

FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT

This First Supplemental Disclosure Document is dated 29 September 2023 and must be read together with the First Replacement Disclosure Document dated 2 February 2021, for:

Shariah OnePRS Scheme

<u>Name of the Core Funds</u>	<u>Constitution Date of the Core Funds</u>
Kenanga Shariah OnePRS Conservative Fund	30 November 2015
Kenanga Shariah OnePRS Moderate Fund	30 November 2015
Kenanga Shariah OnePRS Growth Fund	30 November 2015

Private Retirement Scheme Provider

Kenanga Investors Berhad
199501024358 (353563-P)

Scheme Trustee

CIMB Islamic Trustee Berhad
198801000556 (167913-M)

Constitution Date of the Scheme: 30 November 2015

MEMBERS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT DATED 29 SEPTEMBER 2023 WHICH IS TO BE READ TOGETHER WITH THE FIRST REPLACEMENT DISCLOSURE DOCUMENT DATED 2 FEBRUARY 2021. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE MEMBERS, SEE "RISK FACTORS" COMMENCING ON PAGE 15 OF THE FIRST REPLACEMENT DISCLOSURE DOCUMENT DATED 2 FEBRUARY 2021 AND PAGE 6 OF THIS FIRST SUPPLEMENTAL DISCLOSURE DOCUMENT.

Responsibility Statements

This First Supplemental Disclosure Document has been reviewed and approved by the directors of Kenanga Investors Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this First Supplemental 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 First Supplemental Disclosure Document and the First Replacement Disclosure Document (collectively the "Disclosure Document") have been registered with the Securities Commission Malaysia.

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Kenanga Investors Berhad who is responsible for the Scheme and the Funds under the Scheme, and takes no responsibility for the contents in the Disclosure Document. The Securities Commission Malaysia makes no representation on the accuracy or completeness of the 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.

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

The Kenanga Shariah OnePRS Conservative Fund, Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund have been certified as being Shariah-compliant by the Shariah adviser appointed for the Funds.

The First Replacement Disclosure Document dated 2 February 2021 (hereinafter referred to as “First Replacement Disclosure Document”) in relation to the Shariah OnePRS Scheme (“Scheme”) is hereby amended as follows:

- (a) by updating the information in the corporate directory section;
- (b) by amending the information in relation to the period for payment of redemption proceeds and cooling-off;
- (c) by inserting the suspension of redemption risk, liquidity risk management of the PRS Provider and suspension of dealings in Units;
- (d) by updating the information in relation to the PRS Provider, Scheme Trustee and Shariah Adviser;
- (e) by updating the information in the First Replacement Disclosure Document pursuant to the changes in the Guidelines and issuance of the Second Supplemental Deed dated 24 July 2023 in relation to the Scheme;
- (f) by updating the Taxation Adviser’s Letter; and
- (g) the amendments as set out in this First Supplemental Disclosure Document take effect on 31 August 2023.

1. GENERAL

- a. The references to “interim report(s)” and “investment committee(s)”, wherever they appear in the First Replacement Disclosure Document have been amended to “semi-annual report(s)” and “members of the committee undertaking the oversight function of the Funds” respectively.

2. CHAPTER 1: GLOSSARY OF TERMS

(pages 1 - 3 of the First Replacement Disclosure Document)

- a. The definition of “Deed(s)” is hereby deleted in its entirety and replaced with the following:

<i>Deed(s)</i>	Deed dated 30 November 2015 as modified by the first supplemental deed dated 7 July 2020 and the second supplemental deed dated 24 July 2023 in respect of the Scheme and any other supplemental deed that may be entered into between the PRS Provider and the Scheme Trustee and registered with the SC.
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- b. The definition of “licensed financial institution” is hereby deleted in its entirety and replaced with the following:

<i>licensed financial institution</i>	<ul style="list-style-type: none">a) if the institution is in Malaysia:<ul style="list-style-type: none">• licensed bank;• licensed investment bank; or• licensed Islamic bank.b) if the institution is outside of Malaysia, any institution that is licensed, registered, approved, or authorised by the relevant banking regulator to provide financial services.
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- c. A new definition of “Eligible Market” is hereby inserted after the definition of “Default Option” as follows:

<i>Eligible Market</i>	An exchange, government securities market or an OTC market: <ul style="list-style-type: none">(a) that is regulated by a regulatory authority;(b) that is open to the public or to a substantial number of market participants; and(c) on which financial instruments are regularly traded.
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This First Supplemental Disclosure Document dated 29 September 2023 must be read together with the First Replacement Disclosure Document dated 2 February 2021.

- d. A new definition of “OTC” is hereby inserted after the definition of “Nominee” as follows:

OTC over-the-counter

- e. A new definition of “SACBNM” is hereby inserted after the definition of “RM and sen” as follows:

SACBNM Shariah Advisory Council of Bank Negara Malaysia

3. CHAPTER 2: CORPORATE DIRECTORY

- a. The information on the SCHEME TRUSTEE on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Scheme Trustee

CIMB Islamic Trustee Berhad

Company No. 198801000556 (167913-M)

Registered Office:

Level 13, Menara CIMB

Jalan Stesen Sentral 2, Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel: 03-2261 8888

Fax: 03-2261 0099

Business Address:

Level 21, Menara CIMB

Jalan Stesen Sentral 2, Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel: 03-2261 8888

Fax: 03-2261 9894

E-mail: ss.corptrust@cimb.com

Website: www.cimb.com

- b. The information on the BOARD OF DIRECTORS on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Board of Directors

Choy Khai Choon, Steven (Chairman/Non-Independent Non-Executive Director)

Imran Devindran Bin Abdullah (Independent Non-Executive Director)

Norazian Binti Ahmad Tajuddin (Independent Non-Executive Director)

Luk Wai Hong, William (Non-Independent Non-Executive Director)

Datuk Wira Ismitz Matthew De Alwis (Executive Director/Chief Executive Officer)

- c. The information on the SCHEME TRUSTEE’S DELEGATE on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Scheme Trustee’s Delegate:

CIMB Islamic Bank Berhad

Company No. 200401032872 (671380-H)

Registered Office:

Level 13, Menara CIMB

Jalan Stesen Sentral 2

Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel: 03-2261 8888

Fax: 03-2261 8889

Website: www.cimb.com

Business Address:
Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel: 03 - 2261 8888
Fax: 03-2261 9892
E-mail: wb.tb-sscustody@cimb.com

- d. The information on the INVESTMENT COMMITTEE on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety.
- e. The information on the AUDIT AND RISK COMMITTEE on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Audit and Risk Committee

Imran Devindran Bin Abdullah (Chairman and Independent Member)
Norazian Binti Ahmad Tajuddin (Independent Member)
Luk Wai Hong, William (Non-Independent Member)

- f. The information on the FEDERATION OF INVESTMENT MANAGERS MALAYSIA on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Federation of Investment Managers Malaysia

19-06-1, 6th Floor, Wisma Tune
19, Lorong Dungun, Damansara Heights
50490 Kuala Lumpur
Tel: 03-7890 4242
E-mail: complaints@fimm.com.my
Website: www.fimm.com.my

- g. The information on the AUDITOR OF THE PRS PROVIDER on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Auditor of the PRS Provider

Ernst & Young PLT (202006000003 (LLP0022760-LCA) & AF 0039)
Business Address:
Level 23A, Menara Millennium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000
Website: https://www.ey.com/en_my

- h. The information on the TAXATION ADVISER on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Taxation adviser

Ernst & Young Tax Consultants Sdn. Bhd.
Company No.198901002487 (179793-K)
Business Address:
Level 23A, Menara Millennium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000
E-mail: eymalaysia@my.ey.com
Website: www.ey.com

- i. The information on the SOLICITOR on page 4 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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Solicitor

Wei Chien & Partners
D-20-02, Menara Suezcap 1
No. 2, Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Kuala Lumpur
Tel: 03-7931 9622 Fax: 03-7931 9612
E-mail: weichien@wcnpc.com.my
Website: www.wcnpc.com.my

- j. The information on the SHARIAH ADVISER on page 5 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Shariah Adviser

Kenanga Investment Bank Berhad
Company No. 197301002193 (15678-H)
Level 16, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2172 2727
Fax: 03-2172 2897
E-mail: Dept-IslamicMarkets@kenanga.com.my
Website: www.kenanga.com.my

- k. The information on the PRINCIPAL BANKERS on page 5 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Principal banker

Standard Chartered Bank Malaysia Berhad
Level 23, Equatorial Plaza,
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-7661 8258
Website: www.sc.com/my

- l. The information on the PRIVATE PENSION ADMINISTRATOR MALAYSIA on page 5 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Private Pension Administrator Malaysia

Level 13A, Bangunan Tierra Crest
No. 3A, Jalan SS 6/3
Kelana Jaya
47301 Petaling Jaya
Selangor
Tel: 1300-131-772
E-mail: AskPPA@ppa.my
Website: www.ppa.my

4. CHAPTER 3: KEY DATA

- a. The third paragraph of "Withdrawals" under the information on "Brief description on the operations of the Scheme" in Section 3.1 - Scheme Information on page 8 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:

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No.	Circumstances of withdrawal	Period for payment to be made	Recipient of payment
(a)	After the day the Member reaches the retirement age	Within 7 Business Days after the PRS Provider received a completed withdrawal request from Member	Members
(b)	Pre-retirement withdrawals from sub-account B		
(c)	Permanent departure of Member from Malaysia		
(d)	Permanent total disablement, serious disease and mental disability of a Member	Within 7 Business Days after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA)	Members
(e)	Death of a Member	Within 7 Business Days after the PRS Provider received an authorisation from the PPA	(i) Either a nominee, trustee, executor, or administrator of a deceased Member (ii) Notwithstanding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines.
(f)	For housing purpose	Within 7 Business Days after the PRS Provider received a completed withdrawal request	Members' account or joint housing loan account
(g)	For healthcare purpose	Within 7 Business Days after the PRS Provider received a completed withdrawal request	Members

b. The information on "Fund expenses" in Section 3.3.3 - Fees charged to the Fund and other Fund expenses on page 12 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

- commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- auditor's fees and expenses;
- fees incurred for the valuation of any investment of the Funds;
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Funds, unless the PRS Provider decides otherwise;

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- costs, fees and expenses incurred in engaging any adviser for the benefit of the Funds;
 - costs for modification of the Deed other than those for the benefit of the PRS Provider and/or the Scheme Trustee;
 - costs incurred for meetings of Members other than those convened by, or for the benefit of the PRS Provider and/or the Scheme Trustee; and
 - any other fees and expenses as may be allowed under the Deed.
- c. The information on “Deed” in Section 3.5 - Other Information on page 13 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:
- Deed dated 30 November 2015
 - First Supplemental Deed dated 7 July 2020
 - Second Supplemental Deed dated 24 July 2023
- d. Item no. 4 under “Where and how to lodge a complaint” in Section 3.5 - Other Information on page 14 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:
4. Federation of Investment Mangers Malaysia (FIMM)’s Complaints Bureau:
- (a) via phone to : 03-7890 4242
 - (b) via e-mail to : complaints@fimm.com.my
 - (c) via online complaint form available at www.fimm.com.my
 - (d) via letter to : Legal & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Tune
No.19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

5. CHAPTER 4: RISK FACTORS

- a. A new information in relation to “Suspension of redemption risk” is hereby inserted after “Risk of non-compliance” under Section 4.1 – General Risks of Contributing to the Funds:

Suspension of Redemption Risk

The redemption of units of a Fund may be suspended under exceptional circumstances, where the fair value of a material portion of the Fund’s assets cannot be reasonably determined. Upon suspension, the Fund will not be able to pay Members’ redemption proceeds in a timely manner and Members will be compelled to remain invested in the Fund for a longer period of time than the stipulated repurchase timeline. Hence, Members’ investments will continue to be subjected to the risk factors inherent to the Fund. Please refer to section 8.14 – Suspension of Dealing in Units for further details.

- b. The information on “Liquidity Risk” in Section 4.2.1 - Specific Risks When Contributing to the Core Funds on page 16 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset’s volume traded in the market. Generally, unrated sukuk are not as liquid as rated sukuk. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected and subsequently the value of a Member’s investments would be reduced when the Fund has to sell such assets at unfavourable prices. This risk can be mitigated through portfolio diversification by investing in various companies across different industries or sectors in the management of the Funds.

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- c. A new Section 4.3 – Liquidity Risk Management is hereby inserted after Section 4.2.1 – Specific risks when contributing to the Core Funds as follows:

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

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

However, if we have exhausted the above avenue, we will, in consultation with the Scheme Trustee and having considered the interests of the Members, resort to suspend the redemption of Units to manage the liquidity of the Fund under exceptional circumstances, where the fair value of a material portion of the Fund's assets cannot be reasonably determined. Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer to section 8.14 – Suspension of Dealing in Units for further details.

6. CHAPTER 6: DETAILS OF THE FUNDS

- a. The information in Section 6.6 – Investment Restrictions and Limits on pages 26 – 28 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

6.6.1 Kenanga Shariah OnePRS Conservative Fund

The Fund is subject to the following investment restrictions and limits stipulated in the Guidelines:

- (a) The aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market (i.e., unlisted Shariah-compliant securities) must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.
- (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 ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. The single issuer limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.
- (d) The value of the Fund's placements in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV. The single licensed financial institution limit does not apply to placements of Islamic deposits arising from:
 - (i) subscription monies received prior to the commencement of investment by the Fund;

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- (ii) liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interests of Members; or
 - (iii) monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interest of Members.
- (e) For investments in Islamic derivatives:
 - (i) the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section;
 - (ii) the Fund's global exposure from its Islamic financial derivative positions must not exceed the Fund's NAV at all times; and
 - (iii) the global exposure of the Fund is calculated using commitment approach.
- (f) The aggregate value of the Fund's investments in, or exposure to, a single issuer through Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, underlying assets of Islamic derivatives and counterparty exposure arising from the use of OTC Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. Where the single issuer limit is increased to 35% of the Fund's NAV pursuant to paragraph (c), the single issuer aggregate limit may be raised, subject to the group limit in paragraph (j) not exceeding 35% of the Fund's NAV.
- (g) The value of the Fund's investments in units or shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV, provided that the Islamic collective investment scheme complies with the Guidelines, excluding an Islamic collective investment scheme that invests in real estate.
- (h) The value of the Fund's investments in units or shares of an Islamic collective investment scheme that invests in real estate pursuant to the Guidelines must not exceed 15% of the Fund's NAV.
- (i) Notwithstanding paragraphs (g) and (h) above, investment in units or shares of one or more Islamic collective investment schemes is permitted in the following circumstances:
 - (i) from the launch of the Fund, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;
 - (ii) upon reaching an NAV of RM200 million, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and
 - (iii) that the investment objective of the Islamic collective investment scheme is similar to the Fund.
- (j) 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 ("group limit"). In determining the group limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the issuers within the same group of companies must be included in the calculation.
- (k) The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.
- (l) The Fund's investments in sukuk must not exceed 20% of the sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition, the gross amount of sukuk in issue cannot be determined.

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- (m) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.

In addition to the above, the Fund must comply with the following restrictions imposed by the SC:

- (a) Investments in sukuk must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, sukuk which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of Kenanga Shariah OnePRS Conservative Fund's NAV (the 5% Limit). In the event the 5% Limit is exceeded, whether as a result of:

- a downgrade of any sukuk to below BBB3/P2 by RAM;
- an increase in the aggregate value of sukuk which are rated below BBB3/P2 and/or are unrated; or
- a decrease in the NAV of Kenanga Shariah OnePRS Conservative Fund,

the PRS Provider must reduce such investments to comply with 5% Limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interests of Members;

- (b) Use of Islamic derivatives is for hedging purposes only;
- (c) No investment in Shariah-compliant warrants except as a result of Kenanga Shariah OnePRS Conservative Fund's holdings in Shariah-compliant equities; and
- (d) No investment in products with embedded Islamic derivatives.

6.6.2 Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund

- (a) The aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market (i.e., unlisted Shariah-compliant securities) must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.
- (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 ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. The single issuer limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.
- (d) The value of the Fund's placements in Islamic deposits with any single licensed financial institution must not exceed 20% of the Fund's NAV. The single licensed financial institution limit does not apply to placements of Islamic deposits arising from:
- (i) subscription monies received prior to the commencement of investment by the Fund;
 - (ii) liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interests of Members; or
 - (iii) monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various licensed financial institutions would not be in the best interest of Members.

- (e) For investments in Islamic derivatives:
 - (i) the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section;
 - (ii) the Fund's global exposure from its Islamic financial derivative positions must not exceed the Fund's NAV at all times; and
 - (iii) the global exposure of the Fund is calculated using commitment approach.
- (f) The aggregate value of the Fund's investments in, or exposure to, a single issuer through Shariah-compliant transferable securities, Islamic money market instruments, Islamic deposits, underlying assets of Islamic derivatives and counterparty exposure arising from the use of OTC Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the same issuer must be included in the calculation. Where the single issuer limit is increased to 35% of the Fund's NAV pursuant to paragraph (c), the single issuer aggregate limit may be raised, subject to the group limit in paragraph (j) not exceeding 35% of the Fund's NAV.
- (g) The value of the Fund's investments in units or shares of any Islamic collective investment scheme must not exceed 20% of the Fund's NAV, provided that the Islamic collective investment scheme complies with the Guidelines, excluding an Islamic collective investment scheme that invests in real estate.
- (h) The value of the Fund's investments in units or shares of an Islamic collective scheme that invests in real estate pursuant to the Guidelines must not exceed 15% of the Fund's NAV.
- (i) Notwithstanding paragraphs (g) and (h) above, investment in units or shares of one or more Islamic collective investment schemes is permitted in the following circumstances:
 - (i) from the launch of the Fund, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 95% of the Fund's NAV;
 - (ii) upon reaching an NAV of RM200 million, the value of the Fund's investment in any of the Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and
 - (iii) that the investment objective of the Islamic collective investment scheme is similar to the Fund.
- (j) 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 ("group limit"). In determining the group limit, the value of the Fund's investments in Shariah-compliant instruments in paragraph (a) issued by the issuers within the same group of companies must be included in the calculation.
- (k) The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.
- (l) The Fund's investments in sukuk must not exceed 20% of the sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition, the gross amount of sukuk in issue cannot be determined.
- (m) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.

The abovementioned investment limits and restrictions shall be complied with at all times based on the up-to-date value of each Fund, and the value of their investments and instruments, unless the SC grants the exemption or variation. The PRS Provider must notify the SC within seven (7) Business Days of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of (a) appreciation or depreciation in value of each

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Fund's investments; (b) repurchase of Units or payment made out of each Fund; (c) change in capital of a corporation in which each Fund has invested in; or (d) downgrade in or cessation of a credit rating, need not be reported to the SC but must be rectified as soon as practicable within three (3) months from the date of the breach unless otherwise specified in the Guidelines. The three-month period may be extended if it is in the best interest of Members and the Scheme Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Scheme Trustee. Such limits and restrictions, however, do not apply to Shariah-compliant securities/ Shariah-compliant instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

- b. The information in Section 6.11 – Shariah Investment Guidelines adopted by KIBB, cleansing process and Zakat (*Tithe*) on pages 30 – 32 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Shariah Investment Guidelines

The investment portfolio of the Funds will comprise of instruments that have been classified as Shariah-compliant by the SACSC and, where applicable the SACBNM. For instruments that are not classified as Shariah-compliant by the SACSC and, where applicable the SACBNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.

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

1. Shariah-compliant Equities

1.1 Local Shariah-compliant Equities

For investment in local listed Shariah-compliant securities, reference is made to the list of Shariah-compliant securities issued by the SACSC on a half yearly basis (i.e. the last Friday of May and November) which is readily available at the SC's website.

However, for local unlisted Shariah-compliant equities, including initial public offering companies which the Shariah status have yet to be determined by the SACSC, the Shariah Adviser adopts the following analysis as a temporary basis in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.

- Quantitative Analysis

The Shariah Adviser adopts a two-tier quantitative approach, which applies the business activity benchmarks and the financial ratio benchmarks, in determining the Shariah status of the securities. Hence, the securities will be classified as Shariah-compliant if their business activities and financial ratios are within these benchmarks.

a) Business Activity Benchmarks

The contribution of Shariah non-compliant activities to the group revenue and group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:

- (i) The 5% benchmark would be applicable to the following business/activities:

- Conventional banking and lending;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;

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- Tobacco and tobacco-related activities;
- Interest income from conventional accounts and instruments (including interest income awarded arising from a court judgements or arbitrator);
- Dividends from Shariah non-compliant investments;
- Shariah non-compliant entertainment; and
- Other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

For the above-mentioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 5%.

(ii) The 20% benchmark is applicable to the following businesses/activities:

- 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 the abovementioned business/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 20%.

b) Financial Ratio Benchmarks

For the financial ratio benchmarks, the Shariah Adviser takes into account the following:

(i) Cash over total assets

Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.

(ii) Debt over total assets

Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

Each ratio, which is intended to measure *riba* and *riba*-based elements within a company's statements of financial position, must be less than 33%.

Should any of the above benchmarks are exceeded, the Shariah Adviser will not accord Shariah-compliant status for the companies.

- Qualitative Analysis

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.

1.2. Foreign Shariah-compliant Equities

For foreign listed Shariah-compliant equities, reference is made to the list of the approved Islamic indices available in the market. For the Funds' investments in unlisted Shariah-compliant equities in the foreign markets which are not within the list of approved Islamic indices, the Shariah Adviser will apply the following analysis in determining the Shariah status of the equities.

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a) Core Business Activities Analysis

Companies whose activities are not contrary to the Shariah will be classified as Shariah-compliant securities. On the other hand, companies will be classified as Shariah non-compliant if they are involved in the following core business activities:

- Conventional financial services;
- Gambling and gaming;
- Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
- Manufacture or sale of tobacco-based products or related products;
- Pornography;
- Weaponry;
- Entertainment activities that are not permitted by the Shariah; and
- Other activities considered non-permissible according to the Shariah.

b) Mixed Business Activities Analysis

For companies with activities comprising both permissible and non-permissible elements, the Shariah Adviser will apply the following analysis in determining the Shariah-compliant status:

• Quantitative Analysis

The Shariah Adviser takes into account the following parameters in determining the Shariah status of the listed companies:

- Contribution of interest income to the total income is lower than 5% of the total income;
- Total debt of the companies (including all interest-bearing loans/debentures and their respective payables such as short term/long term debts, short term/long term debentures and all debentures payables) is lower than 30% of the total assets of the companies;
- Total sum of companies' cash and receivables is lower than 50% of its total assets;
- Total sum of companies' cash and interest-bearing securities is lower than 30% of its total assets; and
- Income generated from other prohibited components from Shariah perspective is lower than 5% of the companies' total income.

Should any of the above deductions fail to meet the benchmarks, the Shariah Adviser will not accord Shariah-compliant status for the companies.

• Qualitative Analysis

Companies which have passed the above quantitative test will be further subjected to qualitative screening before the equities of such companies can be classified as Shariah-compliant. In this secondary analysis, the Shariah Adviser will look into aspects of general public perception of the companies' images, core businesses which are considered important and *maslahah* (beneficial) to the Muslim ummah and the country, the non-permissible elements are very small and involve matters like *umum balwa* (common plight and difficult to avoid), '*uruf* (custom) and rights of the non-Muslim community which are accepted by the Shariah.

2. Sukuk

The Funds' investments in local sukuk will be selected from the list of sukuk approved or authorised by, or lodged with, the SC. The Shariah Adviser will review based on the data available at the websites of the SC and/or Bank Negara Malaysia.

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The Funds' investments in foreign sukuk will be selected after consultation with the Shariah Adviser. The Shariah Adviser would accept resolutions and/or rulings as decided by the respective Shariah advisors for the instruments. prospectus or information memorandum of the sukuk and resolutions and/or rulings and/or pronouncements by the respective Shariah advisors for the instruments must be presented to the Shariah Adviser for notification and due diligence.

3. Islamic Deposits and Islamic Money Market Instruments

The Funds can invest in Islamic deposits and Islamic money market instruments issued by financial institutions that are acceptable as Shariah-compliant or those Islamic deposits and Islamic money market instruments that have been approved by SACBNM.

The Funds are prohibited from investing in interest-bearing deposits and recognizing any interest income.

4. Islamic Collective Investment Schemes

The Funds can invest in local and foreign Islamic collective investment schemes available in the market. The local Islamic collective investment schemes must be approved by the SC. For foreign Islamic collective investment schemes, it must be approved by the Shariah adviser of that respective Islamic collective investment schemes.

5. Any other Shariah-compliant instruments

For avoidance of doubt, any Shariah-compliant instruments which are not within the approved list above should be informed to the Shariah Adviser for the Shariah Adviser's approval. Where the Shariah Adviser request a change to the Shariah investment guidelines, it shall give the PRS Provider a reasonable period of time to effect such change in the Disclosure Document in accordance with the requirements of any applicable law and regulation.

Cleansing Process for the Fund

a) Wrong Investment

This refers to Shariah non-compliant investment made by the PRS Provider. The said investment will be disposed of/withdrawn with immediate effect, if possible, or otherwise within one (1) month of knowing the status of the securities. In the event of the investment resulted in gain (through capital gain, dividend and/or profit) received before or after the disposal, the gain is to be channelled to *baitulmal* and/or any other charitable bodies as advised by the Shariah Adviser. The Funds have a right to retain only the investment cost. If the disposal of the investment resulted in losses to the Funds, the losses are to be borne by the PRS Provider.

Note: investment cost may include brokerage cost or other related transaction cost.

b) Reclassification of Shariah Status of the Funds' Investment

This refers to securities which were earlier classified as Shariah-compliant but due to certain factors, such as changes in the company's business operations and financial positions, are subsequently reclassified as Shariah non-compliant.

In this regard, if on the announcement or review date, the market value of the securities exceeds or is equal to the investment cost, the Shariah non-compliant securities must be disposed of. Any dividends received up to the date of the announcement or review and capital gains arising from the disposal of Shariah non-compliant securities on the date of the announcement/review can be kept by the Funds.

However, any dividends received and excess capital gains derived from the disposal of Shariah non-compliant securities after the date of the announcement or review are to be channelled to *baitulmal* 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 value 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 are equal to the investment cost. At this stage, the Funds will dispose of its holding in the Shariah non-compliant securities.

Zakat for the Funds

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

7. CHAPTER 7: FEES, CHARGES AND EXPENSES

- a. The information in Section 7.4 – The Expenses of the Fund on page 35 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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

- commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- taxes and other duties charged on the Fund by the Malaysian government and/or other authorities;
- auditor's fees and expenses;
- fees incurred for the valuation of any investment of the Funds;
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Funds, unless the PRS Provider decides otherwise;
- costs, fees and expenses incurred in engaging any adviser for the benefit of the Funds;
- costs for modification of the Deed other than those for the benefit of the PRS Provider or the Scheme Trustee;
- costs incurred for meetings of Members other than those convened by, or for the benefit of, the PRS Provider or the Scheme Trustee; and
- any other fees and expenses as may be allowed under the Deed.

- b. The information in Section 7.5 – Soft Commissions and Rebates Policy on page 35 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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

Goods and services (“soft commissions”) provided by any broker or dealer may be retained by the PRS Provider or its delegate if:

- (a) the soft commissions bring direct benefit or advantage to the management of the Funds and may include research and advisory services;
- (b) any dealings with the broker/dealer for the Funds are executed on terms which are the most favourable for the Funds; and

- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the PRS Provider or its delegate must not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

8. CHAPTER 8: TRANSACTION INFORMATION

- a. The information in Section 8.5.2 – Pre-retirement withdrawal on page 39 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000 at the end of Business Day on which the PRS Provider receives the withdrawal request or authorisation from the PPA, as the case may be. If a Member redeems 2,000 Units from the Member’s sub-account B of Kenanga Shariah OnePRS Growth Fund at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM895.00* from their sub-account B within seven (7) Business Days from the day the PRS Provider receives the withdrawal request or authorisation from the PPA, as the case may be.

*Net redemption proceeds is calculated as follows:	RM
Withdrawal amount (2,000 Units x RM0.5000)	1,000.00
(Less) PPA pre-retirement withdrawal fee	25.00
(Less) Tax penalty (Withdrawal amount x tax penalty = RM1,000 x 8%)	80.00
Net redemption proceeds	<u>895.00</u>

- b. The second paragraph in Section 8.5.3 – Retirement withdrawal on page 39 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Assuming that the NAV per Unit of Kenanga Shariah OnePRS Growth Fund is RM0.5000. If a Member redeems 2,000 Units from Kenanga Shariah OnePRS Growth Fund account at the NAV per Unit of RM0.5000 per Unit, the Member shall receive a redemption amount of RM1,000.00* from the Member’s Shariah OnePRS account within seven (7) Business Days after the PRS Provider has received and accepted the Member redemption request.

*Proceeds of redemption are calculated as follows:	RM
2,000 Units x RM0.5000	1,000.00
(Less) PPA pre-retirement withdrawal fee	0.00
(Less) Tax penalty	0.00
Net redemption proceeds	<u>1,000.00</u>

- c. The second paragraph in Section 8.6 – Payment of Withdrawal Proceeds on page 40 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

The PRS Provider must pay the proceeds of the repurchase of Units in accordance with the following:

No.	Circumstances of withdrawal	Period for payment to be made	Recipient of payment
(a)	Upon reaching retirement age	Within 7 Business Days after the PRS Provider received a completed withdrawal request from Member	Members
(b)	Pre-retirement withdrawals from sub-account B		
(c)	Permanent departure of Member from Malaysia		

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No.	Circumstances of withdrawal	Period for payment to be made	Recipient of payment
(d)	Due to permanent total disablement, serious disease and mental disability of a Member	Within 7 Business Days after the PRS Provider received a completed withdrawal request (either received directly or through a notification from the PPA)	Members
(e)	Death of a Member	Within 7 Business Days after the PRS Provider received an authorisation from the PPA	(i) Either a nominee, trustee, executor, or administrator of a deceased Member (ii) Notwithstanding paragraph (i), the PRS Provider may pay the accrued benefits to the nominee as stipulated in the Guidelines.
(f)	For housing purpose	Within 7 Business Days after the PRS Provider received a completed withdrawal request	Members' account or joint housing loan account
(g)	For healthcare purpose	Within 7 Business Days after the PRS Provider received a completed withdrawal request	Members

- d. The second paragraph of Section 8.11 – Cooling-Off on page 43 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

After a Member has requested for a refund within the cooling-off period, the Member will receive the total refund as per their Cooling-off right (please refer to below example) within seven (7) Business Days upon receiving PPA's authorisation, subject to the clearance of the Member's cheque by the bank.

The refund to the Member pursuant to the exercise of his cooling-off right must be as follows:

1. the NAV per Unit at the point of the exercise of the cooling-off right ("market price"), if the NAV per Unit on the day the Units were purchased ("original price") is higher than the market price; or
2. the original price, if the market price is higher than the original price.

If the market price is higher than the original price paid by the Member, the PRS Provider may agree to pay the Member the excess amount, provided that such amount is not paid out of the Funds or the assets of the Funds.

The PRS Provider must also refund the sales charge originally imposed on the day the Units were purchased.

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Please note that the Cooling-off right is not applicable to the following types of Member:

- Staff of the PRS Provider; or
 - A person registered with a body approved by the SC to deal in private retirement schemes.
- e. A new Section 8.14 – Suspension of Dealings in Units is hereby inserted after Section 8.13 – Policy on Distribution and Unclaimed Monies as follows:

The PRS Provider may, in consultation with the Scheme Trustee and having considered the interests of the Members, suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so (e.g. where the market value or fair value of a material portion of a Fund’s assets cannot be determined).

The PRS Provider will cease the suspension as soon as practicable after the aforesaid circumstances has ceased, and in any event within 21 days of commencement of suspension. The period of suspension may be extended if the PRS Provider satisfies the Scheme Trustee that it is in the best interest of Members for the dealing in Units to remain suspended. Such suspension will be subject to weekly review by the Scheme Trustee.

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

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

9. CHAPTER 9: THE PRS PROVIDER: KENANGA INVESTORS BERHAD (“KIB”)

- a. The information in Section 9.2 - Board of Directors on page 45 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Names	Designation
Choy Khai Choon, Steven	Chairman/Non-Independent Non-Executive Director
Imran Devindran Bin Abdullah	Independent Non-Executive Director
Norazian Binti Ahmad Tajuddin	Independent Non-Executive Director
Luk Wai Hong, William	Non-Independent Non-Executive Director
Datuk Wira Ismitz Matthew De Alwis	Executive Director/Chief Executive Officer

** Choy Khai Choon was appointed as the Chairman and Non-Independent Non-Executive Director of Kenanga Investors Berhad (“KIB”) on 1 April 2023.*

- b. The information in Section 9.5 - Investment Committee on page 45 of the First Replacement Disclosure Document is hereby deleted in its entirety.
- c. The third paragraph of Section 9.6 - Audit and Risk Committee on pages 46 – 47 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

The audit and risk committee comprises of the following members:

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Imran Devindran bin Abdullah (Chairman/Independent Member)

Imran Devindran Abdullah (“Imran Devindran”) was appointed to the Board of Directors of KIB as an Independent Non-Executive Director (“INED”) on 1 June 2015. He is also the Chairman of its Audit & Risk Committee and a member of its committee undertaking the oversight function of the Funds.

He is also currently an INED of I-VCAP Management Sdn Bhd, a wholly-owned subsidiary of KIB.

He is currently a Senior Associate of BH Lawrence & Co, Advocates and Solicitors in Damansara, Petaling Jaya. He has accumulated over thirty (30) years of experience in civil litigation, with a portfolio that includes expertise in insurance, civil litigation and banking from his tenure as a legal assistant with some of the most established firms in Kuala Lumpur.

Imran Devindran holds an Honours Bachelor of Law (1988) from the University of Buckingham, England and a Certificate of Legal Practice from the University of Malaya. He acquired his formative education in Malaysia, before progressing with his secondary schooling in Singapore and acquiring his A-Levels at Raffles Junior College, Singapore. He was admitted to the Malaysian Bar as an advocate and solicitor in August 1990 after successfully completing his chambering with Messrs. Rashid & Lee in Kuala Lumpur.

Imran Devindran has represented major corporations such as Pan Global Insurance Berhad, Royal Insurance (M) Berhad, Malayan British Assurance, United Oriental Assurance Berhad (now known as Tune Insurance Berhad), Nusantara Worldwide Insurance (M) Sdn Bhd, Progressive Insurance Sdn Bhd and People's Insurance Sdn Bhd in settlement negotiation, claims consultancy and developing strategies for litigation. Imran Devindran was also active in the North Johor Affairs Committee, from 2003 until 2008. In that capacity, he brought his superb communication skills and vigilant analytical approach to execute his responsibilities mediating and resolving complaints received by the Johor Bar, overseeing the welfare of lawyers and nurturing closer relations between the lawyers and the North Johor judiciary by organizing social interaction activities.

Norazian Ahmad Tajuddin (Independent Member)

Norazian Ahmad Tajuddin (“Norazian”) was appointed to the Board of Directors of KIB as an INED on 1 March 2019. She was appointed as the Chairman of the Board of KIB until 31 March 2023. She is also a member of KIB's Audit and Risk Committee and the committee undertaking the oversight function of the Funds.

Norazian is currently an INED of KIBB, the holding company of KIB and is currently the Chairman of its Group Board Risk Committee, and, a member of its Group Governance, Nomination & Compensation Committee, Audit Committee as well as Employees' Share Scheme Committee.

Additionally, she is also an INED of Kenanga Islamic Investors Berhad and I-VCAP Management Sdn Bhd, both wholly-owned subsidiaries of KIB.

Norazian holds a Bachelor of Science (Honours) in Mathematics from the University of Leeds, United Kingdom and a Master of Business Administration (Finance) from the Edith Cowan University, Australia.

She has more than twenty-five (25) years of experience in banking, with the last fifteen (15) years being in senior management, covering areas such as Treasury operations, business and banking operations, risk management and support services. She has strong and varied experience in dealing with foreign exchange, international banking, investments, sales, customer and corporate relations, information technology, as well as asset and liability management.

She began her career at the Treasury Department in Bank Bumiputra (M) Berhad as a Senior Dealer before moving on to hold various senior positions at EON Bank Group, KAF Discount Berhad and Daimler Chrysler (M) Sdn Bhd.

Subsequently, she joined Bank Simpanan Nasional Berhad (“BSN”) in 2005 as Director in the Chief Executive Officer’s Office and was promoted to Deputy CEO (“DCEO”) during BSN’s re-organisation and continued to serve as its DCEO until she retired in 2010. During her tenure in BSN, she played a leading role in the transformation of BSN into a sustainable and profitable development bank.

From June 2008 to March 2010, she served as a Non-Independent Non-Executive Director of Prudential BSN Takaful Berhad and was appointed as a member of its Risk Management Committee and Nomination & Remuneration Committee.

On 1 August 2018, Norazian was appointed as the Chairman of Pacific & Orient Insurance Co. Berhad (“POI”), which is a subsidiary of Pacific & Orient Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She served as an INED of POI since her appointment on 1 April 2015 until 29 April 2022. At POI, she also served as a member of its Nomination Committee, Remuneration Committee, as well as its Audit Committee and Risk Management Committee.

Luk Wai Hong, William (Non-Independent Member)

Luk Wai Hong, William (“Luk”) was appointed to the Board of Directors (“Board”) of KIB as an INED on 12 April 2021 and subsequently was re-designated as a Non-Independent Non-Executive Director (“NINED”) on 1 November 2022. He is also the Chairman of KIB’s committee undertaking the oversight function of the Funds and a member of its Audit & Risk Committee.

He is currently a NINED of KIBB, the holding company of KIB and a member of its Group Board Risk Committee and Group Board Digital Innovation & Technology Committee.

Luk is also the Chairman and NINED of I-VCAP Management Sdn Bhd, a wholly-owned subsidiary of KIB.

He holds a Bachelor of Arts (Honours) from Concordia University, Montreal, Canada, a Masters of Urban Planning from the University of Michigan, United States of America (“USA”) and an Executive Fellowship awarded by the State of Washington, USA.

Luk is currently the Director of Investment of Cotton Tree Capital Ltd, of which he is the co-owner, with offices in Hong Kong and Singapore. He has more than twenty (20) years of experience in various capacities in the financial services industry, out of which eleven (11) years were spent in Deutsche Bank AG, Hong Kong and Singapore.

He began his career in 1989 as an Executive Fellow and Transportation Finance Specialist in the Office of Financial Management in the State of Washington. He later joined Lehman Brothers, Hong Kong as a Fixed Income and Credit Trader in 1993. After three (3) years, he joined HSBC Markets, Hong Kong for a year, before joining Deutsche Bank AG in 1997 as a Senior Associate Director and Senior Credit and Derivatives Trader. He then became Deutsche Bank AG’s Director and Head of Structured Credit Trading and Principal Finance Asia, a post he held until 2004.

In 2004 and 2008, Luk was appointed as Deutsche Bank AG’s Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia, as well as Managing Director and Co-Head of Saba Proprietary Trading Group Asia, respectively. In 2008, he joined Pacific Advantage Capital, Hong Kong and Singapore, as its Principal and Portfolio Manager focusing on credits and special situations, before taking up the position of Director of Investment of Cotton Tree Capital Ltd in 2011.

10. CHAPTER 10: SCHEME TRUSTEE

- a. The information in Section 10.1 – Trustee’s Background and Experience on page 48 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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 Scheme Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

CIMB Islamic Trustee Berhad has been involved in unit trust industry as trustee since 1990. It acts as trustee to various unit trust funds, real estate investment trusts, wholesale funds, private retirement schemes and exchange traded funds.

As at 31 July 2023, CIMB Islamic Trustee Berhad acts as trustee to thirty-seven (37) unit trust funds, thirteen (13) wholesale funds, two (2) private retirement schemes (consisting of eight (8) funds) and two (2) exchanged traded funds.

- b. The information in Section 10.2 – Summary of CIMB Islamic Trustees Berhad’s Financial Position on page 48 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Summary of the Scheme Trustee’s financial figures for the past 3 years are summarised below:

	31 Dec 2022 (RM'000)	31 Dec 2021 (RM'000)	31 Dec 2020 (RM'000)
Issued and paid-up capital	1,000	1,000	1,000
Shareholders’ funds	4,228	4,283	8,736
Revenue	4,147	3,375	3,774
Pretax profit	-63	511	399
After tax profit	-55	347	292

- c. The information in Section 10.3 – Board of Directors on page 48 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Name	Directorship
Zahardin Omardin	Independent Non-Executive Director (Chairman)
Ahamed Usman Thahir Ghouse	Non-Independent Executive Director
Datin Ezreen Eliza Zulkiplee	Non-Independent Executive Director/Chief Executive Officer

- d. The information in Section 10.8 – Scheme Trustee’s Delegate on page 49 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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.

This First Supplemental Disclosure Document dated 29 September 2023 must be read together with the First Replacement Disclosure Document dated 2 February 2021.

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

11. CHAPTER 11: SHARIAH ADVISER: KENANGA INVESTMENT BANK BERHAD (“KIBB”)

- a. The information in Section 11.4 - Profile of KIBB Shariah Committee on page 51 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Dr. Ghazali Jaapar

Dr. Ghazali Jaapar is the Chairman of Shariah Committee of Kenanga Investment Bank Berhad. He is currently an Assistant Professor at the Department of Islamic Law, Ahmad Ibrahim Kulliyah of Laws of International Islamic University Malaysia (IIUM). He holds a Bachelor of Shariah from University of Malaya, Master in Comparative Law (MCL) from International Islamic University Malaysia (IIUM) and PhD in Islamic Jurisprudence from University of Birmingham United Kingdom. He is also the Shariah Committee of EXIM Bank, Sun Life Malaysia Takaful Berhad and Shariah Adviser of Skills Development Fund Corporation.

Dr. Mohammad Firdaus Mohammad Hatta

Dr. Mohammad Firdaus Mohammad Hatta is the Shariah Committee of Kenanga Investment Bank Berhad. He is a Senior Lecturer of Arshad Ayub Graduate Business School, Universiti Teknologi Mara (UiTM) Shah Alam, Selangor. He received his first degree in Shariah Islamiyyah from University of Medina, Saudi Arabia. He then successfully completed his Masters in Fiqh and Usul Fiqh from the International Islamic University of Malaysia (IIUM) and obtained his PhD in Islamic Banking from University of Wales, Lampeter, United Kingdom. He also received a Diploma in Islamic Finance from Markfield Institute of Higher Education, United Kingdom. He is also the Shariah Committee of Great Eastern Takaful Berhad.

Dr. Fadillah Mansor

Dr. Fadillah Mansor is the Shariah Committee of Kenanga Investment Bank Berhad. She is currently a Head of Department of Shariah and Management, University of Malaya. She holds a Bachelor of Shariah (Honours) specialized in economics and a Master of Business Administration (MBA) in finance from University of Malaya, Kuala Lumpur. She obtained her PhD in Islamic finance from the La Trobe University, Australia. Her areas of research include Islamic banking and finance, Islamic investment and capital market, takaful and also Islamic management. She is also the panel assessor of the Malaysian Qualifications Agency (MQA) that responsible for programme accreditation in the areas as mentioned above.

12. CHAPTER 12: SALIENT TERMS OF THE DEED

- a. The information of Section 12.5 – Permitted Expenses Payable by the Funds on pages 53 - 54 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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

- commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- fees and expenses properly incurred by the auditor;

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This is a Private Retirement Scheme

- fees incurred for the valuation of any investment of the Funds;
 - costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the PRS 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 PRS Provider and/or the 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 evaluating any proposed Shariah-compliant investment of the Fund;
 - costs, fees and expenses incurred in engaging any adviser for the benefit of the Funds;
 - costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
 - costs, fees and expenses in the winding-up of the Fund(s) or the removal or retirement of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider;
 - costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset 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 person(s) or members of the committee undertaking the oversight function of the Funds, unless the PRS Provider decides otherwise;
 - costs, fees and expenses deemed by the PRS Provider to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulation authority;
 - (where the custodial function is delegated by the Scheme Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund; and
 - costs, fees and charges payable to the PPA by the Fund.
- b. The third paragraph of Section 12.9 - Member's Meeting on page 55 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

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

13. CHAPTER 13: RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The information in Section 13.3 – Details of the PRS Provider's Directors' and Substantial Shareholders' Direct and Indirect Interest in Other Corporations Carrying on a Similar Business on page 57 of the First Replacement Disclosure Document is hereby deleted in its entirety.

14. CHAPTER 14: TAXATION ADVISER'S LETTER

The TAXATION ADVISER'S LETTER on pages 58 to 60 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Taxation adviser's letter in respect of the tax treatment
of the funds under a private retirement scheme, contributors and contributors' employers

This First Supplemental Disclosure Document dated 29 September 2023 must be read together with the First Replacement Disclosure Document dated 2 February 2021.

(prepared for inclusion in this First Supplemental Disclosure Document)

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

29 August 2023

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

Dear Sirs

Shariah OnePRS Scheme

Tax treatment of the funds under a private retirement scheme (“PRS”), contributors and contributors’ employers

This letter has been prepared for inclusion in this First Supplemental Disclosure Document in connection with the offer of units in the funds under Shariah OnePRS Scheme (hereinafter referred to as “the Scheme”). The funds under the Scheme comprise of funds known as Kenanga Shariah OnePRS Conservative Fund, Kenanga Shariah OnePRS Moderate Fund and Kenanga Shariah OnePRS Growth Fund (hereinafter referred to as “the Funds”) which are structured as PRS funds.

The Funds are offered under the PRS approved by the Securities Commission in accordance with the Capital Markets and Services Act 2007.

The purpose of this letter is to provide an overview of the Malaysian taxation treatment of the Funds under the Scheme, contributors to the Scheme and their employers.

Taxation of the Funds

The Funds are subject to the provisions of the Malaysian Income Tax Act 1967 (“MITA”).

Paragraph 20, Schedule 6 of the MITA exempts income of any “approved scheme” from tax. An “approved scheme”¹ is defined under Section 2 of the MITA to include a Private Retirement Scheme. Section 2 of the MITA defines “Private Retirement Scheme” to mean a retirement scheme approved by the Securities Commission in accordance with the Capital Markets and Services Act 2007”.

The Malaysian Inland Revenue Board (“MIRB”) has clarified in its Public Ruling No.9/2021, Private Retirement Scheme issued on 29 December 2021 that income received by a PRS fund is exempt from tax under Paragraph 20, Schedule 6 of the MITA.

Note however that gains derived by the Funds from the disposal of chargeable assets as defined in the Real Property Gains Tax Act 1976 (“RPGT Act”) may be subject to real property gains tax under the RPGT Act.

Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax

¹ Pursuant to Section 2 of the MITA, “approved scheme” is defined to include the Employees Provident Fund, private retirement scheme or any pension or provident fund, scheme or society approved by the Director General under Section 150 of the MITA.

Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of contributors

1. Distribution of profits

Distribution of profits to the contributors of the PRS funds in the form of units is exempt from income tax in their hands.

2. Tax relief on contributions

Pursuant to Section 49(1D) of the MITA, individual contributors who are Malaysian tax residents and have made contributions to a PRS fund or paid premium for deferred annuity² in a basis period for a year of assessment are allowed to claim a tax relief of the aggregate amount of the deferred annuity payments or PRS contributions or both or RM3,000, whichever is less, for that year of assessment. This tax relief is applicable effective from the year of assessment 2012 until year of assessment 2025.

3. Withdrawal of contributions

Pursuant to Section 109G of the MITA, withdrawal of contributions from the Scheme by an individual contributor before reaching the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death or permanently leaving Malaysia, healthcare or housing³ for which such withdrawal shall be in compliance with the criteria as set out in the relevant guidelines of the Securities Commission), would result in a withholding tax of 8% on the amount of contributions withdrawn, which would be deducted before payment is made to the individual contributor. The withholding tax deducted by the PRS provider is to be remitted to the Director General of the Inland Revenue Board within one month after making the payment to the individual contributor. Where the PRS provider fails to remit the withholding tax by the due date, a 10% penalty on the unpaid amount will be imposed on the PRS provider and the increased sum shall be a debt due from the PRS provider to the Government.

Deductibility of contributions by employers

Pursuant to Section 34(4) of the MITA, employers are eligible to claim a tax deduction of up to a total of 19% of an employee’s remuneration in respect of contributions made by employers to approved schemes (including contributions to Employees Provident Fund, PRS or any provident fund, scheme or society approved by the Director General under Section 150 of the MITA) in respect of that employee.

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective

² The words “premium for deferred annuity” were replaced with the words “any deferred annuity” in Section 49(1D) of the MITA with effect from the year of assessment 2014.

³ The words “healthcare or housing” were included in force from 1 January 2020.

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basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to contributors of the Scheme. As the particular circumstances of each contributor may differ, we recommend that contributors of the Scheme obtain independent advice on the tax issues associated with the Scheme.

Yours faithfully

Ernst & Young Tax Consultants Sdn Bhd

Koh Leh Kien
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this First Supplemental Disclosure Document and has not withdrawn such consent before the date of issue of this First Supplemental Disclosure Document.

15. CHAPTER 16: DIRECTORY OF PRS PROVIDER'S REGIONAL OFFICES

- a. The information in relation to the regional office in Petaling Jaya on page 64 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Damansara Uptown

44B, Jalan SS21/35,
Damansara Utama,
47400 Petaling Jaya, Selangor
Tel: 03-7710 8828
Fax: 03-7710 8830

- b. The information in relation to the regional office in Ipoh on page 64 of the First Replacement Disclosure Document is hereby deleted in its entirety and replaced with the following:

Ipoh

No. 1, Jalan Leong Sin Nam
30300 Ipoh, Perak
Tel: 05-2547570 / 05-2547573
Fax: 05-2547606

- c. The following information is hereby inserted after the information on the regional office in Kota Kinabalu on page 64 of the First Replacement Disclosure Document:

Kota Damansara

C26-1, Dataran Sunway,
Jalan PJU 5/17, Kota Damansara,
47810 Petaling Jaya, Selangor
Tel: 03-6150 3612
Fax: 03-6150 3906

Kluang

No. 1, Aras 1, Jalan Haji Manan,
Pusat Perniagaan Komersial Haji Manan,
86000 Kluang, Johor
Tel: 07-710 2700
Fax: 07-710 2150

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