges payable to the Administrator

<b>PPA account opening fee</b>	RM10.00 (one-off)*
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## FEES, CHARGES AND EXPENSES

<b>PPA annual fee</b>	RM8.00 per annum <i>No annual fee will be charged during the 1st year of the opening of a private pension account; there will also be no annual fee payable if no contributions are made during a Calendar Year.</i>
<b>PPA pre-retirement withdrawal fee</b>	RM25.00 for each withdrawal* <i>The withdrawal fee is applicable to a Member who wants to withdraw from their Sub-account B.</i>
<b>PPA transfer fee</b> (to another PRS provider)	RM25.00 for each transfer* <i>The transfer fee is applicable to a Member who wants to transfer to another PRS operated by another PRS provider.</i>

\*subject to any other circumstances as may be specified by the Administrator.

### Fees and Charges payable to the Provider

Sales Charge	Fund Name	Class A Units	Class B Units	Class C Units
		Manulife Shariah PRS-Growth Fund	Nil.	
	Manulife Shariah PRS-Moderate Fund			
	Manulife Shariah PRS-Conservative Fund			
	Manulife Shariah PRS-Global REIT Fund	Not applicable.		
	Manulife Shariah PRS-Golden Asia Fund			

The Sales Charge is non-negotiable. However, the Provider may at its discretion charge a lower Sales Charge from time to time.

## FEES, CHARGES AND EXPENSES

### Redemption Charge

Fund Name	Class A Units	Class B Units	Class C Units
Manulife Shariah PRS-Growth Fund Manulife Shariah PRS-Moderate Fund Manulife Shariah PRS-Conservative Fund	<p>A Redemption Charge will be imposed at the following rates:</p> <ul style="list-style-type: none"> <li>• 3.00% of NAV per Unit for withdrawal in the 2nd year after the first contribution to the Fund;</li> <li>• 2.00% of NAV per Unit for withdrawal in the 3rd year after the first contribution to the Fund;</li> <li>• 1.00% of NAV per Unit for withdrawal in the 4th year after the first contribution to the Fund; and</li> <li>• No Redemption Charge will be imposed for withdrawal from the 5th year after the first contribution to the Fund.</li> </ul>		No Redemption Charge will be imposed on the withdrawal of Class C Units.
Manulife Shariah PRS-Global REIT Fund Manulife Shariah PRS-Golden Asia Fund	Not applicable.		

The Redemption Charge will be retained by the Provider. The Provider has the discretion to waive the Redemption Charge.

*Please note that a Redemption Charge is applicable upon any withdrawal from the Scheme (except for upon a Member reaching Retirement Age, permanent departure of a Member from Malaysia or withdrawals due to a Member's death, permanent total disablement, serious disease or mental disability, healthcare purpose or housing purpose).*

### Transfer fee (to another PRS provider)

Fund Name	Class A Units	Class B Units	Class C Units
Manulife Shariah PRS-Growth Fund Manulife Shariah PRS-Moderate Fund Manulife Shariah PRS-Conservative Fund	<p>No transfer fee will be imposed on a request to transfer to another PRS operated by another PRS provider.</p> <p>However, a Redemption Charge will be imposed on a Member which rate will depend on the number of years the Member has contributed to the Scheme.</p>		A transfer fee of RM25.00 will be imposed on a request to transfer to another PRS operated by another PRS provider.
Manulife Shariah PRS-Global REIT Fund Manulife Shariah PRS-Golden Asia Fund	Not applicable.		

## FEES, CHARGES AND EXPENSES

### Switching fee

Members may switch:

- between Funds of the Scheme;
- between a Fund of the Scheme and any other fund in another scheme operated by the Provider; and
- from Class A or Class B Units to Class C Units.

However, switching from Class C Units to Class A or Class B Units is not allowed.

No switching fee will be imposed on the first 12 switching transactions made during a Calendar Year. For each subsequent switching transaction made during the same Calendar Year, the Provider will impose the following fee on the Member:

Fund Name	Class A Units	Class B Units	Class C Units
Manulife Shariah PRS-Growth Fund	<ul style="list-style-type: none"> <li>RM25.00 per switch between Funds of the Scheme or between a Fund of the Scheme and any other fund in another PRS operated by the Provider.</li> <li>3% of the amount switched out from Class A or Class B Units to Class C Units.</li> </ul>		For each subsequent switching transaction made within the same class of Units between Funds of the Scheme and between a Fund of the Scheme and any other fund in another PRS operated by the Provider during the same Calendar Year, a switching fee of RM25.00 will be imposed by the Provider on the Member.
Manulife Shariah PRS-Moderate Fund			
Manulife Shariah PRS-Conservative Fund			
Manulife Shariah PRS-Global REIT Fund	Not applicable.		
Manulife Shariah PRS-Golden Asia Fund			

The Provider may at its discretion, waive the switching fee based on the terms and conditions as may be determined from time to time.

### Other charges

There are no other charges (except charges levied by banks on remittance of money) payable directly by contributors when purchasing, holding or redeeming Units of the Fund.

*The Provider will notify its Members of any increase in the fees and charges payable to the Provider by way of a supplemental disclosure document stating the higher rate and its effective date; the higher fees and charges will be effective 30 days after the date of issuance of the supplemental disclosure document.*

**Members may obtain information relating to the above fees and charges of this Scheme and other PRS for comparison from the Administrator's website at [www.ppa.my](http://www.ppa.my).**

This table describes the fees and expenses that you may **indirectly incur** when you invest in the Fund:

Annual management fee	Fund Name	Class A Units	Class B Units	Class C Units
	(% per annum of the NAV attributable to this class of Units of the Fund)			
	Manulife Shariah PRS-Growth Fund	1.80%	1.50%	1.50%
	Manulife Shariah PRS-Moderate Fund	1.50%	1.25%	1.25%
	Manulife Shariah PRS-Conservative Fund	1.20%	1.00%	1.00%
	Manulife Shariah PRS-Global REIT Fund	Not applicable		Up to 1.80%
	Manulife Shariah PRS-Golden Asia Fund			

Annual trustee fee	Fund Name	Class A Units	Class B Units	Class C Units
	Manulife Shariah PRS-Growth Fund	0.025% per annum of the NAV of the Fund.		
	Manulife Shariah PRS-Moderate Fund			
	Manulife Shariah PRS-Conservative Fund			
	Manulife Shariah PRS-Global REIT Fund	Not applicable.		0.025% per annum of the NAV of the Fund.
	Manulife Shariah PRS-Golden Asia Fund			

The annual trustee fee does not include any foreign sub-custodian fees and charges (if any).

Other expenses
<ul style="list-style-type: none"> <li>• commission/ fees paid to brokers;</li> <li>• foreign sub-custodian fees and charges (if any);</li> <li>• taxes and other duties imposed on the Fund by the Malaysian government and/or other authorities;</li> <li>• auditor's fees and expenses;</li> <li>• valuation fees incurred for the valuation of the Fund's investment by independent valuers for the benefit of the Fund;</li> <li>• independent investment committee members' fee;</li> <li>• Shariah Adviser's fees;</li> <li>• costs for modification of the Deed other than those for the benefit of the Provider or the Scheme Trustee;</li> </ul>

<b>PPA administration fee</b>	<ul style="list-style-type: none"> <li>costs incurred for meetings of Members other than those convened by, or for the benefit of, the Provider or the Scheme Trustee; and</li> <li>any other expenses as may be allowed under the Deed.</li> </ul>
	0.04% per annum of the NAV of the Fund.
	The PPA administration fee will be charged by the Administrator to the Fund.

*The Provider will notify its Members of any increase in the above annual management fee and annual trustee fee by way of a letter and a supplemental disclosure document stating the higher rate and its effective date; the higher fees and charges will be effective 90 days after the date of issuance of the supplemental disclosure document.*

**Members may obtain information relating to the annual management fee and annual trustee fee of this Scheme and other PRS for comparison from the Administrator's website at [www.ppa.my](http://www.ppa.my).**

## TRANSACTION DETAILS

<b>Minimum initial investment</b>	RM100 or such other lower amount as the Provider may decide from time to time.
<b>Minimum additional investment</b>	RM100 or such other lower amount as the Provider may decide from time to time.
<b>Cooling-off period</b>	Six (6) Business Days commencing on the date of receipt of the application for cooling-off by the Provider.
<b>Minimum holding balance of each Fund</b>	100 Units or such other lower amount as the Provider may decide from time to time. Please note that the minimum holding refers to the total number of Units of each Fund in a Member's Sub-account A.
<b>Minimum redemption of Units from each Fund</b>	200 Units or such other lower amount as the Provider may decide from time to time.

## TRANSACTION DETAILS

### Payment of redemption proceeds

	<b>Circumstances of withdrawal</b>	<b>Period of payment to be made</b>
(a)	Pre-retirement withdrawals from Sub-account B	Within ten (10) days after the Provider received a completed withdrawal request
(b)	Upon reaching Retirement Age	
(c)	Permanent departure of a Member from Malaysia	
(d)	For housing purpose from Sub-account B	
(e)	For healthcare purpose from Sub-account B	
(f)	Due to permanent total disablement, serious disease and mental disability of a Member	Within ten (10) days after the Provider received a completed withdrawal request (either received directly or through a notification from the Administrator)
(g)	Death of a Member	Within ten (10) days after the Provider received an authorisation from the Administrator

### Partial withdrawal from the Scheme

A Member may request his first partial withdrawal in respect of all or some of the Member's Units of the Fund by redeeming the Units held in his Sub-account B one (1) year after the date of the Member's first contribution to the Scheme.

Thereafter, the Member is allowed to perform one (1) partial withdrawal from one or more PRSs (including the Scheme) in his Sub-account B for all such scheme(s) in each following Calendar Year.

A Member who has reached the Retirement Age may also request partial withdrawal from the Scheme.

Please note that partial withdrawal is not allowed:

- when a Member is departing Malaysia permanently; or
- withdrawals due to permanent total disablement, serious disease and mental disability.

For the avoidance of doubts, withdrawals are permitted for Vested units only.

### Switching of Units

Switching of Vested units and/or conditionally Vested units in a Fund may only be done with the Units of any other Funds within the Scheme or funds in another PRS operated by the Provider.

For Class C Units, however, switching of Units can only be done within the same class of Units between Funds. Members are not permitted to switch their Vested units and/or conditionally Vested units from Class C Units to Class A or Class B Units.

### Minimum switching amount from a Fund

200 Units or such other lower amount as the Provider may decide from time to time.



## TRANSACTION DETAILS

### Transfer to another PRS

A Member may request for a withdrawal of any of the Vested units of the Funds of the Scheme held by him and then transfer the proceeds of such withdrawal to another PRS operated by another PRS provider one (1) year after the date of the Member's first contribution to the Scheme.

Thereafter, the Member is allowed to perform one (1) transfer every Calendar Year on a per PRS provider basis. A Member may also consolidate all his contributions from the Funds managed by the Provider to be transferred to another fund managed by another PRS provider. For avoidance of doubt, the redemption proceeds from a Fund cannot be split into two (2) or more funds.

If the redemption proceeds are realised from redemption of Units in Sub-account A, such redemption proceeds will be used to create units in the Member's sub-account A of the other PRS operated by another PRS provider. If the redemption proceeds are realised from redemption of Units in Sub-account B, such redemption proceeds will be used to create units in the Member's sub-account B of the other PRS operated by another PRS provider.

Please note that transfer to another PRS operated by another PRS provider is not permitted for conditionally Vested units.

For the avoidance of doubt, transfer of Units of the Fund to another individual or Member is not allowed.

### Minimum transfer amount from a Fund

200 Units or such other lower amount as the Provider may decide from time to time.

## OTHER INFORMATION

### Core funds Type of classes of Units

The core funds of the Scheme are multi-class funds which consists of three (3) different classes of Units (Class A, Class B and Class C) which are distinguished by the amount of Sales Charge, Redemption Charge, switching fee, transfer fee and management fee imposed by the Provider on each of those classes of Units.

On the 10th anniversary of the date the first contribution was made by or on behalf of a Member holding Class A Units of a Fund, the Class A Units of such Fund held by a Member will automatically be converted into Class B Units of such Fund at no cost to the Member. Accordingly, any subsequent contributions by or on behalf of the Member after the said 10th anniversary will be utilised towards the purchase of Class B Units of any of the Funds. For the avoidance of doubt, the date the first contribution was made shall be the earliest date the first contribution was made to the Scheme or to any other PRS operated by the Provider.

The details of the classes of Units of the Funds are as follows:

## OTHER INFORMATION

<b>Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund and Manulife Shariah PRS-Conservative Fund</b>			
<b>Class of Units</b>	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>
<b>Sales Charge</b>	Nil.		Up to 3.00% of NAV per Unit
<b>Redemption Charge</b> (for withdrawal in the $X^{th}$ year after the first contribution to the Scheme)	<ul style="list-style-type: none"> <li>• 3.00% of NAV per Unit in the 2nd year;</li> <li>• 2.00% of NAV per Unit in the 3rd year;</li> <li>• 1.00% of NAV per Unit in the 4th year; and</li> <li>• No Redemption Charge in the 5th year onwards.</li> </ul>		Nil
<b>Switching fee</b>	<p>No switching fee will be imposed on the first 12 switching transactions made during a Calendar Year. For each subsequent switching transaction made during the same Calendar Year, the Provider will impose the following fee on the Member:</p> <ul style="list-style-type: none"> <li>• RM25.00 per switch between Funds of the Scheme or between a Fund of the Scheme and any other fund in another PRS operated by the Provider.</li> <li>• 3% of the amount switched out from Class A or Class B Units to Class C Units.</li> </ul> <p>The Provider may at its discretion, waive the switching fee based on the terms and conditions as may be determined from time to time.</p>		
<b>Transfer fee</b> (to another PRS provider)	Nil		RM25.00
<b>Annual management fee</b>	<b>Class A Units</b>	<b>Class B Units</b>	<b>Class C Units</b>
	(% per annum of the NAV attributable to this class of Units of the Fund)		
<b>Manulife Shariah PRS-Growth Fund</b>	1.80%	1.50%	1.50%
<b>Manulife Shariah PRS-Moderate Fund</b>	1.50%	1.25%	1.25%
<b>Manulife Shariah PRS-Conservative Fund</b>	1.20%	1.00%	1.00%

## OTHER INFORMATION

<b>Non-core funds</b>	The non-core funds of the Scheme consists of one (1) class of Units only, i.e. Class C.
<b>Deed</b>	The deed dated 17 June 2013 in respect of the Scheme entered into between the Provider and the Scheme Trustee as modified by a supplemental deed dated 27 January 2014, a second supplemental deed dated 6 March 2015, a third supplemental deed dated 10 December 2015, a fourth supplemental deed dated 25 June 2019, a fifth supplemental deed dated 14 October 2019, a sixth supplemental deed dated 8 October 2020 and a seventh supplemental deed dated 16 December 2021, all entered into between the same parties and as may be modified by any other subsequent supplemental deed.
<b>Borrowings and Securities Lending</b>	Unless otherwise allowed by the SC or by any relevant law, and subject to such terms and conditions as the SC or any relevant law may prescribe, the Funds are not permitted to borrow to finance its activities or to grant or guarantee any loans or enter into a contract to purchase investments when it does not have the necessary funds to pay for the purchase. However, the Funds may borrow cash or obtain financing for the purposes of meeting redemption requests for Units and for short-term bridging requirements.
<b>Avenue for advice</b>	If you have any queries or require further information, please contact our customer service at 03-2719 9271 or email us at <a href="mailto:PRSinfo_MY@manulife.com">PRSinfo_MY@manulife.com</a> . Alternatively, you may contact our authorised agents at our branch offices listed in the <i>Corporate Directory</i> section.
<b>Where and how to lodge a complaint</b>	<p>You may lodge a complaint in writing to the Provider. If you are dissatisfied with the outcome of the dispute, you may refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC).</p> <p>Although you have initiated a dispute resolution with SIDREC, you may also direct your complaint to the SC and/or Federation of Investment Managers Malaysia.</p> <p>Please refer to <i>Section 15.2</i> for details on where and how to lodge a complaint.</p>

### UNIT PRICES AND DISTRIBUTIONS, IF ANY, MAY GO DOWN AS WELL AS UP.

### PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

#### **Note: Applicable Tax**

All fees and charges (e.g. PPA account opening fee, PPA annual fee, PPA pre-retirement withdrawal fee, PPA transfer fee, Sales Charge, Redemption Charge, switching fee, transfer fee, management fee, trustee fee and any other relevant fee(s) and/or charge(s)), where applicable, may be subject to tax that may be introduced by the government of Malaysia from time to time. The Provider, the Scheme Trustee and/or other service providers reserve the right to collect from you and/or the Fund an amount equivalent to the prevailing rate of tax payable for all fees and charges, where applicable. Fees and charges disclosed in this Disclosure Document are exclusive of any taxes.

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

## CHAPTER 2: RISK FACTORS

### 2.1 GENERAL RISK OF INVESTING IN THE FUNDS

Prior to making investments in the Funds, contributors should be aware that there are risks associated with investments in the Funds. Below are some of the **general risks** which contributors should be aware of when investing in the Funds:

#### **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 Funds' NAV.

#### **Provider's risk**

The risk refers to the day-to-day management of the Funds by the Provider which will impact the performance of the Funds. For example, investment decisions undertaken by the fund managers of the Provider, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or Guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Funds.

#### **Liquidity risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

#### **Inflation risk**

The Funds are subject to the risk of a Member's investment not being able to match the inflation rate, thereby reducing the Member's purchasing power even though the investment in monetary terms may have increased in value. Members are advised to take note that the Funds are not designed with the objective of matching the inflation rate of Malaysia.

#### **Concentration risk**

Concentration risk occurs when a portfolio is overweight on a particular security, sector or asset class. In a scenario where the Funds invest in a substantial portion of their assets in securities of a particular sector, the Funds may be subject to greater price volatility or adversely affected by the performance of the particular sector. The risk may be mitigated through the diversification process that the fund manager of the Funds will employ in the management of the Funds.

#### **Risk associated with default option** *(not applicable to Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund)*

If a Member did not select a Fund under the Scheme, his contributions will be automatically allocated via the default option to a core fund according to his age. When the Member reaches the ages of 45 and 55 years, as the case may be, the Provider will switch the Member's investments to another core fund under the Scheme. The switching exercise will be executed in equal proportion over a five (5)-year period based on the number of Units remaining in the Fund (for further information on default option, please refer to *Section 3.3.4*). Accordingly, the aforementioned switching exercise under the default option may result in a Member incurring losses in relation to his investments due to unfavourable market conditions that may result in a decline in the prices of securities of the Fund. This is because, at the point of switching, the Unit price of the Fund may be lower than the Unit price of the Fund at the time he contributed to the Fund.

## 2.2 SPECIFIC RISK ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUND

Below are some of the **specific risks** associated with the investment portfolio of the Fund; these may include but are not limited to:

Fund Name	Manulife Shariah PRS-Growth Fund	Manulife Shariah PRS-Moderate Fund	Manulife Shariah PRS-Conservative Fund	Manulife Shariah PRS-Global REIT Fund	Manulife Shariah PRS-Golden Asia Fund
<b>Stock/Security specific risk</b>	√	√	√	Please refer to Section 2.3 for specific risk of the Target Fund.	
<b>Country risk</b>	√	√	√		√
<b>Currency risk</b>	√	√	√		√
<b>Fund Manager risk</b>	√	√	√		
<b>Interest rate risk</b>	√	√	√		
<b>Credit and default risk</b>	√	√	√		
<b>Islamic CIS risk</b>	√	√	√		√
<b>Risk considerations for investing in Islamic hedging instruments and Shariah-compliant warrants</b>	√	√	√		√
<b>Reclassification of Shariah status risk</b>	√	√	√		

### Stock/ Security specific risk

Prices of a particular Shariah-compliant stock or Islamic REITs may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock or REITs will adversely affect the Funds' NAV.

### Country risk

Investments of the Funds in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Funds invest in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Funds in those affected countries. This in turn may cause the NAV of the Funds or prices of Units to fall.

### Currency risk

As the investments of the Funds may be denominated in currencies other than the base currency of the Funds (e.g. Malaysian Ringgit), any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Funds in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. Hedging may be applied to mitigate the currency risk. However, investors are unable to enjoy upside from any currency appreciation.

### **Fund Manager risk**

The Provider has no control over the investment techniques and knowledge, operational controls and management of the Funds by the Fund Manager. In the event the Funds are mismanaged by the Fund Manager, the NAV of the Funds would be affected negatively. Should such a situation arise, the Provider may replace the Fund Manager with another fund manager.

### **Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of sukuk and Islamic money market instruments. When interest rates rise, sukuk and Islamic money market instruments prices generally decline and this may lower the market value of the Funds' investment in sukuk and Islamic money market instruments. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, the Fund Manager will need to manage the sukuk and Islamic money market instruments portfolio taking into account the profit rate and time to maturity of the sukuk and Islamic money market instruments.

The rates for Islamic deposits are normally fixed during the specific and agreed tenure. Hence, any changes in the prevailing level of interest rates will not impact the earlier deposit rates that have been agreed between the Fund Manager and the financial institutions. However, in the event of rising interest rates, the Fund will lose the opportunity to earn higher interest during the specific tenure.

The above interest rate is a general indicator that will have an impact on the management of the Funds regardless of whether it is Shariah-compliant. It does not in any way suggest that an Islamic fund will invest in conventional financial instruments. All investments carried out for Islamic fund are in accordance with Shariah requirements.

### **Credit and default risk**

Credit risk relates to the creditworthiness of the issuers of the sukuk and Islamic money market instruments and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the sukuk and Islamic money market instrument. In the case of rated sukuk or Islamic money market instrument, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a sukuk or Islamic money market instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the sukuk or Islamic money market instrument. This could adversely affect the value of the Funds. Such risk could be mitigated through vigorous credit analysis and having regular updates on the business profile and the financial position of the issuer or counterparty of the instruments.

### **Islamic CIS risk**

As the Funds may invest in other Islamic CISs, the Funds are exposed to the risk faced by the Islamic CIS that the Funds invest in. Any adverse effect suffered by the Islamic CIS such as an event of default in its underlying investments may cause the net asset value of the Islamic CIS to drop and as a result of which may also affect the performance of the Funds. This risk is mitigated by investing in more than one Islamic CIS.

### **Risk considerations for investing in Islamic hedging instruments and Shariah-compliant warrants**

Subject to the permitted investments of the respective Funds, the fund manager of the Funds may invest in Islamic hedging instruments and Shariah-compliant warrants. The fund manager of the Funds may use Islamic hedging instruments such as Islamic swap, Islamic forward and Islamic futures for hedging purposes only. This involves special risks, including but not limited to:

- the risk of loss from default by the counterparty, typically as a consequence of insolvency or failed settlement; and
- the risk of the supply and demand factors in the Islamic hedging instruments market and in other related markets impacting the liquidity of the Islamic hedging instruments market

adversely, which in turn would adversely affect the Islamic hedging instrument's pricing and the Fund.

The fund manager of the Funds will only enter into Islamic hedging transactions where the counterparty is an Islamic financial institutions with a minimum long-term credit rating by any domestic or global rating agency which indicates strong capacity for timely payment of financial obligations. In the event where the counterparty or issuer's rating falls below the minimum required or it ceases to be rated, the fund manager of the Funds will liquidate its holdings within six months or sooner, unless the Scheme Trustee considers it to be in the best interest of the Members to do otherwise.

To mitigate the risk, all Islamic hedging instruments will be closely monitored or efforts will be taken to unwind such positions if there is material adverse change to an issuer.

The Funds may purchase Shariah-compliant warrants and may also hold Shariah-compliant warrants which arise from the Fund's holdings in Shariah-compliant equities and such Shariah-compliant warrants are limited to those which can be converted into new shares. A Shariah-compliant warrant gives the Fund the right but not the obligation to subscribe to the underlying securities of the issuing company at a pre-determined price (exercise price), quantity and expiry period. Shariah-compliant warrants will expire and value will diminish if they are not exercised by expiration date or if they are out-of-the-money (the exercise price is higher than the current market price of the underlying securities). Prices of Shariah-compliant warrants are extremely volatile and it may not always be possible to dispose all in short period of time.

### **Reclassification of Shariah status risk**

This refers to the risk that the currently held Shariah-compliant investments in the portfolio of the Funds may be reclassified to be Shariah non-compliant in the periodic review of the investments by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Provider will take the necessary steps to dispose of such investments.

There may be opportunity loss to the Funds due to the Funds not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant investments. The value of the Funds may also be adversely affected in the event of a disposal of Shariah non-compliant investments at a price lower than the investment cost.

## **2.3 SPECIFIC RISK OF THE TARGET FUND**

The Target Fund is subject to the stock/ security specific risk, country risk, currency risk, risk considerations for investing in Islamic hedging instruments and Shariah-compliant warrants and reclassification of Shariah status risk mentioned in Section 2.2. In addition, the below risks are associated with the investment portfolio of the Target Fund.

### **Risk associated with investments in REITs**

- **Property taxes risk**  
Any increase in property taxes law or requirement could have an adverse impact to income gained from sales of any property. This risk is mitigated by diversifying the portfolio across various property sub-segments and is lessened further by investments in multiple countries to mitigate concentration in any single market or economy.
- **Rental risk**  
Any material changes in the regulatory limits on rent could have an adverse impact on the rental income which may reduce dividend payout. This risk is mitigated by investing in a wide range of property sub-segments across different countries in the permissible region of investments. A close monitoring of rental rates via channel checks by the investment manager of the Target Fund is regularly required to ensure timely portfolio decision-making.

- REIT management risk  
REIT's performance depends, in part, upon the continued service and performance of REIT's manager. For example, the key personnel of REIT's manager may leave the employment and affect the results of the duties which such personnel are responsible for. The loss of key personnel, or the inability of the relevant businesses REIT's manager to retain or replace qualified employees, could have an adverse effect on its operating results, affect its ability to generate cash and make distributions to the REIT's investors. The REIT's performance will have an impact on the investments of the Target Fund.

### **Taxation risk**

A portfolio may be subject to taxation resulting, for example, from income or realized capital gains attributable to certain portfolio securities. In certain cases, a double-taxation treaty may exist and serve to eliminate or ameliorate the effect of such taxation. In other cases, no such double-taxation treaty may exist. For example, a portfolio may invest in REIT securities of U.S. issuers. Dividends on the REIT securities of U.S. issuers generally will be subject to a 30% U.S. withholding tax. In addition, when the Target Fund sells a non-domestically controlled REIT in U.S. (REIT with less than 50% shareholding by U.S. persons), a 10% withholding tax may be applicable on the gross receipts by the Target Fund. In general, these taxes will be neither refundable nor subject to reduction under an income tax treaty between the country of source and the country of residence of the Target Fund. No assurance can be given that applicable tax laws and interpretations thereof will not be changed or amended in the future in a manner that will adversely affect the net asset value of the Target Fund.

## **2.4 RISK MANAGEMENT STRATEGIES**

Risk management is an integral part of the Provider's process in managing the Funds of the Scheme. In ensuring compliance with the Guidelines, and the Funds' limits and investment restrictions, the Provider has in place clearly defined policies and procedures that have been approved by the board of directors and also a system for the monitoring of transactions.

In addition, the fund managers of the Funds conduct regular review on the economic, political and social factors to evaluate its effects on investments held by the Funds. Regular meetings are also held to deliberate on these factors, investment themes and portfolio decisions.

For the core funds, the Fund Manager may lower the total Shariah-compliant equity exposure of the Funds to below the minimum limit permitted in the asset allocation if the Fund Manager is of the opinion that the investment climate is deemed unfavourable or under adverse market conditions. This strategy will minimise the potential loss which may arise when prices of Shariah-compliant equities decline. The Fund Manager will then decide on the optimal asset allocation strategy and reallocate the Funds' investments into more defensive instruments such as sukuk, Islamic money market instruments and Islamic deposit.

For Manulife Shariah PRS-Golden Asia Fund, the Provider may take temporary defensive positions that may be inconsistent with the Fund's investment strategy in response to adverse market conditions, economic, political or any other condition. In such circumstances, the Provider may allocate up to 100% of the Fund's NAV in cash, Islamic money market instruments, general investment accounts and/or Islamic deposits.

For Manulife Shariah PRS-Global REIT Fund, a minimum 95% of the Fund's NAV will be invested in the Target Fund. The risk management strategies and techniques employed will be at the Target Fund level. Please refer to Section 5.4 for risk management of the Target Fund.



## **CHAPTER 3: GENERAL INFORMATION ON THE SCHEME**

### **3.1 NAME OF THE SCHEME**

The PRS offered in this Disclosure Document is the Manulife Shariah PRS NESTEGG Series.

### **3.2 GENERAL INFORMATION ON THE SCHEME**

The Scheme is a voluntary investment scheme designed to facilitate the accumulation of retirement savings\* by individuals for their retirement needs.

The Guidelines require a PRS to have three (3) core funds each with a different objective and investment strategy and each providing for a different risk appetite. The three (3) core funds of the Scheme are the Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund and Manulife Shariah PRS-Conservative Fund; whilst the two (2) non-core funds of the Scheme are Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund.

*\*Please note that these Funds are neither capital guaranteed funds nor capital protected funds; therefore, a Member's capital is neither guaranteed nor protected.*

*Note: Detailed information on each of the Funds can be found in Chapter 4.*

### **3.3 CONTRIBUTIONS TO THE SCHEME**

#### **3.3.1 Who may Contribute**

Contributions to the Scheme may only be made by:

- any individual person above the age of 18 years who has opened a private pension account with the Administrator through a PRS provider (including the Provider); and
- any employer of such individual person.

#### **3.3.2 Contributions by an Employer**

An employer who wishes to make a contribution to the Scheme on behalf of his employee will have to show proof to the Provider that the employee is in fact in the employment of the employer.

#### **3.3.3 Vesting of Contributions**

A contribution to the Scheme by a Member will vest in the Member immediately upon receipt by the Provider.

A contribution to the Scheme by the Member's employer may be subject to a Vesting Schedule. This may result in the issuance of Vested units and conditionally Vested units. A Member who holds Vested units and conditionally Vested units will enjoy equivalent rights as a Member of the Funds. A contribution to the Scheme by an employer on behalf of its employee, if not made subject to a Vesting Schedule, shall vest in the employee immediately upon receipt by the Provider.

A contribution made in the form of a cheque will not be considered to have been received by the Provider until the cheque has been cleared and the money has been credited into the Provider's account.

#### **3.3.4 Default Option**

Unless the Provider is notified otherwise in writing at the time a contribution to the Scheme is made, the contribution will be allocated for the purchase of Units of the core funds of the Scheme in accordance with the default option of the Scheme as follows:

- 100% in the Manulife Shariah PRS-Growth Fund if the contribution is made by or for a Member who has not reached the age of 45 years at the time the contribution is made;
- 100% in the Manulife Shariah PRS-Moderate Fund if the contribution is made by or for a Member who has reached the age of 45 years but is not yet 55 years old at the time the contribution is made; and
- 100% in the Manulife Shariah PRS-Conservative Fund if the contribution is made by or for a Member who has reached the age of 55 years at the time the contribution is made.

If Units are held by a Member as aforesaid and unless the Member expressly instructs the Provider otherwise, the Provider will, as part of the default option of the Scheme and before the end of the next Calendar Month from the day the Member attains:

- the age of 45 years, switch the Units of Manulife Shariah PRS-Growth Fund into Units of Manulife Shariah PRS-Moderate Fund; and
- the age of 55 years, switch the Units of Manulife Shariah PRS-Moderate Fund into Units of Manulife Shariah PRS-Conservative Fund.

Members who are investing under the default option will be notified in writing at least thirty (30) days before attaining the ages of 45 and 55, as the case may be, that their investments in the core funds will be switched in accordance with the aforesaid in equal proportion over a five (5)-year period based on the number of Units remaining in the Fund, unless the Provider has been informed by the Members of their decision to stay invested in the current core funds at least one (1) Business Day before they reach the ages of 45 and 55, as the case may be. The first switching shall be executed before the end of the next Calendar Month from the day the Member attains the ages of 45 years and 55 years, as the case may be (“Switch-in Date”), and the subsequent four (4) switching shall be executed no later than ten (10) Business Days from each anniversary of the Switch-in Date.

A Member may also opt out of the default option of the Scheme at any time by requesting the Provider to switch the Units held by the Member into the Units of another Fund of the Scheme. Units of the Fund will be switched with the Units of the other Fund of the Scheme based on NAV per Unit of the respective Funds on the following Business Day upon receipt of such request from the Member.

In addition to the above default option of the Scheme, and provided no written notification to the contrary has been given to the Provider, the first contribution made by or for a Member:

- if made within thirty (30) days before he attains the age of 45 years, shall be allocated for the purchase of Units in the Manulife Shariah PRS-Moderate Fund; and
- if made within thirty (30) days before he attains the age of 55 years, shall be allocated for the purchase of Units in the Manulife Shariah PRS-Conservative Fund.

When Units are to be purchased with a contribution by an employer on behalf of an employee and regardless whether those Units are to be Vested units or conditionally Vested units, the employees shall have the right to select the Funds to be purchased if he does not wish to purchase under the default option.

*Note: Detailed information on switching of Units can be found in Section 7.7.*

### **3.4 SUB-ACCOUNT A AND SUB-ACCOUNT B**

Whether or not a Member’s Units are held under the default option of the Scheme, the Units of each of the Funds of the Scheme held by the Member will, upon their purchase, be placed by the Provider in the following percentages in the following two sub-accounts for the Member:

- 70% of the Units of each Fund in Sub-account A; and
- 30% of the Units of each Fund in Sub-account B, of which Member is allowed to withdraw before attaining the Retirement Age. This is subject to payment of tax penalty of 8% (or such other applicable tax penalty) of the amount withdrawn, which will be deducted by the PRS Provider.

For the avoidance of doubt, the tax penalty is not applicable to withdrawal under the following circumstances:

- (a) when a Member has reached Retirement Age;
- (b) permanent departure of a Member from Malaysia;
- (c) withdrawals due to a Member's death, permanent total disablement, serious disease or mental disability;
- (d) for healthcare purposes; or
- (e) for housing purposes.

However, when an employer makes a contribution on behalf of an employee, the Vested units may be maintained in Sub-account A only.

### 3.5 WITHDRAWALS FROM THE SCHEME

Request for withdrawals may be made in the following circumstances:

<b>Circumstances for withdrawal</b>	<b>Sub-account</b>	<b>Extent of withdrawals</b>
Upon reaching Retirement Age	A & B	Partial or Full
Pre-retirement withdrawals from Sub-account B of the Scheme	B	Partial or Full
Death of a Member	A & B	Partial or Full
Permanent departure of Member from Malaysia	A & B	Full
Withdrawals due to a Member's permanent total disablement, serious disease or mental disability	A & B	Full
For healthcare purposes	B	Partial or Full
For housing purposes	B	Partial or Full

Please refer to Section 7.5 for more details on withdrawal of Units.

### 3.6 CLASS A, CLASS B AND CLASS C UNITS

The core funds of the Scheme have 3 classes of Units: Class A, Class B and Class C. The non-core funds of the Scheme have 1 class of Unit: Class C. Class A, Class B and Class C Units are distinguished by the amount of Sales Charge, Redemption Charge, switching fee, transfer fee and amount of management fee imposed by the Provider on each of those classes of Units.

On the 10th anniversary of the date the first contribution was made by or on behalf of a Member holding Class A Units of a core fund, the Class A Units of such core fund held by a Member will automatically be converted into Class B Units of such core fund at no cost to the Member. Accordingly, any subsequent contributions by or on behalf of the Member after the said 10th anniversary will be utilised towards the purchase of Class B Units of any of the core funds. For the avoidance of doubt, the date the first contribution was made shall be the earliest date the first contribution was made to the Scheme or to any other PRS operated by the Provider.

*Note: Detailed information on computation of NAV for Class A, Class B and Class C Units can be found in Section 7.1.*

## CHAPTER 4: DETAILED INFORMATION ON THE FUNDS

### 4.1 MANULIFE SHARIAH PRS-GROWTH FUND

#### 4.1.1 Investment Objective

The Fund aims to facilitate accumulation of retirement savings\* by providing capital growth over the long-term.

*\*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.  
Any material change to the investment objective of the Fund would require Members' approval.*

#### 4.1.2 Investment Policy and Strategy

The Fund invests in a diversified portfolio of Shariah-compliant equities, Shariah-compliant equity-related securities, Islamic REITs (via Islamic CIS), sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. To achieve the investment objective of the Fund, the Fund may invest a maximum of 95% of its NAV in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS). The Fund will invest at least 5% of the Fund's NAV in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. The Fund may invest in these investments directly or via Islamic CIS.

The Fund may invest up to 100% of the Fund's NAV in Shariah-compliant foreign investments in the global markets where the regulatory authority is an ordinary or associate member of the IOSCO.

Further, the Fund may employ Islamic hedging instruments solely for hedging purposes only. The Islamic hedging instrument trades would not be considered as investments of the Fund but rather a risk management device.

The Fund is actively managed. Any active and frequent trading strategy will depend on market opportunities or valuations.

The Fund Manager will analyse the general economic and market conditions. The top-down approach examines global and local macro-economic factors such as interest rate trends, inflation rates, supply demand trends, commodities trends, industry outlook and trends. The Fund Manager employs an active and opportunistic asset allocation strategy depending upon the market expectations. For example, when the economy bottoms-out from a recession, the Fund Manager will search for a clearer evidence of sustainable economic recovery before overweighting on its equity asset allocation versus fixed income instruments. Likewise, when the economy has peaked and is heading towards a slow growth period, the Fund Manager will then decide to underweight its equity asset allocation versus fixed income instruments.

If and when the Fund invests in any of the Islamic CIS operated by the Provider or its related corporation, there will be no "double-charging" of management fees and sales charges; fees and charges will be levied only at the Fund level. Any sales charge usually paid for investment in the Islamic CIS being invested into will be waived.

#### Temporary Defensive Measures

The Fund Manager may lower the Shariah-compliant equity exposure of the Fund if the Fund Manager is of the opinion that the investment climate is deemed unfavourable or under adverse market conditions; the Fund Manager will then reallocate the Fund's investments into more defensive instruments such as Islamic deposits and/or Islamic money market instruments.

#### 4.1.3 Asset Allocation

- Maximum 95% of the Fund's NAV will be invested in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS); and

- At least 5% of the Fund's NAV will be invested in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions.

#### **4.1.4 Performance Benchmark**

Median return of all Shariah-compliant PRS core funds – growth funds established in Malaysia.

*Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information is available at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).*

## **4.2 MANULIFE SHARIAH PRS-MODERATE FUND**

### **4.2.1 Investment Objective**

The Fund aims to facilitate accumulation of retirement savings\* through a combination of income# and capital growth over the long-term.

*\*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.*

*#Income declared will be reinvested in the form of additional Units issued to Members.*

*Any material change to the investment objective of the Fund would require Members' approval.*

### **4.2.2 Investment Policy and Strategy**

The Fund invests in a diversified portfolio of Shariah-compliant equities, Shariah-compliant equity-related securities, Islamic REITs (via Islamic CIS), sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. To achieve the investment objective of the Fund, the Fund may invest a maximum of 65% of its NAV in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS). The Fund will invest at least 35% of the Fund's NAV in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. The Fund may invest in these investments directly or via Islamic CIS.

The Fund may invest up to 100% of the Fund's NAV in Shariah-compliant foreign investments in the global markets where the regulatory authority is an ordinary or associate member of the IOSCO.

Further, the Fund may employ Islamic hedging instruments solely for hedging purposes only. The Islamic hedging instrument trades would not be considered as investments of the Fund but rather a risk management device.

The Fund is actively managed. Any active and frequent trading strategy will depend on market opportunities or valuations.

The Fund Manager will analyse the general economic and market conditions. The top-down approach examines global and local macro-economic factors such as interest rate trends, inflation rates, supply demand trends, commodities trends, industry outlook and trends. The Fund Manager employs an active and opportunistic asset allocation strategy depending upon the market expectations. For example, when the economy bottoms-out from a recession, the Fund Manager will search for a clearer evidence of sustainable economic recovery before overweighting on its equity asset allocation versus fixed income instruments. Likewise, when the economy has peaked and is heading towards a slow growth period, the Fund Manager will then decide to underweight its equity asset allocation versus fixed income instruments.

If and when the Fund invests in any of the Islamic CIS operated by the Provider or its related corporation, there will be no "double-charging" of management fees and sales charges; fees and charges will be levied only at the Fund level. Any sales charge usually paid for investment in the Islamic CIS being invested into will be waived.

### Temporary Defensive Measures

The Fund Manager may lower the Shariah-compliant equity exposure of the Fund if the Fund Manager is of the opinion that the investment climate is deemed unfavourable or under adverse market conditions; the Fund Manager will then reallocate the Fund's investments into more defensive instruments such as Islamic deposits and/or Islamic money market instruments.

#### 4.2.3 Asset Allocation

- Maximum 65% of the Fund's NAV will be invested in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS); and
- At least 35% of the Fund's NAV will be invested in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions.

#### 4.2.4 Performance Benchmark

Median return of all Shariah-compliant PRS core funds – moderate funds established in Malaysia.

*Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information is available at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).*

### 4.3 MANULIFE SHARIAH PRS-CONSERVATIVE FUND

#### 4.3.1 Investment Objective

The Fund aims to provide steady returns whilst preserving\* capital.

*\*Please note that this Fund is neither capital guaranteed nor capital protected, therefore, a Member's capital is neither guaranteed nor protected.  
Any material change to the investment objective of the Fund would require Members' approval.*

#### 4.3.2 Investment Policy and Strategy

The Fund invests in a diversified portfolio of Shariah-compliant equities, Shariah-compliant equity-related securities, Islamic REITs (via Islamic CIS), sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. To achieve the investment objective of the Fund, the Fund may invest a maximum of 35% of its NAV in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS). The Fund will invest at least 65% of the Fund's NAV in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. The sukuk and/or Islamic money market instruments which the Fund invests in must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). Further, the Fund may also invest up to 5% of the Fund's NAV in sukuk and/or Islamic money market instruments which are rated below BBB3/P2 and/or are unrated. The Fund may invest in these investments directly or via Islamic CIS.

The Fund may invest up to 100% of the Fund's NAV in Shariah-compliant foreign investments in the global markets where the regulatory authority is an ordinary or associate member of the IOSCO.

Further, the Fund may employ Islamic hedging instruments solely for hedging purposes only. The Islamic hedging instrument trades would not be considered as investments of the Fund but rather a risk management device.

The Fund is actively managed. Any active and frequent trading strategy will depend on market opportunities or valuations.

The Fund Manager will analyse the general economic and market conditions. The top-down approach examines global and local macro-economic factors such as interest rate trends, inflation rates, supply demand trends, commodities trends, industry outlook and trends. The Fund Manager employs an active and opportunistic asset allocation strategy depending upon the market expectations. For example, when the economy bottoms-out from a recession, the Fund Manager will search for a clearer evidence of sustainable economic recovery before overweighting on its equity asset allocation versus fixed income instruments. Likewise, when the economy has peaked and is heading towards a slow growth period, the Fund Manager will then decide to underweight its equity asset allocation versus fixed income instruments.

If and when the Fund invests in any of the Islamic CIS operated by the Provider or its related corporation, there will be no “double-charging” of management fees and sales charges; fees and charges will be levied only at the Fund level. Any sales charge usually paid for investment in the Islamic CIS being invested into will be waived.

#### Temporary Defensive Measures

The Fund Manager may lower the Shariah-compliant equity exposure of the Fund if the Fund Manager is of the opinion that the investment climate is deemed unfavourable or under adverse market conditions; the Fund Manager will then reallocate the Fund’s investments into more defensive instruments such as Islamic deposits and/or Islamic money market instruments.

### **4.3.3 Asset Allocation**

- Maximum 35% of the Fund’s NAV will be invested in Shariah-compliant equities, Shariah-compliant equity-related securities and/or Islamic REITs (via Islamic CIS); and
- At least 65% of the Fund’s NAV will be invested in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions.

### **4.3.4 Performance Benchmark**

Median return of all Shariah-compliant PRS core funds – conservative funds established in Malaysia.

*Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information is available at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).*

## **4.4 MANULIFE SHARIAH PRS–GLOBAL REIT FUND**

### **4.4.1 Investment Objective**

The Fund aims to provide regular income<sup>#</sup> and capital appreciation by investing in one Islamic collective investment scheme, which invests mainly in Islamic REITs.

*# Income declared will be reinvested in the form of additional Units issued to Members. Any material change to the investment objective of the Fund would require Members’ approval.*

### **4.4.2 Investment Policy and Strategy**

The Fund will invest at least 95% of the Fund’s NAV in the Manulife Shariah Global REIT Fund (“Target Fund”), while the balance will be invested in Islamic liquid assets such as Islamic money market instruments and placement of Islamic deposits with financial institutions for liquidity purposes.

The Fund’s portfolio will be closely monitored and rebalanced from time to time to ensure that the Fund’s asset is allocated in accordance with its prescribed asset allocation.

If the Provider is of the opinion that the Target Fund no longer meets the Fund’s objective, the Provider will, in the interest of the Members, seeks the Scheme Trustee’s consultation and

subject to the Member's approval, replace the Target Fund with another Islamic CIS of a similar objective.

#### **4.4.3 Asset Allocation**

- At least 95% of the Fund's NAV will be invested in the Target Fund; and
- Balance of the Fund's NAV will be invested in Islamic liquid assets such as Islamic money market instruments and placement of Islamic deposits with financial institutions for liquidity purposes.

*Note: The Provider will ensure that there is sufficient liquidity for the Fund to meet withdrawal requests.*

#### **4.4.4 Performance Benchmark**

The performance benchmark of the Fund is the IdealRatings® Global REITs Islamic Select Malaysia Index, which is also the performance benchmark of the Target Fund.

*Note: Members should be aware that the risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information and disclaimer of IdealRatings are available at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).*

### **4.5 MANULIFE SHARIAH PRS-GOLDEN ASIA FUND**

#### **4.5.1 Investment Objective**

The Fund aims to achieve capital appreciation by investing in a portfolio of Islamic collective investment schemes.

*Any material change to the investment objective of the Fund would require Members' approval.*

#### **4.5.2 Investment Policy and Strategy**

To achieve its investment objective, the Fund will invest a minimum of 95% of the Fund's NAV in a portfolio of Islamic CIS that aims to provide capital appreciation through exposure into China and India markets. The Fund will invest in at least two (2) Islamic CIS at all times with investment objective that is similar to the Fund. The Provider shall issue a supplementary / replacement disclosure document and notify Members of the Fund on any amendments to the markets which the Fund may invest in.

The remaining NAV of the Fund will be invested in Islamic liquid assets such as cash, Islamic money market instruments, general investment accounts and/or Islamic deposits with financial institutions for liquidity purposes.

The Fund adopts a passive strategy by equally allocating the Fund's NAV among the Islamic CIS which the Fund invests in. The Fund's portfolio will be closely monitored and rebalanced from time to time to ensure that the Fund's asset is allocated in accordance with its prescribed asset allocation.

#### **4.5.3 Asset Allocation**

- Minimum 95% of the Fund's NAV will be invested in a portfolio of Islamic CIS; and
- The remaining NAV of the Fund will be invested in Islamic liquid assets such as cash, Islamic money market instruments, general investment accounts and/or Islamic deposits with financial institutions for liquidity purposes.

#### **4.5.4 Performance Benchmark**

50% FTSE Shariah China Index + 50% Nifty Shariah 25 Index



Note: The composite performance benchmark provides a balanced gauge on the asset allocation of the Fund which can invest a minimum of 95% of the Fund's NAV in a portfolio of Islamic CIS with exposure in China and India markets. The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of this performance benchmark. The performance benchmark information is available at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).

## **4.6 PERMITTED INVESTMENTS OF THE FUNDS**

### **4.6.1 Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund and Manulife Shariah PRS-Conservative Fund**

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objectives of the Funds, the Funds may invest in the following:

- (a) Shariah-compliant securities of companies listed on Bursa Malaysia and any other exchanges of countries regulated by an authority which is a member of the IOSCO;
- (b) Islamic deposits with financial institutions;
- (c) Islamic money market instruments such as Islamic negotiable instruments and Islamic accepted bills;
- (d) government sukuk, Islamic treasury bills and other government approved or guaranteed sukuk;
- (e) sukuk and Islamic commercial papers; for Manulife Shariah PRS-Conservative Fund, the sukuk must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC);
- (f) Islamic structured products and Shariah-compliant equity linked notes;
- (g) Units/ shares in Islamic CIS, both local and foreign;
- (h) unlisted Shariah-compliant securities, including but not limited to Shariah-compliant equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing and quotation, and are offered directly to the Fund by the issuer;
- (i) Islamic hedging instruments; and
- (j) any other form of Shariah-compliant investments permitted by SC from time to time.

### **4.6.2 Manulife Shariah PRS-Global REIT Fund**

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

- (a) the Target Fund or an Islamic CIS having a similar objective;
- (b) Islamic money market instruments;
- (c) Islamic deposits placed with financial institutions;
- (d) Islamic hedging instruments; and
- (e) any other form of Shariah-compliant investments permitted by SC from time to time.

### **4.6.3 Manulife Shariah PRS-Golden Asia Fund**

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

- (a) units and/or shares in Islamic CIS where the regulatory authority is an ordinary or associate member of the IOSCO;
- (b) Islamic money market instruments, general investment accounts and Islamic deposits;
- (c) Islamic hedging instruments; and
- (d) any other forms of Shariah-compliant investments as may be agreed between the Provider and the Scheme Trustee from time to time.

## 4.7 INVESTMENT LIMITS AND RESTRICTIONS

### 4.7.1 Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund and Manulife Shariah PRS-Conservative Fund

- (a) The value of the Fund's investments in unlisted Shariah-compliant securities must not exceed 10% of the Fund's NAV, however the limit does not apply to unlisted Shariah-compliant securities that are:
- Shariah-compliant equities not listed and quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing and quotation, and are offered directly to the Fund by the issuer;
  - sukuk traded on an organised OTC market; and
  - Islamic structured products.
- (b) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- (c) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
- (d) The value of the Fund's placement in Islamic deposits with any single financial institution must not exceed 20% of the Fund's NAV.
- (e) For investment in Islamic hedging instrument,
- the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines;
  - the value of the Fund's OTC Islamic hedging transaction with any single counterparty must not exceed 10% of the Fund's NAV; and
  - the Fund's exposure from Islamic hedging position must not exceed the Fund's NAV at all times.
- (f) The value of the Fund's investments in Islamic structured products issued by a single counterparty must not exceed 15% of the Fund's NAV.
- (g) The aggregate value of the Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, OTC Islamic hedging instrument and Islamic structured products issued by or placed with (as the case may be) any single issuer/ financial institution must not exceed 25% of the Fund's NAV.
- (h) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
- (i) The Fund's investments in Shariah-compliant transferable securities (other than sukuk) must not exceed 10% of the Shariah-compliant securities issued by any single issuer.
- (j) The Fund's investments in sukuk must not exceed 20% of the sukuk issued by any single issuer.
- (k) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.
- (l) Investment into one or more Islamic CIS (target funds) is permitted in the following circumstances:
- from the launch of the Scheme, the value of the Fund's investment in any of the target fund must not exceed 95% of the Fund's NAV;
  - upon reaching RM 200 million NAV, the value of the Fund's investment in any of the target fund must not exceed 40% of the Fund's NAV; and
  - that the investment objective of the target fund are similar to the Fund.
- (m) The OTC Islamic hedging instrument counterparty is a financial institution with a minimum long-term rating provided by any domestic or global rating agency that indicates strong capacity for timely payment of financial obligations.

Further, the following investment limits and restrictions are applicable for Manulife Shariah PRS-Conservative Fund:

- (n) The single issuer limit in paragraph (c) and single group limit in paragraph (h) above do not apply to the Fund.

- (o) The value of the Fund's investments in sukuk issued by any single issuer must not exceed 20% of the Fund's NAV. This limit may be increased to 30% if the sukuk are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal.
- (p) For the purpose of paragraph (g), where the single issuer limit is increased to 30% pursuant to paragraph (o) above, the aggregate value of the Fund's investment must not exceed 30%.
- (q) The value of the Fund's investments in sukuk issued by any one group of companies must not exceed 30% of the Fund's NAV.
- (r) The Fund's investment in Islamic hedging is for hedging purposes only.
- (s) The Fund is not permitted to invest in Shariah-compliant warrants with the exception as a result of the Fund's holdings in Shariah-compliant equities.
- (t) The Fund is not permitted to invest in products with embedded Islamic hedging instruments.
- (u) Investment in sukuk and/or Islamic money market instruments must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, sukuk and/or Islamic money market instruments which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of the Fund's NAV (the 5% limit) as a result of:
  - a downgrade of any sukuk and/or Islamic money market instruments to below BBB3/P2;
  - an increase in the aggregate value of sukuk and/or Islamic money market instruments which are rated below BBB3/P2 and/or are unrated; or
  - a decrease in the NAV of the Fund.

In the event the 5% limit is exceeded, the Fund Manager will reduce such investments of the Fund to comply with the 5% limit unless, in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interest of the Members holding Units of the Fund.

The above stated investment limits and restrictions must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any limit or restriction is permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the Fund's investments, or as a result of repurchase of Units or payment made out of the Fund). Once the relevant limit is breached, no further acquisitions of the particular investment shall be made and the Fund Manager must, 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.

There are no restrictions and limits imposed on Shariah-compliant securities/ instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

#### **4.7.2 Manulife Shariah PRS-Global REIT Fund**

- (a) The Fund will not invest in:
  - (i) A feeder fund; and
  - (ii) Any sub-fund of an umbrella fund which is a feeder fund.
- (b) For investments in Islamic hedging instruments –
  - (i) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines;
  - (ii) the value of the Fund's OTC Islamic hedging transaction with any single counterparty must not exceed 10% of the Fund's NAV; and
  - (iii) the Fund's exposure from Islamic hedging position must not exceed the Fund's NAV at all times.
- (c) 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 size.

### 4.7.3 Manulife Shariah PRS-Golden Asia Fund

- (a) The Fund must not invest in a fund-of-funds, a feeder fund and any sub-fund of an umbrella fund which is a fund-of-funds or a feeder fund.
- (b) The Fund's investments in Islamic CIS must not exceed 25% of the units/shares in any Islamic CIS.
- (c) Investment into one or more Islamic CIS (target funds) is permitted in the following circumstances:
  - from the launch of the Scheme, the value of the Fund's investment in any of the target fund(s) must not exceed 95% of the Fund's NAV;
  - upon reaching RM200 million NAV, the value of the Fund's investment in any of the target fund(s) must not exceed 40% of the Fund's NAV; and
  - that the investment objectives of the target fund are similar to the Fund.
- (d) The Fund will not hold more than 5% of its NAV in Islamic liquid assets such as cash, Islamic money market instruments, general investment accounts and/or Islamic deposits with financial institutions.

## 4.8 BASES FOR VALUATION OF THE ASSETS OF THE FUNDS

Investment Instruments	Valuation Basis
Quoted/ Listed Shariah-compliant Investments/ Listed Islamic CIS	<ul style="list-style-type: none"> <li>▪ Quoted Shariah-compliant investments in Malaysia are valued at the last done market price quoted on the Bursa Malaysia at 5.00 p.m. or such other time as may be specified by the Bursa Malaysia.</li> <li>▪ Quoted Shariah-compliant investments in foreign markets are valued based on the last done market price of the respective exchanges.</li> <li>▪ Where no market value is publicly available or where the use of the quoted market value is inappropriate, or where no market price is available, such investments will be valued at fair value determined in good faith by the Provider, based on methods approved by the Scheme Trustee after appropriate technical consultation.</li> </ul>
Unquoted Shariah-compliant Investments	Unquoted Shariah-compliant investments pending listing on Bursa Malaysia are valued at fair value as determined in good faith by the Provider, on methods or bases which have been verified by the auditors of the respective Fund and approved by the Scheme Trustee.
Unlisted Shariah-compliant Investments	In the event the quoted Shariah-compliant investments/ listed Shariah-compliant investments held by the Fund becomes unlisted Shariah-compliant investments, such Shariah-compliant investments are valued at book cost or at a valuation made by a professional person, verified by the auditors and approved by the Scheme Trustee.
Unlisted Sukuk	Investments in unlisted sukuk denominated in RM will be valued on a daily basis based on fair value prices quoted by a bond pricing agency (BPA) registered with the SC. If the Provider is of the view that the price quoted by BPA for a specific sukuk differs from the <i>market price</i> by more than 20 basis points, the Provider may use the <i>market price</i> , provided that the Provider: <ol style="list-style-type: none"> <li>i. Records its basis for using a non-BPA price;</li> <li>ii. Obtains necessary internal approvals to use the non-BPA price; and</li> <li>iii. Keeps an audit trail of all decisions and basis for adopting the market yield.</li> </ol>
Foreign Unlisted Sukuk	Foreign unlisted sukuk will be valued on a daily basis based on fair value by reference to the average price obtained from at least 3 independent and reputable institutions.

<b>Islamic Hedging Instruments</b>	Marked-to-market on a daily basis, where possible. Otherwise, the valuation will be based on fair value as determined in good faith by the Provider using methods and bases that have been verified by the Fund's auditor and approved by the Scheme Trustee.
<b>Islamic Money Market Instruments</b>	Investments in Islamic money market instruments such as Islamic accepted bills or Islamic negotiable instruments are valued each day by reference to the value of such investments and the profits or interests accrued thereon for the relevant period, if any.
<b>Islamic Deposits/ General Investment Accounts</b>	Islamic deposits placed with financial institutions and Islamic bank bills are valued each day by reference to their principal values and the accrued profits thereon for the relevant period.
<b>Unlisted Islamic CIS</b>	Unlisted Islamic CIS are valued based on the last published repurchase price per unit. If the last published repurchase price is unavailable, the price will be determined by the Provider, verified by the auditor and approved by the Scheme Trustee.
<b>Suspended Counters</b>	In the event the quoted Shariah-compliant investments/ listed Shariah-compliant investments are suspended, the Shariah-compliant investments will be valued at their last done price before suspension. In the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Scheme Trustee, then the Shariah-compliant securities should be valued at fair value, as determined in good faith by the Provider on methods or bases which have been verified by the auditor of the Fund and approved by the Scheme Trustee and adequately disclosed in this Disclosure Document.

Where the value of the Fund's assets are denominated in foreign currency, the assets are translated on a daily basis to RM based on the bid foreign exchange rate quoted by Bloomberg or Reuters at United Kingdom time 4.00 p.m. the same business day in accordance with FIMM's Investment Management Standard, or such other time as may be prescribed from time to time by the relevant laws.

## 4.9 VALUATION POINT OF THE FUND

The Fund must be valued at least once every Business Day. The Guidelines also requires a valuation of the Fund to be carried out in a fair and accurate manner. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at the next valuation point after a request for purchase or redemption is received.

The valuation point of the Fund is at the end of each Business Day.

However, as the Fund has exposures in foreign markets, the valuation point of the Fund will be T+1 at the close of business of the last relevant foreign market in which the Fund invests on that Business Day.

## 4.10 SHARIAH INVESTMENT GUIDELINES, CLEANSING PROCESS AND ZAKAT (TITHE) FOR THE FUNDS

### 4.10.1 Shariah Investment Guidelines

#### Shariah-compliant equities

The Funds' investment in unlisted Shariah-compliant equities in the domestic and foreign markets will be selected in accordance with the equities classified as Shariah-compliant by the Shariah Adviser. For Shariah-compliant equities to be reviewed by the Shariah Adviser, the fund

manager will first identify the Shariah-compliant equities which fulfil their investment criteria. All the relevant documents with the latest information pertaining to the business activities, financial statements and other related information will be submitted to the Shariah Adviser for Shariah stock screening process which involves both quantitative and qualitative analysis.

For domestic listed Shariah-compliant equities, reference is made to the list of Shariah-compliant equities issued by SACSC on a half-yearly basis. For domestic unlisted Shariah-compliant equities (including Initial Public Offering which the Shariah status was unknown), the Shariah Adviser applies the two-tier quantitative approach based on the business activity and financial ratio benchmarks in determining the Shariah status of the equities.

For business activity benchmarks, the contribution of the following Shariah non-compliant activities to the group revenue or group profit before taxation of the company must be less than 5%:

- conventional banking and lending;
- conventional insurance;
- gambling;
- liquor and liquor-related activities;
- pork and pork-related activities;
- non-halal food and beverage;
- tobacco and tobacco-related activities;
- interest income from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- dividends from Shariah non-compliant investments;
- Shariah non-compliant entertainments; and
- other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

The contribution of the following activities to the group revenue or group profit before taxation of the company must be less than 20%:

- share trading;
- stockbroking business;
- rental received from Shariah non-compliant activities; and
- other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

For financial ratio benchmark, the Shariah Adviser will determine if the financial ratios (i.e. Shariah non-compliant debt and cash ratio against the total assets is less than 33%) of the Shariah-compliant equities, comply with the financial thresholds. The debt will only include interest-bearing debt and the cash include those placed in conventional accounts and instruments.

In addition to the above two-tier quantitative criteria, the Shariah Adviser also takes into account the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching.

For foreign listed Shariah-compliant equities, reference is made to the list of the approved Islamic indices. For the Funds' investments in listed and unlisted equities in the foreign markets which are not within the list of the approved Islamic indices, the Shariah Adviser applies the two-tier approach which applies the sector-based and accounting-based screens, in determining the Shariah status of the equities.

For sector-based screens, core business activities related to the following will not be appropriate for Islamic investment purpose:

- advertising and media;
- alcohol;
- cloning;
- conventional banking and insurance;
- gambling;
- pork;
- pornography;
- tobacco; and
- trading of gold and silver as cash on deferred basis.

For accounting-based screen, the Shariah Adviser will determine if the conventional debt ratio, conventional cash ratio, accounts receivable ratio and non-permissible income ratio of the company's financial position comply with the financial thresholds as approved by the Islamic indices. These benchmarks may vary in accordance with the development of Islamic capital markets and the jurisdiction of the Islamic indices providers that are being referred to. Should any of the calculation fail to satisfy the financial benchmark, the Shariah Adviser will not accord Shariah-compliant status for the equities. To ensure strict compliance with Shariah requirements, foreign Shariah-compliant equities which are approved by the Shariah Adviser will be reviewed twice yearly.

#### Shariah-compliant equity-related securities

For domestic listed Shariah-compliant equity-related securities, reference is made to the list of Shariah-compliant securities issued by SACSC. For foreign listed Shariah-compliant equity-related securities, reference is made to the list of the approved Islamic indices. The Fund's investments in unlisted Shariah-compliant equity-related securities in the domestic and foreign markets will be selected in accordance with the equities classified as Shariah-compliant by the Shariah Adviser.

#### Shariah-compliant warrants

A warrant will be classified as Shariah-compliant if the underlying share is Shariah-compliant based on the Shariah screening process for listed and unlisted equities.

#### Islamic CIS

For domestic listed Islamic CIS, reference is made to the list of Islamic Real Estate Investment Trust and list of Islamic Exchange-Traded Fund as per the Additional List: Other Shariah-Compliant Capital Market Instruments of the List of Shariah-Compliant Securities by the SACSC issued by the SC on a half-yearly basis while for foreign listed Islamic CIS, reference is made to the list of approved Islamic indices on a monthly basis. For domestic and foreign unlisted Islamic CIS, to ensure strict compliance with Shariah requirements, the Shariah Adviser will review the Islamic CIS prospectus and endorse that it is in compliance with the acceptable Shariah requirements. Should any of the screening fail to satisfy the Shariah requirements, the Shariah Adviser will not accord Shariah-compliant status for the CIS.

#### Sukuk and Islamic Money Market

The Funds' investment in domestic sukuk will be selected from the list of sukuk approved or authorised by, or lodged with, the SC and/or Bank Negara Malaysia. The Funds' investments in foreign sukuk will be selected after consultation with the Shariah Adviser. To ensure strict compliance with Shariah requirements, the Shariah Adviser will review the information memorandum or the prospectus of the foreign sukuk for details regarding the Shariah approvals and fatwa certifying such sukuk. The Shariah Adviser will review the structure, contracts, assets and terms for the foreign sukuk issuance to ascertain if they comply with Shariah principles.

Shariah Adviser will verify Islamic money market instruments, general investment accounts, Islamic deposits and cash placements, and Islamic liquid assets which are placed with the financial institutions.

### **4.10.2 Cleansing Process for the Funds**

#### (a) Wrong Investment

This refers to Shariah non-compliant investment made by the fund manager. The said investment will be disposed of/withdraw with immediate effect or within one month of knowing the status of the investment. In the event that the investment resulted in gain (through capital gain and/or dividend) received before or after the disposal of the investment, the gain is to be channelled to baitumal and/or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment resulted in losses to the Funds, the losses are to be borne by the fund manager.

(b) Reclassification of Shariah Status of the Funds' Investment

Shariah-compliant equities which are reclassified to be Shariah non-compliant upon review of the equities by the SACSC, relevant Shariah adviser of Islamic indices and the Shariah Adviser will result in the Shariah non-compliant equities being disposed off. For the purpose of purification, if the respective market price of Shariah non-compliant securities exceeds or is equal to the investment cost on the date of announcement/review, such securities must be disposed off. Any dividends received up to the date of the announcement/review and capital gain arising from the disposal of the Shariah non-compliant equities made at a market price/valuation, at the time of the announcement/review day can be kept. However, any dividends received and excess capital gains derived from the disposal of the Shariah non-compliant equities after the announcement/review day at a market price that is higher than the closing price on the announcement day should be deposited into a separate account which is segregated from the Funds' account. The Funds will channel tainted income to baitumal and/or any charitable bodies as advised by the Shariah Adviser.

On the other hand, the Funds are 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 Funds 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, such holding must be disposed of.

#### **4.10.3 Zakat (tithe) for the Funds**

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

**THE SHARIAH ADVISER CONFIRMS THAT THE INVESTMENT PORTFOLIO OF THE FUNDS WILL COMPRISE INSTRUMENTS THAT HAVE BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SACSC OR THE SHARIAH ADVISORY COUNCIL OF BANK NEGARA MALAYSIA ("BNM"). FOR INSTRUMENTS THAT ARE NOT CLASSIFIED AS SHARIAH-COMPLIANT BY THE SACSC OR THE SHARIAH ADVISORY COUNCIL OF BNM, THEY WILL REVIEW AND DETERMINE THE SHARIAH STATUS OF THE SAID INSTRUMENTS IN ACCORDANCE WITH THE RULING ISSUED BY THE SHARIAH ADVISER.**



## **CHAPTER 5: DETAILED INFORMATION ON THE TARGET FUND**

### **5.1 THE MANAGER OF THE TARGET FUND**

Manulife Shariah Global REIT Fund (“Target Fund”) was launched on 12 March 2019 and domiciled in Malaysia. The regulatory authority which regulates the Target Fund is SC. The manager of the Target Fund is Manulife Investment Management (M) Berhad, which is also the Provider. Please refer to Chapter 8 for more information about the Provider.

As the manager of the Target Fund, Manulife Investment Management (M) Berhad is responsible for the operation and administration of the Target Fund; investment management of the Target Fund in accordance with among others, the implementation of the investment strategy and ensuring compliance with stringent internal procedures and guidelines of relevant authorities and relevant laws.

The investment management activities of the Target Fund have been delegated to Manulife Investment Management (US) LLC, which act as the investment manager of the Target Fund and actively manage the investments of the Target Fund in accordance with its investment objectives. Manulife Investment Management (US) LLC (a wholly-owned subsidiary of Manulife Financial Corporation) was organized in 1968 in the state of Delaware and registered with the Securities and Exchange Commission (SEC) on August 4, 1992. Manulife Investment Management (US) LLC and its affiliates provide comprehensive asset management solutions for institutional investors and investment funds in key markets around the world since 1992.

### **5.2 INVESTMENT OBJECTIVE**

The Target Fund aims to provide regular income and capital appreciation by investing in Islamic REITs.

### **5.3 INVESTMENT POLICY AND STRATEGY**

To achieve its investment objective, the Target Fund will invest a minimum of 70% to a maximum of 98% of its net asset value in listed Islamic REITs globally. A minimum of 2% up to a maximum of 30% of its net asset value will be invested in Islamic liquid assets, which comprise of Islamic money market instruments and Islamic deposits with financial institution(s).

The Target Fund will invest in different Islamic REITs sectors, including but not limited to commercial, industrial and residential. The countries/ markets that the Target Fund may invest in include, but are not limited to U.S., United Kingdom, Ireland, Spain, Japan, Australia, Singapore, Hong Kong, China and South Korea, where the regulatory authority is an ordinary or associate member of the IOSCO.

The investment opportunity of individual holdings will be made after reviewing the macroeconomic trends and Islamic REITs market outlook of the respective countries. The investment manager of the Target Fund will target Islamic REITs that have historically generated regular income and also expect to generate future income with the potential for capital growth. In evaluating suitability of an Islamic REIT, the investment manager of the Target Fund will review key attributes including but not limited to, the underlying property of the Islamic REIT, performance of the Islamic REIT’s manager, and its rental yield.

The Target Fund is actively managed and the trading strategy will depend on market opportunities and interest rate expectations. The Target Fund may employ Islamic hedging instruments for hedging purposes.

The investment manager of the Target Fund may take temporary defensive positions that may be inconsistent with the Target Fund's investment strategy prescribed above in response to adverse market conditions, economic, political or any other condition. In such circumstances, the investment manager of the Target Fund may allocate up to 100% of the Target Fund's net asset value into cash, Islamic money market instruments and/or Islamic deposits.

## **5.4 RISK MANAGEMENT**

Risk management is an integral part of the investment manager of the Target Fund's process in managing the Target Fund. In ensuring compliance with the SC's Guidelines on Unit Trust Funds, and the Target Fund's investment limits and restrictions, the investment manager of the Target Fund has in place clearly defined policies and procedures that have been approved by the board of directors of the investment manager of the Target Fund and also a system for the monitoring of transactions.

In addition, the investment manager of the Target Fund conducts a regular review on the economic, political and social factors to evaluate its effects on investments held by the Target Fund. Regular meetings are also held to deliberate on these factors, investment themes and portfolio decisions.

## **5.5 ASSET ALLOCATION OF THE TARGET FUND**

- 70% to 98% in Islamic REITs; and
- 2% to 30% in Islamic liquid assets which comprise of cash, Islamic money market instruments and Islamic deposits with financial institution(s).

## **5.6 PERMITTED INVESTMENTS AND INVESTMENT RESTRICTIONS OF THE TARGET FUND**

### **Permitted Investments**

The Target Fund may invest in the following:

- Islamic CIS which include REITs listed or traded on markets where the regulatory authority is an ordinary or associate member of IOSCO;
- Islamic money market instruments and Islamic deposits;
- Islamic hedging instruments; and
- Any other forms of Shariah-compliant investments as may be agreed between the manager and the trustee of the Target Fund from time to time in accordance with the objective of the Target Fund.

### **Investment Restrictions**

- The Target Fund must invest in at least five (5) Islamic CIS at all times;
- The Target Fund must not invest in a fund-of-funds, a feeder fund and any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.
- The value of the Target Fund's investments in units/ shares of any Islamic CIS must not exceed 30% of the Target Fund's net asset value;
- The value of the Target Fund's investments in Islamic deposits with any single financial institution must not exceed 20% of the Target Fund's net asset value;
- For investments in Islamic hedging instruments:
  - the exposure to the underlying assets must not exceed the investment spread limits stipulated in the SC's Guidelines on Unit Trust Funds;
  - the value of the Target Fund's OTC Islamic hedging transaction with any single counter-party must not exceed 10% of the Target Fund's net asset value; and

- The Target Fund's exposure from Islamic hedging position should not exceed the Target Fund's net asset value at all times.
- The Target 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; and
- The Target Fund's investments in Islamic CIS must not exceed 25% of the units/ shares in any one Islamic CIS.

## 5.7 SHARIAH INVESTMENT GUIDELINES, CLEANSING PROCESS AND ZAKAT (TITHE) FOR THE TARGET FUND

### 5.7.1 Shariah Investment Guidelines

The following matters are adopted by ZICO Shariah in determining the Shariah status of investments of the Target Fund.

#### Investments in local REITs

Reference for investment in local Islamic REITs is based on the "Additional List: Other Shariah-Compliant Capital Market Instruments" contained in the list of Shariah-compliant securities issued by the SACSC twice yearly on the last Friday of May and November which is readily available at the SC's website.

#### Investment in foreign REITs

For foreign Islamic REITs, reference is made to the list of the approved Islamic indices. ZICO Shariah will verify the Target Fund's investment in foreign unlisted Islamic REITs based on the screening methodology and guidelines below:

#### ➤ **Business Screening**

Investment is not allowed in Islamic REITs which generate income *through tenants* operating in any of the following business activities:

- a) Conventional banking;
- b) Conventional insurance;
- c) Gambling;
- d) Liquor and liquor-related activities;
- e) Pork and pork-related activities;
- f) Non-halal food and beverages;
- g) Tobacco and tobacco-related activities;
- h) Stockbroking and share trading in Shariah non-compliant securities;
- i) Shariah non-compliant entertainment; and
- j) Other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

The sum of non-permissible income generated from such tenants' activities should not exceed 5% of the total income generated by the Islamic REIT.

#### ➤ **Financial Screening**

- a) Total sum of interest bearing debt should not exceed 33% of the assets' market value.
- b) No investment in fixed income preferred shares are allowed.

*Note: For countries with no independent valuation (e.g. U.S. and Japan, etc.), the enterprise value is used for the REIT asset valuation.*

*Enterprise value = Market value of common shares + preferred equity + liabilities  
+ minority interest – cash.*

## **Islamic Money Market Instruments**

Shariah Adviser will verify Islamic money market instruments, cash placements and Islamic liquid assets which are placed with the financial institutions.

### **5.7.2 Cleansing Process**

#### **Wrong Investment**

This refers to Shariah non-compliant investment made by the investment manager of the Target Fund. The said investment will be disposed of/ withdrawn with immediate effect or within one month of knowing the status of the investment. In the event that the investment resulted in gain (through capital gain and/or dividend), the gain is to be channeled to *baitulmal* and/or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment resulted in losses to the Target Fund, the losses are to be borne by the investment manager of the Target Fund.

#### **Reclassification of Shariah Status of the Target Fund's Investment**

For foreign Islamic REITs, which is a CIS in real estate whereby the tenants operate permissible activities according to Shariah are reclassified to be Shariah non-compliant upon review by Shariah Adviser will result in the Shariah non-compliant REITs being disposed off. For the purpose of purification, any capital gain arising from the disposal of the Shariah non-compliant REITs made at a market price/valuation, at the time of the announcement/review day can be kept. However, gains derived from the disposal of the Shariah non-compliant REITs after the announcement/review day at a market price/valuation that is above the closing price/valuation on the announcement/ review day should be deposited into a separate account which is segregated from the Target Fund's account. The Target Fund may channel tainted income to *baitulmal* and/or charitable bodies as may be advised by the Shariah Adviser.

For other than foreign Islamic REITs, reclassification of Shariah status refers to securities which are reclassified as Shariah non-compliant by the SACSC or the Shariah Adviser. The said securities will be disposed soonest practical, once the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the original investment cost. Any capital gains arising from the disposal of the Shariah non-compliant securities made at the time of the announcement/review can be kept by the Target Fund. However, any dividends and excess capital gains derived from the disposal after the announcement/review day at a market price that is higher than the closing price on the announcement/review day is to be channeled to *baitulmal* and/or any charitable bodies as advised by the Shariah Adviser.

### **5.7.3 Zakat (tithe) for the Fund**

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

## **5.8 PERFORMANCE OF THE TARGET FUND**

<b>Returns as at 30 November 2021, in RM (%)</b>	<b>1-Month</b>	<b>6-Month</b>	<b>Year-To-Date</b>	<b>1-Year</b>
Target Fund – RM Class	1.10	10.04	27.68	28.12
Benchmark	1.11	10.89	26.44	28.56

Source: Lipper Investment Management  
Benchmark refers to IdealRatings® Global REITs Islamic Select Malaysia Index  
Performance growth is in Ringgit Malaysia, data as at 30 November 2021.

Note: Past performance of the Target Fund is not an indication of its future performance.

## 5.9 FEES CHARGED BY THE TARGET FUND

<b>Sales charge</b>	Waived
<b>Redemption charge</b>	There is no redemption charge.
<b>Annual management fee</b>	Up to 1.80% per annum of the net asset value of the Target Fund.  <b>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 annual management fee charged by us at the Fund level. There is no double charging of management fee.</b>
<b>Annual trustee fee</b>	Up to 0.06% per annum of the net asset value of the Target Fund, excluding foreign custodian fees and charges.
<b>Other expenses</b>	Only fees and expenses that are directly related and necessary to the business of the Target Fund may be charged to the Target Fund. These would include (but are not limited to) the following: <ul style="list-style-type: none"> <li>(a) commissions or fees paid to brokers in effecting dealings in the investments of the Target Fund, shown on the contract notes or confirmation notes;</li> <li>(b) (where the custodial function is delegated by the trustee of the Target Fund to a sub-custodian), charges/ fees paid to the sub-custodian in relation to foreign assets of the Target Fund;</li> <li>(c) taxes and other duties charged on the Target Fund by the government and/or other authorities;</li> <li>(d) costs, fees and expenses properly incurred by the auditors appointed for the Target Fund;</li> <li>(e) remuneration and out-of-pocket expenses of independent members in the investment committee of the Target Fund, unless the manager of the Target Fund decides otherwise;</li> <li>(f) fees for the valuation of any investment of the Target Fund by independent valuers for the benefit of the Target Fund;</li> <li>(g) costs, fees and expenses incurred for any modification of the deed of the Target Fund save where such modification is for the benefit of the manager and/or the trustee of the Target Fund;</li> <li>(h) costs, fees and expenses incurred for any meeting of the unit holders of the Target Fund save where such meeting is convened for the benefit of the manager and/or the trustee of the Target Fund;</li> <li>(i) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Target Fund;</li> <li>(j) costs, fees and expenses incurred in engaging any specialist approved by the trustee of the Target Fund for investigating or evaluating any proposed investment of the Target Fund;</li> <li>(k) costs, fees and expenses incurred in engaging any adviser for the benefit of the Target Fund;</li> <li>(l) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Target Fund;</li> <li>(m) costs, fees and expenses incurred in the termination of the Target Fund or its class(es) of units or the removal of the trustee or manager of the Target Fund and the appointment of a new trustee or management company;</li> <li>(n) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Target Fund or its class(es) of units or any asset of the Target Fund, including proceedings against the trustee or the manager of the Target Fund by the other for the benefit of the Target Fund (save to</li> </ul>

	<p>the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Target Fund);</p> <p>(o) the costs of printing and despatching to unit holders of the Target Fund reports, accounts of the Target Fund, tax certificates, distribution warrants, notice of meeting of unit holders of the Target Fund, newspapers advertisements;</p> <p>(p) costs, fees and expenses deemed by the manager of the Target Fund 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;</p> <p>(q) costs and/or expenses associated with the distributions declared pursuant to the deed of the Target Fund 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</p> <p>(r) any other expenses allowed under the deed of the Target Fund and approved by the trustee of the Target Fund.</p>
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**AS THE FUND WILL BE INVESTING IN THE TARGET FUND, THE FUND WILL INCUR CERTAIN INDIRECT FEES CHARGED BY THE TARGET FUND. ACCORDINGLY, MEMBERS SHOULD BE AWARE THAT THEY WILL BE SUBJECT TO HIGHER FEES ARISING FROM THE LAYERED INVESTMENT STRUCTURE.**

## CHAPTER 6: FEES, CHARGES AND EXPENSES

Fees and charges **directly incurred** when you purchase or redeem Units of the Fund.

### 6.1 FEES AND CHARGES PAYABLE TO THE ADMINISTRATOR

(a)	<b>PPA account opening fee</b>	RM10.00 (one-off)*
(b)	<b>PPA annual fee</b>	RM8.00 per annum  <i>No annual fee will be charged during the 1st year of the opening of a private pension account; there will also be no annual fee payable if no contributions are made during a Calendar Year.</i>
(c)	<b>PPA pre-retirement withdrawal fee</b>	RM25.00 for each withdrawal*  <i>The withdrawal fee is applicable to a Member who wants to withdraw from their Sub-account B.</i>
(d)	<b>PPA transfer fee</b> (to another PRS provider)	RM25.00 for each transfer*  <i>The transfer fee is applicable to a Member who wants to transfer to another PRS operated by another PRS provider.</i>

\*subject to any other circumstances as may be specified by the Administrator.

### 6.2 FEES AND CHARGES PAYABLE TO THE PROVIDER

#### 6.2.1 Sales Charge

Fund Name	Class A Units	Class B Units	Class C Units
Manulife Shariah PRS-Growth Fund	Nil		A Sales Charge of up to 3.00% of NAV per Unit will be imposed.
Manulife Shariah PRS-Moderate Fund			
Manulife Shariah PRS-Conservative Fund			
Manulife Shariah PRS-Global REIT Fund	Not applicable		
Manulife Shariah PRS-Golden Asia Fund			

The Sales Charge is non-negotiable. However, the Provider may at its discretion charge a lower Sales Charge from time to time.

*Please refer to Section 7.2 on how the Sales Charge is calculated.*

## 6.2.2 Redemption Charge

Fund Name	Class A Units	Class B Units	Class C Units
Manulife Shariah PRS-Growth Fund Manulife Shariah PRS-Moderate Fund Manulife Shariah PRS-Conservative Fund	A Redemption Charge will be imposed at the following rates: <ul style="list-style-type: none"> <li>• 3.00% of NAV per Unit for withdrawal in the 2nd year after the first contribution to the Fund;</li> <li>• 2.00% of NAV per Unit for withdrawal in the 3rd year after the first contribution to the Fund;</li> <li>• 1.00% of NAV per Unit for withdrawal in the 4th year after the first contribution to the Fund; and</li> <li>• No Redemption Charge will be imposed for withdrawal from the 5th year after the first contribution to the Fund.</li> </ul>		No Redemption Charge will be imposed on the withdrawal of Class C Units.
Manulife Shariah PRS-Global REIT Fund Manulife Shariah PRS-Golden Asia Fund	Not applicable		

The Redemption Charge will be retained by the Provider. The Provider has the discretion to waive the Redemption Charge.

*Please note that a Redemption Charge is applicable upon any withdrawal from the Scheme (except for upon a Member reaching Retirement Age, permanent departure of a Member from Malaysia or withdrawals due to a Member's death, permanent total disablement, serious disease or mental disability, healthcare purpose or housing purpose). Please refer to Section 7.2 on how the Redemption Charge is calculated.*

## 6.2.3 Transfer Fee

Fund Name	Class A Units	Class B Units	Class C Units
Manulife Shariah PRS-Growth Fund Manulife Shariah PRS-Moderate Fund Manulife Shariah PRS-Conservative Fund	No transfer fee will be imposed on a request to transfer to another PRS operated by another PRS provider.  However, a Redemption Charge will be imposed on a Member which rate will depend on the number of years the Member has contributed to the Scheme.		A transfer fee of RM25.00 will be imposed on a request to transfer to another PRS operated by another PRS provider.
Manulife Shariah PRS-Global REIT Fund Manulife Shariah PRS-Golden Asia Fund	Not applicable		



## 6.2.4 Switching Fee

Members may switch:

- (a) between Funds of the Scheme;
- (b) between a Fund of the Scheme and any other fund in another scheme operated by the Provider; and
- (c) from Class A or Class B Units to Class C Units.

However, switching from Class C Units to Class A or Class B Units is not allowed.

Fund Name	Class A Units	Class B Units	Class C Units
Manulife Shariah PRS-Growth Fund	No switching fee will be imposed on the first 12 switching transactions made during a Calendar Year.		No switching fee will be imposed on the first 12 switching transactions made during a Calendar Year.
Manulife Shariah PRS-Moderate Fund			
Manulife Shariah PRS-Conservative Fund	For each subsequent switching transaction made during the same Calendar Year, the Provider will impose the following fee on the Member: <ul style="list-style-type: none"> <li>• RM25.00 per switch between Funds of the Scheme or between a Fund of the Scheme and any other fund in another PRS operated by the Provider.</li> <li>• 3% of the amount switched out from Class A or Class B Units to Class C Units.</li> </ul>		For each subsequent switching transaction made within the same class of Units between Funds of the Scheme and between a Fund of the Scheme and any other fund in another PRS operated by the Provider during the same Calendar Year, the Provider will impose RM25.00 per switch.
Manulife Shariah PRS-Global REIT Fund			
Manulife Shariah PRS-Golden Asia Fund			

The Provider may, at its discretion, waive the switching fee based on the terms and conditions as may be determined from time to time.

## 6.2.5 Policy on Rounding Adjustments

In calculating your Units in the Fund, the NAV per Unit of the Fund which is also the Selling Price and Redemption Price of the Fund will be rounded to 4 decimal places.

Units allocated to you will be rounded to 2 decimal places.

*Fees and expenses **indirectly incurred** when you invest in the Fund.*

## 6.3 ANNUAL MANAGEMENT FEE

The annual management fee chargeable to each class of Units of the Funds of the Scheme are as follows:

Fund Name	Class A Units	Class B Units	Class C Units
	(% per annum of the NAV attributable to this class of Units of the Fund)		
Manulife Shariah PRS-Growth Fund	1.80%	1.50%	1.50%
Manulife Shariah PRS-Moderate Fund	1.50%	1.25%	1.25%
Manulife Shariah PRS-Conservative Fund	1.20%	1.00%	1.00%
Manulife Shariah PRS-Global REIT Fund	Not applicable		Up to 1.80%
Manulife Shariah PRS-Golden Asia Fund			

*Please refer to Section 7.1 on how the management fee is calculated.*

## 6.4 ANNUAL TRUSTEE FEE

The annual trustee fee chargeable to each of the Funds of the Scheme are as follows:

Fund Name	Class A Units	Class B Units	Class C Units
Manulife Shariah PRS-Growth Fund	0.025% per annum of the NAV of the Fund.		
Manulife Shariah PRS-Moderate Fund			
Manulife Shariah PRS-Conservative Fund			
Manulife Shariah PRS-Global REIT Fund	Not applicable.		0.025% per annum of the NAV of the Fund.
Manulife Shariah PRS-Golden Asia Fund			

The annual trustee fee does not include any foreign sub-custodian fees and charges (if any).

*Please refer to Section 7.1 on how the trustee fee is calculated.*

## 6.5 PPA ADMINISTRATION FEE

0.04% per annum of the NAV of the Fund will be charged by the Administrator to the Fund.

*Please refer to Section 7.1 on how PPA administration fee is calculated.*

## 6.6 OTHER EXPENSES

These include the following:

- commission/ fees paid to brokers;
- foreign sub-custodian fees and charges (if any);
- taxes and other duties imposed on the Fund by the Malaysian government and/or other authorities;
- auditor's fees and expenses;
- valuation fees incurred for the valuation of the Fund's investment by independent valuers for the benefit of the Fund;
- independent investment committee members' fee;
- Shariah Adviser's fee;

- costs for modification of the Deed other than those for the benefit of the Provider or the Scheme Trustee;
- costs incurred for meetings of Members other than those convened by, or for the benefit of, the Provider or Scheme Trustee; and
- any other expenses as may be allowed under the Deed.

## **6.7 POLICY ON REBATES AND SOFT COMMISSIONS**

It is the policy of the Provider to credit any rebates (if any) into the account of the Funds. The Provider may retain soft commissions received from brokers/dealers for goods and services which are of demonstrable benefit to the Members and advisory services that assist in the decision-making process relating to the investment of the Funds such as research materials, data and quotation services, computer software, investment advisory services and investment related publications which are incidental to the investment management activities of the Funds. Dealings with the brokers/dealers are executed on terms which are the most favourable for the Funds.

### **Note: Applicable Tax**

All fees and charges (e.g. PPA account opening fee, PPA annual fee, PPA pre-retirement withdrawal fee, PPA transfer fee, Sales Charge, Redemption Charge, switching fee, transfer fee, management fee, trustee fee and any other relevant fee(s) and/or charge(s)), whichever applicable, will be subject to tax that may be introduced by the government of Malaysia from time to time. The Provider, the Scheme Trustee and/or other service providers reserve the right to collect from you and/or the Fund an amount equivalent to the prevailing rate of tax payable for all fees and charges, where applicable. Fees and charges disclosed in this Disclosure Document are exclusive of any taxes.

**THERE ARE FEES AND CHARGES INVOLVED AND MEMBERS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND UNDER A SCHEME.**

## CHAPTER 7: TRANSACTION INFORMATION

### 7.1 COMPUTATION OF THE NAV AND THE NAV PER UNIT

The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.

The NAV per Unit of a class of Units is calculated by dividing the NAV of the Fund attributable to that class of Units by the total number of Units in circulation of that class of Units.

*An illustration on computation of the NAV and NAV per Unit:*

	<b>Manulife Shariah PRS- Growth Fund</b>	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>
Ratio between NAV of the classes of Units		60%	20%	20%
	RM	RM	RM	RM
Investments	100,000,000	60,000,000	20,000,000	20,000,000
+ Other Assets (including cash)	100,000	60,000	20,000	20,000
- Liabilities	100,000	60,000	20,000	20,000
<b>NAV before deducting management fee, trustee fee and PPA administration fee for the day</b>	<b>100,000,000</b>	<b>60,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>
<i>Expenses:</i>				
<b>Management fee</b>		<b>1.80%</b>	<b>1.50%</b>	<b>1.50%</b>
Management fee for the day <i>(at respective rate per annum ÷ 365 days)</i>	4,602.74	2,958.90	821.92	821.92
<b>Trustee fee</b>	<b>0.025%</b>			
Trustee fee for the day <i>(at 0.025% per annum ÷ 365 days)</i>	68.50	41.10	13.70	13.70
<b>PPA administration fee</b>	<b>0.04%</b>			
PPA administration fee for the day <i>(at 0.04% per annum ÷ 365 days)</i>	109.59	65.75	21.92	21.92
<b>Total expenses incurred for the day</b>	<b>4,780.83</b>	<b>3,065.75</b>	<b>857.54</b>	<b>857.54</b>
<b>NAV after deduction of management fee, trustee fee and PPA administration fee</b>	<b>99,995,219.17</b>	<b>59,996,934.25</b>	<b>19,999,142.46</b>	<b>19,999,142.46</b>
÷ Units in circulation		60,000,000	20,000,000	20,000,000
<b>NAV per Unit of a class of Units (rounded to 4 decimal places)</b>		<b>0.9999</b>	<b>1.0000</b>	<b>1.0000</b>

On the 10th anniversary of the date the first contribution was made by or on behalf of a Member holding Class A Units of a Fund, the Class A Units of such Fund held by a Member will automatically be converted into Class B Units of such Fund at no cost to the Member. Accordingly, any subsequent contributions by or on behalf of the Member after the said 10th anniversary will be utilised towards the purchase of Class B Units of any of the Funds. For the avoidance of doubt, the date the first contribution was made shall be the earliest date the first contribution was made to the Scheme or to any other PRS operated by the Provider.

## 7.2 PRICING OF UNITS

The Provider adopts the single pricing policy. Under this regime, both the Selling Price and Redemption Price will be quoted based on a single price i.e. the NAV per Unit. The daily NAV per Unit is valued at the next valuation point on forward pricing basis.

Example:

### (a) Sale of Units

Assuming the NAV per Unit on 15 August 202X is RM0.5000 and a Sales Charge of 3.00% of the Selling Price is imposed on the sale of the Units; if you intend to invest a sum of RM10,000.00 in Units of the Fund, the amount that you will have to pay as Sales Charge will therefore be:

$$\begin{aligned}\text{Sales Charge} &= (\text{amount to be invested}) \times 3.00\% \\ &= \text{RM}10,000 \times 3.00\% \\ &= \underline{\text{RM}300}\end{aligned}$$

$$\begin{aligned}\text{The total amount that will have to be paid to us will therefore be:} \\ \text{Total to be paid} &= (\text{amount to be invested}) + \text{Sales Charge} \\ &= \text{RM}10,000 + \text{RM}300 \\ &= \underline{\text{RM}10,300}\end{aligned}$$

$$\begin{aligned}\text{The number of Units that will be allocated to you will therefore be:} \\ \text{Units allocated to you} &= (\text{amount to be invested}) \div \text{NAV per Unit} \\ &= \text{RM}10,000 \div \text{RM}0.5000 \\ &= \underline{20,000 \text{ Units}}\end{aligned}$$

### (b) Redemption of Units

Assuming the NAV per Unit on 18 August 202X is RM0.5000 and a Redemption Charge of 3.00% of the Redemption Price is imposed for the redemption of Units during the 2nd year after the first contribution to the Scheme; if you intend to redeem 10,000 Units of the Fund, the amount that you will have to pay as Redemption Charge will therefore be:

$$\begin{aligned}\text{Redemption Charge} &= (\text{Redemption Price}) \times (\text{Units to be redeemed}) \times 3.00\% \\ &= \text{RM}0.5000 \times 10,000 \text{ Units} \times 3.00\% \\ &= \underline{\text{RM}150}\end{aligned}$$

$$\begin{aligned}\text{The total amount that will be paid to you (redemption proceeds) will therefore be:} \\ \text{Total amount to be paid} &= (\text{Units to be redeemed} \times \text{NAV per Unit}) \\ &\quad - \text{Redemption Charge} \\ &= (10,000 \text{ Units} \times \text{RM}0.5000) - \text{RM}150 \\ &= \text{RM}5,000 - \text{RM}150 \\ &= \underline{\text{RM}4,850}\end{aligned}$$

### Incorrect Pricing

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 following reimbursements if the error is at or above the significant threshold of 0.5% of the NAV per Unit:

- (a) if there is an overpricing in relation to the purchase and creation of Units, the Fund shall reimburse you by creating and crediting additional Units into your Sub-account A and Sub-account B;
- (b) if there is an overpricing in relation to the redemption of Units, we shall reimburse the Fund;
- (c) if there is an under-pricing in relation to the purchase and creation of Units, we shall reimburse the Fund; and
- (d) if there is an under-pricing in relation to the redemption of Units, the Fund shall reimburse you or the former Member.

We retain the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit or where the total impact on an individual account is less than RM10.00 in absolute

amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

### 7.3 APPLICATION FOR OPENING OF A PRIVATE PENSION ACCOUNT

If an applicant wants to contribute to the Scheme, the applicant may subscribe to any of the Funds under the Scheme.

To be eligible as a Member, the applicant must be above the age of 18 years and is required to have a private pension account with the Administrator. Applicants may register for a private pension account by completing a private pension account application form which can be obtained either from the Administrator or any of our branch offices listed in the *Corporate Directory* section.

An applicant will receive a life-time account number and a password from the Administrator upon payment of a one-off account opening fee of RM10.00 to the Administrator. The one-off account opening fee is subject to any other circumstances as may be specified by the Administrator.

An annual fee of RM8.00 per annum will also be levied by the Administrator. This annual fee is not payable during the 1st year of the opening of the private pension account and if no contributions were made during a Calendar Year.

Please note that the Funds under the Scheme are not offered for sale to any U.S. person.

### 7.4 SALE OF UNITS

Application for Units may be made on any Business Day and Units will be issued at the NAV per Unit as at the next valuation point (i.e. "forward pricing").

The price of Units for applications received before 12.30 p.m. (cut-off time) will be calculated based on the valuation of the Units on the same Business Day subject to the clearance of payment.

Where an application is received after the cut-off time, the request will be processed based on the NAV per Unit on the following Business Day.

The minimum initial investment is RM100 or such other lower amount as the Provider may decide from time to time. Any additional investment can be made with a minimum of RM100 or such other lower amount as the Provider may decide from time to time.

***Note: We reserve the right to request for additional documentation before we process the application. In addition, we also reserve the right to accept or reject any application in whole or in part thereof without assigning any reason.***

**MEMBERS ARE ADVISED NOT TO MAKE PAYMENT IN CASH WHEN PURCHASING UNITS OF A FUND UNDER A SCHEME VIA INSTITUTIONAL OR RETAIL AGENTS.**

### 7.5 WITHDRAWAL OF UNITS

Members holding Units of the Fund may make a request for redemption of the Vested units on any Business Day. Units will be redeemed at the NAV per Unit of the Fund as at the next valuation point (i.e. "forward pricing"). For request following the death of a Member, the request for redemption will only be processed after the authorisation from the Administrator has been received by the Provider. For redemption request due to permanent total disablement, serious disease and mental disability of a Member, the request will only be processed after the Provider has received a completed withdrawal request (either received directly or through a notification from the Administrator).

Where the request from the Member or authorisation from the Administrator is received before 12.30 p.m. (cut-off time), the price of Units for the redemption request will be calculated based on the valuation of the Units on the same Business Day.

And if the request from the Member or authorisation from the Administrator is received after the cut-off time, the request will be processed based on the NAV per Unit on the following Business Day.

The minimum redemption amount for each Fund is 200 Units or such other lower amount as the Provider may decide from time to time.

If, upon a Member reaching the Retirement Age, a redemption request leaves the Member with a total of less than 100 Units (minimum holdings in each Fund) in his Sub-account A, the Provider will not process the redemption request. In this instance, the Member holding Units of the Fund will be required to make an application for the Provider to liquidate all his holdings in the Fund.

Redemption proceeds will be paid within 10 days of the receipt of request from the Member or authorisation from the Administrator by the Provider.

Please note that redemption of Units are only applicable to Vested units held by the Member.

### **7.5.1 Full Withdrawals**

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

- (a) when a Member has reached the Retirement Age;
- (b) prior to the Member reaching the Retirement Age (from Sub-account B only);
- (c) subject to prior authorisation of the Administrator, when a Member has passed away (regardless whether a nomination has been made or not);
- (d) when a Member is departing Malaysia permanently;
- (e) due to permanent disablement, serious disease or mental disability of a Member;
- (f) for healthcare purposes (from Sub-account B only);
- (g) for housing purposes (from Sub-account B only); or
- (h) any other circumstance expressly authorised by the Administrator, where applicable.

Members would need to provide evidence or relevant documentation proof of the above circumstances to the Provider or the Administrator.

For avoidance of doubt, withdrawal for healthcare purposes as disclosed in item (f) above can be made for Member's own healthcare purposes or a Member's immediate family's healthcare purposes. Please refer to the Administrator's website at [www.ppa.my](http://www.ppa.my) or Schedule J of the Guidelines for the list of illnesses.

*Note: The exercise of any cooling-off right by a Member and/or the withdrawal of Units following a request by a Member to transfer the proceeds of such withdrawal to another PRS operated by another PRS provider is not to be considered as a withdrawal from the Scheme.*

### **7.5.2 Partial Withdrawals**

A partial withdrawal from the Scheme may also be requested and made when a Member has reached Retirement Age, upon the death of a Member, for healthcare purpose or for housing purpose. Partial withdrawals are not allowed when a Member is departing Malaysia permanently or the withdrawals are due to permanent total disablement, serious disease and mental disability.

A Member may also request partial withdrawals from the Scheme subject to the following conditions:

- the first request for a partial withdrawal from one or more PRS (including the Scheme) may only be made after one (1) year has elapsed from the date the first contribution to the Scheme by or for the Member has vested in the Member;

- subsequent requests for partial withdrawals from one or more PRS (including the Scheme) may only be made once every Calendar Year beginning with the Calendar Year immediately following the Calendar Year in which the first request for a partial withdrawal was made; and
- in respect of any withdrawal prior to the Member reaching the Retirement Age, for healthcare purposes or for housing purposes, partial withdrawals may be made only in respect of all or some of the Member's Units held in Sub-account B.

For avoidance of doubt, withdrawal for healthcare purposes can be made for a Member's own healthcare purposes or a Member's immediate family's healthcare purposes. Please refer to the Administrator's website at [www.ppa.my](http://www.ppa.my) or Schedule J of the Guidelines for the list of illnesses.

### **7.5.3 Procedure upon Withdrawal**

Withdrawals from the Scheme, whether in full or partially can only be made in respect of Units purchased from contributions which have already vested in a Member and effected by way of withdrawal of Units. The Provider will deduct the 8% tax penalty (or such other applicable tax penalty) and Redemption Charge from the withdrawn amount before paying out the proceeds from the Scheme.

However, the tax penalty and Redemption Charge would not apply for withdrawals under the following circumstances:

- when a Member has reached Retirement Age;
- permanent departure of a Member from Malaysia;
- withdrawals due to a Member's death, permanent total disablement, serious disease or mental disability;
- for healthcare purposes; or
- for housing purposes.

## **7.6 TRANSFER TO ANOTHER PRIVATE RETIREMENT SCHEME**

A Member may request for a withdrawal of any of the Vested units of the Funds of the Scheme held by him and then transfer the proceeds of such withdrawal to another PRS operated by another PRS provider approved by the SC; if the Member has not yet attained the Retirement Age, subject to the following terms and conditions:

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

A Member may also consolidate all his contributions from Funds managed by the Provider to be transferred to another fund managed by other PRS provider. For avoidance of doubt, the withdrawal proceeds from a Fund cannot be split into 2 or more funds.



Where the completed transfer request is received before 12.30 p.m. (cut-off time), the price of Units for the withdrawal request will be calculated based on the valuation of the Units on the same Business Day.

And if the completed transfer request is received after the cut-off time, the request will be processed based on the NAV per Unit on the following Business Day.

The minimum amount for effecting such transfer is 200 Units from a Fund or such other lower amount as the Provider may decide from time to time.

If a transfer request leaves the Member with a total of less than 100 Units (minimum holdings in each Fund) in his Sub-account A, the Provider will not process the transfer request. In this instance, the Member holding Units of the Fund will be required to make an application for the Provider to redeem all his holdings in the Fund and transfer the withdrawal proceeds to one or more funds of another PRS operated by another PRS provider.

Please note that transfer to another PRS operated by another PRS provider is not permitted for conditionally Vested units.

Note: All transfers are effected by way of a withdrawal of Units and the payment of the withdrawal proceeds to another PRS provider and are subject to the payment of a Redemption Charge to the Provider and a transfer fee to the Administrator.

## **7.7 SWITCHING OF UNITS**

Switching of Vested units and/or conditionally Vested units in a Fund may only be done with the Units of any other Funds within the Scheme or funds in another PRS operated by the Provider. For Class C Units, however, switching of Units can only be done within the same class of units; Members are not permitted to switch their Vested units and/or conditionally Vested units from Class C Units to Class A or Class B Units.

The price of Units for a switching request received before 12.30 p.m. (cut-off time) will be calculated based on the valuation of the Units on the same Business Day.

Where a switching request is received after the cut-off time, the request will be processed based on the NAV per Unit on the following Business Day.

The minimum switching amount is 200 Units from a Fund or such other lower amount as the Provider may decide from time to time.

## **7.8 COOLING-OFF PERIOD**

A cooling-off right refers to the right of an individual, who makes a contribution in PRS for the first time, to obtain a refund of his/her contribution if he/she so requests within the cooling-off period (within 6 Business Days from the date of receipt of application). This is to allow that individual the opportunity to reverse his/her investment decision that could have been unduly influenced by certain external elements or factors.

However, once an individual is a member of a PRS and has exercised his/ her cooling-off right, the cooling-off right is no longer available for contributions made in other PRS.

The cooling-off right is only given to an individual, other than those listed below, who makes a contribution in a PRS for the first time:

- (a) a staff of the Provider;
- (b) persons registered with a body approve by the SC to deal in PRSs; and
- (c) contributions made to the Scheme by an employer on behalf of the employee.

Within the cooling-off period, the refund for Units held by the Member will be:

- (a) the NAV of the Units on the day the Units were purchased; and
- (b) the Sales Charge originally imposed on the day the Units were purchased.

Members will be refunded their full contributions within ten (10) days of receipt of the authorisation from the Administrator by the Provider.

## **7.9 CONDITIONALLY VESTED UNITS**

Subject to the paragraph below, a Member holding conditionally Vested units shall have the same rights in respect of those Units as though the Units were Vested units (including, for the avoidance of doubt, the right to switch the Units of a Fund of the Scheme into the Units of another Fund of the Scheme (including any other fund of a PRS operated by the Provider), the right to have his name registered in the register of Members, and the right to attend Members' meetings and to vote in respect of those Units).

In addition to anything contained in the preceding principal and supplemental disclosure documents, in respect of conditionally Vested units held by a Member, the Member shall not be entitled to, and the Provider shall not allow, a redemption of those Units for the purpose of any withdrawal from the Scheme, for transfer to another PRS operated by another PRS provider, or for any other purpose whatsoever until the conditionally Vested units shall have vested unconditionally in the Member.

## **7.10 NOMINATION**

A Member who is a Malaysian citizen and a foreigner having a permanent residence status in Malaysia may nominate any individual to receive his accrued benefits upon his death. Member may nominate up to six (6) nominees.

Nomination can be made by a Member at any time after the PRS account has been opened. A nomination is made by submitting a duly completed and witnessed nomination form to the Provider or the Administrator. A Member can download the nomination form from the Administrator's website or obtain the form from the Provider.

A nomination shall be revoked:

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

## **7.11 SUSPENSION OF DEALING IN UNITS**

In accordance with the Guidelines, the Scheme Trustee may suspend dealing in Units of the Fund—

- (a) where requests are made by PRS Provider to cancel Units to satisfy a repurchase request and the Scheme Trustee considers that it is not in the best interest of Members to permit the Fund's assets to be sold or that the Fund's assets cannot be liquidated at an appropriate price or on adequate terms; or
- (b) due to exceptional circumstances, where there is good and sufficient reason to do so, considering the interests of Members.

## **7.12 UNCLAIMED MONIES**

Any monies payable to Member which remain unclaimed after twelve (12) months from the date of payment will be handled by the Provider in accordance with the requirements of the Unclaimed Moneys Act, 1965.

In the event a Member of a Scheme has not made any transaction or given any instruction in relation to any PRS for more than twelve (12) months subsequent to attaining the age of 100 years, the Scheme Trustee may pay any unclaimed monies held by the Scheme Trustee to the Registrar of Unclaimed Moneys, in accordance with the requirements of the Unclaimed Moneys Act, 1965. Prior to paying the unclaimed monies to the Registrar of Unclaimed Moneys, the Provider must obtain prior approval of the Administrator.

## CHAPTER 8: THE PROVIDER

### 8.1 BACKGROUND

The Provider, Manulife Investment Management (M) Berhad was incorporated in Malaysia on 30 September 2008 under the Companies Act, 1965 (now known as Companies Act 2016). The Provider commenced operations as a unit trust management company in late 2009.

In 2012, pursuant to the rationalisation and re-organisation of the asset and unit trust management businesses of the Manulife group of companies where the business and assets of Manulife Asset Management (Malaysia) Sdn Bhd were transferred to the Provider, the Provider varied its Capital Markets and Services Licence for the regulated activity of “dealing in securities restricted to unit trust” to allow them to also conduct the regulated activity of “fund management” under the Act. With effect from 1 September 2014, the Provider is the holder of a Capital Markets Services Licence for the regulated activities of fund management, dealing in securities restricted to unit trusts, dealing in PRS and financial planning.

On 13 November 2013, Manulife Holdings Berhad (“MHB”) entered into an agreement to fully acquire MAAKL Mutual Bhd (“MAAKL”). Following the completion of the acquisition by MHB of the entire share capital of MAAKL on 31 December 2013, MAAKL became a wholly owned subsidiary of MHB. Pursuant to a vesting order granted by the High Court of Malaya, the business and assets of MAAKL has been merged with the Provider. The merged entity has more than 15 years of experience in the unit trust industry.

The investment professionals of the Provider form part of the Manulife group of companies’ asset management global network of investment professionals with more than 300 fund managers, analysts and traders who together provide comprehensive asset management solutions.

### 8.2 ROLE OF THE PROVIDER

The Provider is responsible for the operation and administration of the Funds; investment management and marketing of the Scheme and the Funds; servicing Members’ needs; keeping proper administrative records of Members and accounting records of the Scheme and the Funds; ensuring that the Funds/ Units are correctly priced; ensuring compliance with stringent internal procedures and guidelines of relevant authorities and relevant laws.

### 8.3 ROLE OF DIRECTORS

The board of directors of the Provider (“Board”) are responsible for the overall management of the Provider, the Scheme and the Funds of the Scheme. The Board not only ensures corporate governance is practised but policies and guidelines are adhered to. The Board meets once every quarter of the year to discuss and decide on business strategies, operational priorities and ways of managing risk within the Provider.

The Board of the Provider consists of 6 members of whom 2 of them are independent.

Name	Directorship
Dato’ Dr. Zaha Rina binti Zahari	Independent Director
Edmond Cheah Swee Leng	Independent Director
Gianni Fiacco	Non-Independent Director
Vibha Hamsi Coburn	Non-Independent Director
Wong Boon Choy	Non-Independent Director
Chong Soon Min (Jason)	Non-Independent Executive Director

## 8.4 ROLE OF THE INVESTMENT COMMITTEE

The investment committee of the Funds (the “Investment Committee”) formulates, establishes and implements investment strategies and policies. The Investment Committee will continually review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Funds. The Investment Committee will also ensure investment guidelines and regulations are complied with. The Investment Committee will meet at least once every quarterly or more should the need arise.

## 8.5 ROLE OF THE AUDIT COMMITTEE

The group audit committee of MHB (the “Audit Committee”) is responsible for audit oversight of the Provider. As at LPD, the Audit Committee is comprised of 2 independent members. The Audit Committee’s role includes reviewing the objectives of the internal audit framework and whether the internal audit findings have been satisfactorily resolved. The Audit Committee also reviews the functions, competency and resources of the internal audit function and whether it has the authority to conduct its work. All interim and annual reports of the Scheme and the Provider, any related-party transaction and conflict of interest situations will be reviewed by the Audit Committee. The Audit Committee meets a minimum of 4 times in a year. All reviews and deliberations by the Audit Committee on the Provider are then reported to the Board. The term of office and performance of the Audit Committee and its members are reviewed by the board of directors of MHB at least once every 3 years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

## 8.6 THE AUDIT COMMITTEE MEMBERS

**Renzo Christopher Viegas** (*Independent member and Chairman*) holds a Bachelor of Commerce from the University of Bombay, India. He is a Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India.

Mr. Renzo Viegas started his career with Citibank in year 1985, where he progressively held senior positions in various Asia Pacific countries including regional responsibilities until year 2008. His last held position was Chief Operating Officer and Chief Financial Officer of Citibank Malaysia.

In year 2008, Mr. Renzo Viegas joined RHB Bank Berhad as Director of Retail Banking where he managed the consumer, insurance, hire purchase and small and medium enterprises businesses. In year 2011, he was appointed as the Principal Officer overseeing overall operation of RHB Bank Berhad. His last held position was Deputy Chief Executive Officer (“CEO”) of the bank with direct covers for the Consumer and International businesses.

Mr. Renzo Viegas was the Deputy CEO and Executive Director of CIMB Bank from year 2012 to year 2015 with direct oversight over the Consumer and Commercial businesses and CEO of Group Consumer Banking from year 2015 to year 2016. He was responsible for the development of overall business strategies of consumer banking for the smooth implementation of the strategies, and transformed the consumer bank of the Group to become its growth engine. He provided support to the Group Chief Executive and other senior management, leveraging on the regional platform to better reap synergies and accelerate business delivery. He also served as Adviser to the Group CEO of CIMB Bank, where he was responsible for the development of overall Group business strategies until March 2019. He was also a non-independent director of CIMB Bank (Vietnam) Ltd. from August 2018 to July 2019, and non-independent director for CIMB Cambodia Bank PLC from November 2017 to July 2019.

Mr. Renzo Viegas served as non-executive director of Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad from May 2013 to July 2017.

Mr. Renzo Viegas is presently an independent non-executive director on the board of Astro Malaysia Holdings Bhd. He is also the Chairman of Audit and Risk Committee, Chairman of Strategy and Business Transformation Committee and member of the Remuneration Committee of Astro Malaysia Holdings Bhd.

Mr. Renzo is the Chairman of the Group Audit Committee and is a member of the Group Risk Management Committee and Group Nominating/Remuneration Committee of Manulife Holdings Berhad. He is also the Director and the Chairman of the Audit Committee and is a member of the Risk Management Committee and Nominating/Remuneration Committee of Manulife Insurance Berhad.

**Mrs. Vijayam Nadarajah** (*Independent member*) holds a Master degree in Business Administration and a Bachelor degree in Economics (with a major in accounting) from Monash University in Melbourne, Australia. She has also acquired a law degree from University of London, United Kingdom. She is a Fellow Member of CPA Australia, a Chartered Accountant under the Malaysian Institute of Accountants and a Fellow Member of the Institute of Internal Auditors Malaysia (“IIAM”).

Mrs. Vijayam Nadarajah was the president of the IIAM from year 1996 to year 1997 and was then re-appointed as a governor to the board of Governors of IIAM in year 2016. She co-chaired the taskforce on Guidance for Effective Internal Audit Function.

Mrs. Vijayam Nadarajah was the Independent Non-Executive Director of The Bank of Nova Scotia Berhad. Prior to her appointment to the board of The Bank of Nova Scotia Berhad, she was a consultant for China Construction Bank Malaysia Berhad. She was in charge of overseeing the incorporation of a public company to set up the bank in Malaysia and application for a bank license. During this process, she liaised with Bank Negara Malaysia on matters related to application of license and operational readiness audit. Furthermore, she advised on the structure and nomination of independent directors for the board, and also drafted the board charter and terms of reference of board committees, on top of other governance policies.

From year 2013 to 2016, Mrs. Vijayam Nadarajah served as a Specialist for the Research and Development/Corporate Program of the Financial Accreditation Agency, which is an initiative supported by Bank Negara Malaysia and the SC. She also served as Financial Controller at CIMB Aviva Assurance Berhad and CIMB Aviva Takaful Berhad, Assistant General Manager of Finance at Oriental Capital Assurance Berhad, as well as senior roles in RHB Bank Berhad and Sime Bank Berhad/UMBC Bank Berhad.

Mrs. Vijayam Nadarajah presently sits on the boards of BNP Paribas Malaysia Berhad, MPI Generali Insurans Berhad and Monash University Malaysia Sdn Bhd. She is a consultant and trainer in topics such as risk management, compliance, internal audit and board governance.

Mrs. Vijayam Nadarajah is the Chairperson of the Group Risk Management Committee and is a member of the Group Audit Committee and Group Nominating/Remuneration Committee of the Manulife Holdings Berhad. She is also a Director and Chairperson of the Risk Management Committee, and a member of Audit Committee and Nominating/Remuneration Committee of Manulife Insurance Berhad.

**Mr. Matthew Edward Lawrence** (*Non-Independent member*) graduated from the London School of Economics and Political Science with a Bachelor of Science in Economics. He is a member and Fellow of the Institute of Chartered Accountants in England and Wales.

Mr. Lawrence has over twenty (20) years of experience in the insurance industry, holding leadership positions in both the corporate and professional services fields that span across North America, Europe and Asia. He joined Manulife Holdings Berhad as Regional Controller, Asia in year 2019. In this role, he is responsible for the Asia regional finance team, overseeing financial planning and analysis, management reporting, expense management and accounting policy.

Prior to joining Manulife Holdings Berhad, he worked at Prudential where he held a series of progressive roles; his last held position was Finance Director of Prudential Assurance Company Singapore, where he was responsible for strategic planning and analysis, financial reporting, finance operations and finance innovation. Prior to his time with Prudential, he spent many years at KPMG and has experience that covers accounting advisory, audit and transaction services. He speaks frequently at industry events on the subject of accounting change for insurance.

Mr. Lawrence is a member of the Group Audit Committee, Group Risk Management Committee and Group Nominating/Remuneration Committee of Manulife Holdings Berhad.

## **8.7 FUND MANAGEMENT FUNCTION OF THE PROVIDER**

**Ms. Lim Chwee Mee** has more than 16 years of experience in the fund management industry, where she was involved in fund management, portfolio analytics, quantitative strategies and product development. Ms. Lim holds a Master of Business Administration degree from University of Central Oklahoma. She also holds the Capital Markets Services Representative's Licence in fund management.

She is the designated fund manager for Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund, Manulife Shariah PRS-Conservative Fund, Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund.

## **8.8 MATERIAL LITIGATION**

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

**Investors may obtain further and updated information on the Provider, Board of the Provider, investment committee and investment team from our website at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).**

## CHAPTER 9: THE FUND MANAGER

The Provider has appointed Manulife Investment Management (Hong Kong) Limited (“Manulife IM (HK)”) as the fund manager for the Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund and Manulife Shariah PRS-Conservative Fund. The function of the Fund Manager is to actively manage the investments of the Fund in accordance with its investment objectives. Manulife IM (HK) was incorporated in Hong Kong on 21 June 1994 and it commenced operations as an investment manager in June 2000. Manulife IM (HK)’s ultimate parent company is Manulife Financial Corporation. Manulife IM (HK) is part of Manulife Investment Management, the asset management arm of Manulife Financial Corporation. Manulife IM (HK) provides comprehensive asset management solutions for institutional investors, investment funds and individuals in key markets around the world.

Manulife IM (HK) is licensed with the Securities and Futures Commission of Hong Kong under the Securities and Futures Ordinance to conduct the following regulated activities in Hong Kong: Type 1 - Dealing in securities, Type 2 - Dealing in futures contracts, Type 4 - Advising on securities, Type 5 - Advising on futures contracts and Type 9 - Asset management.

Manulife IM (HK) has more than 18 years of experience in the investment management industry. The investment professionals of Manulife IM (HK) form part of Manulife Investment Management’s global network of more than 360 professionals in 16 countries and territories.

### 9.1 DESIGNATED FUND MANAGER

Bonnie Sit, CFA

Senior Investment Analyst, Multi Asset Solutions Team, Asia

Bonnie Sit, CFA, a senior director and senior investment analyst for asset allocation within the Multi-Asset Solutions Team (“MAST”) at Manulife Investment Management (“MIM”). MAST is tasked with the delivery of cross-asset class investment solutions that include pension and retirement solutions, risk management- and outcome-oriented solutions, and multi-manager portfolios including both public and private assets. Solutions may be absolute return, peer- or benchmark-relative and are delivered in many formats including mutual fund (including fund-of-fund), pooled, segregated and customized.

MAST designs bespoke solutions on behalf of retail and institutional clients around the world and includes asset allocation, Liability-Driven Investing, Liquid Alternative, Beta Management and OCIO / Fiduciary Solutions for pension plans. Asset solutions include target risk, target date and a wide array of strategic, tactical and absolute return multi-asset class portfolios that are highly customizable depending on client objectives.

Bonnie has more than sixteen years experience in a variety of roles, most recently as investment strategist at the Australian Government Future Fund. Prior to this, she held analyst roles at Medley Capital and Thomas Weisel Partners in the U.S.

Bonnie holds a Bachelor of Arts in International Relations and Economics from Wellesley College in the U.S. and is a CFA charterholder.

Further information on the Fund Manager is provided in our website at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).



## CHAPTER 10: THE SCHEME TRUSTEE

### 10.1 BACKGROUND INFORMATION

CIMB Islamic Trustee Berhad was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Act.

### 10.2 FINANCIAL POSITION

The following is a summary of the past performance of the Scheme Trustee based on audited accounts for the past 3 financial years ended 31 December:

Financial Year Ended 31 December	2020 (RM'000)	2019 (RM'000)	2018 (RM'000)
Paid-up Capital	1,000	1,000	1,000
Shareholders' Funds	8,736	8,444	8,015
Turnover	3,774	3,867	3,884
Profit before Tax	399	492	860
Profit after Tax	292	429	627

### 10.3 EXPERIENCE IN TRUSTEE BUSINESS

As at LPD, CIMB Islamic Trustee Berhad acts as trustee to 35 unit trust funds, 16 wholesale funds, 2 private retirement scheme (consisting of 7 funds) and 2 exchange traded funds and has more than 31 years of experience as a trustee to unit trust funds.

CIMB Islamic Trustee Berhad is supported by 12 staff, comprising of 9 executives and 3 non-executives as at LPD.

### 10.4 BOARD OF DIRECTORS

Name	Directorship
Zahardin bin Oardin	Independent Director & Chairman, Non-Executive
Hussam Mohammad Kasim Sultan	Non-Independent Director, Executive
Datin Ezreen Eliza Zulkiplee	Non-Independent Director, Executive/Chief Executive Officer

### 10.5 DUTIES AND RESPONSIBILITIES OF THE SCHEME TRUSTEE

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

- take into custody the investments of the Funds and hold the investments in trust for the Members;
- ensure that the Provider operates and administers the Funds in accordance with the provisions of the Deed, SC Guidelines and acceptable business practice within the PRS industry;

- (c) as soon as practicable, notify the SC of any irregularity or breach of the provisions of the Deed, SC Guidelines and any other matters which in the Scheme Trustee's opinions may indicate that the interests of Members are not served;
- (d) exercise reasonable diligence in carrying out its functions and duties, in actively monitoring the operations and management of the Funds by the Provider to safeguard the interest of Members;
- (e) maintain, or cause the Provider to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Funds to be formed and to ensure that the Funds are operated and managed in accordance with the Deed of the Funds, Disclosure Document, the SC Guidelines and securities law; and
- (f) require that the accounts be audited at least annually.

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

## **10.6 SCHEME TRUSTEE'S STATEMENT OF RESPONSIBILITY**

The Scheme Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Scheme Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Scheme Trustee in performing any or its duties or exercising any of its powers under the Deed. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Scheme Trustee having regard to the provisions of the Deed.

## **10.7 SCHEME TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION**

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

## **10.8 SCHEME TRUSTEE'S DELEGATE**

The Scheme Trustee has delegated its custodian function to CIMB Islamic Bank Berhad (CIMB Islamic Bank). CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Islamic Bank provides full-fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

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

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

## **10.9 ANTI-MONEY LAUNDERING AND ANTI-TERRORISM FINANCING PROVISIONS**

The Scheme Trustee has in place policies and procedures across the CIMB Group, which may exceed local regulations. Subject to any local regulations, the Scheme Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of the Scheme Trustee.

## **10.10 STATEMENT OF DISCLAIMER**

The Scheme Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

## CHAPTER 11: THE SHARIAH ADVISER

### 11.1 GENERAL INFORMATION OF THE SHARIAH ADVISER

ZICO Shariah is the Shariah Adviser for the Funds. ZICO Shariah is a member of ZICO Holdings and is registered with the SC to advise on sukuk issuances, Islamic funds as well as other Islamic capital market products and instruments. It is also approved by the Central Bank of Malaysia to provide Shariah advice, Shariah review and Shariah audit services to Islamic financial institutions. ZICO Shariah has more than 12 years of Shariah advisory experience.

### 11.2 ROLES AND RESPONSIBILITIES OF THE SHARIAH ADVISER

As Shariah Adviser, ZICO Shariah will ensure the operations and investments of the Funds are in compliance with Shariah requirements. ZICO Shariah will review the Funds' investments on a monthly basis to ensure adherence with Shariah requirements at all times.

In line with the SC Guidelines, the roles of ZICO Shariah as the Shariah Adviser are:

1. Ensuring that the operations and investments of the Funds are in compliance with Shariah principles/ requirements;
2. Providing expertise and guidance for the Funds in all matters relating to Shariah principles, including on the Funds' Deed and disclosure documents, its structure and investment process, and other operational and administrative matters;
3. Consulting the SC who may consult the SACSC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. Scrutinising the Funds' compliance report as provided by the compliance officer, transaction report provided by or duly approved by the Trustee and any other report deemed necessary for the purpose of ensuring that the Funds' investments are in line with the Shariah principles;
5. Preparing a report to be included in the Funds' interim and annual report certifying whether the Funds have been managed and administered in accordance with the Shariah principles;
6. Ensuring that the Funds comply, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
7. Vetting and advising on the promotional materials of the Funds;
8. Assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority; and
9. Apply ijthad (intellectual reasoning) to ensure all aspects relating to the operations and investments of the Funds are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SACSC.

### 11.3 PROFILE OF THE SHARIAH TEAM

#### **Dr. Aida Othman**

Dr Aida Othman is a Partner at Zaid Ibrahim & Co. (a member of ZICO Law). She is also the director of ZICO Shariah Advisory Services. Dr Aida specializes in Islamic banking and finance, Islamic capital market instruments and Takaful products and operations. Her practice areas include Shariah Advisory, Islamic Banking & Finance, Shariah Compliance & Governance, Islamic Wealth Management and Corporate Commercial matters.

She also advises on Shariah compliance and governance, including on the legal and regulatory framework for Islamic finance. In particular, she has advised on the structure and documentation for Islamic banking products, the legal and regulatory framework for Islamic financial services, structuring and Shariah compliance issues for Sukuk issuance, private equity funds and unit trust funds, Shariah review and Shariah audit of Islamic financial institutions, Takaful products and operations and Islamic wealth planning and management.

Dr Aida is an Advocate & Solicitor of the High Court of Malaya. She is also a panel arbitrator for banking/financial instruments at the Asian International Arbitration Centre (AIAC), a member of the Society of Trust and Estate Practitioners (STEP), United Kingdom, a former member of the Technical Working Group on Ethics of the Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain, a member of the Shariah Committee, HSBC Amanah Malaysia Berhad, a member of the Shariah Committee, Permodalan Nasional Berhad, a member of the Shariah Committee, AmMetlife Takaful Berhad, a member of the Islamic Finance Committee, Bar Council, Malaysia, a member of the Association of Shariah Advisors in Islamic Finance (ASAS), Malaysia and a member of the Majlis Agama Islam & Adat Melayu Negeri Perak.

Dr Aida holds a Doctor of Philosophy in Comparative Law & Middle Eastern Studies from Harvard University, United States of America. And Postdoctoral Fellowship at the Faculty of Arts & Sciences, Harvard University, United States of America. She also obtained Masters of Law from Cambridge University, United Kingdom, Bachelor of Laws (First Class Honours) and Bachelor of Islamic Law (Shariah) (First Class Honours) from International Islamic University, Malaysia.

Further information on the Shariah Adviser is provided in our website at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).

## CHAPTER 12: SALIENT TERMS OF THE DEED

### 12.1 RIGHTS AND LIABILITIES OF MEMBERS

#### 12.1.1 Rights of Members

The Member shall have the right, amongst others, to the following:

- (a) to attend Members' meetings in respect of the Scheme and of the Funds in which the Member holds Units and convened pursuant to the Deed;
- (b) to exercise cooling-off rights;
- (c) to participate in any increase in the value of the Units held by him; and
- (d) to enjoy such other rights and privileges as are provided for in the Deed.

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

A Member holding conditionally Vested units shall have the same rights in respect of those Units as though the Units were Vested units (including, for the avoidance of doubt, the right to switch the Units of a Fund of the Scheme into the Units of another Fund of the Scheme, the right to have his name registered in the register of Members, and the right to attend Members' meetings and to vote in respect of those Units).

However, in respect of conditionally Vested units held by a Member, the Member shall not be entitled to, and the Provider shall not allow, a redemption of those Units for the purpose of any withdrawal from the Scheme, for transfer to another PRS operated by another PRS provider, or for any other purpose whatsoever until the conditionally Vested units shall have vested unconditionally in the Member.

#### 12.1.2 Liabilities of Members

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

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

### 12.2 MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

	<b>Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund and Manulife Shariah PRS-Conservative Fund</b>			<b>Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund</b>
<b>Class of Units</b>	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>	<b>Class C</b>
<b>Maximum Rate of Sales Charge</b>	5.00% of the NAV per Unit			5.00% of the NAV per Unit

	<b>Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund and Manulife Shariah PRS-Conservative Fund</b>			<b>Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund</b>
<b>Class of Units</b>	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>	<b>Class C</b>
<b>Maximum Rate of Redemption Charge</b>	<ul style="list-style-type: none"> <li>• 3.00% of NAV per Unit for withdrawal in the 2nd year after the first contribution to the Fund;</li> <li>• 2.00% of NAV per Unit for withdrawal in the 3rd year after the first contribution to the Fund;</li> <li>• 1.00% of NAV per Unit for withdrawal in the 4th year after the first contribution to the Fund; and</li> <li>• No Redemption Charge will be imposed for withdrawal from the 5th year after the first contribution to the Fund.</li> </ul>		Nil	Nil
<b>Maximum Rate of Management Fee</b>	3.00% per annum of the NAV attributable to this class of Units of the Fund	2.00% per annum of the NAV attributable to this class of Units of the Fund	1.50% per annum of the NAV attributable to this class of Units of the Fund	3.00% per annum of the NAV attributable to this class of Units of the Fund

	<b>Manulife Shariah PRS-Growth Fund and Manulife Shariah PRS-Moderate Fund</b>	<b>Manulife Shariah PRS-Conservative Fund</b>	<b>Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund</b>
<b>Maximum Rate of Trustee Fee</b>	<b>Class A, Class B and Class C Units:</b> 0.20% per annum of the NAV of the Fund (excluding foreign sub-custodian fee)	<b>Class A, Class B and Class C Units:</b> 0.20% per annum of the NAV of the Fund	<b>Class C Units:</b> 0.20% per annum of the NAV of the Fund

## 12.3 INCREASE IN FEES AND CHARGES FROM THE LEVEL DISCLOSED IN THE DISCLOSURE DOCUMENT

### Sales and Redemption Charge

A higher Sales Charge and/or Redemption Charge than that disclosed in the Disclosure Document may only be imposed if:

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

## **Management Fee**

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

- (a) the Provider has come to an agreement with the Scheme Trustee on the higher rate in accordance with Clause 15.1.3 of the Deed;
- (b) the Provider has notified the Members of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by the relevant laws shall have elapsed since the notice is sent;
- (c) a supplemental disclosure document stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by the relevant laws has elapsed since the supplemental disclosure document is issued.

## **Trustee Fee**

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

- (a) the Provider has come to an agreement with the Scheme Trustee on the higher rate;
- (b) the Provider has notified the Members of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by the relevant laws shall have elapsed since the notice is sent;
- (c) a supplemental disclosure document stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by the relevant laws has elapsed since the supplemental disclosure document is issued.

## **12.4 INCREASE IN FEES AND CHARGES FROM THE MAXIMUM RATE PROVIDED IN THE DEED**

The maximum Sales Charge, Redemption Charge, annual management fee or annual trustee fee set out in the Deed may not be increased unless a Members' meeting has been held in accordance with the Deed. A supplemental deed proposing a modification to the Deed to increase such fees and charges is required to be submitted for registration with the SC accompanied by a Special Resolution sanctioning the proposed modification to the Deed.

## **12.5 PERMITTED EXPENSES**

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

- commission/ fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- costs, fees and expenses properly incurred by the auditor of the Fund;
- costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Provider and/or the Scheme Trustee;
- costs, fees and expenses incurred for any meeting of the Members save where such meeting is convened for the benefit of the Provider and/or Scheme Trustee;
- costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluation any proposed investment of the Fund;
- costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;



- costs, fees and expenses incurred in the preparation and audit of the taxation returns and accounts of the Fund;
- costs, fees and expenses incurred in the termination of the Fund or the removal of the Scheme Trustee or the Provider and the appointment of a new trustee or PRS provider;
- costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Scheme Trustee or the Provider by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- remuneration and out-of-pocket expenses of the independent members of the investment committee of the Fund, unless the Provider decides otherwise;
- costs, fees and expenses deemed by the Provider to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) or any governmental or regulatory authority;
- costs, fees and charges payable to the Administrator by the Fund; and
- costs, fees and charges payable to a foreign custodian of the foreign assets or investments of the Funds duly appointed by the Scheme Trustee.

## **12.6 RETIREMENT OF THE PROVIDER**

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

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

## **12.7 REMOVAL, REPLACEMENT AND RETIREMENT OF THE SCHEME TRUSTEE**

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

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

- (a) the Scheme Trustee has not been validly appointed;
- (b) the Scheme Trustee was not eligible to be appointed or to act as trustee under any relevant law;
- (c) the approval granted to the Scheme Trustee to act as trustee for the Scheme has been revoked;

- (d) the Scheme Trustee has failed or refused to act as trustee in accordance with the provisions 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 Scheme Trustee and has not ceased to act under that appointment;
- (f) a petition has been presented for the winding up of the Scheme Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction, the Scheme Trustee becomes or is declared insolvent); or
- (g) the Scheme Trustee has contravened the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

## **12.8 TERMINATION OF THE SCHEME AND/OR FUNDS OF THE SCHEME**

The Scheme may only be terminated with the prior written approval of the SC. If the Scheme is terminated for any reason, all the Funds of the Scheme shall be wound-up.

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

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

Any non-core fund of the Scheme shall be wound-up if:

- (a) the Members holding Units of the non-core fund pass a Special Resolution at a Members' meeting to wind-up the non-core fund;
- (b) the non-core fund has a maturity date and such maturity date has been reached;
- (c) there are no longer any Units in circulation in respect of the non-core fund; or
- (d) the non-core fund no longer holds any assets, whether as a result of redemptions or as a result of the transfer of assets of the non-core fund to another Fund of the Scheme pursuant to a transfer scheme approved by the SC.

Upon the termination or winding-up of the Scheme and/or any of the Funds, the Provider shall, as soon as practicable, give to each Member of Scheme or of the Fund, wound-up notice of such termination or winding-up; the Provider shall notify such Members in writing of the following options:

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

The Provider must also as soon as practicable after the termination of a Fund, publish the aforesaid notice on the Administrator's website.

The Provider shall also as soon as practicable after the winding-up of a Fund inform the SC of the same in such manner as may be prescribed by any relevant law.

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

### **Termination of class of Units**

One class of Units of a Fund shall not be capable of being terminated by itself.

## **12.9 MEMBERS' MEETING**

### **12.9.1 Meetings Requested by Members**

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

office of the Provider, summon a meeting of the Members of the Scheme or holding Units of the Fund, as the case may be, by:

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

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

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

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

### **12.9.2 Meetings Summoned by the Scheme Trustee**

Unless otherwise required or allowed by the relevant laws, any meeting of the Members of the Scheme or holding Units of a Fund, as the case may be, summoned by the Scheme Trustee shall be summoned by:

- (a) giving at least fourteen (14) days written notice of the meeting to the Members of the Scheme or holding Units of the Fund, as the case may be; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

### **12.9.3 Meetings Summoned by the Provider**

The Provider may summon a meeting of the Members of the Scheme or holding Units of a Fund, as the case may be, for any purpose whatsoever by:

- (a) giving at least fourteen (14) days written notice of the meeting to the Members of the Scheme or holding Units of the Fund, as the case may be; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

## **12.10 PERMITTED WITHDRAWALS AND PRE-RETIREMENT WITHDRAWALS**

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

- (a) upon the production of proof satisfactory to the Provider or the Administrator that a Member has attained the Retirement Age;
- (b) subject to the prior authorisation of the Administrator, upon the production of proof by a nominee, a trustee, an executor or an administrator of a deceased Member's estate, as the case may be, satisfactory to the Provider or the Administrator that a Member has passed away;
- (c) upon the production of proof satisfactory to the Provider or the Administrator that a Member is departing Malaysia permanently;
- (d) upon the production of proof satisfactory to the Provider or the Administrator that a Member has permanent total disablement, serious disease or mental disability;

- (e) upon the production of proof satisfactory to the Provider or the Administrator that the withdrawal is made either for a Member's own healthcare purposes or a Member's immediate family's healthcare purposes; or
- (f) upon the production of proof satisfactory to the Provider or the Administrator that the withdrawal is made for housing purposes.

A partial withdrawal from the Scheme may also be requested and made in the circumstances described in paragraphs (a), (b), (e) and (f) above.

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

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

Notwithstanding anything contained in the Deed, the Provider shall allow withdrawals from the Scheme only in respect of Units purchased from contributions which have already vested in a Member.

All withdrawals from the Scheme are effected by way of a redemption of Units; all withdrawals (except for withdrawals pursuant to having reached the Retirement Age, permanent departure of a Member from Malaysia or withdrawals due to a Member's death, permanent total disablement, serious disease or mental disability) are subject to the payment of such Redemption Charge to the Provider as shall be adequately disclosed in the Disclosure Document.

Before paying out the proceeds of any withdrawal from the Scheme, the Provider shall deduct or withhold from such proceeds an amount which the Provider may be obliged by any written law to deduct for the payment of any tax, whether in the form of a penalty or otherwise, which may be payable to the relevant tax authorities on account of the withdrawal from the Scheme. For the avoidance of doubt, no tax penalty would apply to withdrawal made prior to the Retirement Age in the following circumstances:

- (a) the death of a Member;
- (b) the permanent departure of a Member from Malaysia;
- (c) the suffering of permanent total disablement, serious disease or mental disability by a Member;
- (d) for healthcare purpose; and
- (e) for housing purpose.

## **12.11 CIRCUMSTANCES WHEN MEMBERS MAY SWITCH FUNDS**

Subject to such terms and conditions as shall be adequately disclosed in the Disclosure Document, a Member may switch the Units of any Fund of the Scheme purchased with the contributions held by him with the Units of any other Fund of the Scheme or any other fund of a PRS operated Provider.

Units of a Fund of the Scheme shall only be capable of being switched with the units of any other Fund of the Scheme or any other fund of any other PRS operated by the Provider.

For the avoidance of doubt, the switching of the Units of a Fund with the Units of any other Fund of the Scheme is not a withdrawal from the Scheme and, accordingly no prior approval of the Administrator shall be required for such switching.

## **12.12 CIRCUMSTANCES WHEN MEMBERS MAY TRANSFER UNITS IN A FUND UNDER A SCHEME TO ANOTHER PRS PROVIDER**

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

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

The Provider shall be entitled to charge a Member such fee as shall be adequately disclosed in the Disclosure Document to cover the Provider's costs of the Member's transfer to another PRS.

If required to by the Administrator, the Provider shall also on behalf of the Administrator collect from a Member such transfer fee as the Administrator may impose in respect of the Member's transfer to another PRS.

## **CHAPTER 13: APPROVALS AND CONDITIONS**

The SC has, on 22 November 2019, approved the Provider's application for exemption to the Paragraph (6)(a) of Schedule B – Appendix III of the Guidelines:

“A Feeder Fund must not invest in –

(a) a Fund-of-Funds;”

Exemption of the aforesaid paragraph was obtained from the SC to allow Manulife Shariah PRS- Global REIT Fund to invest in Manulife Shariah Global REIT Fund, which is an Islamic fund-of-funds.

However, please note that the requirement to the above-mentioned Paragraph (6)(a) of Schedule B – Appendix III of the Guidelines has been removed.

## CHAPTER 14: RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST

### POLICIES AND PROCEDURES ON DEALING WITH CONFLICT OF INTEREST

#### Provider

Save for the transactions as disclosed below, as at LPD, the Provider is not aware of any existing or potential related-party transactions involving the Fund, the Provider, promoters, vendors and/or persons connected to them:

Name of Party involved in the transaction	Nature of Transaction	Name of Related Party	Relationship
The Provider	Providing internal audit and corporate secretarial services to the Provider.	Manulife Holdings Berhad (MHB)	The Provider is a wholly owned subsidiary of MHB.
The Provider	Providing human resources services and other supporting services to the Provider.	Manulife Insurance (Malaysia) Berhad (MIB)	Both the Provider and MIB are within the same group of companies.
The Provider	Providing investment back-office services to the Provider.	Manulife Data Services Inc. (MDSI)	Both the Provider and MDSI are within the same group of companies.
The Provider	Providing fund management services to the Provider.	Manulife Investment Management (Hong Kong) Limited (Manulife IM (HK))	Both the Provider and Manulife IM (HK) are within the same group of companies.

It is the Provider's policy that all transactions with any related parties are entered in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties, and dealings with the related parties are transacted at arm's length basis.

The Provider has in place policies and procedures to prevent and deal with any conflict of interest situations that may arise such as the regular disclosure of securities dealings by all employees, directors and members of the investment committee to the compliance unit for verification. In addition, there are adequate segregation of duties to ensure proper checks and balances are in place in the areas of fund management, sales administration and marketing. Policies and procedures are also in place to deal with any potential conflict of interest where members of the investment committee are also directors of other asset management companies. Where conflicts of interest arise, members of the investment committee will abstain from making a decision. As at 30 November 2021, each member of the Funds' investment committee do not hold any position as: (i) a director of another management company outside the Manulife group of companies and/or (ii) an investment committee member of a fund managed by another management company outside the Manulife group of companies.

Subject to any legal requirement, the Provider, or any related corporation of the Provider, or any officers or directors of any of them, may invest in the Funds. The directors of the Provider will receive no payments from the Funds other than distributions that they may receive as a result of investment in the Funds. No fees other than the ones set out in this Disclosure Document have been paid to any promoter of the Funds or the Provider for any purpose.

The Provider also has internal policies which regulates its employee's securities dealings.

None of the directors or the sole shareholder of the Provider have any direct or indirect interest in other corporations carrying on a similar business as the Provider.

### **Advisers**

The Shariah Adviser, auditors, tax adviser, and solicitor have confirmed that they have no interest/ potential interest or conflict of interest/ potential conflict of interest with the Provider and the Funds.

### **Cross Trade**

Cross trade is defined as a buy and sell transaction of the same security between two or more clients' accounts managed by the Provider.

The Provider may conduct cross trades provided the following conditions imposed by the regulators are met:-

- the cross trade is in the best interests of both portfolios;
- the cross trade is executed on an arm's length and fair value basis;
- the reason for such trades are documented and approval of the Chief Executive Officer is obtained prior to execution; and
- the cross trade transaction is disclosed to clients of both funds.

The cross trade will be executed in accordance to the Provider's policy which is in line with the regulatory requirements, monitored by the compliance officer and reported to the investment committee.

Cross trades between the personal account of an employee of the Provider and the Fund's account or between the Provider's proprietary accounts and clients' accounts are strictly prohibited.



## CHAPTER 15: ADDITIONAL INFORMATION

### 15.1 HOW MEMBERS CAN KEEP ABREAST OF DEVELOPMENTS IN THE FUNDS

Members will/ can receive regular updates on the Funds and on their investment through:

(a) The Provider's Website

Members can obtain information pertaining to the Scheme and the Funds and monitor the NAV per Unit of their investments in the Funds by referring to the Provider's website at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).

(b) Administrator's Website

Members can access their personal details and information of their account's transactions from the Administrator's website at [www.ppa.my](http://www.ppa.my).

(c) Customer Service

Members can seek assistance from the customer service personnel at the Provider's office or at any location listed in the Corporate Directory section from 8.45 a.m. to 5.30 p.m. from Monday to Friday. Alternatively, Members can communicate with the Provider at: 03-2719 9271, fax to 03-2093 7654 or email to [PRSinfo\\_MY@manulife.com](mailto:PRSinfo_MY@manulife.com).

(d) Annual and interim reports

The Funds' annual and interim reports will be made available in the Provider's website at [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my). The annual report will be available within two (2) months of the Funds' financial year end and the interim report within two (2) months from the end of the period covered, e.g. for a financial year/ period ending 31 August, the annual/ interim report will be available by end of October.

**The Fund's annual report is available upon request.**

### 15.2 HOW TO MAKE A COMPLAINT?

A Member may lodge a complaint in writing to the Provider at:

**Manulife Investment Management (M) Berhad**

13th Floor, Menara Manulife

No. 6, Jalan Gelenggang

Damansara Heights

50490 Kuala Lumpur.

Tel : 03-2719 9228

Fax : 03-2094 7654

Customer Service Hotline : 03-2719 9271

Email : [MY\\_CustomerService@manulife.com](mailto:MY_CustomerService@manulife.com)

Website : [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my)

If the Member is dissatisfied with the outcome of the dispute, the Member may refer his dispute to the Securities Industry Dispute Resolution Center (SIDREC):

**Securities Industry Dispute Resolution Center (SIDREC)**

Unit A-9-1, Level 9, Tower A

Menara UOA Bangsar

No. 5, Jalan Bangsar Utama 1

59000 Kuala Lumpur.

Phone : 03-2282 2280

Fax : 03-2282 3855

Email : [info@sidrec.com.my](mailto:info@sidrec.com.my)

Even if the Member has initiated a dispute resolution process with SIDREC, the Member may also direct his complaint to the SC. To make a complaint, please contact the SC's Consumer & Investor Office:

**Consumer & Investor Office  
Securities Commission Malaysia**  
No. 3, Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur.

Phone : 03-6204 8999 (Aduan Hotline)  
Fax : 03-6204 8991  
Email : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)  
Online complaint form available at  
[www.sc.com.my](http://www.sc.com.my)

Complaints may also be directed to the Federation of Investment Managers Malaysia (FiMM)'s Complaints Bureau:

**Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers  
Malaysia**

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

Phone : 03-2092 3800  
Fax : 03-2093 2700  
Email : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)  
Online complaint form available at  
[www.fimm.com.my](http://www.fimm.com.my)

### **15.3 ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES**

In order to comply with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATF) and the relevant policies, procedures, guidelines and/or regulations aimed at the prevention of money laundering, the Provider will be required to obtain satisfactory evidence of customer's identity and have effective procedures for verifying the information of customers. The Provider conducts ongoing due diligence and scrutinizes its customers' identity and their investment objective which may be undertaken throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the Provider's knowledge of its customers, their business and their risk profile.

The Provider also reserves the right to request such information as is necessary to verify the source of the payment. The Provider may refuse to accept the application and the subscription monies if an applicant delays in producing or fails to produce any information required for the purposes of verification of identity or source of funds.

A transaction or a series of transactions shall be considered as 'suspicious' if the transaction in question is inconsistent with the customer's known transaction profile or does not make economic sense. Suspicious transactions shall be submitted directly to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia.

## **CHAPTER 16:        CONSENTS**

The consent of the Scheme Trustee, the Fund Manager and the Shariah Adviser for the inclusion of their names in this Disclosure Document in the manner and form in which such names appear have been given before the issuance of this Disclosure Document and none of them have subsequently withdrawn their written consents.

The consent of the tax advisers for the inclusion of their name and their tax adviser's letter in this Disclosure Document in the manner, context and form in which such names and letters appear, have been given before the issuance of this Disclosure Document and the tax advisers have not subsequently withdrawn their written consent.

## **CHAPTER 17: DOCUMENTS AVAILABLE FOR INSPECTION**

Members may inspect without charge the following documents or copies of them at the registered office of the Provider, where applicable:

- (a) the Deed and supplemental deeds;
- (b) each contract disclosed in the Disclosure Document and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contract;
- (c) the latest annual and interim reports of the Funds;
- (d) the audited financial statements of the Funds and the Provider for the current financial year and the last three (3) financial years;
- (e) all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Disclosure Document, the corresponding full expert's report must be made available for inspection;
- (f) writ and relevant cause papers for all current material litigation and arbitration disclosed in the Disclosure Document; and
- (g) all consents given by experts disclosed in the Disclosure Document.

# CHAPTER 18: TAXATION OF THE FUNDS

3 December 2021

The Board of Directors  
**Manulife Investment Management (M) Berhad**  
13th Floor, Menara Manulife  
No. 6, Jalan Gelenggang  
Damansara Heights  
50490 Kuala Lumpur.

**Manulife Shariah PRS NESTEGG Series** (“the Scheme”) which consists of **Manulife Shariah PRS-Growth Fund, Manulife Shariah PRS-Moderate Fund, Manulife Shariah PRS-Conservative Fund, Manulife Shariah PRS-Global REIT Fund and Manulife Shariah PRS-Golden Asia Fund** (individually hereinafter referred to as “the Fund”) – **Taxation of the Scheme and Members**

1. This letter has been prepared for inclusion in the Disclosure Document (hereinafter referred to as “the Disclosure Document”) in connection with the offer of units in the funds under the Scheme.

The following is general information based on Malaysian tax law in force at the time of lodging the Disclosure Document with the Securities Commission Malaysia (“SC”) and Members should be aware that the tax law may be changed at any time. To an extent, the application of tax law depends upon a Member’s individual circumstances. The information provided below does not constitute tax advice. The Private Retirement Scheme (“PRS”) Provider therefore recommends that a member consult his accountant or tax adviser on questions about his individual tax position.

## 2. Taxation of the Scheme

### 2.1 Income Tax

The Scheme is an approved scheme under the Malaysian Income Tax Act, 1967 (“MITA”) pursuant to Section 2 of the MITA. Section 2 defines approved scheme as the Employees Provident Fund, PRS or any pension or provident fund, scheme or society approved by the Director General of the Inland Revenue (“DGIR”) under Section 150 of the MITA. PRS is further defined as a retirement scheme approved by the SC in accordance with the Capital Markets and Services Act, 2007.

Based on the above, income received by the Funds of the Scheme is exempted from income tax (“income tax” or “tax”) pursuant to Paragraph 20 of Schedule 6 to the MITA.

### 2.2 Gains on Disposal of Investments

Gains on disposal of investments by the Fund will not be subject to income tax but where the investments represent shares in real property companies, such gains may be subject to Real Property Gains Tax (“RPGT”) under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties or shares in real property companies with a market value of not less than 75% 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.

## **2.3 Service Tax**

The issuance of units by the Fund to members will not be subject to Service Tax. Any distributions made by the Fund to Members are also not subject to Service Tax. The Fund would not be required to pay Service Tax on the acquisition of fund management services from the Fund Manager.

To the extent that the Fund invests in any financial services products (e.g. securities, derivatives, units in a fund or unit trust), the acquisition of these interests will also not be subject to Service Tax.

If the Fund acquires any imported taxable services from a service provider outside of Malaysia, these services would be subject to 6% Service Tax. The Fund would be required to file an SST-02A return on an adhoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department.

## **3. Taxation of Members**

### **3.1 Taxable Distribution**

The amount determined by the PRS Provider to be distributed shall be distributed to all members in proportion to the number of units held by them in the Fund as of the date that the distribution is declared. The distribution shall be effected by the creation of additional units of the Fund in favour of and to the credit of the member.

Distribution of income in the form of units of the Fund to member which are reinvested in the PRS are not liable to tax as the member does not made any withdrawals from the Fund.

### **3.2 Withdrawal from the Scheme**

Pursuant to Section 109G of the MITA, where withdrawal of contributions from the Scheme by a member is made prior to the member attaining the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death, permanently leaving Malaysia, healthcare or housing, for which such withdrawal shall be in compliance with the criteria as set out in the relevant guidelines of the Securities Commission Malaysia) the amount of contribution withdrawn will be taxed at the rate of 8%. The PRS Provider is required to deduct tax at the rate of 8% from the withdrawn amount before making payment to the member. The tax withheld has to be remitted to the DGIR within one month after making the payment to the member. In the event that the PRS Provider fails to remit any amount of the tax withheld, a penalty of a sum equivalent to 10% of the amount not remitted shall be imposed on the PRS Provider and the increased sum shall be a debt due from the PRS Provider to the government.

### **3.3 Switching Fund**

If a member switches a fund to another fund either managed by the same or a different PRS provider, no withholding tax would be imposed as the member does not make any withdrawal in cash when the switch is made.

### **3.4 Unit Splits**

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

#### **4. Tax Relief and Deduction on Contributions to the Scheme**

Pursuant to Section 49(1D) of the MITA, a member who is tax resident for the basis period for a year of assessment is entitled to a tax relief of up to RM3,000 in respect of contributions made to a PRS or deferred annuity. This is effective from year of assessment 2012 to year of assessment 2025.

Employers are given a tax deduction of up to 19% of the employees' remuneration under Section 34(4) of the MITA for contributions made by the employers to an approved scheme which is defined in (3.1) above. The tax deduction on contributions made by employers on behalf of employees to a PRS is effective from year of assessment 2012.

With respect to employers' contributions to a PRS on behalf of employees that are subject to a vesting schedule, upon termination of employment of an employee, unvested benefits (to which the employee is not entitled in the member's account) returned to the employer may be subject to tax in the hands of the employer pursuant to Section 22(2) of the MITA.

Yours faithfully

**Mark Chan Keat Jin**  
Executive Director

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