

THIRD REPLACEMENT DISCLOSURE DOCUMENT

This Third Replacement Disclosure Document is dated 31 August 2023.

AIA Private Retirement Scheme

Constitution date: 16 January 2013

Core Funds:

AIA PAM - Growth Fund

AIA PAM - Moderate Fund

AIA PAM - Conservative Fund

Constitution Date:

16 January 2013

16 January 2013

16 January 2013

Non-Core Funds:

AIA PAM - Islamic Moderate Fund

AIA PAM - Global Islamic Growth Fund

AIA PAM - Dynamic Asia Ex-Japan Fund

16 January 2013

8 September 2020

9 June 2023

**PRS Provider : AIA Pension and Asset Management Sdn Bhd
(Registration No.: 201201027147 / 1011637-P)**

**Scheme Trustee : Deutsche Trustees Malaysia Berhad
(Registration No.: 200701005591 / 763590-H)**

THIS IS THE THIRD REPLACEMENT DISCLOSURE DOCUMENT WHICH SUPERCEDES OR REPLACES THE SECOND REPLACEMENT DISCLOSURE DOCUMENT DATED 23 FEBRUARY 2021.

MEMBERS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE THIRD 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 21.

This is a Private Retirement Scheme

Responsibility Statements

This Third 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 this Third Replacement Disclosure Document false or misleading.

Statements of Disclaimer

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

The approval and authorisation, as well as the registration of this Third 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 Third 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 Third Replacement Disclosure Document. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Third 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 Third Replacement Disclosure Document is directly available through section 92A(3) of the *Capital Markets and Services Act 2007*.

The AIA PAM - Islamic Moderate Fund and AIA PAM - Global Islamic Growth Fund have been certified as being Shariah-compliant by the Shariah adviser appointed for the Funds.

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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.

baitulmal means the treasury of a State Islamic Religious Council.

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

Business Day means a day on which Bursa Malaysia is open for trading.

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.

Commencement Date means the date on which sale of Units of the Funds of the Scheme is first made.

conditionally vested Units means a Unit which accords a Member with entitlement to such Unit that is conditional upon fulfilment of conditions stipulated in a vesting schedule.

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 and any other supplemental deed that may be entered into between the PRS Provider and the Scheme Trustee and 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.

FIMM means the Federation of Investment Managers Malaysia.

financial institution means, if the institution is in Malaysia, licensed bank, licensed investment bank or licensed Islamic bank, or if the institution is outside Malaysia, any institution that is licensed, registered, approved, or authorised by the relevant banking regulator to provide financial services.

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.

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Funds/Funds under the Scheme	means the AIA PAM - Growth Fund, AIA PAM - Moderate Fund, AIA PAM - Conservative Fund, AIA PAM - Islamic Moderate Fund, AIA PAM - Global Islamic Growth Fund and AIA PAM - Dynamic Asia Ex-Japan Fund, and “Fund” means any 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	has the same meaning as defined in the Islamic Financial Services Act 2013.
licensed bank	has the same meaning assigned to it in the Financial Services Act 2013.
licensed investment bank	has the same meaning assigned to it in the Financial Services Act 2013.
licensed Islamic bank	has the same meaning assigned to it in the Islamic Financial Services Act 2013.
LPD	means the latest practicable date for the information in this Third Replacement Disclosure Document as at 30 April 2023.
Long Term	means a period of five (5) years and above.
MARC	means Malaysian Rating Corporation Berhad (Registration No.: 199501035601 / 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, AIA PAM - Global Islamic Growth Fund and AIA PAM - Dynamic Asia Ex-Japan Fund.
Pre-retirement withdrawal	means withdrawals from any Fund under the Scheme that occurs prior to a Member reaching the Retirement Age and for the following reasons: (a) upon the death of a Member;

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- (b) permanent departure of a Member from Malaysia;
- (c) due to permanent total disablement, serious disease or mental disability of a Member;
- (d) withdrawals of any accrued benefits from sub-account B as maintained by the PRS Provider for each member;
- (e) for healthcare purpose; or
- (f) for housing purpose.

PRS Provider	means AIA Pension and Asset Management Sdn Bhd (Registration No.: 201201027147 / 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 (Registration No.: 200701005589 / 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 the compulsory age of retirement as specified under any written law as may be amended from time to time.
RM	means Ringgit Malaysia.
S&P	means S&P Global Ratings.
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 / DTMB	means Deutsche Trustees Malaysia Berhad (Registration No.: 200701005591 / 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.

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Shariah	means Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of the Shariah namely the <i>Qur`an</i> (the holy book of Islam) and <i>Sunnah</i> (practices and explanations rendered by the Prophet Muhammad (<i>pbuh</i>)) and other sources of Shariah such as <i>Ijtihad</i> (exertion of individual efforts to determine the true ruling of the divine law on matters whose revelations are not explicit) of Shariah scholars.
Shariah Adviser	refers to BIMB Securities Sdn Bhd including its permitted assigns and successors in title.
Shariah requirements	means the rulings, guidelines and resolutions made by the SACSC or the advice given by the Shariah Adviser.
Shariah Supervisory Boards	refers to independent supervisory or advisory bodies of specialised jurists in <i>Fiqh al-mua`malat</i> (Islamic commercial jurisprudence).
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 endorsed by the SACSC or any relevant Shariah Supervisory Boards and/or the Shariah Adviser.
Third Replacement Disclosure Document	means the disclosure document in relation to the Scheme.
Unit or 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.
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
(Registration No.: 201201027147 / 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 Deutsche Trustees Malaysia Berhad
(Registration No.: 200701005591 / 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
E-mail: dtmb.rtm@db.com

**REGISTRAR AND TRANSFER
AGENT** KFin Technologies (Malaysia) Sdn. Bhd.
(Registration No.: 201601007727 / 1178655-U)

REGISTERED OFFICE Level 25, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

BUSINESS OFFICE Suite 6.2, Level 6, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (03) 2022 4900
Fax : (03) 2022 4099

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AUDIT, RISK, INFORMATION TECHNOLOGY, CORPORATE COMMUNICATION, HUMAN RESOURCE OPERATION BRANCH SERVICES AND CORPORATE SECRETARIAL SERVICE PROVIDER AIA Bhd
(Registration No.: 200701032867 / 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
Website: www.aia.com.my

INVESTMENT ACCOUNTING SERVICES PROVIDER AIA Shared Services Sdn Bhd
(Registration No.: 200901015123 / 858194-P)

REGISTERED OFFICE AND BUSINESS OFFICE Level 29, Menara AIA
99, Jalan Ampang
50450 Kuala Lumpur
Tel : (03) 2056 1111
Fax : (03) 2056 2992
Website: www.aia.com.my

SCHEME TRUSTEE Deutsche Trustees Malaysia Berhad
(Registration No.: 200701005591 / 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
E-mail: dtmb.rtm@db.com

SCHEME TRUSTEE'S DELEGATE (LOCAL & FOREIGN CUSTODIAN) Deutsche Bank (Malaysia) Berhad
(Registration No.: 199401026871 / 312552-W)

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

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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	Mohd Daruis bin Zainuddin (Independent director) Kang Ah Lai @ Kang Hak Koon (Independent director) Nor Daliya binti Mohd Daud (Non-independent director) Heng Zee Wang (Non-independent director)
AUDIT COMMITTEE	Mohd Daruis bin Zainuddin (Independent member) Kang Ah Lai @ Kang Hak Koon (Independent member) Heng Zee Wang (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	Wei Chien & Partners D-20-02, Menara Suezcap 1 No. 2, Jalan Kerinchi Gerbang Kerinchi Lestari 59200 Kuala Lumpur Tel : (03) 7931 9622 Fax : (03) 7931 9622 E-mail: weichien@wcnp.com.my Website: www.wcnp.com.my

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SHARIAH ADVISER	BIMB Securities Sdn Bhd (Registration No. 199401004484 / 290163-X)
REGISTERED OFFICE	32 nd Floor, Menara Bank Islam No. 22 Jalan Perak 50450 Kuala Lumpur Tel: 03-2726 7814 Fax: 03-2088 8033
BUSINESS OFFICE	Level 32, Menara Multi-Purpose, Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: 03 – 2613 1600 Fax: 03 – 2613 1799 E-mail: shariah@bimbsec.com.my Website: www.bimbsec.com.my
PRINCIPAL BANKERS	Deutsche Bank (Malaysia) Berhad Level 18-20, Menara IMC No. 8, Jalan Sultan Ismail 50250 Kuala Lumpur
FEDERATION OF INVESTMENT MANAGERS MALAYSIA	Federation of Investment Managers Malaysia (FIMM) 9-06-1, 6 th Floor, Wisma Tune No. 19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur Tel : (03) 7890 4242 E-mail : complaints@fimm.com.my Website : www.fimm.com.my
AGENTS	Registered private retirement scheme consultants and other approved institutional and corporate private retirement scheme advisers (as and when appointed) of the PRS Provider

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(3) KEY DATA

Name of Scheme	AIA Private Retirement Scheme	Page								
General Information/objective of the Scheme	<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>	26								
Operations of the Scheme	<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" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Name of Core Fund</th> <th style="text-align: center;">Age group</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">AIA PAM - Growth Fund</td> <td style="text-align: center;">Below forty-five (45) years</td> </tr> <tr> <td style="text-align: center;">AIA PAM - Moderate Fund</td> <td style="text-align: center;">Aged forty-five (45) years to fifty-four (54) years</td> </tr> <tr> <td style="text-align: center;">AIA PAM - Conservative Fund</td> <td style="text-align: center;">Aged fifty-five (55) 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-five (45) years (or such other age as may be prescribed by any relevant law), switch one-fifth (1/5) of the Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund for the Member; thereafter, we will, on each of the subsequent four (4) anniversaries of such switch, effect the following switches for the Member:</p> <ol style="list-style-type: none"> (1) on the first anniversary, one-quarter (1/4) of the then remaining Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund; (2) on the second anniversary, one-third (1/3) of the then remaining Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund; (3) on the third anniversary, half (1/2) of the then remaining Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund; and 	Name of Core Fund	Age group	AIA PAM - Growth Fund	Below forty-five (45) years	AIA PAM - Moderate Fund	Aged forty-five (45) years to fifty-four (54) years	AIA PAM - Conservative Fund	Aged fifty-five (55) years and above	26 – 27, 59 - 61
Name of Core Fund	Age group									
AIA PAM - Growth Fund	Below forty-five (45) years									
AIA PAM - Moderate Fund	Aged forty-five (45) years to fifty-four (54) years									
AIA PAM - Conservative Fund	Aged fifty-five (55) years and above									

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	<p>(4) on the fourth anniversary, all of the then remaining Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund;</p> <p>and</p> <p>(b) the age of fifty-five (55) years (or such other age as may be prescribed by any relevant law), switch one-fifth (1/5) of the Units of the AIA PAM - Moderate Fund into Units of the AIA PAM - Conservative Fund for the Member; thereafter, we will, on each of the subsequent four (4) anniversaries of such switch, effect the following switches for the Member:</p> <p>(1) on the first anniversary, one-quarter (1/4) of the then remaining Units of the AIA PAM - Moderate Fund into Units of the AIA PAM - Conservative Fund;</p> <p>(2) on the second anniversary, one-third (1/3) of the then remaining Units of the AIA PAM - Moderate Fund into Units of the AIA PAM - Conservative Fund;</p> <p>(3) on the third anniversary, half (1/2) of the then remaining Units of the AIA PAM - Moderate Fund into Units of the AIA PAM - Conservative Fund; and</p> <p>(4) on the fourth anniversary, all of the then remaining Units of the AIA PAM - Moderate Fund into Units of 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 Third Replacement Disclosure Document.</p> <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</p>	
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	<p>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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of Funds</th> </tr> </thead> <tbody> <tr> <td> <p>Core Funds:</p> <p>(a) AIA PAM - Growth Fund</p> <p>(b) AIA PAM - Moderate Fund</p> <p>(c) AIA PAM - Conservative Fund</p> </td> </tr> <tr> <td> <p>Non-Core Funds:</p> <p>AIA PAM - Islamic Moderate Fund</p> <p>AIA PAM - Global Islamic Growth Fund</p> <p>AIA PAM - Dynamic Asia Ex-Japan Fund</p> </td> </tr> </tbody> </table>	Name of Funds	<p>Core Funds:</p> <p>(a) AIA PAM - Growth Fund</p> <p>(b) AIA PAM - Moderate Fund</p> <p>(c) AIA PAM - Conservative Fund</p>	<p>Non-Core Funds:</p> <p>AIA PAM - Islamic Moderate Fund</p> <p>AIA PAM - Global Islamic Growth Fund</p> <p>AIA PAM - Dynamic Asia Ex-Japan Fund</p>	26
Name of Funds					
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<p>Non-Core Funds:</p> <p>AIA PAM - Islamic Moderate Fund</p> <p>AIA PAM - Global Islamic Growth Fund</p> <p>AIA PAM - Dynamic Asia Ex-Japan Fund</p>					

Name of Fund	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	
Category of Fund	Core (Growth)	Core (Moderate)	Core (Conservative)	-
Initial Price	RM1.00			-
Investment Objective	<p>The Fund seeks to provide returns through capital growth.</p>	<p>The Fund seeks to provide returns through a combination of income* and capital growth.</p> <p><i>*Income will be reinvested in additional Units in the Fund.</i></p>	<p>The Fund seeks to provide returns through income* that is consistent with capital preservation**.</p> <p><i>*Income will be reinvested in additional Units in the Fund.</i></p> <p><i>**The Fund is not capital guaranteed nor capital protected.</i></p>	28, 29 & 31
	<i>Any material change to the investment objective of the Fund would require the Members' approval.</i>			

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Investment Strategy	<p>The Fund will invest in equities with a bias towards equities with potential for growth. The Fund will invest in local and foreign markets.</p> <p>The Fund will also invest at least 10% of its NAV in local fixed income instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC, money market instruments and/or deposits with financial institutions.</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 35% of its NAV in local fixed income instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC, money market instruments and/or deposits with financial institutions.</p>	<p>The Fund will invest at least 70% of its NAV in fixed income instruments, money market instruments and/or deposits with financial institutions, of which a minimum of 10% of the Fund’s NAV will be invested in money market instruments and/or deposits with financial institutions.</p> <p>The remainder of the Fund’s NAV will be invested in equities and collective investment schemes, of which a maximum of 20% of the Fund’s NAV in collective investment schemes. The Fund will invest in local and foreign markets.</p>	28 - 32
<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 90% of the Fund’s NAV in equities • At least 10% of the Fund’s NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions 	<ul style="list-style-type: none"> • Up to 65% of the Fund’s NAV in equities • At least 35% of the Fund’s NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions 	<ul style="list-style-type: none"> • At least 70% of the Fund’s NAV in fixed income instruments, money market instruments and/or deposits with financial institutions, of which a minimum of 10% of the Fund’s NAV will be invested in money market instruments and/or deposits with financial institutions. • The remainder of the Fund’s NAV will be invested in equities and collective investment schemes, of which a maximum 	29, 30 - 31 & 32

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			of 20% of the Fund's NAV in collective investment schemes.	
Performance Benchmark	30% FBMT 100 Index + 20% MSCI AC Asia Ex-Japan Index + 20% Quant Shop MGS All Bond Index + 30% MSCI World Index.	25% FBMT 100 Index + 15% MSCI AC Asia Ex-Japan Index + 40% Quant Shop MGS All Bond Index + 20% MSCI World Index.	60% Quant Shop MGS All Bond Index + 10% Malayan Banking Berhad Overnight Rate + 20% FBMT 100 Index + 10% Bloomberg Barclays Global Aggregate Corporate TR Index Unhedged USD.	28, 30, 31
<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 • Country risk • Currency risk 	23 - 24
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 forty-five (45) 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-five (45) years but are not yet fifty-five (55) years old, their contributions will be allocated into this Fund.</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></p> <p><i>**The Fund is not capital guaranteed nor capital protected.</i></p> <p>For Members under the Default Option who are fifty-five (55) years old and above, their contributions will be allocated into this Fund.</p>	29, 31 & 32

This is a Private Retirement Scheme

Financial Year End	30 April	30 April	30 April	-
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Name of Fund	AIA PAM - Islamic Moderate Fund	AIA PAM - Global Islamic Growth Fund	AIA PAM - Dynamic Asia Ex-Japan Fund	
Category of Fund	Non-Core (Balanced)	Non-Core (Equity)	Non-Core (Mixed Assets)	-
Initial Offer Period	-	-	A period of not more than twenty one (21) days from 26 September 2023.	-
Initial Price	RM1.00	RM0.50	RM1.00	-
Investment Objective	<p>The Fund seeks to provide returns through a combination of income* and capital growth from a portfolio that is consistent with Shariah principles.</p> <p><i>*Income will be reinvested in additional Units in the Fund.</i></p>	<p>The Fund seeks to provide returns through capital growth by investing in Shariah-compliant securities predominantly in the global markets.</p>	<p>The Fund seeks to provide income* and capital growth over the Medium to Long Term with investments predominantly in the Asia Ex-Japan market.</p> <p><i>*Income will be reinvested in additional Units in the Fund.</i></p>	32, 34 & 35
<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 a Shariah-compliant portfolio comprising Shariah-compliant equities with potential for growth and Shariah-compliant 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, Islamic money market</p>	<p>The Fund will invest between 60% and 90% of its NAV in Shariah-compliant equities including Islamic collective investment schemes.#</p> <p>The Fund will also invest at least 10% of its NAV in sukuk, Islamic deposits and/or Islamic money market instruments.#</p> <p>The Fund will invest in local and foreign markets.</p>	<p>The Fund will invest between 20% and 80% of its NAV in equities, including collective investment schemes and between 20% and 80% of its NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions.</p> <p>The Fund will invest in local and foreign markets.</p>	33 - 36

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	<p>instruments and/or Islamic deposits with financial institutions.</p> <p>The Fund will only invest locally.</p>	<p><i># If in the opinion of the PRS Provider, it is necessary to preserve the volume of equities held by the Fund, the PRS Provider may adopt a temporary defensive strategy during adverse market conditions by reducing the Fund's Shariah-compliant equity exposure to an amount below 60% and raising its level of investments in sukuk, Islamic deposits and/or Islamic money market instruments for a period no longer than 6 months.</i></p>		
	<p><i>Please refer to the Investment Strategy section under Section 5 for further details.</i></p>			
Asset Allocation	<ul style="list-style-type: none"> Between 40% and 60% of the Fund's NAV in Shariah-compliant equities At least 40% of the Fund's NAV in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions. 	<ul style="list-style-type: none"> Between 60% and 90% of the Fund's NAV in Shariah-compliant equities including Islamic collective investment schemes. At least 10% of the Fund's NAV in sukuk, Islamic deposits and/or Islamic money market instruments. 	<ul style="list-style-type: none"> Between 20% and 80% of the Fund's NAV in equities, including collective investment schemes. Between 20% and 80% of the Fund's NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions. 	33, 35 & 36
Performance Benchmark	50% FBM EMAS Shariah Index + 50% Quant Shop GII All Index	Target return of 6% per annum	50% MSCI AC Asia Ex Japan Index + 50% Quant Shop MGS All Bond Index	33, 34 & 35
	<p><i>Please note that the risk profile of the Fund does not reflect that of the performance benchmark.</i></p>			
Principal Risks	<ul style="list-style-type: none"> Credit/default risk Interest rate risk Particular security risk Shariah status reclassification risk 	<ul style="list-style-type: none"> Credit/default risk Interest rate risk Particular security risk Country risk 	<ul style="list-style-type: none"> Credit/default risk Interest rate risk Particular security risk Country risk 	23 - 25

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		<ul style="list-style-type: none"> • Currency risk • Shariah status reclassification risk 	<ul style="list-style-type: none"> • Currency risk 	
Member Profile	Members who: <ul style="list-style-type: none"> • are seeking returns over the Medium to Long Term period; and • have a moderate risk appetite. 	Members who: <ul style="list-style-type: none"> • are seeking returns over the Medium to Long Term period; and • have a moderate to high-risk appetite. 	Members who: <ul style="list-style-type: none"> • are seeking investment to achieve income and capital growth over the Medium to Long Term period; and • have a moderate risk appetite. 	34, 35 & 36
Financial Year End	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	AIA PAM - Global Islamic Growth Fund	AIA PAM - Dynamic Asia Ex-Japan 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>						50
Redemption charge	Nil.						50
Switching fee (between Funds in this Scheme)	No charges for the first two (2) switches in each calendar year. RM25.00 will be imposed for all subsequent switches after the first two (2) switches in each calendar year.						51
Transfer fee (to another private retirement scheme provider)	RM25.00 for each transfer request.						51

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

Name of Fund	AIAPAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund	AIA PAM - Global Islamic Growth Fund	AIA PAM - Dynamic Asia Ex-Japan Fund	Page
Annual management fee	Up to 1.50% per annum of the NAV of the Fund.					Up to 1.80% per annum of the NAV of the Fund.	51
Annual Scheme Trustee fee	0.04% per annum of the NAV of the Fund.						51
Annual PPA administration fee	0.04% per annum of the NAV of the Fund.						51
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; • fees and expenses properly incurred by the auditor; • fees for the valuation of any investment 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; and • other expenses as permitted under the Deed. 						52 - 53

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

Name of Fund	AIAPAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund	AIA PAM - Global Islamic Growth Fund	AIA PAM - Dynamic Asia Ex-Japan Fund	Page
PPA account opening fee	RM10.00 (one-off).						52

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PPA annual fee	RM8.00 (not payable for the year the account was first opened and not payable for the year(s) where no contributions were made).	52
PPA pre-retirement withdrawal fee	RM25.00 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.	52
PPA transfer fee (to another private retirement scheme provider)	RM25.00 for each transfer request.	52
<p><i>Note: The PPA reserves the right to waive or revise the abovementioned fees at its sole and absolute discretion.</i></p>		

Transaction Information

Name of Fund	AIAPAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM – Islamic Moderate Fund	AIA PAM - Global Islamic Growth Fund	AIA PAM - Dynamic Asia Ex-Japan Fund	Page
Minimum initial contribution	RM100.00 <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>						59
Minimum additional contribution	RM100.00 <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>						59
Minimum withdrawal	1,000 Units.						60
Switching between Funds	Members are permitted to switch to any other Fund under the Scheme. Switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Members.						62 - 63
Transfer between private retirement scheme providers	<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 prior to a Member reaching the Retirement Age subject to the satisfaction of the following terms and conditions:</p> <p>(a) You may request for transfer once every calendar year from one or multiple Funds under the Scheme to another private retirement scheme managed by another private retirement scheme provider. All accrued benefits from a particular Fund under the Scheme shall be transferred to one other fund of another private retirement scheme; and</p>						61 - 62

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	<p>(b) Such request for transfer to another private retirement scheme operated by another private retirement scheme provider may only be made provided that no transfer can be made from the Scheme where you have been a member of that Scheme (whether via member contribution or employer contribution) for less than one year.</p> <p>For conditionally vested Units, a Member's request for transfer of Units to another private retirement scheme operated by another private retirement scheme provider shall not be executed until the Units issued pursuant to such contributions are vested unconditionally.</p>		
Income distribution policy	Distribution is incidental.	Subject to the availability of income, distribution (if any) will be distributed annually.	64

Other Information

Name of Fund	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund	AIA PAM - Global Islamic Growth Fund	AIA PAM - Dynamic Asia Ex-Japan Fund
Deed	Deed dated 16 January 2013, Supplemental Deed dated 16 August 2013, Second Supplemental Deed dated 14 December 2015, Third Supplemental Deed dated 8 September 2020 and Fourth Supplemental Deed dated 9 June 2023.					
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 Industry Dispute Resolution Center (SIDREC):</p> <p>(a) via phone to : 03-2282 2280 (b) via fax to : 03-2282 3855 (c) via e-mail 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</p>					

This is a Private Retirement Scheme

	<p>(iii) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer and Investor Office:</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 : Consumer and Investor Office Securities Commission Malaysia No. 3, Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur <p>(iv) Alternatively, you can also escalate your complaint to the Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:</p> <ul style="list-style-type: none">(a) via phone to : 03 - 7890 4242(b) via e-mail to : complaints@fimm.com.my(c) via online complaint form available at : www.fimm.com.my(d) via letter to : Legal, Secretarial & Regulatory Affairs Federation of Investment Managers Malaysia 9-06-1, 6th Floor, Wisma Tune No. 19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
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This is a private retirement scheme.

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:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

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(vi) 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. Thus, the value of the Fund's investments would fall and subsequently the value of a Member's investments would be reduced.

Liquidity risk is also our ability to honour redemption requests or to pay Members' redemption proceeds in a timely manner. We will actively manage the liquidity of the Fund and/or borrow or take cash financing on a temporary basis to manage the Members' redemption requests.

(vii) 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 that 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 that the 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.

(viii) 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.

(ix) 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.

(ix) Suspension of Withdrawal Risk

The withdrawal of Units of a Fund may, in consultation with the Scheme Trustee and having considered the interests of the Members, be suspended if the fair value of a material portion of the Fund's investments cannot be reasonably determined. Upon suspension, the Fund will not be able to pay the Members' withdrawal proceeds in a timely manner and the Members will be compelled to remain invested in the Fund for a longer period of time than the stipulated withdrawal timeline. Any withdrawal request received by the PRS Provider during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund.

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Hence, the Members' investments will continue to be subjected to the risk factors inherent to the Fund. Please refer to Section 8(i) for more information on suspension of dealing in Units.

Specific Risks of each Fund

	AIA PAM - Growth Fund	AIA PAM - Moderate Fund	AIA PAM - Conservative Fund	AIA PAM - Islamic Moderate Fund	AIA PAM - Global Islamic Growth Fund	AIA PAM - Dynamic Asia Ex-Japan 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>Shariah status reclassification risk</i>				√	√	

(a) Credit/Default Risk

This risk refers to the risk of the issuer of the fixed income instruments/sukuk being unable to make coupon/profit payments and/or repay/pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Members' contributions. 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/sukuk prior to investing. In addition, the PRS Provider adopts a minimum rating requirement for investments in fixed income instruments/sukuk.

(b) Interest Rate Risk

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

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

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(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 the 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) Shariah Status Reclassification Risk

1. Shariah-compliant equity securities

The risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of Islamic funds may be reclassified as Shariah non-compliant in the periodic review of the securities by the SACSC, the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. If this occurs, the PRS Provider will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Funds to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Funds are required:

- (i) to dispose such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of Reclassification of the list of Shariah-compliant securities ("Reclassification") by the SACSC or date of review ("Review") by the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. The Funds are allowed to keep dividends received up to the effective date of Reclassification or Review and capital gains from the disposal of the Shariah non-compliant securities on the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification or Review should

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be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;

- (ii) to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or
- (iii) to dispose such securities at a price lower than the investment cost which will result in a decrease in the Funds' value.

2. Sukuk, Islamic money market instruments, Islamic deposits or Islamic collective investment schemes

This risk refers to the risk of a possibility that the currently held sukuk, Islamic money market instruments, Islamic deposits or Islamic collective investment schemes invested by Islamic funds may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the PRS Provider will take the necessary steps to dispose of or withdraw such bonds, money market instruments, deposits or collective investment schemes.

(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

- (i) AIA PAM - Islamic Moderate Fund
- (ii) AIA PAM - Global Islamic Growth Fund
- (iii) AIA PAM - Dynamic Asia Ex-Japan 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-five (45) years
AIA PAM - Moderate Fund	Aged forty-five (45) years to fifty-four (54) years
AIA PAM - Conservative Fund	Aged fifty-five (55) 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-five (45) years (or such other age as may be prescribed by any relevant law), switch one-fifth (1/5) of the Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund for the Member; thereafter, we will, on each of the subsequent four (4) anniversaries of such switch, effect the following switches for the Member:

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- (1) on the first anniversary, one-quarter (1/4) of the then remaining Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund;
- (2) on the second anniversary, one-third (1/3) of the then remaining Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund;
- (3) on the third anniversary, half (1/2) of the then remaining Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund; and
- (4) on the fourth anniversary, all of the then remaining Units of the AIA PAM - Growth Fund into Units of the AIA PAM - Moderate Fund;

and

- (b) the age of fifty-five (55) years (or such other age as may be prescribed by any relevant law), switch one-fifth (1/5) of the Units of the AIA PAM - Moderate Fund into Units of the AIA PAM - Conservative Fund for the Member; thereafter, we will, on each of the subsequent four (4) anniversaries of such switch, effect the following switches for the Member:
 - (1) on the first anniversary, one-quarter (1/4) of the then remaining Units of the AIA PAM - Moderate Fund into Units of the AIA PAM - Conservative Fund;
 - (2) on the second anniversary, one-third (1/3) of the then remaining Units of the AIA PAM - Moderate Fund into Units of the AIA PAM - Conservative Fund;
 - (3) on the third anniversary, half (1/2) of the then remaining Units of the AIA PAM - Moderate Fund into Units of the AIA PAM - Conservative Fund; and
 - (4) on the fourth anniversary, all of the then remaining Units of the AIA PAM - Moderate Fund into Units of 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 PRS 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.

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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

Subject to the paragraph below, a Member holding conditionally vested Units shall have the same rights in respect of those Units as though the Units were vested Units (including, for the avoidance of doubt, the right to switch the Units of a Fund of the Scheme into the Units of another Fund of the Scheme, 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 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 + 20% MSCI AC Asia Ex-Japan Index + 20% Quant Shop MGS All Bond Index + 30% MSCI World Index.

(Source: <http://www.bursamalaysia.com>, <http://www.msci.com/products/indices/tools> and <http://www.quantshop.com>)

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 markets. 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 will also have its equity allocation in the Malaysia market and may through investment in collective investment schemes, in the eligible markets 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.

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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 10% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC, money market instruments and/or deposits with financial institutions. 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 investment in fixed income instruments and/or money market instruments. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analysis to identify appropriate fixed income instruments and/or money market 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 90% of the Fund's NAV in equities.
- At least 10% of the Fund's NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions.

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 45 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.

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Performance Benchmark

25% FBMT 100 Index + 15% MSCI AC Asia Ex-Japan Index + 40% Quant Shop MGS All Bond Index + 20% MSCI World Index.

(Source: <http://www.bursamalaysia.com>, <http://www.msci.com/products/indices/tools> and <http://www.quantshop.com>)

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 will have its equity allocation in the Malaysia market and may through investment in collective investment schemes, in the eligible markets 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 35% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC, money market instruments and/or deposits with financial institutions. 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 and/or money market instruments. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analysis to identify appropriate fixed income instruments and/or money market 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 65% of the Fund's NAV in equities.

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- At least 35% of the Fund's NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions.

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-five (45) years but are not yet fifty-five (55) 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

60% Quant Shop MGS All Bond Index + 10% Malayan Banking Berhad Overnight Rate + 20% FBMT 100 Index + 10% Bloomberg Barclays Global Aggregate Corporate TR Index Unhedged USD

(Source: <http://www.bursamalaysia.com>, www.maybank2u.com.my, <http://www.quantshop.com> and <https://www.bloomberg.com/quote/LGCPTREH:IND>)

The composite performance benchmark of the Fund is derived from the asset allocation of the Fund.

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 70% of its NAV in fixed income instruments, money market instruments and/or deposits with financial institutions, of which a minimum of 10% of the Fund's NAV will be invested in money market instruments and/or deposits with financial institutions. The remainder of the Fund's NAV will be invested in equities and collective investment schemes, of which a maximum of 20% of the Fund's NAV in collective investment schemes. The Fund may through investment in collective investment schemes invest in the eligible markets such as (but not limited to) Singapore, Thailand, Philippines, Indonesia, Hong Kong, Korea and Taiwan.

The Fund will invest in fixed income instruments and/or money market instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. The PRS Provider adopts a top-down

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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 and/or money market instruments. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analysis to identify appropriate fixed income instruments and/or 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 70% of the Fund's NAV in fixed income instruments, money market instruments and/or deposits with financial institutions, of which a minimum of 10% of the Fund's NAV will be invested in money market instruments and/or deposits with financial institutions.
- The remainder of the Fund's NAV will be invested in equities and collective investment schemes, of which a maximum of 20% of the Fund's NAV in collective investment schemes.

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 55 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.

This is a Private Retirement Scheme

Performance Benchmark

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

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

The composite performance benchmark of the Fund is derived from the asset allocation of the Fund.

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 and/or Islamic deposits with financial institutions. 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 and/or Islamic money market instruments. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analysis to identify appropriate sukuk and/or Islamic money market instruments for the Fund. The Fund will invest in Islamic deposits and/or Islamic money market instruments with a remaining maturity period of not more than 365 days. If the credit rating of the sukuk and/or Islamic money market instruments falls below the credit rating, the PRS Provider may dispose of the particular sukuk and/or Islamic money market instrument affected. However, the PRS Provider may, at its discretion, maintain the investment if it is of the opinion that the credit event is a temporary event.

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

Asset Allocation

- Between 40% and 60% of the Fund's NAV in Shariah-compliant equities.
- At least 40% of the Fund's NAV in sukuk, Islamic money market instruments and/or Islamic deposits with financial institutions.

This is a Private Retirement Scheme

Member Profile

Members who:

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

AIA PAM – Global Islamic Growth Fund

Investment Objective

The Fund seeks to provide returns through capital growth by investing in Shariah-compliant securities predominantly in the global markets.

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

Performance Benchmark

Target return of 6% per annum.

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 between 60% and 90% of its NAV in local and foreign Shariah-compliant equities, including Islamic collective investment schemes with potential for growth.

The portfolio also expects to have its Shariah-compliant securities allocation in the Malaysia market and eligible markets such as (but not limited to) the United States of America, United Kingdom, Luxembourg, Singapore, Thailand, Philippines, Indonesia, Hong Kong, Korea and Taiwan. The actual allocation between local and foreign Shariah-compliant 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 Shariah-compliant equities with due consideration to market sentiment. 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, if in the opinion of the PRS Provider, it is necessary to preserve the volume of equities held by the Fund, the PRS Provider may adopt a temporary defensive strategy during adverse market conditions by reducing the Fund's Shariah-compliant equity exposure to an amount below 60% and raising its level of investments in sukuk, Islamic deposits and/or Islamic money market instruments for a period no longer than 6 months.

The Fund will also invest at least 10% of its NAV in sukuk, Islamic deposits and/or Islamic money market instruments. The Fund will invest in sukuk and/or Islamic money market instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. The Fund will invest in Islamic deposits and/or Islamic money market instruments with a remaining maturity period of not more than 365 days. The PRS Provider adopts a top-down investment process which begins with an analysis of

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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 and/or Islamic money market instruments. The PRS Provider also uses a bottom-up security selection process which focuses on fundamental credit and relative value analysis to identify appropriate sukuk and/or Islamic money market instruments for the Fund. If the credit rating of the sukuk and/or Islamic money market instruments falls below the credit rating, the PRS Provider may dispose of the particular sukuk and/or Islamic money market instrument affected. However, the PRS Provider may, at its discretion, maintain the investment if it is of the opinion that the credit event is a temporary event.

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

Asset Allocation

- Between 60% and 90% of the Fund's NAV in Shariah-compliant equities including Islamic collective investment schemes.
- At least 10% of the Fund's NAV in sukuk, Islamic deposits and/or Islamic money market instruments.

Member Profile

Members who:

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

AIA PAM - Dynamic Asia Ex-Japan Fund

Investment Objective

The Fund seeks to provide income* and capital growth over the Medium to Long Term with investments predominantly in the Asia Ex-Japan market.

**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% MSCI AC Asia Ex Japan Index + 50% Quantshop MGS All Bond Index

(Source: <http://www.msci.com/products/indices/tools> and <http://www.quantshop.com>)

There are no direct benchmarks that reflect a similar investment strategy as the Fund. Thus, the Fund will use a composition of the two (2) indices indicated above. The different weighting of the benchmark as compared to the Fund's asset allocation is due to the expected effective exposure of the Fund over the Medium to Long Term in meeting the Fund's objective.

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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 between 20% and 80% of its NAV in equities, including collective investment schemes and between 20% and 80% of its NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions.

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

Asset Allocation

- Between 20% and 80% of the Fund's NAV in equities, including collective investment schemes.
- Between 20% and 80% of the Fund's NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions.

Member Profile

Members who:

- are seeking investment to achieve income and capital growth 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 Third Replacement Disclosure Document, Deed and/or Guidelines;
- (b) Determining and monitoring the 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/Shariah-compliant equities and increase the asset allocation to lower risk assets, such as fixed income instruments/sukuk and liquid assets/Islamic 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/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/sukuk is also monitored and modified according to the PRS Provider's interest rate outlook;

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- (e) Practising prudent liquidity risk management to ensure that the Fund maintains reasonable levels of liquidity to meet any redemption request;
- (f) Regular reviewing of the Fund's performance; and
- (g) Escalating and reporting investment matters to the person(s) or members of a committee undertaking the oversight function of the Fund.

Liquidity Risk Management

In evaluating the Fund's liquidity, we:

- (a) will actively manage the liquidity of the Fund to meet withdrawal requests from Members; and/or
- (b) may borrow cash or take cash financing on a temporary basis for the purpose of meeting withdrawal requests for Units and for short term bridging requirements subject to the conditions set out in the section below under the heading "Borrowing and Securities Lending".

However, if we have exhausted the above avenue, we will then, in consultation with the Scheme Trustee and having considered the interests of the Members, resort to suspend the withdrawal of Units to manage the liquidity of the Fund if the fair value of a material portion of the Fund's investments cannot be reasonably determined. Any withdrawal request received by the PRS Provider during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer to Section 8(i) for more information on suspension of dealing in Units.

Borrowings and Securities Lending

Unless otherwise allowed by the SC or 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/obtain 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 Islamic 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.

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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 may 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 eligible markets;
- (b) Bank deposits and money market instruments with financial institutions;
- (c) Government securities and any other securities guaranteed by the Malaysian government, State government and Bank Negara Malaysia;
- (d) Corporate bond 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 and Bank Negara Malaysia;
- (b) Bank deposits and money market instruments with financial institutions;
- (c) Commercial papers;
- (d) Corporate bond;
- (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.

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AIA PAM - Islamic Moderate Fund

- (a) Shariah-compliant equities and Shariah-compliant equity-related securities that are listed on Bursa Malaysia;
- (b) Placement in Islamic deposits and Islamic money market instruments with Islamic financial institutions;
- (c) Government Shariah-compliant securities and any other Shariah-compliant securities guaranteed by the Malaysian government, State government and Bank Negara Malaysia;
- (d) Sukuk including those convertible into Shariah-compliant equities;
- (e) Units and shares in other Islamic 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.

AIA PAM - Global Islamic Growth Fund

- (a) Shariah-compliant equities and Shariah-compliant equity-related securities that are listed on Bursa Malaysia and any other eligible markets;
- (b) Government Shariah-compliant securities, Islamic treasury bills, Cagamas sukuk, and any other Shariah-compliant securities guaranteed by the Malaysian government, State government, Bank Negara Malaysia or other related government agencies;
- (c) Global sukuk including those convertible into Shariah-compliant equities;
- (d) Units and shares in global Islamic collective investment schemes;
- (e) Placement in Islamic deposits and Islamic money market instruments with Islamic financial institutions;
- (f) Islamic derivatives such as Islamic futures contract for hedging purposes only; and
- (g) Any other form of Shariah-compliant investments as may be permitted by the relevant authorities, from time to time.

AIA PAM - Dynamic Asia Ex-Japan Fund

- (a) Equities and equity-related securities that are listed on Bursa Malaysia and any other eligible markets;
- (b) Bank deposits and money market instruments with financial institutions;
- (c) Government securities and any other securities guaranteed by the Malaysian government, State government and Bank Negara Malaysia;

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- (d) Corporate bond 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.

Investment Restrictions

AIA PAM - Growth Fund, AIA PAM - Moderate Fund, AIA PAM - Conservative Fund, AIA PAM - Islamic Moderate Fund, AIA PAM - Global Islamic Growth Fund and AIA PAM – Dynamic Asia Ex-Japan Fund

Exposure Limit

- (a) The aggregate value of a Fund's investments in transferable securities/Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an eligible market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer.

Investment Spread Limits

- (b) The value of a Fund's investments in ordinary shares/Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- (c) The value of a Fund's investments in transferable securities/Shariah-compliant transferable securities and money market instruments/Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (a) issued by the same issuer must be included in the calculation.
- (d) The value of a Fund's placements in deposits/Islamic deposits with any single financial institution must not exceed 20% of the Fund's NAV.
- (e) The aggregate value of a Fund's investments in, or exposure to, a single issuer through transferable securities/Shariah-compliant transferable securities, money market instruments/Islamic money market instruments, deposits/Islamic deposits, underlying assets of derivatives/Islamic derivatives and counterparty exposure arising from the use of over-the-counter derivatives/Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in paragraph (a) issued by the same issuer must be included in the calculation.
- (f) The value of a Fund's investments in units or shares of any collective investment scheme/Islamic collective investment scheme must not exceed 20% of the Fund's NAV, provided that the

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collective investment scheme/Islamic collective investment scheme complies with the Guidelines.

- (g) The value of a Fund's investments in transferable securities/Shariah-compliant transferable securities and money market instruments/Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in paragraph (a) issued by the issuers within the same group of companies must be included in the calculation.

Exceptions to Investment Spread Limits

- (h) The single issuer limit in paragraph (c) may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.
- (i) Where the single issuer limit is increased to 35% of the Fund's NAV, the single issuer aggregate limit in paragraph (e) may be raised, subject to the group limit in paragraph (g) not exceeding 35% of the Fund's NAV.
- (j) The single financial institution limit in paragraph (d) does not apply to placements of deposits/Islamic deposits arising from:
 - (i) subscription monies received prior to the commencement of investment by the Fund;
 - (ii) liquidation of investments prior to the termination of the Fund, where the placement of deposits/Islamic deposits with various financial institutions would not be in the best interests of Members; or
 - (iii) monies held for the settlement of redemption or other payment obligations, where the placement of deposits/Islamic deposits with various financial institutions would not be in the best interest of Members.
- (k) Notwithstanding paragraph (f), investment in units or shares of one or more collective investment schemes/Islamic collective investment schemes is permitted in the following circumstances:
 - (i) from the launch of the Fund, the value of a Fund's investment in any of the collective investment scheme/Islamic collective investment scheme must not exceed 95% of the Fund's NAV;
 - (ii) upon reaching an NAV of RM200 million, the value of a Fund's investment in any of the collective investment scheme/Islamic collective investment scheme must not exceed 40% of the Fund's NAV; and
 - (iii) that the investment objective of the collective investment scheme/Islamic collective investment scheme is similar to the Fund.

Investment Concentration Limits

- (l) A Fund's investments in shares/Shariah-compliant shares or securities equivalent to shares/Shariah-compliant securities equivalent to shares must not exceed 10% of the

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shares/Shariah-compliant shares or securities equivalent to shares/Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.

- (m) A Fund's investments in debt securities/sukuk must not exceed 20% of the debt securities/sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of debt securities/sukuk in issue cannot be determined.
- (n) A Fund's investments in money market instruments/Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments/Islamic money market instruments that do not have a pre-determined issue size.
- (o) Except for investments by Core Funds, a Fund's investments in collective investment schemes/Islamic collective investment schemes must not exceed 25% of the units or shares in any one collective investment scheme/Islamic collective investment scheme.

Additional Requirements for Core Funds

AIA PAM - Conservative Fund

- (p) The Fund's investments in debt securities or money market instruments must be—
 - (i) at least long-term credit rating of investment grade (including gradation and subcategories); or
 - (ii) at least top two short-term rating,

by any Malaysian or global rating agency. However, debt securities or money market instruments which are rated below the rating in (i) or (ii), or are unrated, may comprise up to 5% of the Fund's NAV ("the 5% Limit"). In the case where the 5% Limit is exceeded, whether as a result of—

- (i) a downgrade of rating from the rating listed in (i) or (ii);
- (ii) an increase in the aggregate value of debt securities or money market instruments which are rated below the rating in (i) or (ii), or are unrated; or
- (iii) a decrease in the NAV of the 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.

- (q) Investment in derivatives, including embedded derivatives, are not permitted except for the following:
 - (i) the derivatives are used for hedging purposes; and
 - (ii) the holding of warrants as a result of the Fund's holdings in equities.

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. The PRS Provider must notify the SC within seven (7) Business Days of any breach of investment limits and restrictions with the steps taken to

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rectify and prevent such breach from recurring. However, any breach as a result of (a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of Units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, need not be reported to the SC but must be rectified as soon as practicable within three (3) months from the date of the breach unless otherwise specified in the Guidelines. The three-month period may be extended if it is in the best interest of Members and the Scheme Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Scheme Trustee.

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/Listed Shariah-compliant securities

Valuation of investments in listed securities/listed Shariah-compliant 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/Shariah-compliant 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/Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Scheme Trustee, then the securities/Shariah-compliant 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 deposits/Islamic fixed deposits

Fixed deposits/Islamic fixed 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/Islamic money market instruments

Valuation of investments in money market instruments/Islamic money market instruments such as negotiable certificates of deposits/Islamic negotiable certificate of deposits and bankers acceptance/Islamic 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/Islamic derivatives

Derivatives/Islamic 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.

This is a Private Retirement Scheme

Shariah Investment Guidelines, Cleansing Process and Zakat for the Funds

Shariah Investment Guidelines Adopted by BIMB Securities Sdn Bhd

The following guidelines are adopted by BIMB Securities Sdn Bhd in determining the Shariah status of investments of the Funds:

- The Funds must at all times and all stages of its operation comply with Shariah requirements as resolved by the SACSC or in cases where no specific rulings are made by the SACSC, the decisions of the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices.
- The Funds must be established and operated by the PRS Provider, and finally redeemed by the investors on the basis of contracts which are acceptable in Shariah. The banking facilities and short-term money market instruments used for the Funds have to be Shariah-compliant. Similarly, all the other investment instruments must be Shariah-compliant.
- For Shariah-compliant securities listed on Bursa Malaysia, the Funds' investments must be strictly confined to those Shariah-compliant securities on the List of Shariah-Compliant Securities by the SACSC.
- For Islamic money market instruments, sukuk and Islamic deposits, they shall be based on the data readily available on Bank Negara Malaysia, the SC and the financial institutions' websites.
- The SACSC has adopted a standard methodology to determine the Shariah compliance for the securities of companies listed on Bursa Malaysia. This methodology takes into consideration both the quantitative and qualitative aspects of the listed companies.

a) Quantitative Analysis

The quantitative part is a two-tier benchmark applied to the business activities of the companies and to the financial ratios of the companies. The business activity benchmarks consist of a 5% benchmark and a 20% benchmark.

(i) Business activity benchmarks

For the business activity benchmarks, the revenue or income contribution of Shariah non-compliant business activities to the group revenue or group profit before taxation of the listed companies will be computed and compared against the relevant business activity benchmarks, and must be less than the 5% or 20% benchmarks.

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

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

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- ❖ Shariah non-compliant entertainment;
- ❖ Interest income¹ from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitration);
- ❖ Dividends¹ from Shariah non-compliant investments;
- ❖ Tobacco and tobacco-related activities; and
- ❖ Other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

¹ Interest income and dividends from Shariah non-compliant investments will be compared against the group revenue. However, if the main activity of the company is holding of investment, the dividends from Shariah non-compliant investments will be compared against the group revenue and group profit before taxation.

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

- ❖ Share trading in Shariah non-compliant securities;
- ❖ Stockbroking business other than Islamic Stockbroking company;
- ❖ Rental received from Shariah non-compliant activities; and
- ❖ Other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

(ii) Financial ratio benchmarks

In addition, the financial ratios for cash in conventional accounts and instruments as well as interest bearing debts over the total assets of the listed companies are also considered in the analysis carried out by the SACSC to determine their Shariah compliance status.

The financial ratios applied are as follows:

□ **Ratio of 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.

□ **Ratio of debt over total assets**

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

Both benchmark ratios, which are intended to measure *riba* and *riba*-based elements within a listed company's balance sheet, must be less than 33%.

b) Qualitative analysis:

As for qualitative aspect of the Shariah compliance analysis, an additional criterion will be considered namely the public perception or image of the listed company which must be acceptable from the Shariah perspective.

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- The SACSC had considered the following criteria for a Special Purpose Acquisition Company to be classified as Shariah-compliant:
 - ❖ The proposed business activity should be Shariah-compliant;
 - ❖ The entire proceeds raised from the Initial Public Offering should be placed in Islamic accounts; and
 - ❖ In the event that the proceeds are invested, the entire investment should be Shariah-compliant.
- Shariah-compliant securities include ordinary shares and warrants (issued by the companies themselves). This means that warrants are classified as Shariah-compliant securities provided the underlying shares are also Shariah-compliant. On the other hand, loan stocks and bonds are Shariah non-compliant securities unless they are structured based on SACSC's approved Shariah rulings, concepts and principles.
- For investment in foreign securities, the Funds are only allowed to invest in Shariah-compliant securities which are on the approved lists maintained by the Shariah Adviser. In the event of reclassification of foreign Shariah-compliant securities to be Shariah non-compliant, the Funds are to abide by the rules as laid down by the SACSC and by this Shariah Investment Guidelines. In the event that the Funds wish to invest in foreign Shariah-compliant securities not covered by the approved lists by the Shariah Adviser, the PRS Provider must submit to the Shariah Adviser the latest information pertaining to the issuer's business activities, its complete financial statements and other related information to enable the Shariah Adviser to carry out Shariah screening. The Shariah Adviser applies the screening methodology of the SACSC.
- For investments in Islamic collective investment schemes, the PRS Provider must submit to the Shariah Adviser all pertinent information including the prospectuses, its structures, investment avenues, Shariah investment guidelines, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the Islamic collective investment schemes, for the Shariah Adviser to confirm the Shariah status of the said Islamic collective investment schemes.
- As for investment in foreign sukuk or any foreign investment instruments, the PRS Provider must submit to the Shariah Adviser all pertinent information including the memoranda and prospectuses, its structures, utilisation of the proceeds, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the sukuk issuance or instruments, for the Shariah Adviser to confirm the Shariah status of the sukuk or instruments.
- The Funds may only use derivatives for hedging purposes. Such derivatives must be Islamic derivatives. However, if Islamic derivatives are not available or are not commercially viable, the PRS Provider may use conventional derivatives subject to prior approval from the Shariah Adviser being obtained.
- The decision of the Shariah Adviser shall be final.
- To facilitate the purchase and sale of foreign Shariah-compliant securities and Shariah-compliant investment instruments, there may be a need to have cash placement in a conventional bank account outside Malaysia. In such circumstances, the conventional account should be non-interest bearing and the sole purpose is only to facilitate purchase and sale of foreign Shariah-compliant securities and Shariah-compliant investment instruments. In the event that such a non-

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interest bearing account is unavailable, all interests earned shall be cleansed and that shall be undertaken annually if not earlier.

Cleansing Process for the Funds

a) Wrong investment

i) Investment in Shariah non-compliant equity securities

The said investment shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. In the event that the investment resulted in any gain in the form of capital gain or dividend received before or after the disposal of the investment, it has to be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process (namely, channelling of income from wrongful investment to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser) shall be carried out within two (2) calendar months from the said disposal or withdrawal date. The Funds have a right to retain only the investment cost. If the disposal of the investment resulted in losses to the Funds, the losses are to be borne by the PRS Provider.

ii) Investment in other Shariah non-compliant instruments (namely, fixed income instruments, money market instruments, deposits or collective investment schemes)

The said investment shall be disposed or withdrawn with immediate effect, if possible, or otherwise within one (1) calendar month of knowing the status of the investment. In the event that the investment resulted in Shariah non-compliant income received before or after the disposal or withdrawal of the investment, it has to be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process (namely, channelling of income from wrongful investment to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser) shall be carried out within two (2) calendar months from the said disposal or withdrawal date. The Funds have a right to retain only the investment cost. If the disposal of the investment resulted in losses to the Funds, the losses are to be borne by the PRS Provider.

b) **Reclassification of Shariah Status of the Funds' Investments**

i) **Shariah-compliant equity securities**

Reclassification of Shariah status refers to securities which were earlier classified as Shariah-compliant securities but due to failure to meet the set benchmark criteria, are subsequently reclassified as Shariah non-compliant by the SACSC, the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. If on the effective date of Reclassification or Review, the value of the securities held exceeds or is equal to the investment cost, the Funds which hold such Shariah non-compliant securities must liquidate them. To determine the time frame to liquidate such securities, the Shariah Adviser advises that such securities should be disposed of within one (1) calendar month of Reclassification or Review.

Any dividends received up to the effective date of Reclassification or Review and capital gains arising from the disposal of the said reclassified Shariah non-compliant securities

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made with respect to the closing price on the effective date of Reclassification or Review can be kept by the Funds. However, any dividends received and excess capital gain derived from the disposal after the effective date of Reclassification or Review at a market price that is higher than the closing price on the effective date of Reclassification or Review shall be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within two (2) calendar months from the above disposal date.

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

- any issue of new securities by a company whose Shariah non-compliant securities are held by the Funds such as rights issues, bonus issues, special issues and warrants [excluding securities whose nature is Shariah non-compliant such as irredeemable convertible unsecured loan stock (ICULS)]; and
- securities of other companies offered by the company whose Shariah non-compliant securities are held by the Funds,

on conditions that the Funds expedite the disposal of the Shariah non-compliant securities. For securities of other companies [as stated in the second bullet above], they must be Shariah-compliant securities.

ii) **Sukuk, Islamic money market instruments, Islamic deposits or Islamic collective investment schemes**

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

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

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

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However, any income received and excess capital gain derived from the disposal after the effective date of Reclassification or Review at a price that is higher than the price on the effective date of Reclassification or Review shall be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within two (2) calendar months from the above disposal date.

Zakat for the Funds

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

Note: The Shariah Adviser confirms that the investment portfolios of AIA PAM-Islamic Moderate Fund and AIA PAM - Global Islamic Growth Fund comprise instruments that have been classified as Shariah-compliant by the SACSC, the Shariah Advisory Council of Bank Negara Malaysia or by the Shariah Supervisory Boards of relevant Islamic indices. For instruments that are not classified as Shariah-compliant by the SACSC, the Shariah Advisory Council of Bank Negara Malaysia or by the Shariah Supervisory Boards of relevant Islamic indices, the Shariah status of the instruments shall be reviewed and determined in accordance with the ruling issued by the Shariah Adviser.

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(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:

Contribution by a Member	Sales Charge
RM100	$= \frac{\text{Contribution by a Member}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)}$ $= \frac{\text{RM100}}{1 + 3.00\%} \times 3.00\%$ $= \text{RM2.91}$
RM1,000	$= \frac{\text{Contribution by a Member}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)}$ $= \frac{\text{RM1,000}}{1 + 3.00\%} \times 3.00\%$ $= \text{RM29.13}$

(b) Redemption Charge

Redemption Charge	Nil
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(c) Transfer Fee (to another private retirement scheme provider)

RM25.00 for each transfer request.

Note: An additional fee of RM25.00 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. RM25.00 will be imposed for all subsequent switches after the first two (2) switches in each calendar year.

Switching from an Islamic 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, except for AIA PAM - Dynamic Asia Ex-Japan Fund.

For AIA PAM - Dynamic Asia Ex-Japan Fund, the PRS Provider is entitled to a management fee of up to 1.80% per annum of the NAV of the 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 2022	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

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Fees payable to the Private Pension Administrator

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

(a) PPA Annual Fee

RM8.00 (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 RM10.00 fee is charged by the PPA upon the opening of a new account for each Member.

(c) PPA Pre-retirement Withdrawal Fee

RM25.00 for each withdrawal request.

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

RM25.00 for each transfer request.

Note: The PPA reserves the right to waive or revise the abovementioned fees at its sole and absolute discretion.

Increase in Fees and Charges

If there is any increase in the fees and charges as stated in this Third 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) fees and expenses properly incurred by the auditor;
- (iv) fees incurred for the valuation of any investment 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;

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- (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 adviser 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 or retirement of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider;
- (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 person(s) or members of a committee undertaking the oversight function 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:

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

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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 the Scheme.

Fees and charges involved are not subject to Sales and Services Tax with effect from 1 September 2018. You may refer to Taxation Adviser's Letter on page 94 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 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 or PPA.

If applications for Units are received or requests for redemptions are received by our head office, subject to the PPA’s authorisation (where applicable) 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 day.

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 day, 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 day.

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 United Kingdom time 4.00 p.m. which is equivalent to 11.00 p.m. or 12.00 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
		101,200,000.00
	NAV before deducting management fee, Scheme Trustee fee and PPA administration fee for the day	
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)	110.90

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	RM101,200,000.00 X 0.04% / 365 days	
Less:	PPA administration fee for the day (at 0.04% per annum calculated based on the NAV)	110.90

RM101,200,000.00 X 0.04% / 365 days		
Total NAV		101,195,619.30

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	100,000,000
	NAV per Unit of the Fund	1.0120*

** 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 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	= RM10,000.00
NAV per Unit	= RM1.00
Number of Units subscribed	= RM10,000.00 / RM1.00

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	= 10,000 Units
Sales charge (3.00% of the NAV per Unit)	= RM300.00
The total amount to be paid by a Member	= RM10,000.00 + RM300.00
	= RM10,300.00

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 PPA's authorisation is received by the PRS Provider (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
	= RM10,000.00
Redemption charge	= Nil
Tax penalty of 8% on the amount withdrawn (for Pre-retirement withdrawal only)	= RM800.00
The total amount to be paid to a Member	= RM10,000.00 - RM800.00
	= RM9,200.00

(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
	= RM10,000.00
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	= RM10,000.00

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 in the following circumstances: (i) death of a Member, (ii) permanent departure of a Member from Malaysia, (iii) due to permanent total disablement, serious disease or mental disability of a Member, (iv) for healthcare purpose and (v) for housing purpose.

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(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 Third 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 "APAM 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 RM100.00 and the minimum additional contribution for the Funds is RM100.00. 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.

(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:

- (i) after a Member reaches the Retirement Age;
- (ii) for pre-retirement withdrawals, withdrawals from Sub-account B;
- (iii) following the death of a Member (regardless of whether or not a nomination has been made);
- (iv) the permanent departure of a Member from Malaysia;
- (v) due to permanent total disablement, serious disease or mental disability of a Member;
- (vi) for healthcare purpose; or
- (vii) for housing purpose.

Healthcare shall mean illness as listed in Schedule J of the Guidelines on Private Retirement Schemes (www.sc.com.my) or any other illnesses as may be specified by the SC including all medical equipment and/or medication prescribed in writing by medical practitioners in relation to such illnesses.

Withdrawals for healthcare purpose as listed in Schedule J are permitted for a Member's own self or a Member's immediate family. Immediate family shall mean the Member's:

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- (i) spouse;
- (ii) biological child, step-child, adopted child;
- (iii) biological parent, parent-in-law, adopted parent, step-parent; or
- (iv) sibling.

Housing, on the other hand, shall mean:

- (i) financing building or purchase of a residential property in Malaysia;
- (ii) redeeming or reducing a housing loan in Malaysia; or
- (iii) financing a rent-to-own scheme or any other housing schemes in Malaysia as may specified by the SC.

Withdrawal requests under this Scheme can be made to the PPA directly or through 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 due to death of a Member, permanent total disablement, serious disease or mental disability of a Member, for healthcare purpose and for housing purpose, the PRS Provider must also obtain prior authorisation 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 PPA 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 one or more private retirement schemes (including the Scheme). A tax penalty of 8% will be deducted from the withdrawn amount before making payment to the Member.

Such tax penalty would not apply to pre-retirement withdrawals in the following circumstances:

- (i) death of a Member;
- (ii) permanent departure of a Member from Malaysia;
- (iii) due to permanent total disablement, serious disease or mental disability of a Member;
- (iv) for healthcare purpose (as listed in Schedule J of the Guidelines); and
- (v) for housing purpose.

Members will be paid by way of cheque or telegraphic transfer within 7 Business Days from the date the PRS Provider receives the complete withdrawal request from the Member (either received directly or through a notification from the PPA) or the date the PRS Provider receives the PPA's authorisation, as the case may be.

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As a summary,

No.	Circumstances for withdrawal	Sub-account	Extent of withdrawals
(a)	Upon reaching Retirement Age	A & B	Partial or full
(b)	Pre-retirement withdrawals from Sub-account B of the Scheme that would incur a tax penalty	B	Partial or full
(c)	Death of a Member	A & B	Partial or full
(d)	Permanent departure of a Member from Malaysia	A & B	Full
(e)	Due to permanent total disablement, serious disease or mental disability of a Member	A & B	Full
(f)	For healthcare purpose	B	Partial or full
(g)	For housing purpose	B	Partial or full

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;
- (c) withdrawal or holding of Units by the PRS Provider for the purpose of complying with withdrawal requests by Members or in creating Units to meet anticipated requests for Units from contribution; and
- (d) where a Member exercises his right to withdraw his application as permitted under paragraph 13.24 of the Guidelines.

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 scheme providers

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 prior to a Member reaching the Retirement Age subject to the satisfaction of the following terms and conditions:

- (a) You may request for transfer once every calendar year from one or multiple Funds under the Scheme to another private retirement scheme managed by another private retirement scheme provider. All accrued benefits from a particular Fund under the Scheme shall be transferred to one other fund of another private retirement scheme; and

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- (b) Such request for transfer to another private retirement scheme operated by another private retirement scheme provider may only be made provided that no transfer can be made from the Scheme where you have been a member of that Scheme (whether via member contribution or employer contribution) for less than one year.

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 transfer can be made in the following manner:

- (a) from one or more Funds of the PRS Provider to one or more funds of another private retirement scheme provider; and
- (b) be a consolidation of all units held in all private retirement schemes to one private retirement scheme.

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 intended 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:

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- (a) if such switching request is disruptive to efficient portfolio management; or
- (b) if such switching request is deemed by the PRS Provider to be contrary to the best interest of the Funds.

Please note that switching from an Islamic 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 as follows:

- (a) if the original price of a Unit is higher than the price of a Unit at the point of exercise of the cooling-off right ("market price"), the market price at the point of cooling-off; or
- (b) if the market price is higher than the original price, the original price at the point of cooling-off; and
- (c) the charges imposed on the day the Units were purchased.

The PRS Provider must obtain prior authorisation of the PPA before proceeding to refund the money to Members. Members shall be refunded in cash within 7 Business Days from date the application request is authorised by the PPA.

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(h) Distribution of Income

Funds	Distribution Policy
AIA PAM - Growth Fund	Distribution is incidental.
AIA PAM - Moderate Fund, AIA PAM - Conservative Fund, AIA PAM - Islamic Moderate Fund, AIA PAM - Global Islamic Growth Fund and AIA PAM - Dynamic Asia Ex-Japan Fund	Subject to the availability of income, distribution (if any) will be distributed annually.

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.

(i) Suspension of Dealing in Units

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

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

Member who submitted a withdrawal request during the suspension period will be compelled to remain invested in the Fund for a longer period of time than the stipulated withdrawal timeline as the withdrawal request will only be accepted and processed by the PRS Provider on the next Business Day after the cessation of suspension of the Fund. Hence, the Member's investments will continue to be subjected to the risk factors inherent to the Fund.

The PRS Provider will inform the Member in a timely and appropriate manner of its decision to suspend the dealing in Units.

(j) PRS Provider's Units

AIA PAM – Dynamic Asia Ex-Japan Fund

The PRS Provider will inject RM5 million into the Fund which will result in the PRS Provider holding 5 million units (offer price of RM1.00) (known as "Seed Units"). Having the Seed Units helps the PRS Provider to manage and source for suitable investments for the Fund.

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The PRS Provider will monitor the Assets under Management of the Fund (“AUM”) at the end of each Business Day. When the AUM reaches RM35 million (hereinafter referred to as the “Redemption Trigger”), the PRS Provider may commence redemption of the Seed Units (please refer to the illustration in Example 1 below).

When the Redemption Trigger is activated, the PRS Provider may redeem the Seed Units when there is Net Contribution on a Business Day. However, there will be NO redemption of the Seed Units when there is Net Withdrawal on that Business Day. For the avoidance of doubt,

- (i) “Net Contribution” refers to the surplus of new money invested into the Fund over the withdrawal amount from the Fund by the investors at the end of each Business Day. Money from switch-in transactions from other funds under the Scheme managed by the PRS Provider shall not be considered as new money.
- (ii) “Net Withdrawal” refers to the withdrawal amount from the Fund exceeds the new money invested into the Fund at the end of each Business Day.

Nevertheless, the PRS Provider reserves the right to exercise its discretion whether or not to redeem the outstanding Seed Units despite the Net Contribution position on a Business Day after the Redemption Trigger is activated. The PRS Provider will take into consideration various factors, amongst others, the AUM, the prevailing market conditions, and the amount of Net Contribution on that Business Day prior to executing a redemption of the Seed Units. Such considerations shall be made in the best interests of the Fund, the shareholders fund of the PRS Provider as well as the feasibility for redemption of the Seed Units.

As the proposed redemption herein is only exercisable against the Net Contribution position, there shall not be any disposal of investments from the Fund to meet the redemption of the Seed Units. Hence, there is no risk of disruption to the investment portfolio held by the Fund.

Example 1: When the Redemption Trigger is activated at the end of T day.

Day	AUM for the Fund (RM)	Amount of Net Contribution/ (Withdrawal) (RM)	Redemption of Seed Units in amount* (RM)	Action
T-1	30,000,000	5,500,000	nil	No redemption of Seed Units can be done.
T	35,500,000	200,000	Up to 200,000	Redemption Trigger is activated and PRS Provider may redeem the Seed Units up to RM200,000.
T+1	35,500,000	(10,000,000)	nil	No redemption of the Seed

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				Units can be done.
T+2	25,500,000	500,000	Up to 500,000	PRS Provider may redeem Seed Units up to RM500,000. <i>(Note: Redemption Trigger has already been activated on T day).</i>

All the subsequent amount of Net Contribution for which the PRS Provider decides to redeem (*at the discretion of the PRS Provider*) will be offset against the remaining Seed Units until the Seed Units are fully redeemed from the Fund.

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

(9) THE PRS PROVIDER

AIA Pension and Asset Management Sdn Bhd's experience in operating funds is available at <https://www.aia-prs.com.my/en/about-apam/about-apam.html>.

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 Funds 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 once every quarter or more frequently when occasion demands.

Board of Directors

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.

Kang Ah Lai @ Kang Hak Koon (Independent director)

Qualification: Mr. Kang is a Fellow of The Association of Chartered Certified Accountants, UK, a Member of the Malaysian Institute of Accountants, and a Chartered Insurer of The Chartered Insurance Institute, UK.

Experience: Between 1979 and 2000, Mr. Kang served in various capacities in Finance and Business Operations, his last position being General Manager of the General Insurance Division of Sime AXA Assurance Bhd. He has also served as Chief General Insurance Officer of Prudential Malaysia and was a pioneer in starting Prudential's General Insurance business.

Heng Zee Wang (Non-independent and executive director)

Qualification: Zee Wang holds a first-class honours degree in Bachelor of Science (Hons) in Actuarial Science from the University of Kent, Canterbury, United Kingdom. He is also a Fellow of the Institute and Faculty of Actuaries, UK.

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Experience: Zee Wang has been the Chief Marketing Officer of AIA Bhd. since May 2018. He is responsible for building a purpose-led brand for AIA which advocates for “Healthier, Longer, Better Lives”. He spearheads the development and implementation of integrated marketing strategies that put AIA Malaysia’s customers at the front and centre – this includes delivering the company’s distinctive propositions through innovative yet personalised total health and wealth solutions, together with its unique health programme AIA Vitality. He also leads the development of My AIA, the company’s dedicated customer digital platform designed to enable customers to self-serve and interact with AIA seamlessly.

In addition, Zee Wang oversees AIA Malaysia’s Private Retirement Scheme and General Insurance businesses, as well as developing digital direct business with digital platform partners.

Zee Wang has over 26 years of experience across the Asia Pacific region and in the UK, with roles spanning a number of functions including finance and actuarial, marketing, sales distribution, and business development. He is a member of the Executive Committee of AIA Bhd. and is an Executive Director of AIA Pension and Asset Management Sdn. Bhd. and AIA General Berhad respectively.

Nor Daliya binti Mohd Daud (Non-independent director)

Qualification: Bachelor Degree in Accountancy (Hons.), Universiti Utara Malaysia.

Experience: Nor Daliya is the Principal Officer which carries the title of General Manager. She has 20 years of working experience in the financial and fund management industries with several financial institutions. She held various senior leadership positions where she was the Director, Corporate & Institutional Business with one of the top asset management companies. She spearheaded the corporate and institutional funds team that contributed significantly to the company’s profitability with billions ringgit of asset under management.

She was appointed as the General Manager on 12 December 2017 and as non-independent director of the PRS Provider on 21 December 2017. She is a holder of a capital markets services representative’s licence.

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”.

Kang Ah Lai @ Kang Hak Koon (Independent member)

Profile as disclosed above under “Board of Directors”.

Heng Zee Wang (Non-Independent member)

Profile as disclosed above under “Board of Directors”.

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Designated Fund Manager

Ahmad Faris Abd Muis (Portfolio Management)

Faris is an equity portfolio manager with over 8 years of experience in analysing domestic equity market. Previously, he was attached to AmanahRaya Investment Management (ARIM), having joined the entity back in November 2021. Prior to that, he was attached to various fund management houses either in fund management or as an equity research analyst.

Throughout his career, he has covered various sectors such as utilities, telecommunications, consumer, manufacturing, property, REITs, and automotive – within the domestic space. He also was the winner of Asia Stock Picker in 2016 award by Thomson Reuters.

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.

You may find further information on the PRS Provider, Shariah Adviser and Key Management Staff in our website, www.aia-prs.com.my

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(10) THE SCHEME TRUSTEE

Deutsche Trustees Malaysia Berhad (“DTMB”) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. DTMB is registered as a trust company under the Trust Companies Act 1949, with its registered office and business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

Experience in trustee business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 227 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.

DTMB’s financial position

	31 Dec 2022 (RM)	31 Dec 2021 (RM)	31 Dec 2020 (RM)
Paid-up share capital	3,050,000	3,050,000	3,050,000
Shareholders’ funds	7,890,016	11,907,601	6,475,426
Revenue	25,989,665	26,822,575	22,957,640
Profit/(loss) before tax	6,477,551	11,721,465	4,513,466
Profit/(loss) after tax	4,840,016	8,857,601	3,425,426

Board of Directors

Richard Lim Hock Seng

Chan Boon Hiong

Liew Yeh Yin

Chief Executive Officer

Sylvia Beh Sok Boon

This is a Private Retirement Scheme

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 Members of the Funds. In performing these functions, DTMB has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the Act and all relevant laws.

Scheme Trustee's Statement of Responsibility

DTMB 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 Act and all relevant laws. In respect of monies paid by an investor for the application of Units, the Scheme Trustee's responsibility arises when the monies are received in the relevant account of the Scheme Trustee for the Funds and in respect of repurchase; the Scheme Trustee's responsibility is discharged once it has paid the repurchase amount to the PRS Provider.

Scheme Trustee's Disclosure of Material Litigation

As at LPD, the Scheme Trustee is not (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 Scheme Trustee.

Scheme Trustee 's Delegate

The Scheme Trustee has appointed Deutsche Bank (Malaysia) Berhad ("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 are automatically registered in the name of, or to the order, of the Funds. 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 Scheme and the PRS Provider's delegate for the fund accounting and valuation services (where applicable), there may be related party transactions involving or in connection with the Funds in the following events:

- (1) Where the Funds invest in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Funds have obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC's guidelines and other applicable laws;

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- (3) Where the PRS Provider appoints DTMB to perform its back office functions (e.g. fund accounting and valuation, where applicable); and
- (4) Where DTMB has delegated its custodian functions for the Funds 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 Funds 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 Members of the Funds does not preclude the possibility of related party transactions or conflicts.

(11) THE SHARIAH ADVISER

BIMB Securities Sdn Bhd (“BIMB Securities”) has been appointed as the Shariah Adviser for AIA PAM – Islamic Moderate Fund and AIA PAM – Global Islamic Growth Fund (“the Funds”). BIMB Securities will provide Shariah advisory services on the management and operations of the Funds to ensure the operations of the Funds comply with Shariah requirements.

About BIMB Securities Sdn Bhd

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

Experience in Shariah Advisory Services

BIMB Securities is registered with the SC to act as a Shariah Adviser for Islamic products and services regulated by the SC, which include Islamic collective investment schemes. BIMB Securities is independent from the PRS Provider and does not hold office as a member of the committee undertaking the oversight function of the Funds or any other funds managed and administered by the PRS Provider. As at LPD, BIMB Securities is a corporate Shariah Adviser to 83 Islamic funds including two (2) Islamic real estate investment trusts.

Roles and Responsibilities of BIMB Securities Sdn Bhd as the Shariah Adviser

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

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

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

1. to advise on all Shariah aspects of the Funds and Funds’ operations and processes such that they are in accordance with Shariah requirements;
2. to provide Shariah expertise and guidance in all matters related to the Funds, particularly on the documentation such as the Deed and Disclosure Document, structure, investments and related operational matters;
3. to ensure that the Funds are managed and operated in accordance with Shariah requirements as determined by the relevant SC’s regulations and standards, particularly resolutions issued by the SACSC;
4. to review the Funds’ compliance reports as provided by the PRS Provider’s compliance officer and investment transaction reports provided or duly approved by the Scheme Trustee to ensure that the Funds’ investments are in line with Shariah;

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

Profiles of the Shariah Personnel

Ir. Dr. Muhamad Fuad bin Abdullah ("Dr. Muhamad Fuad")

Dr. Muhamad Fuad is the designated person in-charge of all Shariah matters in BIMB Securities.

He graduated with a Bachelor of Science Degree in Electrical Engineering in 1977 and a Master of Philosophy Degree in Electrical Engineering in 1982, both from the University of Southampton, England. He also obtained a Bachelor of Arts (Jayyid) Degree in Shariah from the University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from the University of Aberdeen, Scotland in 1996.

He is a registered individual Shariah adviser with the SC. He is the chairman of the Shariah Advisory Committee of BIMB Securities and the Shariah Supervisory Council of Bank Islam Malaysia Berhad. He sits on the Shariah committee of AIA-Public Takaful Berhad.

Nurussaádah binti Nasarudin ("Nurussaádah")

Nurussaádah joined BIMB Securities in June 2015 as the Shariah executive and has been promoted as the head of Shariah section effective 1 May 2021. She is also the Designated Shariah Officer registered under the BIMB Securities' Shariah adviser registration, responsible for the Shariah advisory services offered by BIMB Securities.

Nurussaádah graduated with a Bachelor of Shariah majoring in Islamic Banking and Economics from the University of Yarmouk, Jordan.

Currently, she is responsible in providing Shariah inputs on the advisory, consultancy and research functions with regards to Islamic capital market and Islamic collective investment schemes, including but not limited to, conducting surveillance on the non-financial institution activities.

She is experienced in product development and review for Islamic capital market products specifically on Islamic stockbroking services.

(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 semi-annual 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, for the avoidance of doubt, the right to switch the Units of a Fund of the Scheme into the Units of another Fund of the Scheme, the right to have his name registered in the register of Members, and the right to attend Members' meetings and to vote in respect of those Units).

However, in respect of conditionally vested Units held by a Member, the Member shall not be entitled to, and the 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 shall 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.

This is a Private Retirement Scheme

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
AIA PAM - Global Islamic Growth Fund	5.00%	5.00%	2.00% per annum	0.04% per annum
AIA PAM - Dynamic Asia Ex-Japan 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 this Third Replacement Disclosure Document

Sales Charge

The PRS Provider may not charge a sales charge at a rate higher than that disclosed in this Third 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 registered, lodged and issued; and

This is a Private Retirement Scheme

- (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 this Third 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 registered, lodged and 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 this Third 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; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental/replacement Disclosure Document stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the 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 this Third 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; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental/replacement Disclosure Document stating the higher rate is registered, lodged and issued; and

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- (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.

This is a Private Retirement Scheme

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 authorisation 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.

Notwithstanding sub-paragraph (a) above, the PRS Provider may also, in consultation with the Scheme Trustee and without having to obtain the prior approval of the Members, terminate and wind up the Non-Core Fund upon the occurrence of any of the following events:

- (a) if any new law shall be passed which renders it illegal; or
- (b) if in the reasonable opinion of the PRS Provider it is impracticable or inadvisable to continue the Non-Core Fund and the termination of the Non-Core Fund is in the best interests of the Members.

This is a Private Retirement Scheme

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

- (a) to switch to another Fund under the Scheme or transfer the net proceeds of the Fund to 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.

Quorum

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

Permitted Withdrawals and Pre-Retirement Withdrawals

Subject always to the prior authorisation of the PPA and the receipt of satisfactory evidence by the PRS Provider and/or the PPA, a full withdrawal from the Scheme may be requested and made only in the following circumstances:

- (a) after a Member has reached the Retirement Age;
- (b) upon withdrawal from sub-account B, by a Member prior to attaining the Retirement Age; such withdrawal shall be subject to a tax penalty;
- (c) following the death of a Member;

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- (d) the permanent departure of a Member from Malaysia;
- (e) that a Member has permanent total disablement, serious disease or mental disability;
- (f) for healthcare purposes by a Member or the Member's immediate family; or
- (g) for housing purposes by a Member.

Subject always to the prior authorisation 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 in the circumstances described in paragraphs (a), (b), (c), (f) and (g) under this section:

Subject always to the prior authorisation of the PPA, when requested by a Member other than in the circumstances described in paragraphs (d) and (e) above, partial withdrawals from the Scheme shall only be allowed subject to the following conditions:

- (a) the first request for a partial withdrawal may only be made after one year has elapsed from the date of the first contribution to the Scheme; 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 to one or more private retirement scheme(s) (including the Scheme);
- (c) prior to a Member reaching the retirement age, partial withdrawals may be made only in respect of all or some of the Member's Units held in Sub-account B;
- (d) for healthcare purposes, partial withdrawals may be made only in respect of all or some of the Member's Units held in Sub-account B; and
- (e) for housing purposes, partial withdrawals may be made only in respect of all or some of the Member's Units held in Sub-account B.

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 Third 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 redeem 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 following terms and conditions and with the prior authorisation of the PPA:

- (a) the first request for transfer can only be made after one year has elapsed from the date of the first contribution to the Scheme by the Member; and

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- (b) a request for transfer to another private retirement scheme operated by another private retirement scheme provider may only be made once per calendar year provided that no other transfer of units has been made by the Member from any other private retirement scheme provider in that calendar year.

**Note:*

The transfer can be made in the following manner:

- (a) *from one or more funds of a private retirement scheme provider to one or more funds of another private retirement scheme provider; and*
- (b) *be a consolidation of all units held in all private retirement schemes to one private retirement scheme.*

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) fees and expenses properly incurred by the auditor;
- (iv) fees incurred for the valuation of any investment 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 adviser 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 or retirement of the Scheme Trustee or the replacement of the PRS Provider and the appointment of a new trustee or private retirement scheme provider;
- (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 person(s) or members of a committee undertaking the oversight function of the Fund, unless the PRS Provider decides otherwise;

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- (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 PRS Provider, the promoters, the vendors and/or the 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, information technology, 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 person(s) or members of a committee undertaking the oversight function of the Fund 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 person(s) or members of a committee undertaking the oversight function of the Fund are also directors of other fund management companies. Where conflicts of interest arise, person(s) or members of a committee undertaking the oversight function of the Fund will abstain from making a decision.

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Cross Trade Policy

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

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

- the cross trade is in the best interests of both funds;
- the cross trade is executed on an arm's length and fair value basis;
- the reason for such trades are documented and approved by the relevant approving authority prior to execution; and
- the cross trade transaction is disclosed to clients in the annual report of the Fund.

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

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

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 Third Replacement Disclosure Document in the manner and form in which such names appear have been given before the date of issue of this Third Replacement Disclosure Document and none of them have subsequently withdrawn their written consents.
- (b) The tax adviser has given their consent to the inclusion of their name and the Tax Adviser's Letter on Taxation of the Funds and Members in the form and context in which they appear in this Third Replacement Disclosure Document and has not withdrawn such consent prior to the date of this Third 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 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 semi-annual reports. You shall be informed of the availability of these reports posted in our website (www.aia-prs.com.my) within 2 months after the close of the financial year end (i.e. 30 April) or interim period.

The Fund's annual report is available upon request.

(e) Statement of Accounts

A statement of accounts will be issued to each Member once every twelve (12) 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 100 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.

This is a Private Retirement Scheme

(g) Anti-Money Laundering Policies and Procedures

We have anti-money laundering policies in place where we and our approved authorised 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 head of legal & 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 authorised 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, Anti-Terrorism Financing and Proceeds of Unlawful Activities 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 commits a money laundering offence shall on conviction be liable to imprisonment for a term not exceeding fifteen years and shall also be liable to a fine of not less than five times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or five million ringgit, whichever is the higher.

(h) Material Contracts

The Deeds of the Scheme are the Principal Deed dated 16 January 2013, the Supplemental Deed dated 16 August 2013, the Second Supplemental Deed dated 14 December 2015, the Third Supplemental Deed dated 8 September 2020 and the Fourth Supplemental Deed dated 9 June 2023.

(i) 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 1300-22-7771 for further information.

(j) 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.

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

- (a) via phone to : 03-2282 2280
- (b) via fax to : 03-2282-3855
- (c) via e-mail 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 the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer and Investor Office:

- (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 : Consumer and Investor Office
Securities Commission Malaysia
No. 3, Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

Alternatively, you can also escalate your complaint to the Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- (a) via phone to : 03 – 7890 4242
- (b) via e-mail to : complaints@fimm.com.my
- (c) via online complaint form available at : www.fimm.com.my
- (d) via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
9-06-1, 6th Floor, Wisma Tune
No. 19, Lorong Dungun
Damansara Heights
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:

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

(17) APPROVALS AND CONDITIONS

The Scheme has been approved and the AIA PAM - Growth Fund, AIA PAM - Moderate Fund, AIA PAM - Conservative Fund and AIA PAM - Islamic Moderate Fund have been authorised 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; and
4. No investment in products with embedded derivatives.

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

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 also 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 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 the Replacement Disclosure Document dated 9 December 2016 on the Seed Units including details on how the Seed Units will be redeemed;
3. The annual and semi-annual 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

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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 in the Replacement Disclosure Document dated 9 December 2016 shall no longer be applicable.

AIA PAM - Global Islamic Growth Fund

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 also has on 18 December 2020 approved the variation to allow the PRS Provider to hold ten million Units in the AIA PAM - Global Islamic Growth Fund as seed capital ("Seed Units") subject to the following conditions:

1. Adequate disclosures must be made in the Second Replacement Disclosure Document dated 23 February 2021 on the Seed Units, including details on how the Seed Units will be redeemed;
2. The Scheme Trustee's prior approval on the transaction [i.e. investment (including subsequent investment, if any) and redemption of Seed Units] is required. In relation to redemption of Seed Units, the Scheme Trustee must ensure that such transaction will not be detrimental to Members' interest; and
3. The PRS Provider must ensure that any potential conflict that may arise is addressed. The PRS Provider and its board of directors must ensure that there are adequate policies, procedures and controls established and maintained in relation to managing potential conflict of interest, including but not limited to investments and redemptions by the PRS Provider.

On 28 September 2021, the Seed Units in AIA PAM – Global Islamic Growth Fund have been redeemed and hence, the provisions for Seed Units in the Second Replacement Disclosure Document dated 23 February 2021 shall no longer be applicable.

(18) TAXATION ADVISER'S LETTER



KPMG Tax Services Sdn. Bhd.
(Co. No. 96860-M)
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 7288
Website www.kpmg.com.my

Private and Confidential
The Board of Trustees
Deutsche Trustees Malaysia Berhad
c/o AIA Pension and Asset Management Sdn Bhd
Level 10, Menara AIA
99, Jalan Ampang
50450 Kuala Lumpur

Our Ref NBG/JALY/MAWD

Contact Ext. 7483 / 5763

Attn: Mr Chai Su Keong / Ms Debbie Lee

24 August 2023

Dear Sirs

**Re: AIA PAM – Dynamic Asia Ex-Japan Fund
- Taxation of the AIA Private Retirement Scheme and Members**

This letter has been prepared for inclusion in the Third 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 (collectively known as the "PRS Funds"):-

- AIA PAM – Growth Fund;
- AIA PAM – Moderate Fund;
- AIA PAM – Conservative Fund;
- AIA PAM – Islamic Moderate Fund;
- AIA PAM – Global Islamic Growth Fund; and
- AIA PAM – Dynamic Asia Ex-Japan Fund.

A. Taxation of the PRS Funds

Corporate Income Tax

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

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As the income derived by the PRS Funds is exempted from tax, all expenses incurred by the PRS Funds are disregarded for Malaysian corporate income tax purposes.

The PRS 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 investments by the PRS Funds will not be subject to income tax in Malaysia. However, such gains may be subject to RPGT under the Real Property Gains Tax Act, 1976, if the gains are derived from the sale of Malaysian real properties and shares in Malaysian real property companies (as defined). Such gains would be subject to RPGT at the applicable rate depending on the holding period of the chargeable assets.

Sales Tax and Service Tax

Under the Sales Tax Act 2018 ("STA 2018"), STA 2018 and subsidiary legislation, the sales tax rate for taxable goods is 5% or 10% while the service tax rate for taxable services is generally 6%. There are certain goods which are exempted from sales tax.

The issue, holding or redemption of any unit under the PRS funds does not fall within the list of taxable services under the First Schedule of the Service Tax Regulations 2018 ("STR 2018") and hence, is not subject to service tax. The investment activities of the PRS Funds such as buying and selling of securities and deposits in financial institutions are also not subject to service tax. As such, if the PRS Funds are only deriving income from such activities, the PRS Funds are not liable to be registered for service tax.

However, certain expenses incurred by the PRS Funds such as legal fees, consultancy fees and management fees may be subject to service tax at 6%. For management fees, this specifically excludes fees charged by any person who is licensed or registered with the SC for carrying out the regulated activity of funds management under the CMSA 2007. The service tax incurred by the PRS Funds are costs to the PRS Funds and are not recoverable.

Based on the Finance Act 2018, the imposition and scope of service tax has been widened to include any imported taxable service. This is effective from 1 January 2019.

B. Taxation of Members' Employers

Corporate Income Tax

Employers who make contributions to the PRS 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 the contribution made to any other approved scheme (such as the Employees Provident Fund), restricted to 19% of the employees' remuneration.



C. Taxation of Members

Corporate Income Tax

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

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

Individual members who are resident in Malaysia and who have made contributions to the PRS Funds during the basis period for a year of assessment ("YA") are allowed to claim a tax relief on the amount of the contributions made to the PRS 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. Based on Section 64 of the Finance Act 2020, the tax relief of up to RM3,000 per annum on contributions to the PRS Funds has been extended until YA 2025.

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.

The exemption on the amount withdrawn from the PRS is extended to include amounts withdrawn for healthcare and housing which are in compliance with the criteria as set out in the guidelines of the SC.

Service Tax

Only taxable services listed in the First Schedule of the STR 2018 are subject to service tax, which exclude investment income or gains.

However, legal fees, consultancy fees and management fees may be subject to service tax at 6%. For management fees, this specifically excludes fees charged by any person who is licensed or registered with the SC for carrying out the regulated activity of fund management under the CMSA 2007. The service tax incurred by the members are costs to the members and are not recoverable.

Based on the Finance Act 2018, the imposition and scope of service tax has been widened to include any imported taxable service and this is effective from 1 January 2019.

The tax position is based on our understanding and interpretation of the Malaysian tax legislations and proposals as they stand at present. All 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
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