



REPLACEMENT DISCLOSURE DOCUMENT

This Replacement Disclosure Document is dated 9 December 2016.

AIA Private Retirement Scheme

Constitution date: 16 January 2013

Core Funds:

AIA PAM - Growth Fund

AIA PAM - Moderate Fund

AIA PAM - Conservative Fund

Non-Core Fund:

AIA PAM - Islamic Moderate Fund

**PRS Provider : AIA Pension and Asset Management Sdn. Bhd.
(Company No. 1011637-P)**

**Scheme Trustee : Deutsche Trustees Malaysia Berhad
(Company No. 763590-H)**

THIS IS A REPLACEMENT DISCLOSURE DOCUMENT WHICH SUPERCEDES OR REPLACES THE DISCLOSURE DOCUMENT DATED 16 MAY 2013 AS MODIFIED BY SUPPLEMENTAL DISCLOSURE DOCUMENTS UP TO 14 SEPTEMBER 2015.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE MEMBERS, SEE "RISK FACTORS" COMMENCING ON PAGE 17.

Website: www.aia-prs.com.my

Responsibility Statements

This Replacement Disclosure Document has been reviewed and approved by the directors of AIA Pension and Asset Management Sdn. Bhd. and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Replacement Disclosure Document false or misleading.

Statements of Disclaimer

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

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of AIA Pension and Asset Management Sdn. Bhd. who is responsible for the Scheme and the Funds under the Scheme, and takes no responsibility for the contents in this Replacement Disclosure Document. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Replacement 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 THEIR PROFESSIONAL ADVISERS IMMEDIATELY.

Additional Statements

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

The AIA PAM - Islamic Moderate Fund has been certified as being Shariah-compliant by the Shariah Adviser appointed for the Fund.

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(1) DEFINITIONS

In this Disclosure Document, the following abbreviations or words shall have the following meanings unless otherwise stated:

Act	means the Capital Markets and Services Act 2007 as may be amended from time to time.
Bursa Malaysia	means the stock exchange managed and operated by Bursa Malaysia Securities Berhad (Company No. 635998-W).
Business Day	means a day on which Bursa Malaysia is open for trading. <i>Note: The PRS Provider may declare certain Business Days to be a non-Business Day, if one or more of the foreign markets in which the Funds are invested therein are closed for business.</i>
Commencement Date	means the date on which sale of Units of the Funds of the Scheme is first made.
Core Funds	means the AIA PAM - Growth Fund, AIA PAM - Moderate Fund and AIA PAM - Conservative Fund.
Deed	means the deed in respect of the Scheme as modified by any other supplemental deed that may be entered into between the PRS Provider and the Scheme Trustee and is registered with the SC.
Default Option	means Core Funds that will be selected automatically for a Member who does not specify his or her Fund option upon participating in the Scheme.
Disclosure Document	means this replacement disclosure document as may be supplemented by any other supplemental disclosure document in relation to the Scheme.
FIMM	means the Federation of Investment Managers Malaysia.
Forward Pricing	means the price of a Unit that is the NAV per Unit for the Fund calculated at the next valuation point after an instruction or a request is received
Funds/Funds under the Scheme	means the AIA PAM - Growth Fund, AIA PAM - Moderate Fund, AIA PAM - Conservative Fund and AIA PAM - Islamic Moderate Fund; a "Fund" means any one of them.
Guidelines	means the Guidelines on Private Retirement Schemes issued by the SC and any other relevant guidelines issued by the SC.

Islamic deposits	<p>means a sum of money accepted or paid in accordance with Shariah:</p> <p>(a) on terms under which it will be repaid in full, with or without any gains, return or any other consideration in money or money's worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and person accepting it; or</p> <p>(b) under an agreement, on terms whereby the proceeds under the arrangement to be paid to the person paying the sum of money shall not be less than such sum of money,</p> <p>but excludes money paid <i>bona fide</i> –</p> <p>(i) by way of an advance or a part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;</p> <p>(ii) by way of security for the performance of a contract or by way of security in respect of any loss which may result from the non-performance of a contract;</p> <p>(iii) without limiting paragraph (ii), by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise; and</p> <p>(iv) in such other circumstances, or to or by such other person, as set out in schedule 2 of the Islamic Financial Services Act 2013.</p>
licensed institution	means any licensed person under the Financial Services Act 2013 or the Islamic Financial Services Act 2013.
LPD	means the latest practicable date for the information in this Disclosure Document as at 31 October 2016.
Long Term	means a period of five (5) years and above.
MARC	means Malaysian Rating Corporation Berhad (Company No. 364803-V).
Medium to Long Term	means a period of three (3) years and above.
Member	means an individual who has a private pension account and holds Units in the Fund.
NAV	means the total value of the Fund's assets minus its liabilities at the valuation point. For the purpose of computing the annual management fee, annual Scheme Trustee fee and annual PPA administration fee, it should include the management fee, Scheme Trustee fee and PPA administration fee for the relevant day.

NAV per Unit	means the NAV of the Fund divided by the total number of Units in circulation at the valuation point.
Non-Core Funds	means the AIA PAM - Islamic Moderate Fund.
Pre-retirement withdrawal	means withdrawals of vested Units from the Fund that occurs prior to a Member reaching Retirement Age and for the following reasons: <ul style="list-style-type: none"> (a) upon the death of a Member; (b) permanent departure of a Member from Malaysia; or (c) withdrawals in respect of a Member's Units held in Sub-account B.
PRS Provider	means AIA Pension and Asset Management Sdn. Bhd. (Company No. 1011637-P).
Private Pension Administrator/PPA	means the private retirement scheme administrator as defined under section 139A of the Act.
RAM	means RAM Rating Services Berhad (Company No. 763588 – T).
Redemption Price	means the price payable by the PRS Provider to a Member pursuant to a redemption request by the Member and will be the NAV per Unit of the Fund. The redemption price shall be exclusive of the redemption charge (if any).
Retirement Age	means the age of fifty-five (55) years or any other age as may be specified by the SC.
RM	means Ringgit Malaysia.
SACSC	means the Shariah Advisory Council of the Securities Commission Malaysia.
SC	means the Securities Commission Malaysia.
Scheme	means the AIA Private Retirement Scheme comprising the Core Funds and Non-Core Funds.
Scheme Trustee	means Deutsche Trustees Malaysia Berhad (Company No. 763590-H).
Selling Price	means the price payable by a Member for the purchase of a Unit of the Fund and will be the NAV per Unit of the Fund. The selling price shall be exclusive of the sales charge.

Shariah	means Islamic Law comprising the whole body of rulings pertaining to human conducts derived from the sources of the Shariah.
Shariah Adviser	means IBFIM (Company No. 763075-W) or any Shariah adviser appointed for the AIA PAM – Islamic Moderate Fund which includes its permitted assigns, successors in title and any new or replacement Shariah adviser.
Shariah requirements	means 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 as required by the Shariah for that element.
Sub-account A	means a sub-account maintained by the PRS Provider for each Member which would comprise 70% of all contributions made to any Fund which is reflected in Units.
Sub-account B	means a sub-account maintained by the PRS Provider for each Member which would comprise 30% of all contributions made to any Fund which is reflected in Units.
Sukuk	refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts approved by the SACSC.
Unit or Units	means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the right and/or interest of a Member in the Fund and means a Unit of the Fund,
conditionally vested Units	means a Unit which accords a Member with entitlement to the Unit that is conditional upon fulfilment of conditions stipulated in a vesting schedule;
vested Units	means a Unit which accords a Member with unconditional entitlement to such Unit; and
vesting schedule	refers to a schedule which an employer may issue to the PRS Provider stipulating when a contribution made by the employer on behalf of its employee should vest in the employee.

(2) CORPORATE DIRECTORY

PRS PROVIDER AIA Pension and Asset Management Sdn. Bhd. (Company No. 1011637-P)

REGISTERED OFFICE Level 29, Menara AIA
99, Jalan Ampang
50450 Kuala Lumpur
Tel No: (03) 2056 1111
Fax No: (03) 2056 2992

BUSINESS OFFICE Level 10, Menara AIA
99 Jalan Ampang
50450, Kuala Lumpur
Tel No: 1300 22 7771
Fax No: (03) 2056 1091
E-mail: MY.APAM_HELPDESK@aia.com
Website: www.aia-prs.com.my

PRS PROVIDER'S DELEGATES **FUND VALUER**

REGISTERED OFFICE Deutsche Bank (Malaysia) Berhad (Company No. 312552-W)
Level 18, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (03) 2053 6788
Fax : (03) 2053 8710

BUSINESS OFFICE Level 18-20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (03) 2053 6788
Fax : (03) 2031 8710

REGISTRAR AND TRANSFER AGENT Karvy Computershare (Malaysia) Sdn. Bhd.
(Company No. 1178655-U)

REGISTERED OFFICE 16 Floor, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur
Tel : (03) 2022 4900
Fax : (03) 2022 4099

BUSINESS OFFICE Suite 16.1 Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (03) 2022 4900
Fax : (03) 2022 4099

AUDIT, RISK, CORPORATE COMMUNICATION, HUMAN RESOURCE AND CORPORATE SECRETARIAL SERVICE PROVIDER	AIA Bhd (Company No. 790895-D)
REGISTERED OFFICE AND BUSINESS OFFICE	Level 29, Menara AIA 99, Jalan Ampang 50450 Kuala Lumpur Tel : (03) 2056 1111 Fax : (03) 2056 2992
SCHEME TRUSTEE	Deutsche Trustees Malaysia Berhad (Company No. 763590-H)
REGISTERED OFFICE AND BUSINESS OFFICE	Level 20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Tel : (03) 2053 7522 Fax : (03) 2053 7526
SCHEME TRUSTEE'S DELEGATE (LOCAL & FOREIGN CUSTODIAN)	Deutsche Bank (Malaysia) Berhad (Company No. 312552-W)
REGISTERED OFFICE	Level 18, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Tel : (03) 2053 6788 Fax : (03) 2053 8710
BUSINESS OFFICE	Level 18-20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Tel : (03) 2053 6788 Fax : (03) 2031 8710
BOARD OF DIRECTORS	Dato' Thomas Mun Lung Lee (Independent director) Mohd Daruis bin Zainuddin (Independent director) Anusha Thavarajah (Non-independent director) Ng Chze How (Non-independent director)
INVESTMENT COMMITTEE MEMBERS	Mohd Daruis bin Zainuddin (Independent member) Dr. Nordin bin Mohd Zain (Independent member) Dr. Lui Mun Chee, Ian (Non-independent member) Ng Chze How (Non-independent member) Yew Mee Lee (Non-independent member)
AUDIT COMMITTEE	Mohd Daruis bin Zainuddin (Independent member) Dato' Thomas Mun Lung Lee (Independent member) Anusha Thavarajah (Non-independent member)

COMPANY SECRETARY	Cheah May Shi (Membership No. 7055865) Level 29, Menara AIA 99, Jalan Ampang 50450 Kuala Lumpur
AUDITORS	PricewaterhouseCoopers Level 10, 1 Sentral Jalan Travers Kuala Lumpur Sentral 50470 Kuala Lumpur
TAX ADVISER	KPMG Tax Services Sdn. Bhd. Level 10, KPMG Tower 8, First Avenue Bandar Utama 47800 Petaling Jaya Selangor
SOLICITORS	Raja, Darryl & Loh 18 th Floor, Wisma Sime Darby Jalan Raja Laut 50350 Kuala Lumpur
SHARIAH ADVISER	IBFIM 3rd Floor, Menara Takaful Malaysia Jalan Sultan Sulaiman 50000 Kuala Lumpur
PRINCIPAL BANKERS	Deutsche Bank (Malaysia) Berhad Level 18-20, Menara IMC No. 8, Jalan Sultan Ismail 50250 Kuala Lumpur Standard Chartered Bank Malaysia Berhad Level 12, Menara Standard Chartered 30 Jalan Sultan Ismail 50250 Kuala Lumpur
FEDERATION OF INVESTMENT MANAGERS MALAYSIA	Federation of Investment Managers Malaysia (FIMM) 19-06-1, 6 th Floor, Wisma Tune No. 19 Lorong Dungun Damansara Heights 50490 Kuala Lumpur Telephone No. : 03-2093 2600 Fax No. : 03-2093 2700
AGENTS	Registered private retirement scheme consultants and other approved institutional private retirement scheme advisers (as and when appointed) of the PRS Provider

(3) KEY DATA

Name of Scheme	AIA Private Retirement Scheme	Page								
<p>General Information/objective of the Scheme</p>	<p>The Scheme is a long term investment scheme which aims to provide you with an opportunity to increase your savings* for retirement.</p> <p>The benefits of contributing to the Scheme are as follows:</p> <ul style="list-style-type: none"> • You may choose to contribute to any of the Funds under the Scheme based on your own retirement needs, goals and risk appetite. • Contributions are voluntary. • There is no statutory time interval for contributions. <p><i>* The Funds are not capital guaranteed nor capital protected.</i></p>	21								
<p>Operations of the Scheme</p>	<p>You may choose to contribute to any of the Funds under the Scheme. If you do not select a Fund under the Scheme, we will allocate the contributions into the following Core Funds under the Default Option that corresponds to your age group as set out in the table below:</p> <table border="1" data-bbox="392 913 1329 1167"> <thead> <tr> <th data-bbox="392 913 852 949">Name of Core Fund</th> <th data-bbox="852 913 1329 949">Age group</th> </tr> </thead> <tbody> <tr> <td data-bbox="392 949 852 1021">AIA PAM - Growth Fund</td> <td data-bbox="852 949 1329 1021">Below forty (40) years</td> </tr> <tr> <td data-bbox="392 1021 852 1093">AIA PAM - Moderate Fund</td> <td data-bbox="852 1021 1329 1093">Aged forty (40) years to below fifty (50) years</td> </tr> <tr> <td data-bbox="392 1093 852 1167">AIA PAM - Conservative Fund</td> <td data-bbox="852 1093 1329 1167">Fifty (50) years and above</td> </tr> </tbody> </table> <p>Where a Member is in the Default Option, we will before the end of the next calendar month from the day the Member attains–</p> <p>(a) the age of forty (40) years old, redeem the Units held in the AIA PAM - Growth Fund and purchase Units in the AIA PAM - Moderate Fund; and</p> <p>(b) the age of fifty (50) years old, redeem the Units in the AIA PAM - Moderate Fund and purchase Units in the AIA PAM - Conservative Fund,</p> <p>unless the Member instructs otherwise. Members will be notified in writing, one (1) month before the Member attains the age specified in items (a) and (b) above, that their Units in a Core Fund will be switched unless they instruct otherwise.</p> <p>We will maintain all contributions made in Sub-account A and Sub-account B.</p> <p>You may redeem vested Units of any Fund under the Scheme and transfer the proceeds of such redemption to another private retirement scheme operated by another private retirement scheme provider subject to the satisfaction of the terms and conditions set out in Section 8 of this Disclosure Document.</p>	Name of Core Fund	Age group	AIA PAM - Growth Fund	Below forty (40) years	AIA PAM - Moderate Fund	Aged forty (40) years to below fifty (50) years	AIA PAM - Conservative Fund	Fifty (50) years and above	21
Name of Core Fund	Age group									
AIA PAM - Growth Fund	Below forty (40) years									
AIA PAM - Moderate Fund	Aged forty (40) years to below fifty (50) years									
AIA PAM - Conservative Fund	Fifty (50) years and above									

	<p>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.</p> <p>For conditionally vested Units, the contributions in respect of a Member shall vest in the Member as accrued benefits as soon as it is paid to the PRS Provider or the Scheme Trustee, whichever is earlier. The manner in which the accrued benefits will be accounted for and vested in a Member shall be in accordance with the vesting schedule as issued by the respective employer.</p> <p>Please note that a Member is not allowed to transfer any vested Units held by the Member to any other person.</p> <p>For conditionally vested Units, a Member's request for redemption or withdrawal shall not be executed until the Units issued pursuant to such contributions are vested unconditionally.</p>																		
Funds under the Scheme	<table border="1"> <thead> <tr> <th colspan="2">Name of Funds</th> </tr> </thead> <tbody> <tr> <td colspan="2">Core Funds:</td> </tr> <tr> <td>(a)</td> <td>AIA PAM - Growth Fund</td> </tr> <tr> <td>(b)</td> <td>AIA PAM - Moderate Fund</td> </tr> <tr> <td>(c)</td> <td>AIA PAM - Conservative Fund</td> </tr> <tr> <td colspan="2">Non-Core Funds:</td> </tr> <tr> <td colspan="2">AIA PAM - Islamic Moderate Fund</td> </tr> </tbody> </table>				Name of Funds		Core Funds:		(a)	AIA PAM - Growth Fund	(b)	AIA PAM - Moderate Fund	(c)	AIA PAM - Conservative Fund	Non-Core Funds:		AIA PAM - Islamic Moderate Fund		21
Name of Funds																			
Core Funds:																			
(a)	AIA PAM - Growth Fund																		
(b)	AIA PAM - Moderate Fund																		
(c)	AIA PAM - Conservative Fund																		
Non-Core Funds:																			
AIA PAM - Islamic Moderate Fund																			
Name of Fund	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM – Islamic Moderate Fund															
Category of Fund	Core (Growth)	Core (Moderate)	Core (Conservative)	Balanced	-														
Initial Offer Period	The Initial Offer Period no longer applies as the Fund has been launched since 16 May 2013.				-														
Initial Price	RM1.00				-														
Investment Objective	The Fund seeks to provide maximize returns through capital growth.	The Fund seeks to provide returns through a combination of income* and capital growth. <i>*Income will be reinvested in</i>	The Fund seeks to provide returns through income* that is consistent with capital preservation**. <i>*Income will be reinvested in</i>	The Fund seeks to provide returns through a combination of income* and capital growth from a portfolio that is consistent with Shariah principles.	22, 24, 25 & 27														

		<i>additional Units in the Fund.</i>	<i>additional Units in the Fund. **The Fund is not capital guaranteed nor capital protected.</i>	<i>*Income will be reinvested in additional Units in the Fund.</i>	
	<i>Any material change to the investment objective of the Fund would require the Members' approval.</i>				
Investment Strategy	<p>The Fund will invest in local and foreign equities with a bias towards equities with potential for growth.</p> <p>The Fund will also invest at least 30% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC.</p>	<p>The Fund will invest in equities that are trading below their fair value and equities offering a dividend yield above the market average. The Fund will invest in local and foreign markets.</p> <p>The Fund will also invest at least 40% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC.</p>	<p>The Fund will invest at least 80% of its NAV in fixed income instruments and money market instruments, of which a minimum of 20% of the Fund's NAV will be invested in money market instruments. The remainder of the Fund's NAV will be invested in equities offering a dividend yield above the market average. The Fund will only invest locally.</p>	<p>The Fund will invest in a Shariah-compliant portfolio comprising equities with potential for growth and equities that are trading below their fair value.</p> <p>The Fund will also invest at least 40% of its NAV in Sukuk and Islamic money market instruments with a minimum credit rating of "BBB3" or "P2" by RAM or an equivalent rating by MARC.</p> <p>The Fund will only invest locally.</p>	23, 24, 26 & 27
	<i>Please refer to the Investment Strategy section under Section 5 for further details.</i>				
Asset Allocation	<ul style="list-style-type: none"> • Up to 70% of the Fund's NAV in equities • At least 30% of the Fund's NAV in local fixed income instruments 	<ul style="list-style-type: none"> • Up to 60% of the Fund's NAV in equities • At least 40% of the Fund's NAV in local fixed income instruments 	<ul style="list-style-type: none"> • At least 80% of the Fund's NAV in fixed income instruments and money market instruments, of which a minimum of 20% of the Fund's NAV 	<ul style="list-style-type: none"> • At least 40% and a maximum of 60% of the Fund's NAV in Shariah-compliant equities • At least 40% of the Fund's NAV in Sukuk and Islamic 	23, 25, 26 & 27

			<p>will be invested in money market instruments.</p> <ul style="list-style-type: none"> Up to 20% of the Fund's NAV in equities 	money market instruments	
Performance Benchmark	30% FBMT 100 Index + 30% MSCI AC Asia ex-Japan Index + 40% Quant Shop MGS All Bond Index	25% FBMT 100 Index + 25% MSCI AC Asia ex-Japan Index + 50% Quant Shop MGS All Bond Index	65% Quant Shop MGS All Bond Index + 20% Malayan Banking Berhad Overnight Rate + 15% FBMT 100 Index	50% FBM EMAS Shariah Index + 50% Quant Shop GII All Index	22, 24, 25 & 27
<i>Please note that the risk profile of the Fund does not reflect that of the performance benchmark.</i>					
Principal Risks	<ul style="list-style-type: none"> Credit/default risk Interest rate risk Particular security risk Country risk Currency risk 	<ul style="list-style-type: none"> Credit/default risk Interest rate risk Particular security risk Country risk Currency risk 	<ul style="list-style-type: none"> Credit/default risk Interest rate risk Particular security risk 	<ul style="list-style-type: none"> Credit/default risk Interest rate risk Particular security risk Reclassification of Shariah status risk 	18-20
Member Profile	<p>Members who:</p> <ul style="list-style-type: none"> are seeking returns over the Medium to Long Term period; and have a moderate to high level of risk appetite. <p>For Members under the Default Option who are below the age of 40 years, their contributions will be allocated into this Fund.</p>	<p>Members who:</p> <ul style="list-style-type: none"> are seeking returns over the Medium to Long Term period; and have a moderate risk appetite. <p>For Members under the Default Option who have attained the age of forty (40) years but are not yet fifty (50) years old, their contributions will</p>	<p>Members who:</p> <ul style="list-style-type: none"> are seeking returns through income* that is consistent with capital preservation* over the Medium to Long Term period; and have a low risk appetite. <p><i>*Income will be reinvested in additional Units in the Fund.</i> <i>**The Fund is not capital guaranteed</i></p>	<p>Members who:</p> <ul style="list-style-type: none"> are seeking returns over the Medium to Long Term period; and have a moderate risk appetite. 	23, 25, 26 & 28

		be allocated into this Fund.	<i>nor capital protected.</i> For Members under the Default Option who are 50 years old and above, their contributions will be allocated into this Fund.		
Financial Year End	30 April	30 April	30 April	30 April	-

Fees and Charges

The charges directly incurred by you when purchasing or redeeming Units of a Fund are as follows:

Name of Fund	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund	Page
The following fees and charges are charged by the PRS Provider of the Scheme					
Sales charge	Up to 3.00% of NAV per Unit. <i>Note: The PRS Provider reserves the right to waive or reduce the sales charge from time to time at its absolute discretion. Members may also negotiate for a lower sales charge. All sales charges will be rounded up to two (2) decimal places.</i>				37
Redemption charge	Nil.				37
Switching fee (between Funds in this Scheme)	No charges for the first two (2) switches in each calendar year. RM25 will be imposed for all subsequent switches after the first two (2) switches in each calendar year.				38
Transfer fee (to another private retirement scheme provider)	RM25 for each transfer request.				38

The fees indirectly incurred by you when investing in the Funds are as follows:

Name of Fund	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund	Page
Annual management fee	Up to 1.50% per annum of the NAV of the Fund.				38
Annual Scheme Trustee fee	0.04% per annum of the NAV of the Fund.				38
Annual PPA administration fee	0.04% per annum of the NAV of the Fund.				38
Fund expenses	<ul style="list-style-type: none"> • commissions/fees paid to brokers/dealers in effecting dealings in the 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; • costs, fees and expenses properly incurred by the auditor; • 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 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; • other expenses as permitted under the Deed. 				39-40

The fees payable to the Private Pension Administrator by you are as follows:

Name of Fund	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund	Page
PPA account opening fee	RM10 (one-off).				39
PPA annual fee	RM8 (not payable for the year the account was first opened and not payable for the year(s) where no contributions were made).				39
PPA pre-retirement withdrawal fee	RM25 for each withdrawal request. There will be no charge for pre-retirement withdrawals due to death and permanent departure from Malaysia and withdrawals after the Retirement Age.				39
PPA transfer fee (to another private	RM25 for each transfer request.				39

retirement scheme provider)		
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Transaction Information

Name of Fund	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund	Page
Minimum initial contribution	RM100 <i>Note: The PRS Provider reserves the right to change the amount from time to time. This amount, however, shall not apply to conditionally vested Units.</i>				46
Minimum additional contribution	RM100 <i>Note: The PRS Provider reserves the right to change the amount from time to time. This amount, however, shall not apply to conditionally vested Units.</i>				46
Minimum withdrawal	1,000 Units.				46
Switching between Funds	A Member is permitted to switch to any other Fund under the Scheme. Switching from a Shariah-compliant Fund to a conventional Fund is discouraged especially for Muslim members.				48-49
Transfer between private retirement scheme providers	<p>A Member may redeem vested Units of any Fund under the Scheme and transfer the proceeds of such redemption to another private retirement scheme operated by another private retirement scheme provider prior to the Member reaching the Retirement Age subject to the satisfaction of the following terms and conditions:</p> <p>(a) the first request for transfer may only be made after one year has elapsed from the date the first contribution to the Scheme by or for the Member has vested in the Member;</p> <p>(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;</p> <p>(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 private retirement scheme operated by another private retirement scheme provider;</p> <p>(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 Members' sub-account A of the other private retirement scheme operated by another private retirement scheme provider; and</p>				47-48

	<p>(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 Members' sub-account B of the other private retirement scheme operated by another private retirement scheme provider.</p> <p>For conditionally vested Units, a Member's request for transfer of Units to another private retirement scheme provider shall not be executed until the Units issued pursuant to such contributions are vested unconditionally.</p>				
Income distribution and mode of distribution	Distribution is incidental.	Subject to the availability of income, distribution (if any) will be distributed annually.	Subject to the availability of income, distribution (if any) will be distributed annually.	Subject to the availability of income, distribution (if any) will be distributed annually.	49-50

Other Information

Name of Fund	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund
Deed	Deed dated 16 January 2013, Supplemental Deed dated 16 August 2013 and Second Supplemental Deed dated 14 December 2015.			
Avenue for advice	You may visit our office or contact any of our customer service personnel at 1300-22-7771 during our office hours from 8.30 a.m. to 5.00 p.m. for advice in relation to the Scheme and/or any of the Funds under the Scheme.			
Where and how Members can lodge a complaint	<p>(i) For internal dispute resolution, you may contact our customer service personnel at 1300-22-7771 during our office hours from 8.30 a.m. to 5.00 p.m.</p> <p>(ii) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):</p> <p>(a) via phone to : 03-2282 2280</p> <p>(b) via fax to : 03-2282-3855</p> <p>(c) via email to : info@sidrec.com.my</p> <p>(d) via letter to : Securities Industry Dispute Resolution Center (SIDREC) Unit A-9-1, Level 9, Tower A Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur</p>			

	<p>(iii) You can also direct your complaint to Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:</p> <ul style="list-style-type: none">(a) via phone to the Aduan Hotline at : 03 – 6204 8999(b) via fax to : 03 – 6204 8991(c) via e-mail to : aduan@seccom.com.my(d) via online complaint form available at www.sc.com.my(e) via letter to : Investor Affairs & Complaints Department Securities Commission Malaysia No 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur
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There are fees and charges involved and potential members are advised to consider them before contributing to the Scheme.

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.

(4) RISK FACTORS

General Risks

The general investments risks relating to the Funds under the Scheme are as follows:

(a) Capital and Returns Not Guaranteed

There is no guarantee of the return of the capital contributed and investment returns to Members. The Funds are exposed to a variety of risks due to the nature of the investments which the Funds invest in. As such, the Funds do not provide a guarantee on the capital contributed nor do they guarantee any rate of return.

(b) Market Risk

Market risk arises when the prices of investments in the marketplace are affected by circumstances such as economic or political events. These circumstances, which may be a local or global event can affect a local market where the Fund is invested in or global markets and subsequently, the value of the Fund's investments.

(c) Fund Manager Risk

The performance of the Fund is dependent amongst others on the knowledge and investment techniques adopted by the PRS Provider and the lack of the above would have an adverse impact on the Fund's performance. The PRS Provider seeks to reduce this risk by implementing a consistent and disciplined investment process, well-defined operational procedures and processes together with stringent internal controls.

(d) Inflation Risk

Inflation risk is the risk of uncertainty over the future value of investments as a result of rising prices and a decrease in the purchasing power of money. In an inflationary environment, fixed rate securities are exposed to higher inflation risk than equities. This risk can be mitigated by investing in securities that can provide positive real rate of return.

(e) Legal and Regulatory Risk

The Scheme is subject to existing laws and regulations which may change over time. Such changes may, for example, affect (i) a Member's ability to gain access to the balance in his account, and/or (ii) the investments of the Scheme (for example, if regulations require a change to the investment restrictions, the composition of investments in a Fund would be affected). Where a Fund invests in foreign markets, it would also be subject to changes in laws and regulations of the foreign markets that could affect the investment returns of the Fund.

(f) Liquidity Risk

Liquidity risk arises where an investment cannot be sold due to the unavailability of a buyer for that investment or where the investment, by its nature, is thinly traded. Liquidity risk will have the effect of causing the investment to be sold below its fair value.

(g) Risk Associated with Default Option

For Members who do not select a Fund, their contribution will, by default, be allocated into a Core Fund (i.e. Default Option) based on the age group the Members fall within (Please refer to Section 5 for further details). As Members progress to the next age group, their current investments will be switched to the respective Core Fund of the next age group. At the point of switching, the Unit price may be lower than the price Members paid when they contributed into the Core Fund, and as such Members may be faced with potential losses. However, Members should note that the PRS Provider will notify them in writing one month before they reach the maximum age of a particular age group (please refer to Section 5 for further details). Members may elect to stay on with the particular Core Fund before their investments are switched.

(h) Risk of Non-compliance

This is the risk that the PRS Provider may, inadvertently, not comply with the relevant laws or regulations. The non-compliance could be due to several factors such as human errors, oversight and system failures. Such non-compliance may result in the Fund being mismanaged and may affect the Members' investments.

(i) Operational Risk

This risk refers to the possibility of a breakdown in the PRS Provider's internal controls and policies. The breakdown may be a result of human error, system failure or may be fraud where employees of the PRS Provider collude with one another. This risk may cause monetary loss to the Funds and potentially inconvenience Members. The PRS Provider will review its internal policies and system capability to mitigate instances of this risk. Additionally, the PRS Provider maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the PRS Provider.

Specific Risks of each Fund

	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund
<i>Credit/default risk</i>	√	√	√	√
<i>Interest rate risk</i>	√	√	√	√
<i>Particular security risk</i>	√	√	√	√
<i>Country risk</i>	√	√		
<i>Currency risk</i>	√	√		
<i>Reclassification of Shariah Status Risk</i>				√

(a) **Credit/Default Risk**

Credit risk relates to the creditworthiness of the issuers of the fixed income instrument or sukuk and their expected ability to make timely payment of interest and/or principal. Any unfavourable situations faced by the issuer may impact the value as well as the liquidity of the fixed income instrument or sukuk. In the case of rated fixed income instrument or sukuk, this may result in a credit downgrade. Default risk relates to the risk that an issuer of a fixed income instrument or sukuk either defaulting on payments or failing to make payments in a timely manner which in turn shall unfavourably affect the value of the fixed income instrument or sukuk, thus affecting the value of the Fund. The PRS Provider aims to reduce this risk through rigorous and disciplined credit research and analysis to ascertain the creditworthiness of the issuer of a fixed income instrument or sukuk prior to investing. In addition, the PRS Provider adopts a minimum rating requirement for investments in fixed income instruments or sukuk.

(b) **Interest Rate Risk**

Fixed income instruments or sukuk are sensitive to movements in interest rates. When interest rates rise, the value of fixed income instruments or sukuk will generally decline and vice versa, thus affecting the valuation of the Fund. Such risk is mitigated by investing in fixed income instruments or sukuk with different durations.

Changes in interest rates have an impact on a Fund regardless of whether it is a Shariah-compliant Fund or otherwise. It does not in any way suggest that the Shariah-compliant Fund will invest in conventional financial instruments. All investments carried out for the Shariah-compliant Fund will be in accordance with Shariah requirements.

(c) **Particular Security Risk**

The fluctuation in the performance of each individual security that the Funds invest in will affect the price of the Units of the Funds. The success or failure of companies will cause their value to rise or fall. Valued collectively, the performance of individual securities will cause the Unit price of a Fund to rise or fall accordingly. The risk could be mitigated through the process of portfolio diversification by fund managers.

(d) **Country Risk**

Where the Fund invests in foreign markets, additional risks may arise from specific developments affecting a particular country. These may include changes in the political climate and in the economic environment, which in turn could lead to unusual volatility in the financial markets of those countries. This risk can be mitigated through country diversification.

(e) **Currency Risk**

This risk relates to investments that are denominated in foreign currencies. The value of these investments would fluctuate according to the movement in the currencies against the home

currency of the Fund, which is the Malaysian ringgit. This fluctuation would add/reduce the capital gains/losses arising from the investments' price movements in the original currency. Currency risk may be mitigated through country diversification or if necessary, currency hedging.

*(f) **Reclassification of Shariah Status Risk***

The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant fund may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the SC performed twice yearly. If this occurs, the value of the Shariah-compliant fund may be adversely affected and the PRS Provider will take the necessary steps to dispose of such securities. The treatment of disposal is detailed on page 36 [Subsection 2 (b) of Cleaning Process for the Fund under Chapter 5: Scheme Details].

(5) SCHEME DETAILS

General Information/objective of the Scheme

The Scheme is a long term investment scheme which aims to provide you with an opportunity to increase your savings* for retirement.

** The Funds are not capital guaranteed nor capital protected.*

The Scheme consists of the following Funds:

(a) Core Funds

- (i) AIA PAM - Growth Fund
- (ii) AIA PAM - Moderate Fund
- (iii) AIA PAM - Conservative Fund

(b) Non-Core Funds

AIA PAM - Islamic Moderate Fund

The benefits of contributing to the Scheme are as follows:

- You may choose to contribute to any of the Funds under the Scheme based on your own retirement needs, goals and risk appetite.
- Contributions are voluntary.
- There is no statutory time interval for contributions.

Operations of the Scheme

You may choose to contribute to any of the Funds under the Scheme. If you do not select a Fund under the Scheme, we will allocate the contributions into the following Core Funds under the Default Option that corresponds to your age group as set out in the table below:

Name of Core Fund	Age group
AIA PAM - Growth Fund	Below forty (40) years
AIA PAM - Moderate Fund	Aged forty (40) years to below fifty (50) years
AIA PAM - Conservative Fund	Fifty (50) years and above

Where a Member is in the Default Option, we will before the end of the next calendar month from the day the Member attains—

- (a) the age of forty (40) years old, redeem the Units held in the AIA PAM - Growth Fund and purchase Units in the AIA PAM - Moderate Fund; and
- (b) the age of fifty (50) years old, redeem the Units in the AIA PAM - Moderate Fund and purchase Units in the AIA PAM - Conservative Fund,

unless the Member instructs otherwise. Members will be notified in writing, one (1) month before the Member attains the age specified in items (a) and (b) above, that their Units in a Core Fund will be switched unless they instruct otherwise.

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.

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 to the Scheme by an employer on behalf of its employee, if made subject to a vesting schedule, shall vest in the employee in accordance with the vesting schedule as accrued benefits as soon as it is paid to the PRS Provider or the Scheme Trustee, whichever is earlier. The manner in which the accrued benefits will be accounted for and vested in the employee shall be in accordance with the vesting schedule as issued by the respective employer.

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 choose the Units of the Funds to be purchased if he does not wish the Units to be purchased under the default option.

Conditionally Vested Units

A Member holding conditionally vested Units shall have the same rights in respect of those Units as though the Units were vested Units including, the right to choose which Fund to invest in, 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.

We will maintain all contributions made in Sub-account A and Sub-account B.

Details on the Funds under the Scheme

AIA PAM - Growth Fund

Investment Objective

The Fund seeks to provide maximize returns through capital growth.

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

Performance Benchmark

30% FBMT 100 Index + 30% MSCI AC Asia ex-Japan Index + 40% Quant Shop MGS All Bond Index
(Source: <http://www.bursamalaysia.com>; <http://www.msci.com/products/indices/tools>;
<http://www.quantshop.com>)

For further information on the composite benchmark, please contact the PRS Provider.

The composite performance benchmark of the Fund is derived from an approximation of the asset allocation of the Fund over the Long Term. Please refer to the investment strategy for details.

Please note that the risk profile of the Fund does not reflect that of the performance benchmark.

Investment Strategy

The Fund seeks to achieve its objective by investing in a portfolio of local and foreign equities. The portfolio will generally favour equities with potential for growth. The Fund will also invest in equities that are trading below their fair value and equities offering a dividend yield above the market average.

The portfolio also expects to have approximately half of its equity allocation in the Malaysia market and the other half in the Asia ex-Japan markets which regulatory authorities are members of the International Organization of Securities Commissions such as (but not limited to) Singapore, Thailand, Philippines, Indonesia, Hong Kong, Korea and Taiwan. The actual allocation between local and foreign equities will depend on the prospects of each country and will not be static.

The PRS Provider adopts a disciplined approach to maintain a diversified portfolio of investments in equities with due consideration to market sentiment. The equity investment process combines top-down macro and industry analysis for sectors and comprehensive bottom-up fundamental analysis for individual stock selection. Nevertheless, the PRS Provider may adopt a temporary defensive strategy during adverse market conditions by reducing the Fund's equity exposure to a level significantly below the maximum level permitted and raising its level of investments in fixed income instruments and money market instruments.

The Fund will invest at least 30% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC. For fixed income instruments, the PRS Provider adopts a top-down investment process which begins with an analysis of economic and market conditions. Factors like gross domestic product growth, interest rates and inflation rates are analysed to determine yield curve positioning, credit strategies and average duration of the Fund's fixed income instruments. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analyses to identify appropriate fixed income instruments for the Fund.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

Asset Allocation

- Up to 70% of the Fund's NAV in equities.
- At least 30% of the Fund's NAV in local fixed income instruments.

Member Profile

Members who:

- are seeking returns over the Medium to Long Term period; and
- have a moderate to high level of risk appetite.

For Members under the Default Option who are below the age of 40 years, their contributions will be allocated into this Fund.

AIA PAM - Moderate Fund

Investment Objective

The Fund seeks to provide returns through a combination of income* and capital growth.

**Income will be reinvested in additional Units in the Fund.*

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

Performance Benchmark

25% FBMT 100 Index + 25% MSCI AC Asia ex-Japan Index + 50% Quant Shop MGS All Bond Index
(Source: <http://www.bursamalaysia.com>; <http://www.msci.com/products/indices/tools>;
<http://www.quantshop.com>)

For further information on the composite benchmark, please contact the PRS Provider.

The composite performance benchmark of the Fund is derived from an approximation of the asset allocation of the Fund over the Long Term. Please refer to the investment strategy for details.

Please note that the risk profile of the Fund does not reflect that of the performance benchmark.

Investment Strategy

The Fund seeks to achieve its objective by investing in a portfolio consisting of equities and fixed income instruments.

The Fund will have a preference for equities offering a dividend yield above the market average and equities that are trading below their fair value. It expects to have approximately half of its equity allocation in the Malaysian market and the other half in the Asia ex-Japan markets which regulatory authorities are members of the International Organization of Securities Commissions such as (but not limited to) Singapore, Thailand, Philippines, Indonesia, Hong Kong, Korea and Taiwan. The actual allocation between local and foreign equities will depend on the availability of equities in each country which meets the Fund's stock selection criteria and will not be static.

The PRS Provider adopts a disciplined approach to maintain a diversified portfolio of investments in equities with due consideration to market sentiment. The equity investment process combines top-down macro and industry analysis for sectors and comprehensive bottom-up fundamental analysis for individual stock selection. Nevertheless, the PRS Provider may adopt a temporary defensive strategy during adverse market conditions by reducing the Fund's equity exposure to a level significantly below the maximum level permitted and raising its level of investments in fixed income instruments and money market instruments.

The Fund will invest at least 40% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC. For fixed income instruments, the PRS Provider adopts a top-down investment process which begins with an analysis of economic and market

conditions. Factors like gross domestic product growth, interest rates and inflation rates are analysed to determine yield curve positioning, credit strategies and average duration of the Fund's fixed income instruments. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analyses to identify appropriate fixed income instruments for the Fund.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

Asset Allocation

- Up to 60% of the Fund's NAV in equities.
- At least 40% of the Fund's NAV in local fixed income instruments.

Member Profile

Members who:

- are seeking returns over the Medium to Long Term period; and
- have a moderate risk appetite.

For Members under the Default Option who have attained the age of forty (40) years but are not yet fifty (50) years old, their contributions will be allocated into this Fund.

AIA PAM - Conservative Fund

Investment Objective

The Fund seeks to provide returns through income* that is consistent with capital preservation**.

**Income will be reinvested in additional Units in the Fund.*

***The Fund is not capital guaranteed nor capital protected.*

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

Performance Benchmark

65% Quant Shop MGS All Bond Index + 20% Malayan Banking Berhad Overnight Rate + 15% FBMT 100 Index

(Source: <http://www.bursamalaysia.com>; www.maybank2u.com.my, <http://www.quantshop.com>)

For further information on the composite benchmark, please contact the PRS Provider.

The composite performance benchmark of the Fund is derived from the asset allocation of the Fund. Please refer to the investment strategy for details.

Please note that the risk profile of the Fund does not reflect that of the performance benchmark.

Investment Strategy

The Fund seeks to achieve its objective by investing at least 80% of its NAV in fixed income instruments and money market instruments, of which a minimum of 20% of the Fund's NAV will be invested in money market instruments. The remainder of the Fund's NAV will be invested in equities, where the bias will be towards equities that offer dividend yields above the market average. The Fund will only invest locally.

The Fund will invest in fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC. For fixed income instruments and money market instruments, the PRS Provider adopts a top-down investment process which begins with an analysis of economic and market conditions. Factors like gross domestic product growth, interest rates and inflation rates are analysed to determine yield curve positioning, credit strategies and average duration of the Fund's fixed income instruments. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analyses to identify appropriate fixed income instruments and money market instruments for the Fund.

The PRS Provider adopts a disciplined approach to maintain a diversified portfolio of investments in equities with due consideration to market sentiment. The equity investment process combines top-down macro and industry analysis for sectors and comprehensive bottom-up fundamental analysis for individual stock selection. Nevertheless, the PRS Provider may adopt a temporary defensive strategy during adverse market conditions by reducing the Fund's equity exposure to a level significantly below the maximum level permitted and raising its level of investments in fixed income instruments and money market instruments.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

Asset Allocation

- At least 80% of the Fund's NAV in fixed income instruments and money market instruments, of which a minimum of 20% of the Fund's NAV will be invested in money market instruments.
- Up to 20% of the Fund's NAV in equities.

Member Profile

Members who:

- are seeking returns through income* that is consistent with capital preservation** over the Medium to Long Term period; and
- have a low risk appetite.

**Income will be reinvested in additional Units in the Fund.*

***The Fund is not capital guaranteed nor capital protected.*

For Members under the Default Option who are 50 years old and above, their contributions will be allocated into this Fund.

AIA PAM - Islamic Moderate Fund

Investment Objective

The Fund seeks to provide returns through a combination of income* and capital growth from a portfolio that is consistent with Shariah principles.

**Income will be reinvested in additional Units in the Fund*

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

Performance Benchmark

50% FBM EMAS Shariah Index + 50% Quant Shop GII All Index

(Source: <http://www.bursamalaysia.com>; <http://www.quantshop.com>)

For further information on the composite benchmark, please contact the PRS Provider.

The composite performance benchmark of the Fund is derived from the asset allocation of the Fund. Please refer to the investment strategy for details.

Please note that the risk profile of the Fund does not reflect that of the performance benchmark.

Investment Strategy

The Fund seeks to achieve its objective by investing in a portfolio consisting of Shariah-compliant equities, Sukuk and Islamic money market instruments. The Fund will only invest locally.

The Fund's Shariah-compliant equity investments will be a balance of both Shariah-compliant equities with potential for growth and Shariah-compliant equities that are trading below their fair value. The Shariah-compliant equity investment process combines top-down macro and industry analysis for sectors and comprehensive bottom-up fundamental analysis for individual Shariah-compliant stock selection. Nevertheless, the PRS Provider may adopt a temporary defensive strategy during adverse market conditions by reducing the Fund's Shariah-compliant equity exposure to a level significantly below the maximum level permitted and raising its level of investments in Sukuk and Islamic money market instruments.

The Fund will invest at least 40% of its NAV in Sukuk and Islamic money market instrument with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC. The PRS Provider adopts a top-down investment process which begins with an analysis of economic and market conditions. Factors like gross domestic product growth, interest rates and inflation rates are analysed to determine yield curve positioning, credit strategies and average duration of the Fund's sukuk. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analysis to identify appropriate sukuk for the Fund.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

Asset Allocation

- At least 40% and a maximum of 60% of the Fund's NAV in Shariah-compliant equities.

- At least 40% of the Fund's NAV in Sukuk and Islamic money market instruments.

Member Profile

Members who:

- are seeking returns over the Medium to Long Term period; and
- have a moderate risk appetite.

Risk Management Strategies

The risk management strategies undertaken by the PRS Provider include but are not limited to the following:

- (a) Adhering to the Fund's investment objective, investment strategies and restrictions as stated in this Replacement Disclosure Document, the Deed and the Guidelines;
- (b) Determining and monitoring effective diversification of securities, sectors and asset classes in order to reduce concentration risk;
- (c) Employing an active asset allocation strategy depending on the market conditions and rebalancing the portfolio should the need arise. In response to adverse conditions and as part of its risk management strategy, the PRS Provider may from time to time reduce the proportion of higher risk assets, such as equities and increase the asset allocation to lower risk assets, such as fixed income instruments or sukuk and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund;
- (d) Monitoring the Fund's portfolio of fixed income instruments or sukuk in the form of, but not limited to, the issuers and sectors, their duration and credit rating. The duration of the fixed income instruments or sukuk is also monitored and modified according to the PRS Provider's interest rate outlook;
- (e) Practice prudent liquidity management to ensure that the Fund maintains reasonable levels of liquidity to meet any redemption request;
- (f) Regular review of the Fund's performance; and
- (g) Escalating and reporting investment matters to the investment committee of the Fund.

Borrowings and Securities Lending

Unless otherwise allowed by the SC or by any relevant law, and subject to such terms and conditions as the SC or relevant law may prescribe, a Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC) 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 Fund may borrow cash for the purpose of meeting redemption requests for Units and for short term bridging requirements subject to the following:

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

For the Shariah-compliant Fund, the Fund shall apply for Islamic financing facilities to meet the above conditions.

A Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines issued by the SC.

Permitted Investments

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 is permitted to invest in the following:

AIA PAM - Growth Fund and AIA PAM - Moderate Fund

- (a) Equities and equity-related securities that are listed on Bursa Malaysia and any other exchanges of countries regulated by an authority which is a member of the International Organization of Securities Commissions (IOSCO);
- (b) Bank deposits and money market instruments with licensed institutions;
- (c) Government securities and any other securities guaranteed by the Malaysian government, state government, Bank Negara Malaysia or other related government agencies;
- (d) Private debt securities including those convertible into equities;
- (e) Units and shares in other collective investment schemes;
- (f) Futures and foreign exchange contracts for hedging purposes only;
- (g) Structured products which contain embedded derivatives (including options); and
- (h) Any other form of investment permitted by the relevant authorities which is in line with the objective of the Fund.

AIA PAM - Conservative Fund

- (a) Malaysian government securities, treasury bills, Bank Negara Malaysia certificates/bills, Malaysia government investment certificates, Cagamas notes/bonds and any other securities guaranteed by the Malaysian government, state government, Bank Negara Malaysia or other related government agencies;

- (b) Bank deposits and money market instruments with licensed institutions;
- (c) Commercial papers;
- (d) Private debt securities;
- (e) Units and shares in other collective investment schemes;
- (f) Equities and equity-related securities that are listed on Bursa Malaysia;
- (g) Derivatives such as futures contract for hedging purposes only; and
- (h) Any other form of investment permitted by the relevant authorities which is in line with the objective of the Fund.

AIA PAM - Islamic Moderate Fund

- (a) Shariah-compliant equities and equity-related securities that are listed on Bursa Malaysia;
- (b) Placement in Islamic deposits and Islamic money market instruments with licensed institutions;
- (c) Government Shariah-compliant securities and any other Shariah-compliant securities guaranteed by the Malaysian government, state government, Bank Negara Malaysia or other related government agencies;
- (d) Sukuk including those convertible into Shariah-compliant equities;
- (e) Units and shares in other Shariah-compliant collective investment schemes; and
- (f) Any other form of Shariah-compliant investment permitted by the relevant authorities which is in line with the objective of the Fund.

Investment Restrictions

AIA PAM - Growth Fund, AIA PAM - Moderate Fund, AIA PAM - Conservative Fund and AIA PAM - Islamic Moderate Fund

Investment Spread Limits

- (a) The value of a Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- (b) The value of a Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
- (c) The value of a Fund's placements in deposits with any single institution must not exceed 20% of the Fund's NAV.

- (d) For investments in derivatives–
 - (i) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines; and
 - (ii) the value of a Fund’s over-the-counter derivative transaction with any single counterparty must not exceed 10% of the Fund’s NAV.
- (e) The aggregate value of a Fund’s investments in transferable securities, money market instruments, derivatives, structured products and deposits issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund’s NAV.
- (f) The value of a Fund’s investments in units/shares of any collective investment scheme must not exceed 20% of the Fund’s NAV.
- (g) The value of a Fund’s investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund’s NAV.

Investment Concentration Limits

- (h) A Fund’s investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer.
- (i) A Fund’s investments in debentures must not exceed 20% of the debentures issued by any single issuer.
- (j) A Fund’s investments in money market instruments must not exceed 10% of the instruments issued by any single issuer.

Note: The limit in paragraph (j) does not apply to money market instruments that do not have a pre-determined issue size.

- (k) A Fund’s investments in collective investment schemes must not exceed 25% of the units or shares in any one collective investment scheme.

In addition to the above, the following are applicable to **AIA PAM - Conservative Fund** only

- (l) The single issuer limit in paragraph (b) and single group limit in paragraph (g) do not apply to the AIA PAM - Conservative Fund.
- (m) The value of AIA PAM – Conservative Fund’s investment in debentures issued by any single issuer must not exceed 20% of the Fund’s NAV.
- (n) The single issuer limit in paragraph (l) may be increased to 30% if the debentures 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.
- (o) For the purpose of paragraph (e), where the single issuer limit is increased to 30% pursuant to paragraph (m), the aggregate value of the AIA PAM - Conservative Fund’s investment must not exceed 30%.

- (p) The value of AIA PAM – Conservative Fund’s investments in debentures issued by any one group of companies must not exceed 30% of the Fund’s NAV.
- (q) The AIA PAM – Conservative Fund’s investments in debentures/fixed income instruments must be rated at least BBB3/P2 by RAM or an equivalent rating by MARC. However, debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of the AIA PAM – Conservative Fund’s NAV (“the 5% Limit”). In the event the 5% Limit is exceeded, whether as a result of:
 - (i) a downgrade of any debenture/fixed income instrument to below BBB3/P2;
 - (ii) an increase in the aggregate value of debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated; or
 - (iii) a decrease in the NAV of the AIA PAM – Conservative Fund, the PRS Provider must reduce such investments to comply with the 5% Limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interests of Members.
- (r) The AIA PAM – Conservative Fund’s investments in derivatives is for hedging purposes only.
- (s) The AIA PAM – Conservative Fund shall not invest in warrants save for as a result of the AIA PAM – Conservative Fund’s holdings in equities.
- (t) The AIA PAM – Conservative Fund shall not invest in investments with embedded derivatives.
- (u) The AIA PAM – Conservative Fund shall not invest in investments with exposure to foreign currencies.
- (u) The AIA PAM – Conservative Fund shall not invest in RM-denominated foreign debentures/fixed income instruments.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund’s investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the Fund (as a result of an appreciation or depreciation in value of investments or as a result of the redemption of Units or payment made from the Fund). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the PRS Provider should, within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach.

The above stated restrictions and limits do not apply to securities/instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

Bases of Valuation of Investments

Listed Securities

Investments in listed securities shall be based on closing market prices. However, if a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Scheme Trustee, then the securities must be valued at fair value, as determined in good faith by the PRS Provider, based on the methods or bases approved by the Scheme Trustee after appropriate

technical consultation.

Unlisted fixed income instruments/Sukuk

For unlisted fixed income instruments/Sukuk denominated in Ringgit Malaysia, valuation will be done on a daily basis using the fair value price quoted by a Bond Pricing Agency (“BPA”) registered with the SC. Where the PRS Provider is of the view that the price quoted by BPA for a specific fixed income instrument/Sukuk differs from the market price by more than 20 basis points, the PRS Provider may use the market price, provided that the PRS Provider records its basis for using a non- BPA price, obtains necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.

Fixed deposit

Deposits placed with banks or other financial institutions and placements of money at call with investment banks are valued each day by reference to the value of such investments and the interests/profit accrued thereon for the relevant period.

Money market instruments

Valuation of investments in money market instruments such as negotiable certificates of deposits and bankers acceptance shall be done on a daily basis by reference to the value of such investments as provided by the bank or the financial institution that issues the investment.

Derivatives

Derivatives are 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 PRS Provider on methods and bases that have been verified by the auditor of the Fund and approved by the Scheme Trustee.

Shariah Investment Guidelines, Cleansing Process and Zakat (tithe) for the Fund

1. Shariah Investment Guidelines

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

INVESTMENT IN MALAYSIA

Equity:

Reference for investment in local securities is based on the list of Shariah-compliant securities issued by the Shariah Advisory Council of the Securities Commission (“SACSC”) twice yearly on the last Friday of May and November which is readily available at the Securities Commission’s website.

However, for Initial Public Offering (“IPO”) companies that have yet to be determined the Shariah status by the SACSC, IBFIM adopts the following analysis as a temporary measure in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.

- **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:

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

- **Mixed Business Activities Analysis**

For companies with activities comprising both permissible and non-permissible elements, IBFIM applies two analyses before they can be classified as Shariah-compliant. The analyses are as follows:

- i) **Qualitative Analysis**

In this analysis, IBFIM 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.

- ii) **Quantitative Analysis**

Companies which passed the above qualitative analysis will be further subjected to quantitative analysis. IBFIM deduces the following to ensure that they are lower than the Shariah tolerable benchmarks:

- a) Business Activity Benchmarks

The 5% benchmark would be applicable to the following business activities:

- Conventional banking;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;
- Shariah non-compliant entertainment;
- Interest income* from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- Dividends^ from Shariah non-compliant investments;
- Tobacco and tobacco-related activities; and
- Other activities considered non-compliant according to Shariah.

Footnote:

**Interest income will be compared against the companies' overall revenue/sales/turnover/income*

^Dividends will be compared against the companies' profit before taxation

The 20% benchmark would be applicable to the following activities:

- Hotel and resort operations;
- Share trading;
- Stockbroking business;
- Rental received from Shariah non-compliant activities; and
- Other activities considered non-compliant according to Shariah.

The contribution of Shariah non-compliant activities to the overall revenue/sales/turnover/income and profit before tax of the companies will be calculated and compared against the relevant business activity benchmarks.

b) Financial Ratio Benchmarks

The financial ratios applied are as follows:

- 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.

- Debt over Total Assets

Debt will only include interest-bearing debt whereas Islamic debt/financing or sukuk will be excluded from the calculation.

Both ratios, which are intended to measure riba and riba-based elements within a companies' balance sheet, must be lower than 33%.

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

Sukuk and Islamic Money Market Instruments:

IBFIM will verify any sukuk and/or Islamic money market instruments based on the data available at Bond Info Hub (www.bondinfo.bnm.gov.my) and Fully Automated System For Issuing/Tendering (<https://fast.bnm.gov.my>).

2. 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. In the event that the

investment resulted in gain (through capital gain and/or dividend/profit), the gain is to be channelled to baitulmal or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the PRS Provider.

b) Reclassification of Shariah Status of the Fund's Investment

Reclassification of Shariah status refers to security which is reclassified as Shariah non-compliant by the Shariah Advisory Council of the Securities Commission. The said security will be disposed soonest practical, once the total amount of dividends received and the market value of the Shariah non-compliant security held equal the original investment cost.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channelled to baitulmal or any charitable bodies as advised by the Shariah Adviser.

3. Zakat (tithe) for the Fund

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

The Shariah Adviser confirms that the investment portfolios of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the SC ("SACSC"). For securities which are not certified by the SACSC, the Shariah Adviser has reviewed the said securities and opines that these securities are Shariah compliant.

(6) FEES, CHARGES AND EXPENSES

Charges

The following describes the charges that Members may **directly** incur when buying or redeeming Units:

(a) Sales Charge

A sales charge may be imposed by the PRS Provider on the purchase of Units of the Funds.

The sales charge shall be a percentage of the NAV per Unit of the Funds as follows:

Sales Charge*	Up to 3.00% of the NAV per Unit of each Fund under the Scheme will be imposed by the PRS Provider.
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**The PRS Provider reserves the right to waive or reduce the sales charge from time to time at its absolute discretion. Members may also negotiate for a lower sales charge. All sales charges will be rounded up to two (2) decimal places.*

Illustration - Computation of sales charge

Example:

NAV per Unit = RM1.00

Sales charge = 3.00% of the NAV per Unit

The total amount of sales charge payable by Members for a Unit will be:

$3.00\% \times \text{RM}1.00 = \underline{\text{RM}0.03}$

(b) Redemption Charge

Redemption Charge	Nil
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Illustration - Computation of redemption charge

Example:

NAV per Unit = RM1.00

Redemption charge = Nil

The total amount of redemption charge payable by Members for a Unit will be:

0 x RM1.00 = **RM0**

(c) Transfer Fee (to another private retirement scheme provider)

RM25 for each transfer request.

Note:

An additional fee of RM25 will be charged by the PPA. Please see below under the PPA transfer fee.

(d) Switching Fee (between Funds in this Scheme)

There are no charges for the first two (2) switches in each calendar year. RM25 will be imposed for all subsequent switches after the first two (2) switches in each calendar year.

Switching from a Shariah-compliant fund to a conventional fund is discouraged especially for Muslim Members.

Fees and Expenses

The fees and expenses **indirectly** incurred by Members when investing in the Funds are as follows:

(a) Annual Management Fee

The PRS Provider is entitled to a management fee of up to 1.50% per annum of the NAV of each Fund.

(b) Annual Scheme Trustee Fee

The Scheme Trustee is entitled to a Scheme Trustee fee of 0.04% per annum of the NAV of the Fund.

(c) Annual PPA administration fee

The Private Pension Administrator is entitled to an annual administrative fee of 0.04% of the NAV of the Fund.

The following is an example of the daily computation of the management fee, scheme trustee fee and PPA administration fee:-

	RM
Total NAV as at 30 November 2012	10,000,000.00
Management fee accrued for the day (1.50% X 10,000,000.00 / 365)	410.96
Scheme Trustee fee accrued for the day (0.04% X 10,000,000.00 / 365)	10.96
PPA administration fee accrued for the day (0.04% X 10,000,000.00 / 365)	10.96

Fees payable to the Private Pension Administrator

The fees payable to the Private Pension Administrator are as follows:

(a) PPA Annual Fee

RM8 (not payable for the year the account was first opened and not payable for the year(s) where no contributions were made).

(b) PPA Account Opening Fee

A one-off RM10 fee is charged by the PPA upon the opening of a new account for each Member.

(c) PPA Pre-retirement Withdrawal Fee

RM25 for each withdrawal request. There will be no charge for pre-retirement withdrawals due to death and permanent departure from Malaysia and withdrawals after the Retirement Age.

(d) PPA Transfer Fee (to another private retirement scheme provider)

RM25 for each transfer request.

Increase in Fees and Charges

If there is any increase in the fees and charges as stated in this Replacement Disclosure Document, Members will be given at least one (1) month prior notice in writing. A supplementary or replacement disclosure document disclosing the new fees and charges will be issued to Members. Should there be any increase in the maximum rate of the fees and charges stated in the Deed, such increase must be approved by the Members of the Fund by way of a special resolution during a meeting convened in accordance with the Deed.

Fund Expenses

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:

- (i) commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (ii) taxes and other duties charged on the Fund by the government and/or other authorities;
- (iii) costs, fees and expenses properly incurred by the auditor;
- (iv) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (v) 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;
- (vi) 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;

- (vii) costs, commissions, fees and expenses of the sale, purchase, insurance/takaful and any other dealing of any asset of the Fund;
- (viii) costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluating any proposed investment of the Fund;
- (ix) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (x) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (xi) costs, fees and expenses incurred in the winding-up of the Fund or the removal of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider;
- (xii) 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 PRS 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);
- (xiii) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the PRS Provider decides otherwise;
- (xiv) 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 regulatory authority;
- (xv) (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
- (xvi) costs, fees and charges payable to the PPA by the Fund.

Policy on Stockbroking Rebates and Soft Commissions

The PRS Provider or the Scheme Trustee or any delegate thereof is not allowed to retain any form of rebate or share in any commission with, any broker or dealer in consideration for directing dealings in the Fund's property. Accordingly, any rebate or shared commission must be directed to the account of the Fund concerned.

However, soft commissions may be retained by the PRS Provider and its delegate for goods and services provided by any broker or dealer if such goods and services are of demonstrable benefit to Members and:

- (a) dealings by the broker/dealer for the Funds are executed on terms which are the best available for the Funds ("best execution" basis); and
- (b) the PRS Provider's or delegate's soft commission practices are adequately disclosed in the Replacement Disclosure Document and Funds' reports.

The soft commissions may take the form of goods and services such as data and quotation services, computer software incidental to the management of the Funds and investment related publications.

Auto debit

Auto debit facilities are available at selected banks. The handling fees for these facilities will be borne by the Member. Please contact our PRS consultant or customer service personnel at 1300-22-7771 for details.

There are fees and charges involved and Members are advised to consider them before contributing to a Scheme.

Fees and charges involved are subject to Goods and Services Tax with effect from 1 April 2015. You may refer to Taxation Adviser's Letter on page 80 for more details.

(7) TRANSACTION INFORMATION

(a) Valuation Point

The Funds will be valued once every Business Day at the close of Bursa Malaysia. The Funds adopt forward pricing which means that the prices of Units will be calculated based on the NAV of the Fund at the next valuation point after the application for Units or request for redemption is received by the PRS Provider, and in circumstances where prior authorisation of the PPA is required, after such authorisation is received by the PRS Provider.

If applications for Units are received or requests for redemptions are received by our head office, or authorisation of the PPA is received by us (as the case may be) before the cut-off time of 4.00 p.m. on a Business Day ("T" day), the price of Units in respect of those applications and requests will be calculated based on the NAV of each Fund derived at the valuation conducted at the close of business of Bursa Malaysia on T day. The prices of the Units will be published on the following Business Day, T+1.

However, for those Funds which invest in foreign markets, the Funds shall be valued by 4.00 p.m. on the next Business Day, T+1, using the closing prices of the respective investments in the foreign markets. As such, the daily prices of such Funds for a particular Business Day will be published two (2) Business Days later, T+2.

For currency translation of foreign securities to the Fund's base currency (RM), it shall be based on the bid exchange rate quoted by Bloomberg/Reuters at UK time 4.00 p.m. which is equivalent to 11.00 p.m. or 12.00 a.m. midnight (Malaysian time) on the same day, or such other time as stipulated in the investment management standards issued by FIMM.

(b) Computation of NAV and NAV per Unit

The NAV of a Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets, at a valuation point. For the purpose of computing the annual management fee, annual Scheme Trustee fee and annual PPA administration fee, the NAV of the Fund should be inclusive of the management fee, Scheme Trustee fee and PPA administration fee for the relevant day.

Please note that the example below is for illustration only:

	RM
Investments of the Fund	100,000,000.00
Add : Other assets (including cash)	1,400,000.00
Less : Liabilities	200,000.00
	<hr/>
NAV before deducting management fee, Scheme Trustee fee and PPA administration fee for the day	101,200,000.00
Less : Management fee for the day (at 1.50% per annum calculated based on the NAV) RM101,200,000.00 X 1.50% / 365 days	4,158.90

Less :	Scheme Trustee fee for the day (at 0.04% per annum calculated based on the NAV) RM101,200,000.00 X 0.04% / 365 days	110.90
Less:	PPA administration fee for the day (at 0.04% per annum calculated based on the NAV) RM101,200,000.00 X 0.04% / 365 days	110.90
	Total NAV	<u>101,195,619.30</u>

The NAV per Unit of the Fund is calculated by dividing the total NAV of the Fund by the number of Units in circulation at the end of each Business Day.

Assuming there are 100,000,000 Units of the Fund in circulation at the point of valuation, the NAV per Unit of the Fund shall therefore be calculated as follows:

		RM
	NAV	101,195,619.30
Divide:	Units in circulation	<u>100,000,000</u>
	NAV per Unit of the Fund	<u>1.0120*</u>

* NAV per Unit will be rounded up to four (4) decimal places for the purposes of publication of the NAV per Unit.

(c) Pricing of Units

Single Pricing Regime

The PRS Provider adopts a single pricing regime in calculating a Member's contributions in the Funds and redemption of Units. This means that all purchases and redemptions are transacted on a single price (i.e. NAV per Unit). Members would therefore purchase and redeem Units at NAV per Unit. The Selling Price per Unit and Redemption Price per Unit are based on Forward Pricing.

Selling Price of Units

The Selling Price of a Unit for the Fund is the NAV per Unit of the Fund at the next valuation point after the request to purchase Units is received by the PRS Provider (Forward Pricing). The PRS Provider will impose a sales charge of up to 3.00% of the NAV per Unit of the Fund.

Calculation of Selling Price

Illustration – Sale of Units

Example:

Amount contributed	= RM10,000
NAV per Unit	= RM1.00

Number of Units subscribed	= RM10,000 / RM1.00
	= 10,000 Units
Sales charge (3.00% of the NAV per Unit)	= RM300
The total amount to be paid by a Member	= RM10,000 + RM300
	= RM10,300

Redemption Price of Units

The Redemption Price of a Unit for the Fund is the NAV per Unit of the Fund at the next valuation point after the request for redemption of Units is received by the PRS Provider or the PPA's authorization is received by the PRS Provider (as the case may be) (Forward Pricing).

Calculation of Redemption Price

Illustration – Redemption of Units

Example:

(If the tax penalty is applicable)

Units withdrawn	= 10,000 Units
NAV per Unit	= RM1.00
Amount withdrawn	= 10,000 Units x RM1.00
	= RM10,000
Redemption charge	= Nil
Tax penalty of 8% on the amount withdrawn (for Pre-retirement withdrawal only)	= RM800
The total amount to be paid to a Member	= RM10,000 - RM800
	= RM9,200

(If the tax penalty is not applicable)

Units withdrawn	= 10,000 Units
NAV per Unit	= RM1.00
Amount withdrawn	= 10,000 Units x RM1.00
	= RM10,000
Redemption charge	= Nil
Tax penalty of 8% on the amount withdrawn (for Pre-retirement withdrawal only)	= Nil
The total amount to be paid to a Member	= RM10,000

A tax penalty of 8% on the withdrawal amount will be deducted by the PRS Provider before the balance is credited to the Member's account. The tax penalty of 8% would not apply for pre-retirement withdrawals due to death or permanent departure of a Member from Malaysia.

(d) Incorrect Pricing

The PRS Provider shall ensure that the Funds and the Units are correctly valued and priced according to the Deed and all relevant laws. Where there is an error in the valuation of the Funds, any incorrect pricing of Units which is deemed to be significant will involve the reimbursements (less any tax penalty which may be imposed by the relevant tax authorities for Sub-account B, if applicable) in the following manner:

- (i) if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Member;
- (ii) if there is an over valuation and/or pricing in relation to the redemption of Units, the PRS Provider shall reimburse the Fund;
- (iii) if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the PRS Provider shall reimburse the Fund; and
- (iv) if there is an under valuation and/or pricing in relation to the redemption of Units, the Fund shall reimburse the Member or former Member.

However, reimbursements shall only apply if the error is at or above the significant threshold of 0.5% of the NAV per Unit and the amount to be reimbursed is RM 10.00 or more.

(8) TRANSACTION DETAILS

(a) How to Purchase Units of the Funds

Members can obtain the application form and purchase Units of the Funds at our office or through our agents. Further information on the list of distribution channels is detailed in Section 19 of this Replacement Disclosure Document. Applications must be accompanied by a copy of the applicant's identity card or passport or other document of identification together with a cheque or bank draft made payable to "AIA Pension and Asset Management Sdn Bhd". Bank charges, where relevant, for outstation cheques will be borne by the Members.

The opening of the private pension account can be made with the PRS Provider, at the same time or prior to contributing. The private pension account opening form can be obtained from the PRS Provider or the PPA's website at www.ppa.my. Once the account is opened, Members will receive a life-time account number and password.

(b) Contributions

The minimum initial contribution for the Funds is RM100 and the minimum additional contribution for the Funds is RM100. This shall not apply to conditionally vested Units. The PRS Provider has the absolute discretion to accept or reject in whole or in part any application for Units.

Members are advised not to make payment in cash when purchasing Units of the Funds under the Scheme via any institutional/retail agent.

(c) Redemption/Withdrawals of Units

Requests for withdrawals from the Scheme or from any Fund under the Scheme may be made in the following circumstances:

- (a) after a Member reaches the Retirement Age, withdrawals may be made in part or in full;
- (b) following the death of a Member, only full withdrawals may be made;
- (c) for pre-retirement withdrawals, withdrawals from Sub-account B may be made in part or in full; or
- (d) the permanent departure of a Member from Malaysia, only full withdrawals may be made.

Withdrawal requests under this Scheme can be made to the PRS Provider by completing a transaction form. The minimum number of vested Units for withdrawal is 1,000 Units. Upon receiving a Member's request to withdraw some or all of the vested Units in any Fund under the Scheme, the PRS Provider or PPA (as the case may be) may require the Member to provide evidence of the facts necessary to establish the Member's right to withdraw monies from the Fund under the Scheme. For withdrawals following the death of a Member, the PRS Provider must obtain prior

authorization from the PPA before the PRS Provider can process the withdrawal request.

Pre-retirement withdrawals from Sub-account B can only be requested by a Member after one (1) year has elapsed from the date of the first contribution to any Fund within the Scheme. Subsequent pre-retirement withdrawals from Sub-account B may be requested via an application to the PRS Provider once every calendar year beginning with the calendar year immediately following the calendar year in which the first request for the pre-retirement withdrawals from Sub-account B was made to the Scheme. A tax penalty of 8% will be deducted from the withdrawn amount before making payment to the Member.

Members will be paid by way of cheque or telegraphic transfer within 10 calendar days from the date of receipt of the request for redemption or the date the PRS Provider receives the PPA's authorization (as the case may be).

The following requests by a Member are not considered as a withdrawal from the Scheme:

- (a) the exercise of any cooling-off right;
- (b) redemption of vested Units following a request by a Member to transfer the proceeds of such withdrawal to another private retirement scheme operated by another private retirement scheme provider; and
- (c) switching of vested Units of a Fund with the Units of any other Fund of the Scheme.

For conditionally vested Units, a Member's request for redemption or withdrawal shall not be executed until the Units issued pursuant to such contributions are vested unconditionally.

(d) Transfer between private retirement providers

A Member may redeem vested Units of any Fund under the Scheme and transfer the proceeds of such redemption to another private retirement scheme operated by another private retirement scheme provider prior to a Member reaching the Retirement Age subject to the satisfaction of the following terms and conditions: -

- (a) the first request for transfer may only be made after one 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 private retirement scheme operated by another private retirement scheme 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 Members' sub-account A of the other private retirement scheme operated by another private retirement scheme 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 Members' sub-account B of the other private retirement scheme operated by another private retirement scheme provider.

For conditionally vested Units, a Member's request for transfer of Units to another private retirement scheme provider shall not be executed until the Units issued pursuant to such contributions are vested unconditionally.

The PRS Provider shall pay the proceeds of such redemption to the other private retirement scheme provider by way of cheque or telegraphic transfer within 5 Business Days from the date the PRS Provider receives a completed transfer form from the PPA.

Please note that a Member is not allowed to transfer any Units held by the Member to any other person.

(e) Switching between Funds

Members are permitted to switch to any other Fund under the Scheme. A Member may switch the vested Units of any Fund of the Scheme purchased with the contributions held by him with the Units of any other Fund of the Scheme. Vested Units of the Funds of the Scheme shall not be capable of being switched with the units of any other fund which is not a Fund of the Scheme. This shall also apply to conditionally vested Units. Minimum switching amount will be 1,000 Units.

Switching will be made at the prevailing NAV per Unit of the Fund(s) to be switched from and the intended Fund to be acquired on a Business Day, when the switching request is received or deemed to have been received by the PRS Provider.

If the sales charge paid by the Member is less than the sales charge of the Fund to be switched into, the Member shall pay the difference between the two (2) Funds. Conversely, no sales charge will be imposed should the sales charge of the Fund to be switched into is less than or equal to the sales charge paid by the Member of the Fund being switched from.

Switching under the Default Option will not be subject to any sales charge and switching fee.

The PRS Provider reserves the right to reject any switching request:

- (a) that it regards as disruptive to efficient portfolio management; or
- (b) if deemed by the PRS Provider to be contrary to the best interest of the Funds.

Please note that switching from AIA PAM - Islamic Moderate Fund to a conventional fund is discouraged for Muslim Members.

(f) Cut-Off Time for Contributions and Redemption of Units

The cut-off time shall be at 4.00 p.m. on a Business Day.

Any applications received before the cut-off time on a Business Day will be processed on the same Business Day.

Any applications received after the cut-off time on a Business Day will be treated as having been received on the next Business Day and will be processed on the next Business Day instead.

(g) Cooling-off Right

A cooling-off right refers to the right of the Member to obtain a refund of his contribution in the Fund if he so requests within the cooling-off period. A cooling-off right is only given to a Member, other than those listed below, who is investing in any private retirement scheme for the first time:

- (i) a staff of the PRS Provider; and
- (ii) persons registered with a body approved by the SC to deal in private retirement schemes.

The cooling-off period shall be for a total of six (6) Business Days commencing from the date the application for Units is received by the PRS Provider.

The refund for every Unit held by the Member pursuant to the exercise of his cooling-off right shall be the sum of:

- (a) the NAV per Unit on the day the Units were first purchased; and
- (b) the charges imposed on the day the Units were purchased.

The PRS Provider must obtain prior authorization of the Private Pension Administrator before proceeding to refund the money to Members. Members shall be refunded within ten (10) days from date the application request is authorized by the PPA.

(h) Distribution of Income

Funds	Distribution Policy
AIA PAM - Growth Fund	Distribution is incidental.

AIA PAM - Moderate Fund, AIA PAM - Conservative Fund and AIA PAM - Islamic Moderate Fund	Subject to the availability of income, distribution (if any) will be distributed annually.
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Mode of Distribution

Distributions (if any) will be reinvested in additional Units based on the NAV per Unit of the Fund computed at the close of the second Business Day after the distribution declaration date.

(9) THE PRS PROVIDER

AIA Pension and Asset Management Sdn Bhd was incorporated on 27 July 2012 to engage principally in the private retirement scheme and asset management business. The PRS Provider has an issued and paid-up share capital of RM48 million and is a wholly-owned subsidiary of AIA Bhd. AIA Bhd. was established in 1948 and is a leading insurer in Malaysia. As at LPD, we manage one (1) private retirement scheme comprising four (4) Funds amounting to RM198.4 million.

Summary of Financial Position

The financial position of the PRS Provider for the past three (3) years is as follows: -

	30 Nov 2015 Audited (RM)	30 Nov 2014 Audited (RM)	30 Nov 2013 Audited (RM)
Paid-up share capital	38,000,000	28,000,000	28,000,000
Shareholders' funds	25,305,100	20,186,630	22,986,480
Revenue	2,589,647	1,827,556	1,253,430
Profit/(loss) before tax	(4,881,530)	(2,799,850)	(5,013,520)
Profit/(loss) after tax	(4,881,530)	(2,799,850)	(5,013,520)

Our Roles & Functions

We are responsible for the daily management of the Scheme in accordance with the provisions of the Deed and all relevant laws and guidelines. Our main duties include:

- arranging for the purchase and redemption of Units;
- keeping proper records of the Fund and reporting to Members; and
- observing high standards of integrity and fair dealing in managing the Funds to the best and exclusive interest of the Members.

Role of the Directors

The board of directors is responsible for overseeing the activities of the PRS Provider. The board of directors meets twice every year or more frequently when occasion demands.

Board of Directors

Dato' Thomas Mun Lung Lee (Independent director)

Qualification: MA and LLM, Cambridge University; Barrister at Law, Inns of Court, England; Notary and Advocate and Solicitor of the High Court of Malaysia.

Experience: Dato' Thomas is a Senior Partner of Lee Hishammuddin Allen & Gledhill. He is also Chairman of American International Assurance Bhd Group, Alliance Bank Malaysia Berhad and Alliance Investment Bank Berhad, Alliance Trustee Berhad and has directorships at Alliance Financial Group Berhad, AIA Takaful International Bhd (In Members' Voluntary Liquidation), AIA AFG Takaful Bhd, ING Insurance Berhad, ING PUBLIC Takaful Ehsan Berhad, AIG Malaysia Insurance Berhad, AIG Shared Services (M) Sdn Bhd, CSI Asia Sdn Bhd, De La Rue (Malaysia) Sdn Bhd and Saujana Resort (M) Berhad.

Mohd Daruis bin Zainuddin (Independent director)

Qualification: Fellow of the Association of Certified Chartered Accountants; Member of the Malaysian Institute of Certified Public Accountants; Member of the Malaysian Institute of Accountants; Associate Member of the Chartered Tax Institute of Malaysia.

Experience: Encik Daruis currently runs his own accounting firm, MDZ & Co as the sole practitioner after retiring as a partner and executive director at PricewaterhouseCoopers in 2004. He also sits on the board of AIA Takaful International Bhd (In Members' Voluntary Liquidation), AIA AFG Takaful Bhd, American International Assurance Bhd Group, AIG Malaysia Insurance Berhad, ING Insurance Berhad and ING PUBLIC Takaful Ehsan Berhad.

Anusha Thavarajah (Non-independent director)

Qualification: BSc (Mathematics & Statistics), University of Birmingham, United Kingdom; Fellow of Institute of Actuaries, United Kingdom.

Experience: Ms Anusha is the Chief Executive Officer at AIA Bhd. She has worked in the insurance industry in the United Kingdom and Asia for more than 20 years. Her experience encompasses life & health insurance, general insurance, pensions and mergers and acquisition work with organisations such as GE Life (United Kingdom), Barclays Life (United Kingdom), Aetna International Asia Pacific and ING Insurance Berhad ("ING"). Her last position at AIA Group was Regional Business Development Director.

Ng Chze How (Non-independent director)

Qualification: Bachelor of Arts, University of Strathclyde, United Kingdom.

Experience: Ng Chze How is the Principal Officer which carries the title of General Manager. He assumes the role and functions of a chief executive officer for the company including overall management and business direction. He has more than 20 years of working experience in the financial and fund management industries with several financial institutions. He has held various senior leadership positions and prior to his recent role, he was the Senior Vice President, Head of Retails and Retirement Funds with one of top five unit trust companies. Helming the retail funds team with billions ringgit of asset under management, he played a crucial role in contributing promising business results by increasing its profit contribution to triple folds. With his proven track record in new product development and remarkable result in business development, he successfully brought the company to one of the dominant players in Malaysia's retail fund environment.

He was appointed as non-independent director and the Principal Officer that carries the title of General Manager of the PRS Provider on 17 November 2015. He is a holder of a capital markets services representative's licence.

Key Management Staff

Ng Chze How, *General Manager*

Profile as disclosed above under "Board of Directors".

Ng Wah Boon, *Head of Private Retirement Scheme*

Qualification: Fellow, Life Management Institute Association

Experience: Wah Boon joined AIA Pension and Asset Management Sdn Bhd in 2014 as Head of PRS Distribution. Prior to joining AIA Pension and Asset Management Sdn Bhd, he was with AIA Bhd since 1995 in the field of agency and distribution of the life insurance business. His last appointment was

Head of Insurance Distribution (investment linked product consultant and investment financial advisor).

Loo Heng Kheng, Senior Manager, Operations

Mr. Loo began his career in 1992 with DCB Bank as an officer in the treasury processing department before joining the Phileo Allied Group in 1997 as an executive in the bank's accounts department and subsequently, as a senior executive in the asset management company - now known as Libra Invest Bhd. His last position prior to leaving Libra Invest in 2012 was Senior Manager, Operations but he has also had stints in the IT and investment (fixed income) departments. He graduated with a Diploma in Computer Studies, Institute of Data Processing Management, United Kingdom.

Chan Yiu Ming, Head of Compliance

Mr. Chan is currently the Head of Compliance at AIA Pension and Asset Management Sdn Bhd. and is the designated person responsible for compliance matters. He has more than 20 years of experience in the financial and capital market industries. His experience encompasses internal auditing and compliance, both conventional and Shariah related matters, having worked with local merchant bank, stock broking firms and asset management companies. His last position prior to joining AIA Pension and Asset Management Sdn Bhd was Vice President, Compliance at Reliance Asset Management (Malaysia) Sdn Bhd. He graduated with a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College.

Goh Wee Teck, Senior Manager, Fund Management

Qualification: Bachelor of Science, University of London, United Kingdom; Master of Philosophy, University of Cambridge, United Kingdom; Chartered Financial Analyst, CFA Institute

Experience: Wee Teck joined AIA Pension and Asset Management Sdn. Bhd. in June 2016. He has more than ten years of experience in the financial and property industries, including banks and asset management firm. In terms of research, he covers the Malaysian construction, building materials, automotive and manufacturing sectors while in his previous role with an asset management firm, he covered the banking, property, consumer and technology sectors.

He is the designated person responsible for the management of all the Funds within the Scheme.

Role of the Investment Committee

The investment committee is responsible for monitoring the investment management policies of the Funds in accordance with the objectives of the Funds and the provisions of the Deed. Investment committee meetings are held once every quarter or more frequently when occasion demands. The role of the investment committee is to:

- select appropriate strategies to achieve the proper performance of the Funds in accordance with the fund management policies;
- ensure that the strategies selected are properly and efficiently implemented by the PRS Provider or the PRS Provider's delegate (if any); and
- actively monitor, measure and evaluate the fund management performance of the PRS Provider or the PRS Provider's delegate (if any).

Investment Committee Members

Dr. Lui Mun Chee, Ian (Non-independent member)

Qualification: BSc (General Science), University of Hong Kong; MBA, Chinese University of Hong Kong; Doctor of Business Administration, University of Western Sydney.

Experience: Dr. Lui is Regional Director of Investment Management (Equities) at AIA Group in Hong Kong. He started his career in the 1980s in Hong Kong where he has worked with HSBC Investment Bank, Daiwa International Asset Management and National Mutual Funds Management. He relocated to Singapore in 1996 where he joined Dresdner Thornton Asset Management and subsequently became Managing Director/Chief Investment Officer (CIO) of Allianz Asset Management Asia Pacific GmbH. During this period, several of the funds he managed won performance awards from Lipper and Micropal. In 2003, he moved to Taiwan as CIO of Shin Kong Life Insurance Company, and subsequently, Chief Strategic Investment Officer at AIG Nan Shan Life Insurance Company before joining AIA Group in 2012.

Mohd Daruis bin Zainuddin (Independent member)

Profile as disclosed above under “Board of Directors”.

Dr. Nordin bin Mohd Zain (Independent member)

Qualification: PhD (Strategic Management), Strathclyde Graduate Business School, Glasgow; MSc (Accounting), University of Arkansas, USA; BBA (Accounting), Western Michigan University, USA; Member of Malaysian Institute of Accountants; Fellow of Certified Public Accountants (Australia); Fellow of the Institute of Public Accountants (Australia).

Experience: Encik Nordin is Executive Director, Financial Reporting Advisory with Deloitte Malaysia. Prior to that, he was the Chief Executive Director/Executive Director of the Malaysian Accounting Standards Board (2000-2009), Head of the Department of Accounting at the International Islamic University (1990-2000), Consultant to the United Nations Center for Human Settlement in Nairobi (1990-1992) and Assistant Manager at Kwong Yik Bank (1983-1990).

Ng Chze How (Non-independent member)

Profile as disclosed above under “Board of Directors”.

Yew Mee Lee (Non-independent member)

Qualification: Bachelor of Economics (Major in Economic Statistics), National University of Malaysia; Chartered Financial Analyst, CFA Institute.

Experience: Emilee was appointed Chief Investment Officer of AIA Bhd. in 2015. She is responsible for developing AIA’s asset allocation strategies and investment policies as well as ensuring a robust risk management process for assets under management in Malaysia worth RM47 billion. She has close to 20 years of experience in investment management, with her most recent stint being in Khazanah Nasional Berhad’s insurance companies. Prior to that, she was Head of Investment Strategy in AIA Bhd., where she was responsible for a wide array of asset classes namely real estate investment, corporate credits, derivatives and alternative investments, in addition to the asset liability management of the Company. While in ING Insurance Berhad between 2006 and 2012, Emilee amassed experience in fixed income portfolio management; she oversaw ING’s fixed income insurance funds and investment-linked funds. She was also instrumental in the development of the Company’s fixed income processes. During her tenure in ING, she did a stint in ING regional office in Hong Kong, where she assisted the Regional Head of Investments to provide investment oversight for business units in Korea, Japan, Hong Kong and Thailand. In Malaysia National Insurance Berhad, she spent about 10 years in equity portfolio management.

Emilee holds the Persatuan Kewangan Malaysia Certificate and Enterprise Risk Manager Certificate. She is a member of the Financial Market Committee

Audit Committee

The audit committee is responsible for providing assistance to the board of directors to fulfil its responsibilities on overseeing the financial reporting process of each Fund under the Scheme and on the internal control systems including proper resolution of related party transactions or conflict of interest situations and other matters highlighted in the audit report. The audit committee will meet two times a year or more frequently when occasion demands.

Mohd Daruis bin Zainuddin (Independent member)

Profile as disclosed above under “Board of Directors”.

Dato’ Thomas Mun Lung Lee (Independent member)

Profile as disclosed above under “Board of Directors”.

Anusha Thavarajah (Non-Independent member)

Profile as disclosed above under “Board of Directors”.

PRS Provider’s Delegate

Fund Valuer

Deutsche Bank (Malaysia) Berhad (DBMB)

DBMB is a wholly-owned subsidiary of the parent organisation, Deutsche Bank Aktiengesellschaft. DBMB established a presence in Kuala Lumpur, Malaysia in 1967 and was incorporated on the 22 August 1994.

DBMB expanded its product offered to include fund accounting services in 2001.

DBMB is responsible for the computation of the NAV of the Funds in accordance with the requirements of this Replacement Disclosure Document and the Deed. DBMB will undertake the accounting and valuation function for the Funds by way of a service level agreement. Under the terms of the agreement, DBMB will maintain proper accounts of all transactions, prepare daily or monthly reports and calculate the NAV of the Funds every month. All fees and expenses arising out of this appointment are not charged to the Funds and are solely borne by the PRS Provider as required by the Guidelines.

Registrar And Transfer Agent

Karvy Computershare (Malaysia) Sdn. Bhd. (Karvy)

Karvy was incorporated in Malaysia on 8 March 2016 and commenced business on 25 April 2016. Karvy is registered as a private limited company to provide registrar and transfer agency services to asset management and investment management companies, with its business address at Suite 16.1, Level 16, Menara IMC, No.8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

Karvy’s roles and duties include maintaining the register of unit holders, transaction processing, reconciliation and preparing relevant communication to investors. Certain processes for the

abovementioned duties are further sub-delegated to Karvy's affiliate entity, Karvy Computershare Private Limited ("KCPL") in India.

All fees and expenses arising out of this appointment are not charged to the Funds and are solely borne by the PRS Provider as required under the Guidelines.

Audit, risk, corporate communication, information technology, human resource and corporate secretarial service provider

AIA Bhd.

AIA Bhd. is a leading insurer in Malaysia where it has been privileged to do business since 1948. It offers financial solutions including Protection, Health, Personal Accident, Employee Benefits, General Insurance, Mortgage, Retirement and Family Takaful products to meet its customers' protection and financial security needs at every life stage. Part of the AIA Group, AIA Bhd. has the financial strength, experience, service centre network and a well-trained team of more than 2,000 staff to serve its over 3 million customers nationwide. As at 30 November 2015, AIA Bhd.'s total asset worth was RM47 billion, with a paid-up capital of RM767 million.

AIA Bhd. as the parent company of the PRS Provider, undertakes to provide the internal audit, risk, corporate communication, information technology, human resource and corporate secretarial service functions for the PRS Provider by way of a service level agreement. All fees and expenses arising out of this appointment are not charged to the Funds and are solely borne by the PRS Provider as required by the Guidelines.

Material Litigation And Arbitration

As at LPD, there is no current material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect our business and/or financial position or any of our delegates.

(10) THE SCHEME TRUSTEE

DTMB (Company No. 763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The Company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”), a global investment bank with a substantial private client franchise. With more than 100,000 employees in more than 70 countries, Deutsche Bank offers unparalleled financial services throughout the world.

DTMB’s financial position

	31 Dec 2015 (RM)	31 Dec 2014 (RM)	31 Dec 2013 (RM)
Paid-up share capital	3,050,000	3,050,000	3,050,000
Shareholders’ funds	4,718,968	6,314,678	5,275,318
Revenue	10,807,821	9,779,401	8,292,251
Profit/(loss) before tax	3,140,228	5,009,315	4,156,392
Profit/(loss) after tax	2,352,387	3,948,097	2,908,737

Board of Directors

Jacqueline William
Jalalullail Othman*
Lew Lup Seong*

* *independent director*

Chief Executive Officer

Richard Lim

Experience in trustee business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, agency, depository, custody and related services on a range of securities and financial structures. As at 12 October 2016, DTMB is the trustee for 214 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

Duties and responsibilities of the Scheme Trustee

DTMB's main functions are to act as trustee and custodian of the assets of the Funds and to safeguard the interests of Unit holders of the Funds. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the Capital Markets & Services Act 2007 and all relevant laws.

Scheme Trustee's statement of responsibility

The Scheme Trustee has given its willingness to assume the position as trustee of the Funds and is willing to assume all its obligations in accordance with the Deed, the Capital Markets & Services Act 2007 and all relevant laws. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Funds and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the PRS Provider.

Scheme Trustee's Disclosure of Material Litigation

As at 12 October 2016, neither the Scheme Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegate.

DTMB's Delegate

The Scheme Trustee has appointed DBMB as the custodian of the assets of the Funds. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of assets of the Funds; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Funds are registered in the name of the Scheme Trustee for the Funds, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Funds. As custodian, DBMB shall act only in accordance with instructions from the Scheme Trustee.

Disclosure on related-party transactions/conflict of interests

As the trustee for the Funds, there may be related party transactions involving or in connection with the Fund(s) in the following events:

- (1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the Securities Commission's guidelines and other applicable laws;
- (3) Where the PRS Provider appoints DBMB to perform its back office functions (e.g. fund accounting and valuation); and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB will rely on the PRS Provider to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB's commitment to act in the best interests of the unit holders of the Funds does not preclude the possibility of related party transactions or conflicts.

(11) THE SHARIAH ADVISER

11.1 PROFILE OF THE SHARIAH ADVISER

IBFIM has been appointed as the Shariah Adviser for the AIA PAM – Islamic Moderate Fund (“the Fund”). IBFIM will advise the PRS Provider on the selection of investment tools to be adopted as well as counsel the mechanism of the operations of the Fund’s activities to ensure that the operations of the Fund comply with Shariah requirements.

11.2 General Information of IBFIM

IBFIM was incorporated as a company limited by guarantee and not having share capital in Malaysia under the Companies Act, 1965 on 15 February 2007.

11.3 Experience in Advisory and Services

IBFIM is registered with the SC to act as a Shariah adviser for Shariah-compliant collective investment schemes and sukuk issuance. IBFIM is also involved in numerous Shariah-compliant private mandates as well as the Shariah adviser for Islamic REITs and Islamic asset management houses.

As at 11 October 2016, IBFIM has 128 funds under its supervision.

11.4 Roles and Responsibilities of IBFIM as the Shariah Adviser

As the Shariah Adviser, the role of IBFIM is to ensure that the operations and investments of the Fund are in compliance with Shariah requirements. IBFIM reviews the Fund’s investments on a monthly basis to ensure compliance with Shariah requirements at all times and meets with the PRS Provider on a quarterly basis to review and advise on the Fund’s compliance with Shariah requirements. Final responsibility for ensuring Shariah compliance of the Fund with Shariah requirements in all relevant aspects rests solely with the PRS Provider.

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

1. ensuring that the Shariah-compliant Fund is managed and administered in accordance with the Shariah principles;
2. providing expertise and guidance for the Fund in all matters relating to Shariah principles, including the Fund’s deed and disclosure document, its structure and investment process, and other operational and administrative matters;
3. consulting the SC who may consult the Shariah Advisory Council where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;

4. scrutinising the Fund's compliance report as provided by the compliance officer, transaction report provided by or duly approved by the Scheme Trustee and any other report deemed necessary for the purpose of ensuring that the Fund's investments are in line with the Shariah principles;
5. preparing a report to be included in the Fund's interim and annual report certifying whether the Fund have been managed and administered in accordance with the Shariah principles;
6. ensuring that the Fund complies 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 Fund;
8. assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.

11.5 Profile of the Shariah Team

IBFIM's Shariah team consists of the following personnel:

Dato' Mohd Bakir Bin Haji Mansor (Chairman, IBFIM Shariah Committee)

Dato' Mohd Bakir is a member of the Shariah Advisory Body of Syarikat Takaful Malaysia Berhad and sits on the Shariah Panel Committee of Amanah Ikhtiar Malaysia.

Prior to joining IBFIM, Dato' Mohd Bakir was the Shariah Coordinator at Bank Islam Malaysia Berhad ("BIMB") and then the Secretary of the Shariah Advisory Council of BIMB, from 1984 to 2001. Previously, he served at the National Council for Islamic Religious Affairs in the Prime Minister's Department for 10 years from 1971. He was also a Chief Assistant Director at the Islamic Research Centre for 4 years from 1981. He holds a Shahadah Ulya from Kolej Islam Malaya.

Dato' Mohd Bakir was awarded "Anugerah Maulidur Rasul 1434H/2013M" by the government of Malaysia for his services in the Islamic finance industry.

Mohd Nasir Bin Ismail (Managing Advisor - Shariah)

Mohd Nasir, a holder of the Islamic Financial Planner (IFP) certification, has been with IBFIM since its incorporation in 2001. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant funds. Prior to joining IBFIM, he was a faculty member of a private higher learning institution specializing in Islamic studies, Institut Pengajian Ilmu-Ilmu Islam, Kelantan. He graduated with a Bachelor of Shariah (Honours) Degree from the University of Malaya. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

Ahmad Zakirullah Bin Mohamed Shaarani (Shariah Advisor)

Ahmad Zakirullah is a member of Shariah Committee of the United Overseas Bank Malaysia Berhad. He joined IBFIM in February 2008. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds. Prior to joining IBFIM, he served at University Sains Islam Malaysia and PTPL College. He obtained his Diploma of Shariah Islamiyyah (Honours) from Higher Institute of Islamic and Arabic Language (MADIWA), Perak, Bachelor of Shariah Islamiyyah (Honours) Degree from Al-Azhar University, Egypt and Master's Degree (with Honours) of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the International Islamic University Malaysia. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

(12) SALIENT TERMS OF THE DEED

Rights And Liabilities of Members

A Member is an individual person who has a private pension account, in respect of whom a contribution to the Scheme has been made, who holds Units in a Fund, and is registered as such in the register of Members.

Members' Rights

A Member has the right, amongst others:

1. to receive income distributions, if any, of a Fund;
2. to participate in any increase in the value of the Units of a Fund;
3. to call for Members' meetings and to vote for the removal of the Scheme Trustee through special resolution;
4. to exercise the cooling-off right (only for qualified members);
5. to receive annual and interim reports on a Fund; and
6. to exercise such other rights and privileges as provided for in the Deed.

A Member would not, however, have the right to require the transfer to the Member of any of the assets of the Fund or be entitled to interfere with or to question the exercise by the Scheme Trustee (or the PRS Provider on the Scheme Trustee's 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, the right to choose which Fund to invest in, 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 PRS Provider shall not allow, a redemption of those Units for the purpose of any withdrawal from the Scheme or for transfer to another private retirement scheme operated by another private retirement scheme provider until the conditionally vested Units have vested unconditionally in the Member.

Members' Liabilities

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

A Member shall not be under any obligation to indemnify the PRS Provider and/or the Scheme Trustee in the event that the liabilities incurred by the PRS Provider and/or the Scheme Trustee in the name

of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the PRS Provider and/or the Scheme Trustee shall be limited to recourse to the Fund.

Maximum Fees And Charges Permitted By The Deed

Funds	Maximum Sales Charge (based on the NAV per Unit of the Fund)	Maximum Redemption Charge (based on the NAV per Unit of the Fund)	Maximum Management Fee (based on the NAV of the Fund)	Maximum Scheme Trustee Fee (based on the NAV of the Fund)
AIA PAM - Growth Fund	5.00%	5.00%	2.00% per annum	0.04% per annum
AIA PAM - Moderate Fund	5.00%	5.00%	2.00% per annum	0.04% per annum
AIA PAM - Conservative Fund	5.00%	5.00%	2.00% per annum	0.04% per annum
AIA PAM - Islamic Moderate Fund	5.00%	5.00%	2.00% per annum	0.04% per annum

Any increase of the fees and/or charges above the maximum rate stated in the Deed shall require Members' approval. A supplemental deed proposing a modification to the Deed to increase the aforesaid maximum fees and charges is required to be submitted for registration with the SC accompanied by a special resolution passed by the Members at a Members' meeting duly convened and held according to the provisions of the Deed sanctioning the proposed modification to the Deed.

Procedures To Increase The Direct And Indirect Fees And Charges Stipulated In The Replacement Disclosure Document

Sales Charge

The PRS Provider may not charge a sales charge at a rate higher than that disclosed in the Replacement Disclosure Document unless:

- (a) the PRS Provider has notified the Scheme Trustee and the SC in writing of and the effective date for the higher charge;
- (b) a supplemental/replacement Disclosure Document in respect of the Scheme setting out the higher charge is issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental/replacement Disclosure Document.

Redemption Charge

The PRS Provider may not charge a redemption charge at a rate higher than that disclosed in the Replacement Disclosure Document unless:

- (a) the PRS Provider has notified the Scheme Trustee and the SC in writing of and the effective date for the higher charge;
- (b) a supplemental/replacement Disclosure Document in respect of the Scheme setting out the higher charge is issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental/replacement Disclosure Document.

Management Fee

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

- (a) the PRS Provider has come to an agreement with the Scheme Trustee on the higher rate;
- (b) the PRS Provider has notified the Members of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplemental/replacement Disclosure Document stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental/replacement Disclosure Document is issued.

Scheme Trustee Fee

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

- (a) the PRS Provider has come to an agreement with the Scheme Trustee on the higher rate;
- (b) the PRS Provider has notified the Members of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplemental/replacement Disclosure Document stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental/replacement Disclosure Document is issued.

Retirement And Replacement Of The PRS Provider

Subject to the approval of the SC, the PRS Provider shall have the power to retire in favour of some other corporation and as necessary under any written law upon giving to the Scheme Trustee six (6) months' notice in writing of its desire so to do, or such other period as the PRS Provider and the Scheme Trustee may agree and subject to the conditions as stated in the Deed.

The Scheme Trustee shall, with the prior approval of the SC, take all reasonable steps to replace the PRS Provider:

- (a) if the PRS Provider has failed or neglected to carry out its duties to the satisfaction of the Scheme Trustee and the Scheme Trustee considers that it would be in the interests of the Members for it to do so after the Scheme Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the PRS Provider in respect of that opinion, and after consultation with the SC;
- (b) unless expressly directed otherwise by the SC, if the PRS Provider is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a private retirement scheme provider under the relevant laws; or
- (c) The PRS Provider has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business;

and the PRS Provider shall not accept any extra payment or benefit in relation to such replacement.

In any of the events set out above occurs, the PRS Provider shall upon receipt of a written notice from the SC cease to be the private retirement scheme provider of the Scheme by the mere fact of the PRS Provider's receipt of the notice. The Scheme Trustee shall, at the same time, by writing appoint some other corporation already approved by the SC to be the private retirement scheme provider of the Scheme; such corporation shall have entered into such deed or deeds as the Scheme Trustee may consider to be necessary or desirable to secure the due performance of its duties as the private retirement scheme provider for the Scheme.

Retirement, Removal And Replacement Of The Scheme Trustee

The Scheme Trustee may retire upon giving six (6) months' notice to the PRS Provider of its desire to do so, or such other period as the PRS Provider and the Scheme Trustee may agree upon which shall in any event not be less than three (3) months. Upon the retirement of the Scheme Trustee, the PRS Provider shall appoint in writing some other corporation approved by the SC to be the scheme trustee of the Scheme.

Provided always that the PRS Provider has in place a corporation approved by the SC to act as the scheme trustee of the Scheme, the Scheme Trustee may be removed and such corporation may be appointed as scheme trustee of the Scheme by special resolution of the Members at a duly convened meeting.

The PRS Provider shall notify the SC and replace the Scheme Trustee with another scheme trustee as soon as practicable after becoming aware that:

- (a) The Scheme Trustee has ceased to exist;
- (b) the approval granted to the Scheme Trustee has been withdrawn under section 139ZE of the Act;
- (c) the Scheme Trustee has failed or refused to act as scheme trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (d) a receiver, a receiver and manager or an equivalent is 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;
- (e) 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
- (f) the Scheme Trustee has contravened the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

Termination Of The Scheme And Winding-up Of Fund

The Scheme shall not be terminated unless the PRS Provider or the Scheme Trustee has obtained the prior approval of the SC.

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

Any Non-Core Fund shall be wound up should the following occur:-

- (a) a special resolution is passed at a Member's meeting of the Non-core Fund to wind-up the Non-Core Fund;
- (b) the Non-Core Fund has a maturity date and such maturity date has been reached; or
- (c) the Non-Core Fund no longer holds any assets, whether as a result of redemptions or as result of the transfer of the assets of the Non-Core Fund to another Fund of the Scheme pursuant to a transfer scheme.

Upon the termination or winding-up of the Scheme or a Fund, the PRS Provider shall as soon as practicable, give to each Member of the Scheme or the Fund being terminated or wound up notice of such termination or winding-up; the PRS Provider shall notify the Members in writing of the following options:

- (a) to switch to another Fund under the Scheme or another fund under another private retirement scheme managed by another private retirement scheme 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 PRS Provider.

Members' Meeting

A Members' meeting may be called by the PRS Provider, Scheme Trustee and/or Members. Any such meeting must be convened in accordance with the Deed and the relevant laws.

Every question arising at any Member's meeting shall be decided in the first instance by a show of hands unless a poll is demanded. On a show of hands every Member who is present in person or by proxy shall have one vote. Upon a poll every Member present in person or by proxy shall have one vote for every Unit held by him.

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

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 PRS Provider or the PPA that a Member has attained the Retirement Age;
- (b) subject to the prior authorisation of the PPA, upon the production of proof satisfactory to the PRS Provider or the PPA that a Member has passed away; or
- (c) upon the production of proof satisfactory to the PRS Provider or the PPA that a Member is departing Malaysia permanently.

Subject always to the prior authorization of the PPA (if applicable) and the receipt of satisfactory evidence by the PRS Provider and/or the PPA, a partial withdrawal from the Scheme may be requested and made:

- (a) after a Member has reached the Retirement Age; or
- (b) prior to a Member reaching the Retirement Age, in respect of all or some of the Member's Units held in Sub-account B.

A partial withdrawal under paragraph (b) above shall only be allowed subject to the following conditions:

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

- (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.

Switching of Funds under the Scheme

The switching of Units of the Fund with the Units of any other Fund of the Scheme shall be subject to such terms and conditions as shall be adequately disclosed in this Replacement Disclosure Document.

Transfers of Units in a Fund under the Scheme to another Private Retirement Scheme Provider

A Member, who may also be a member of another private retirement scheme, may request a redemption of any of the vested Units of any Fund under the Scheme and the transfer of the proceeds of such redemption to another private retirement scheme operated by another private retirement scheme 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 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 private retirement scheme operated by another private retirement scheme 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 private retirement scheme operated by another private retirement scheme 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 private retirement scheme operated by another private retirement scheme provider.

Other Expenses Permitted under the Deed

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

- (i) commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (ii) taxes and other duties charged on the Fund by the government and/or other authorities;
- (iii) costs, fees and expenses properly incurred by the auditor;
- (iv) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;

- (v) 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;
- (vi) 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;
- (vii) costs, commissions, fees and expenses of the sale, purchase, insurance/takaful and any other dealing of any asset of the Fund;
- (viii) costs, fees and expenses incurred in engaging any specialist approved by the Scheme Trustee for investigating or evaluating any proposed investment of the Fund;
- (ix) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (x) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (xi) costs, fees and expenses incurred in the winding-up of the Fund or the removal of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider;
- (xii) 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 PRS 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);
- (xiii) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the PRS Provider decides otherwise;
- (xiv) 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 regulatory authority;
- (xv) (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
- (xvi) costs, fees and charges payable to the PPA by the Fund.

(13) CONFLICT OF INTEREST AND RELATED-PARTY TRANSACTIONS

Related - Party Transactions

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

Name of Party	Name of Related Party and Nature of relationship	Related Party Transaction
The PRS Provider	AIA Bhd. The PRS Provider is a wholly owned subsidiary of AIA Bhd.	AIA Bhd. is the PRS Provider's delegate for its audit, risk, corporate communication, human resource, operation branch services and corporate secretarial functions.
The PRS Provider	AIA Shared Services Sdn Bhd (AIASSM) AIASSM is a wholly owned subsidiary of AIA Co who in turn holds 100% of the issued and paid-up share capital of AIA Bhd., the parent company of the PRS Provider.	AIASSM provides investment accounting services to the PRS Provider.

Policies On Dealing With Conflict Of Interest Situations

It is the PRS Provider's policy that all transactions with any related parties are entered into 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 PRS Provider has established procedures to prevent and deal with any conflict of interest situations that may arise such as the regular disclosure of securities dealing by all employees, directors and members of the investment committee to the legal and compliance department 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. There are also procedures in place to deal with any potential conflict of interest where members of the investment committee are also directors of other fund management companies. Where conflicts of interest arise, members of the investment committee will abstain from making a decision.

Details Of The PRS Provider's Directors' and Substantial Shareholders' Direct And Indirect Interest In Other Corporations Carrying On A Similar Business

As at the LPD, none of the PRS Provider's directors or substantial shareholders have any direct or indirect interest in other corporations carrying on a similar business as the PRS Provider.

Other Declarations

The solicitors, Shariah Adviser, auditors and tax adviser confirm that there are no existing or potential conflicts of interest in their respective capacity as advisors for the PRS Provider.

(14) CONSENT

- (a) The consent of the PRS Provider's delegates, Scheme Trustee, Shariah Adviser, auditors and solicitors for the inclusion of their names in this Replacement Disclosure Document in the manner and form in which such names appear have been given before the date of issue of this Replacement Disclosure Document and none of them have subsequently withdrawn their written consents prior to the date of this Replacement Disclosure Document.

- (b) The tax adviser has given its consent to the inclusion of its name and the Tax Adviser's Letter on Taxation of the Funds and Members in the form and context in which it appears in this Replacement Disclosure Document and has not withdrawn such consent prior to the date of this Replacement Disclosure Document.

(15) ADDITIONAL INFORMATION

(a) Customer service

You may visit our office or contact any of our customer service personnel at 1300-22-7771 during our office hours from 8.30 a.m. to 5.00 p.m. for assistance in relation to the Scheme and/or any of the Funds under the Scheme.

(b) Keeping Track of the Daily Prices of Units

The NAV per Unit of the Funds will be published in at least one national Bahasa Malaysia and one national English newspaper and on the website of the PRS Provider daily.

For Funds with exposure to investment in foreign markets, the NAV per Unit for a particular Business Day will be published two (2) Business Days later.

(c) PPA's Website

Members can access their personal details and information on their account's transactions from the PPA's website at www.ppa.my.

(d) Financial Reports

Members will be informed of the Funds' performance through the audited annual reports and interim reports. The reports will be sent to the Members within 2 months after the close of the financial year end or interim period.

(e) Statement of Accounts

A statement of accounts will be issued to each Member once every six (6) months confirming the current Units held by Members and the transactions relating to the Units of the Funds.

(f) Unclaimed Monies

If a Member has not made any transaction or instruction in relation to the Scheme for more than 12 months subsequent to attaining the age of 80 years, the Scheme Trustee may pay any unclaimed moneys held by the Scheme Trustee to the Registrar of Unclaimed Monies, in accordance with the provisions of the Unclaimed Moneys Act 1965. Prior to paying the unclaimed moneys to the Registrar of Unclaimed Monies, the Scheme Trustee must obtain approval of the PPA.

(g) Anti-Money Laundering Policies and Procedures

We have anti-money laundering policies in place where we and our approved authorized distributors will perform checks on all customers. Application for Units must be accompanied by proper identification documents for our verification. All

customers will be checked against various reliable sources for money laundering information. Enhanced due diligence process will be conducted on high risk customers which would require our top management's review. Any cases which are suspicious will be reported to the compliance department. The matter will then be reported to the SC and Bank Negara Malaysia.

For compliance with applicable anti-money laundering laws and guidelines, we or our approved authorized distributors reserve the right to request such information as may be necessary to verify the identity of an applicant.

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

The Financial Intelligence and Enforcement Department of Bank Negara Malaysia has been established to carry out the functions as the competent authority under the Anti-Money Laundering and Anti-Terrorism Financing Act, 2001 (AMLA). All market intermediaries under the Act are obliged to comply with the provisions of the AMLA.

Under the AMLA, any person who:

- i) engages in, or attempts to engage in; or
- ii) abets the commission of money laundering commits an offence and shall on conviction be liable to a fine not exceeding five million ringgit or to imprisonment for a term not exceeding five years or both.

(h) Foreign Account Tax Compliance Act (FATCA)

In the event you have U.S. indicia, we may from time to time reasonably require to allow us to comply with our contractual, legal and/or regulatory obligations under the FATCA, including any required reporting to the Internal Revenue Service, United States of America, of information relating to you or beneficiaries in connection with this AIA Private Retirement Scheme subscription. If you fail to provide such information, consent and/or assistance, we reserve the right and shall be entitled to take the necessary action which may include submitting the necessary reports, suspending your account, withholding the necessary monies to be remitted, terminating your account and returning your investment less any charges and tax penalty, if any at point of termination in the event of such termination.

(i) Common Reporting Standard (CRS)

The CRS as approved by the Organisation for Economic Co-operation and Development calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. We shall from time to time reasonably require to allow us to comply with our contractual, legal and/or regulatory obligations under the CRS, which includes country of birth, taxpayer identification number or functional equivalent (for example, social security/insurance number, citizen/personal identification/service

code/number and resident registration number). If you fail to provide such information, consent and/or assistance, we reserve the right and shall be entitled to take the necessary action which may include submitting the necessary reports, suspending your account, withholding the necessary monies to be remitted, terminating your account and returning your investment less any charges and tax penalty, if any at point of termination in the event of such termination.

(j) Material Contracts

There are no other material contracts (including contracts not reduced in writing), not being contracts entered in the ordinary course of business which have been entered into by the PRS Provider within two (2) years preceding the date of this Replacement Disclosure Document.

(k) Options after Retirement Age

After a Member reaches Retirement Age, withdrawals may be made by a Member at a fixed amount or over a fixed period until all contributions have been withdrawn from the Scheme. You may contact us at 03-2056 3655 for further information.

(l) Where and How Members Can Lodge a Complaint

For internal dispute resolution, you may contact our customer service personnel at 1300-22-7771 during our office hours from 8.30 a.m. to 5.00 p.m.

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

- (a) via phone to : 03-2282 2280
- (b) via fax to : 03-2282-3855
- (c) via email to : info@sidrec.com.my
- (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

You can also direct your complaint to Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

- (a) via phone to the Aduan Hotline at : 03 – 6204 8999
- (b) via fax to : 03 – 6204 8991
- (c) via e-mail to : aduan@seccom.com.my
- (d) via online complaint form available at www.sc.com.my
- (e) via letter to : Investor Affairs & Complaints Department
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

(16) DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof, where applicable, may be inspected, without charge at the registered office of the PRS Provider or such other place as the SC may determine for a period of not less than twelve (12) months:

- (a) the Deed and supplemental deed(s);
- (b) any material contracts or documents referred to in this Replacement Disclosure Document;
- (c) the latest annual and interim reports for the Funds;
- (d) all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Replacement Disclosure Document;
- (e) latest audited financial statements of the PRS Provider and the Funds for the current financial year (where applicable);
- (f) the audited financial statements of the PRS Provider and the Funds (where applicable) for the last three (3) financial years or from the date of incorporation/inception, if less than three (3) years, preceding the date of this Replacement Disclosure Document;
- (g) writ and relevant cause papers for all current material litigation and arbitration disclosed in this Replacement Disclosure Document (if any); and
- (h) any consent given by experts or persons named in this Replacement Disclosure Document.

(17) APPROVALS AND CONDITIONS

The Scheme has been approved and the Funds have been authorized by the SC on 23 April 2013, subject to the following conditions:

With regard to the AIA PAM - Conservative Fund, the following prohibitions and requirements must be complied with at all times:

1. Investments in debentures/fixed income instruments must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of AIA PAM - Conservative Fund's NAV ("the 5% Limit"). In the event the 5% Limit is exceeded, whether as a result of:
 - (a) a downgrade of any debenture/fixed income instrument to below BBB3/P2;
 - (b) an increase in the aggregate value of debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated; or
 - (c) a decrease in the NAV of AIA PAM - Conservative Fund,the PRS Provider must reduce such investments to comply with the 5% Limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interests of the Members;
2. Use of derivatives is for hedging purposes only;
3. No investments in warrants except as a result of AIA PAM - Conservative Fund's holdings in equities;
4. No investment in products with embedded derivatives;
5. No exposure to foreign currency; and
6. No investments in RM-denominated foreign debentures/fixed income instruments.

The PRS Provider has sought for a variation from complying with the requirements of Section 3.33 of the Guidelines which states that the PRS Provider must not hold any Unit in a Fund under the Scheme, other than when complying with repurchase requests by Members or in creating new Units to meet anticipated requests for Units from contributions ("manager's box"), subject to a maximum of three million units per fund or 10% of the Units in circulation of the Fund, whichever is the lower. The SC has on 23 April 2013 approved the variation to allow the PRS Provider to hold five million Units in each Fund under the Scheme as seed capital ("Seed Units") subject to the following conditions:

1. Seed Units in each of the Fund must be segregated from other Units held by the PRS Provider in the manager's box for the purposes permitted under Section 3.33 of the Guidelines;
2. Adequate disclosure in this Replacement Disclosure Document on the Seed Units including details on how the Seed Units will be redeemed;
3. The annual and interim reports must disclose the Seed Units held in both number of Units and in percentage terms;
4. The PRS Provider is to ensure that processes are in place to mitigate conflict of interest situations and that it has satisfactory policies and procedures to identify and manage such situations to ensure that the Funds under the Scheme and other future funds under its management, are not disadvantaged; and
5. If the PRS Provider resigns or is removed as the private retirement scheme provider of the Scheme, the Scheme Trustee must ensure that the Seed Units are acquired by the new private retirement scheme provider and the SC's terms and conditions governing the Seed Units will

continue to apply notwithstanding the change in the private retirement scheme provider of the Scheme.

In June 2015, the Seed Units in all the Funds have been redeemed and hence, the provisions for Seed Units shall no longer be applicable.

(18) TAXATION ADVISER'S LETTER

The Board of Trustees
Deutsche Trustees Malaysia Berhad
c/o AIA Pension and Asset Management Sdn Bhd
Level 21, Menara AIA
99 Jalan Ampang
50450 Kuala Lumpur

20 October 2016

Dear Sirs.

Re: Taxation of the AIA Private Retirement Scheme Fund and Members

This letter has been prepared for inclusion in the replacement disclosure document ("Replaced Disclosure Document") in connection with the offer of units in the AIA Private Retirement Scheme ("the Scheme") which comprise the following funds:-

- AIA PAM – Growth Fund;
- AIA PAM – Moderate Fund;
- AIA PAM – Conservative Fund; and
- AIA PAM – Islamic Moderate Fund.

(Collectively, the "Funds")

Taxation of the Funds

The Funds are offered under the Scheme approved by the Securities Commission Malaysia ("SC") in accordance with the Capital Markets and Services Act 2007. The Scheme is an approved scheme for Malaysian income tax purposes pursuant to Section 2 of the Malaysian Income Tax Act, 1967 ("the Act"). Thus, the income of the Funds is exempt from tax under Paragraph 20, Schedule 6 of the Act.

As the income derived by the Funds is exempt from tax, all expenses incurred by the Funds are disregarded for income tax purposes.

The Funds may receive dividends, interest (or profit) and other income as well as gains from investments outside Malaysia and such income may be subject to tax in the country from which it is derived.

Real Property Gains Tax ("RPGT")

Gains on disposal of investment by the Funds will generally not be subject to income tax in Malaysia. However, such gains may be subject to RPGT under the Real Property Gains Tax Act, 1976 ("RPGT Act"), if the gains are derived from the sale of chargeable assets, as defined in the RPGT Act.

Goods and Services Tax ("GST")

GST, which replaced Sales Tax and Service Tax, has been implemented in Malaysia with effect from 1 April 2015, at a standard rate of 6%.

The issue, holding or redemption of any unit under the Funds is regarded as an exempt supply. The investment activities of the Funds such as buying and selling of securities and deposits in financial institutions are exempt supplies which are not subject to GST. Thus, if the Funds are making exempt supplies only, the Funds are not required to be registered for GST.

However, certain expenses incurred by the Funds such as fund manager's fees, trustee fees and professional fees will be subject to GST at the standard rate if the service providers are registered persons. If the Funds are only making exempt supplies, any input tax incurred by the Funds for the aforementioned expenses are not claimable.

Taxation of Members' Employers

Employers who make contributions to the Funds on behalf of their employees, resident or non resident in Malaysia, are allowed to claim a tax deduction against their business income for the contributions made. The allowable tax deduction is, together with contribution made to any other approved scheme (such as the Employees Provident Fund), restricted to 19% of the employees' remuneration.

Taxation of Members

The members are taxed on an amount equivalent to their share of the total taxable income of the Funds, to the extent that this is distributed to them. However, since the income of the Funds is exempt from Malaysian income tax, the income distributed from the Funds to the members should be exempted from Malaysian income tax as well.

Distribution of income in the form of units of the Funds to its members which are reinvested are exempted from income tax. Units split by the Funds are also exempt from tax in the hands of the members.

Individual members who are resident in Malaysia and who have made contributions to the Funds during the basis year for a year of assessment ("YA") are allowed to claim a tax relief on the amount of the contributions made to the Funds together with any deferred annuity payment made, subject to a maximum amount of RM3,000 per annum, for a period of ten years from YA 2012 to YA 2021.

With effect from 1 January 2013, the withdrawal of contributions made from a private retirement scheme ("PRS") by a member before reaching the age of fifty-five (other than by reason of death, permanent total disablement, serious disease, mental disability or permanently leaving Malaysia) would be subject to a withholding tax of 8%. The PRS provider is required to remit the tax withheld to the Inland Revenue Board within 1 month after paying the member. Failure to do so will result in a penalty of 10% being imposed on the PRS provider on the unpaid tax.

GST

The following gains or income received by the members are not subject to GST:-

- The distribution of income from the Funds to the unit holders which may comprise of dividend, interest income and gain from realisation of investments;
- Distribution of foreign income from the Funds;
- Unit split by the Funds and reinvestment of distribution; and
- Gain made from selling or redemption of units.

However, the following expenses incurred by the members should be subject to GST if the supplier is GST registered:-

- Any fee based charges in relation to buying of the units such as sales charge; and
- Switching and transfer charges for switching or transferring the units.

The tax position is based on Malaysian tax laws and the proposals made by the relevant authorities as they stand at present. Prospective investors should not treat the contents of this letter as advice relating to taxation matters and are advised to consult their own professional advisers concerning their respective investments.

Yours faithfully

Neoh Beng Guan
Executive Director

KPMG Tax Services Sdn Bhd

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