*INVESTMENT FUNDS BERHAD*

# Prospectus

| Name of the Funds | Constitution Date |
|---|---|
| KAF Cash Fund | 1 June 2018 |
| KAF iCash Fund | 1 June 2018 |

**Manager:**
**KAF Investment Funds Berhad** Registration No: 199501004999 (334195-K)

**Trustee:**

**PB Trustee Services Berhad** Registration No: 196801000374 (7968-T)

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS, WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS SEE "RISK FACTORS" COMMENCING ON PAGE 10**

This prospectus is dated 14 August 2023. This is a replacement prospectus that replaces and supersedes the prospectus dated 3 September 2018 and the supplementary prospectus dated 31 December 2019.

## Responsibility Statements

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

## Statements of Disclaimer

The Securities Commission Malaysia has authorised the Funds and a copy of this prospectus has been registered with the Securities Commission Malaysia.

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

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

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

## Additional Statements

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

KAF iCash Fund has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund.

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## CHAPTER 1: DEFINITIONS

In this prospectus, the following abbreviations or words shall have the following meanings unless otherwise stated.

| | |
|---|---|
| **Act or CMSA** | The Capital Markets and Services Act 2007 including all amendments thereto and all regulations, rules and guidelines issued in connection therewith. |
| **Authorised tied agents** | An individual who is duly registered with the Federation of Investment Managers Malaysia to market and distribute unit trust funds. |
| ***baitulmal*** | Refers to the treasury of a State Islamic Religious Council. |
| **BNM** | Bank Negara Malaysia. |
| **Bursa Malaysia** | The stock exchange managed and operated by Bursa Malaysia Securities Berhad. |
| **Business Day** | A day on which Bursa Malaysia is open for trading. |
| **Deed** | The master deed dated 1 June 2018 and any other supplemental master deed that may be registered with the Securities Commission Malaysia from time to time. |
| **deposit** | As per the definition of "deposit" in the Financial Services Act 2013 (as may be amended, varied, modified, updated and/or superseded from time to time).<br>Note: This excludes structured deposits. |
| **Fund** (respectively) or **Funds** (collectively) | KAF Cash Fund ("**Cash**"); or<br>KAF iCash Fund ("**iCash**"). |
| **Guidelines** | Guidelines on Unit Trust Funds including any amendments, guidance notes and circulars issued by Securities Commission Malaysia from time to time. |
| **IUTA** | Institutional unit trust adviser registered with Federation of Investment Managers Malaysia. |
| **Islamic deposit** | As per the definition of "Islamic deposit" in the Islamic Financial Services Act 2013 (as may be amended, varied, modified, updated and/or superseded from time to time).<br>Note: This excludes Islamic structured deposits. |
| **Manager** | KAF Investment Funds Berhad. |
| **NAV per unit** | The net asset value of the Fund divided by the number of units in circulation at the valuation point. |
| **Net Asset Value (NAV)** | The net asset value of the Fund of which the value of all the Fund's assets less the value of all the Fund's liability at the valuation point. |
| **Repurchase Price** | The price payable to a Unit Holder pursuant to a repurchase of a unit of a Fund; for the avoidance of doubt, Repurchase Price does not include any repurchase charge which may be imposed (where applicable). |
| **RM** | The lawful currency of Malaysia, Ringgit Malaysia. |
| **SAC of BNM** | Shariah Advisory Council of the BNM. |

| | |
|---|---|
| **SACSC** | Shariah Advisory Council of the Securities Commission. |
| **Securities Commission** | Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993. |
| **Selling Price** | The price payable by an applicant for a unit of a Fund pursuant to a successful application for units; for the avoidance of doubt, Selling Price does not include any sales charge which may be imposed (where applicable). |
| **Shariah** | Means Islamic Law comprising the whole body of rulings pertaining to human conducts derived from the sources of the Shariah namely the *Qur`an* (the holy book of Islam) and *Sunnah* [practices and explanations rendered by the Prophet Muhammad *(pbuh)*] and other sources of Shariah such as *Ijtihad* (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** | 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. |
| **short-term deposits / Islamic deposit** | Means a deposit or Islamic deposit with a tenure of not more than 12 months. |
| **Trustee** | PB Trustee Services Berhad. |
| **Unit Holder** | The person registered for the time being as a holder of units in accordance with the provisions of the Deed. |

Definition or meaning of words not otherwise expressed above shall follow the meaning or interpretation as ascribed in the Guidelines and the CMSA.

## CHAPTER 2: CORPORATE DIRECTORY

**Manager**

| | |
|---|---|
| Name: | KAF Investment Funds Berhad |
| Registered address: | Level 13A, Menara IQ,<br>Lingkaran TRX, Tun Razak Exchange,<br>55188 Kuala Lumpur |
| Telephone number: | 03-2708 2800 |
| Business address: | Level 13, Menara IQ,<br>Lingkaran TRX, Tun Razak Exchange,<br>55188 Kuala Lumpur |
| Telephone number: | 03-9767 6000 |
| Facsimile number: | 03-9767 6001 |
| Website: | ***www.kaf.com.my*** |
| Email: | ***investmentfund@kaf.com.my*** |

**Trustee**

| | |
|---|---|
| Name: | PB Trustee Services Berhad |
| Registered and business address: | 17th Floor, Menara Public Bank<br>146, Jalan Ampang<br>50450 Kuala Lumpur |
| Telephone number (registered address): | 03 -2177 3127 |
| Telephone number (business address): | 03-2177 3127 |
| Facsimile number: | 03-2164 6197 |
| Website: | ***https://www.pbtrustee.com.my/*** |
| Email: | ***pbtrustee@publicbank.com.my*** |

**Shariah Adviser for iCash**

| | |
|---|---|
| Name: | BIMB Securities Sdn Bhd |
| Registered address: | 32nd Floor, Menara Bank Islam<br>No. 22, Jalan Perak<br>50450 Kuala Lumpur |
| Telephone number: | 03-2726 7814 |
| Facsimile number: | 03-2088 8033 |
| Business address: | Level 32, Menara Multi Purpose<br>Capital Square<br>No. 8 Jalan Munshi Abdullah<br>50100 Kuala Lumpur |
| Telephone number: | 03-2613 1600 |
| Facsimile number: | 03-2613 1799 |
| Website: | ***www.bimbsec.com.my*** |
| Email: | ***shariah@bimbsec.com.my*** |

## CHAPTER 3: DETAILED INFORMATION ON THE FUND

### 3.1 Information on KAF Cash Fund

| | |
|---|---|
| Fund category | Money market. |
| Fund type | Income. |
| Investor profile | The Fund is suitable for investors who:<br>▪ require liquidity;<br>▪ seek reasonable returns that commensurate with the low risks investments; and<br>▪ prefer a short term investment horizon. |
| Distribution policy | Subject to the availability of income, distributions will be made on a monthly basis. |
| Launch date | 3 September 2018. |

#### 3.1.1 Investment objective

The Fund's objective is to provide investors with liquidity while providing reasonable returns by investing its assets in deposits.

Any material changes to the investment objective of the Fund would be subject to the Unit Holders' approval.

#### 3.1.2 Investment policy and strategy

The Fund seeks to achieve its investment objective by investing in a portfolio of deposits placed with financial institutions in Malaysia. It will invest at least 90% of its NAV in placement of short-term deposits.

In managing the Fund, the Manager will seek out financial institutions that are able to offer attractive (i.e. rates at or above the benchmark rate) deposit rates. The Manager will construct a portfolio of deposits with different maturity profiles for the liquidity requirement while maximizing the portfolio returns.

The Fund's portfolio will be structured as follows:

At least 90% of NAV
- Investments in short-term deposits placed with financial institutions.

The Fund is actively managed whereby its fund management strategy will depend on the interest rate environment and the anticipated redemption requests by Unit Holders.

The Manager's selection of the financial institutions is based on its internal tiering rule. The Manager shall assess the financial health of the financial institutions taking into consideration the overall capacity of a financial institution to meet its financial obligations and assign a particular tier to which the Manager believe suitable. The tier assigned to a financial institution shall be reviewed by the Manager from time to time.

In its risk mitigating approach, the Manager will closely monitor the financial health of the financial institutions and any developments pertaining thereto. Should there be any adverse developments affecting the financial health of the financial institutions in which the Fund places deposits with, such position shall be unwind within a reasonable time frame. In such event, due to the premature termination of placement, the Fund may not entitle to the deposit rate as anticipated resulting in the loss of potential return.

In addition, the Manager is practicing prudent liquidity management in a timely and cost-effective manner. The Manager continuously monitors the cash threshold in the Fund to ensure that the Fund is able to meet the redemption requests in an orderly manner. If there is a need and the Manager deems it is appropriate, the Fund will borrow cash on a temporary basis to meet such redemption requests. The Manager may also engage with the large Unit Holders to give notice in advance if they plan to make substantial redemptions of their investments.

**Investment in this Fund is not the same as placement in a deposit with a financial institution.**

**There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in this Fund.**

### 3.1.3 Benchmark

Malayan Banking Berhad ("Maybank") 1-month fixed deposit rate.

Investors may refer to ***www.maybank2u.com.my*** or the Manager for this benchmark.

Note: The risk profile of the Fund is different from the risk profile of the benchmark.

### 3.1.4 Permitted investments

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund will place deposits with financial institutions and any other investments permitted by the Securities Commission from time to time.

### 3.1.5 Investments restrictions and limits

The acquisition of permitted investments of the Fund is subject to the following restriction:

(a) The value of the Fund's investments in permitted investments must not be less than 90% of NAV; and

(b) The value of the Fund's placement in deposits with any single financial institution must not exceed 20% of NAV. The single financial institution limit does not apply to placements of 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 with various financial institutions would not be in the best interests of Unit Holders; or
   iii. monies held for the settlement of redemption or other payment

obligations, where the placement of deposits with various financial institutions would not be in the best interest of Unit Holders.

The above limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments. Where the limit or restriction is breached as a result of an appreciation or depreciation of the investment, repurchase of units or payment made out of the Fund, change in capital of a corporation in which the Fund has invested in or downgrade in or cessation of a credit rating, the Manager will rectify the breach as soon as practicable within three (3) months from the date of the breach. Such limits and restrictions however, do not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

## 3.2 Information on KAF iCash Fund

| | |
|---|---|
| Fund category | Money market (Islamic). |
| Fund type | Income. |
| Investor profile | The Fund is suitable for investors who:<br>▪ require liquidity;<br>▪ seek reasonable returns that commensurate with the low risks investments; and<br>▪ prefer a short term investment horizon. |
| Distribution policy | Subject to the availability of income, distributions will be made on a monthly basis. |
| Launch date | 3 September 2018. |

### 3.2.1 Investment objective

The Fund's objective is to provide investors with liquidity while providing reasonable returns by investing its assets in Islamic deposits.

Any material changes to the investment objective of the Fund would be subject to the Unit Holders' approval.

### 3.2.2 Investment policy and strategy

The Fund seeks to achieve its investment objective by investing in a portfolio of Islamic deposits placed with financial institutions in Malaysia. It will invest at least 90% of its NAV in placement of short-term Islamic deposits.

In managing the Fund, the Manager will seek out financial institutions that are able to offer attractive (i.e. rates at or above the benchmark rate) Islamic deposit rates. The Manager will construct a portfolio of Islamic deposits with different maturity profiles for the liquidity requirement while maximizing the portfolio returns.

The Fund's portfolio will be structured as follows:

At least 90% of NAV
- Investments in short-term Islamic deposits placed with financial institutions.

The Fund is actively managed whereby its fund management strategy will depend on the interest rate environment and the anticipated redemption requests by Unit Holders.

The Manager's selection of the financial institutions is based on its internal tiering rule. The Manager shall assess the financial health of the financial institutions taking into consideration the overall capacity of a financial institution to meet its financial obligations and assign a particular tier to which the Manager believe suitable. The tier assigned to a financial institution shall be reviewed by the Manager from time to time.

In its risk mitigating approach, the Manager will closely monitor the financial health of the financial institutions and any developments pertaining thereto. Should there be any adverse developments affecting the financial health of the financial institutions in which the Fund places Islamic deposits with, such position shall be unwind within a reasonable time frame. In such event, due to the premature termination of placement, the Fund may not entitle to the Islamic deposit rate as anticipated resulting in the loss of potential return.

In addition, the Manager is practicing prudent liquidity management in a timely and cost-effective manner. The Manager continuously monitors the cash threshold in the Fund to ensure that the Fund is able to meet the redemption requests in an orderly manner. If there is a need and the Manager deems it is appropriate, the Fund will seek an Islamic financing facility on a temporary basis to meet such redemption requests. The Manager may also engage with the large Unit Holders to give notice in advance if they plan to make substantial redemptions of their investments.

**Investment in this Fund is not the same as placement in an Islamic deposit with a financial institution.**

**There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in this Fund.**

### 3.2.3 Benchmark

Malayan Banking Berhad ("Maybank") 1-month Islamic fixed deposit rate.

Investors may refer to ***www.maybank2u.com.my*** or the Manager for this benchmark.

Note: The risk profile of the Fund is different from the risk profile of the benchmark.

### 3.2.4 Permitted investments

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund will place Islamic deposits with financial institutions and any other Shariah-compliant investments permitted by the Securities Commission from time to time.

### 3.2.5 Investments restrictions and limits

The acquisition of permitted investments of the Fund is subject to the following restriction:

(a) The value of the Fund's investments in permitted investments must not be less than 90% of NAV; and

(b) The value of the Fund's placement in Islamic deposits with any single financial institution must not exceed 20% of NAV. The single financial institution limit

does not apply to placements of Islamic deposits arising from:

i. subscription monies received prior to the commencement of investment by the Fund;
ii. liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various financial institutions would not be in the best interests of Unit Holders; or
iii. monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various financial institutions would not be in the best interest of Unit Holders.

The above limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund's investments. Where the limit or restriction is breached as a result of an appreciation or depreciation of the investment, repurchase of units or payment made out of the Fund, change in capital of a corporation in which the Fund has invested in or downgrade in or cessation of a credit rating, the Manager will rectify the breach as soon as practicable within three (3) months from the date of the breach. Such limits and restrictions however, do not apply to Shariah-compliant securities or Shariah-compliant instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

### 3.2.6 Shariah investment guidelines, cleansing process and zakat for the Fund

Shariah investment guidelines

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

- The Fund must at all times and all stages of its operation comply with Shariah principles as resolved by the SACSC or in cases where no specific rulings are made by the SACSC, the decisions of the Shariah Adviser.

- The Fund must be raised, operated, and finally redeemed by the investors on the basis of the contracts recognized and acceptable in Shariah. Banking facilities in the investment portfolio of the Fund shall be only those with Shariah compliance.

- In screening the investment activities of the Fund, the Shariah Adviser shall ensure that at all times, the investment of the Fund would be restricted to Islamic deposits subject to the following:

  The Fund being placed in Islamic deposits with financial institutions which are approved by BNM to undertake Islamic banking business under the Islamic Financial Services Act 2013 and/or the Financial Services Act 2013.

Cleansing process for the Fund

(a) Wrong investment in Shariah non-compliant instruments

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

(b) Reclassification of Shariah status of the Fund's investments

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

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

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

However, any income received from the disposal after the reclassification effective date at a price that is higher than the price on the reclassification effective date 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.

(c) Zakat for the Fund

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

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

## 3.3 Risk factors

### 3.3.1 General risk

Any investment carries with it elements of risk. There is no assurance that a unit trust fund will achieve its investment objective. Therefore, prior to making any investment decision, prospective investors should consider the following risk factors in addition to the other information set out in this prospectus.

Below are some of the general risks which Unit Holders should be aware of when investing in unit trust funds:

**Market risk**

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the NAV of the Funds.

**Loan financing risk**

This risk occurs when investors take a loan or obtain financing to finance their investment in the Funds. The inherent risk of investing with borrowed/financed money includes the inability to service the loan repayments/financing payments and effect of increase in interest rate risk. Where loan or financing obtained by investors are based on variable interest rate instead of fixed interest rate, and if the interest rate rise, the total repayment/payment amount payable by the investors will also be increased. In the event units of the Fund is used as collateral, additional collateral may be required if the unit price fall beyond a certain level. If the investor fails to honor the additional collateral within the prescribed time, units of the Fund may be sold at towards settlement of the loan/financing.

| |
|---|
| Islamic unit trust fund's investors are advised to seek Islamic financing to finance their acquisition. |

**Inflation risk**

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

**Management company risk**

Management company risk arises when the management company does not adhere to the investment mandate of a unit trust fund. Such incidents may due to human errors or weaknesses in operational process and systems that require rectifications, the neglect of which may adversely affect the performance of a unit trust fund.

**Non-compliance risk**

The risk arising from non-conformance with regulations and internal policies and procedures by the management company due to situation such as system failures and oversight may adversely affect the investment of Unit Holders. The non-compliance

may also expose the unit trust fund to higher risks that may result in a fall in the value of the unit trust fund.

**Return on investment risk**

There is no guarantee on the investment returns nor on the distribution to investors.

**Fund management risk**

The performance of the Fund depends on, amongst other things, the expertise of the fund manager in carrying out the fund management function. Lack of expertise of investment techniques by the fund manager may have an adverse impact on the Fund's performance which in turn may affect the investment of Unit Holders.

**Liquidity risk**

The liquidity risk refers to the potential scenario where there is insufficient cash available in the Funds to meet the redemption requests in the prescribed redemption period. The Manager may be required to premature termination of placement resulting the Funds not entitled to the deposit/Islamic deposit rate as anticipated and the loss of potential return and consequently the value of Unit Holders' investments in the Funds will be negatively affected.

### 3.3.2 Specific risks of investing in the Funds

**(a) Cash**

- *Credit and default risk*

  This refers to the creditworthiness of the financial institutions and its expected ability to make timely payment of interest and/or principal. Default happens when the financial institutions are not able to make timely payment of interest and/or principal on the maturity date.

- *Interest rate risk*

  The returns from the Fund's placement in deposits may be affected in response to the fluctuations in interest rates environment. The return of placement of deposits moves in tandem with fluctuations in interest rates. When interest rates rise, interests for any new placements in deposits will also increase, and vice versa. However, the Fund may experience opportunity loss should the Fund unable to unwind its current position of placement on time during the rising interest rate.

**(b) iCash**

- *Credit and default risk*

  This refers to the creditworthiness of the financial institutions and its expected ability to make timely payment of profit and/or principal. Default happens when the financial institutions are not able to make timely payment of profits and/or principal on the maturity date.

- *Interest rate risk*

  The returns from the Fund's placement in Islamic deposits may be affected in response to the fluctuations in interest rates environment. The return of

placement of Islamic deposits moves in tandem with fluctuations in interest rates. When interest rates rise, profits for any new placements in Islamic deposits will also increase, and vice versa. However, the Fund may experience opportunity loss should the Fund unable to unwind its current position of placement on time during the rising interest rate.

*The interest rate is a general indicator that will have an impact on the management of funds regardless of whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instrument. All investments carried out for this Fund are in accordance with Shariah requirements.*

- *Shariah status reclassification risk*

  This risk refers to the risk of a possibility that the currently held Islamic deposits placed by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to withdraw such deposits.

  Please refer the cleansing process for the Fund on section 3.2.6.

**The abovementioned risks, which investors should consider before investing into a Fund, should not be considered to be an exhaustive list. Investors should be aware that investment in a Fund may be exposed to other risks of an exceptional nature from time to time.**

## 3.4 General information

### 3.4.1 Valuation

The Funds will be valued at least once every Business Day. The valuation of the Funds will be conducted at the close of Bursa Malaysia for that Business Day.

The Funds shall adopt the bases of valuation of investments prescribed in the Guidelines.

| | |
|---|---|
| Deposit and Islamic deposit | Reference to the principal value of such investments and the interest income and/or profits accrued thereon for the relevant period. |
| Any other investment and Shariah-compliant investment | Fair value as determined in good faith by the Manager on methods or bases, which have been verified by the auditor of the Fund and approved by the Trustee. |

### 3.4.2 Gearing policy

The Funds are not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the Securities Borrowing and Lending Guidelines in connection with its activities.

However, the Funds may borrow cash, or seek an Islamic financing facility, as the case maybe, for the purpose of meeting repurchase requests. Such borrowings or financings are subjected to the following:

- the cash borrowing or Islamic financing facility is only on a temporary basis and that the borrowing or Islamic financing facility is not persistent;

- the borrowing period or Islamic financing facility should not exceed one (1) month;

- the aggregate of the borrowing or Islamic financing facility should not exceed 10% of NAV at the time the borrowing or Islamic financing facility is incurred; and

- the Fund may only borrow or seek Islamic financing facility from financial institutions.

Except for securities lending as provided under the Guidelines, none of the cash or investments of the Funds may be lent. Further, the Funds may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

## CHAPTER 4: FEES, CHARGES AND EXPENSES

The following are the charges that will be **directly** incurred by Unit Holders.

### 4.1 Sales charge

**Cash** **iCash**

Sales charge imposed by various distribution channels are as follows:

| Distribution channel | Sales charge |
|---|---|
| Direct investment with the Manager | Nil |
| Authorised IUTAs | Nil |
| Authorised tied agents | Nil |

### 4.2 Repurchase charge

**Cash** **iCash**

The Manager does not impose any repurchase charge when redeeming units of the Funds.

### 4.3 Switching fee

**Cash** **iCash**

Nil. The Manager does not impose any switching fee.

### 4.4 Transfer fee

**Cash** **iCash**

The Manager does not impose any fee for transfer of units of the Funds.

The following are the fees that will be **indirectly** incurred by Unit Holders:

### 4.5 Annual management fee

The Manager is entitled to the following management fee in respect of the Fund, which is calculated and accrued on a daily basis and payable monthly to the Manager.

| Fund | Annual management fee |
|---|---|
| **Cash** | Up to 0.25% per annum of NAV |
| **iCash** | Up to 0.25% per annum of NAV |

The Manager may, for any reason at any time, waive or reduce the annual management fee payable by the Unit Holder and/or investor in respect of any Fund, either generally (for all Unit Holders and/or investors) or specifically (for any particular Unit Holder and/or investor) and for any period or periods of time at its absolute discretion.

### 4.6 Annual trustee fee

The Trustee is entitled to the following trustee fee in respect of the Fund, which is calculated on a daily basis and payable monthly to the Trustee.

| Fund | Annual trustee fee |
|---|---|
| **Cash** | Up to 0.0125% per annum of the NAV subject to a minimum fee of RM15,000 per annum. |
| **iCash** | Up to 0.0125% per annum of the NAV subject to a minimum fee of RM15,000 per annum. |

### 4.7 Other expenses

Only expenses directly related and necessary in operating and administering the Funds will be paid out from each of the Fund. These expenses include the following:

(a) Commissions or fees paid to brokers and/or dealers in effecting dealings in the Fund's investments;

(b) Tax and other duties charged on the Funds by the government and other authorities;

(c) Fees and other expenses properly incurred by the auditors and tax advisers appointed for the Funds;

(d) Fees for valuation of any investment of the Funds by an independent valuer for the benefit of the Fund;

(e) Costs incurred for the modification of the Deed other than for the benefit of the Manager or Trustee;

(f) Costs incurred for any meeting of the Unit Holders other than those convened by or for the benefit of the Manager or Trustee;

(g) Administration charges like printing of annual reports, distribution of cheques and postage;

(h) Remuneration and out of pocket expenses of the person(s) undertaking the oversight function of the Funds, unless the Manager decides otherwise; and

(i) Any other fees, cost and expenses related to the Funds as provided in the Deed.

### 4.8 Policy on rebates and soft commission

The Manager will not retain any rebates from or otherwise share in any commission with any broker or dealer in consideration for direct dealings in the investments of the Funds. Accordingly, any rebate and shared commission will be directed to the account of the Funds.

However, the Manager may retain goods and services ("soft commissions") provided by any broker or dealer if:

1. the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
2. any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and

3. the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

### 4.9 Tax

All fees and charges payable to the Manager and the Trustee are subject to any tax as may be imposed by the government from time to time.

**THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN ANY OF THE FUNDS.**

**ALL FEES, CHARGES AND EXPENSES DISCLOSED IN THIS PROSPECTUS ARE EXPRESSED ON A TAX-EXCLUSIVE BASIS. ACCORDINGLY, TO THE EXTENT THAT SERVICES PROVIDED ARE SUBJECT TO TAX, THE AMOUNT OF TAX PAYABLE ON ANY RELATED FEES, CHARGES AND/OR EXPENSES WILL BE PAYABLE BY THE UNIT HOLDER AND/OR THE FUND (AS THE CASE MAY BE) IN ADDITION TO THE FEES, CHARGES AND EXPENSES DISCLOSED IN THIS PROSPECTUS.**

## CHAPTER 5: TRANSACTION INFORMATION

## SALE AND PURCHASE OF UNITS

### 5.1 Computation of NAV and NAV per unit

The NAV of a Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. The NAV per unit of a Fund at a valuation point is determined by dividing the NAV at that valuation point by the number of units in circulation of the Fund at the same valuation point.

### 5.2 Pricing of units

### 5.2.1 Single pricing

The Manager adopts a single pricing policy, i.e. the Selling Price and Repurchase Price is the NAV per unit of the Funds.

The Selling Price and Repurchase Price are calculated based on the forward pricing policy, whereby the Selling Price and Repurchase Price shall be the NAV per unit of the respective Funds at the next valuation point following the receipt by the Manager of an application to purchase or a request to repurchase units of a Fund.

Illustration using hypothetical figures:

| | |
|---|---|
| Daily NAV | RM110,072,159.20 |
| Units in circulation | 100,104,000 |
| NAV per unit | RM110,072,159.20 / 100,104,000 |
| | = RM1.0996* |

*The NAV per Unit is rounded to the nearest 4 decimal places.

If an investor makes an investment of RM10,000.00 at the Selling Price of RM1.0996 (which is the NAV per unit as at the next valuation point) and no sales charge is levied, the investor will pay a total of RM10,000.00 as follows:

| | |
|---|---|
| Investment amount | = RM10,000.00 |
| Add: sales charge levied | Nil |
| Total amount paid by the investor | = RM10,000.00 |

If an investor redeems 9,094.2161 units at the Repurchase Price of RM1.0996 (which is the NAV per unit as at the next valuation point) and no repurchase charge is levied, the investor would receive repurchase proceeds of RM10,000.00 as follows:

| | |
|---|---|
| Repurchase amount (9,094.2161 units x RM1.0996) | = RM10,000.00 |
| Less: repurchase charge | Nil |
| Net amount payable to the investor | = RM10,000.00 |

### 5.2.2 Incorrect pricing

In the event there is incorrect valuation and/or pricing of the Fund and/or units of the Fund which is at or above the threshold of 0.5% of the NAV per unit, the Manager shall take immediate remedial action to rectify any incorrect valuation or pricing. Rectification shall be extended to the reimbursement of money:-

(a) by the Manager to the Fund;
(b) from the Fund to the Manager; or
(c) by the Manager to Unit Holders and/or former Unit Holders.

However, if the amount to be reimbursed to a Unit Holder's account is less than RM10.00, no such reimbursement is applicable.

## 5.3 Transaction details

### 5.3.1 Sale of units

When purchasing units of a Fund, investors must forward the following:

(a) completed application form;
(b) necessary remittance; and
(c) relevant supporting documents such as a photocopy of their identity card (for an individual applicant) or certified true copies of the certificate of incorporation or registration, memorandum and articles of association or constitution or by-laws, and relevant resolutions (for a corporate applicant),

to the Manager's office, its Authorized tied agents or authorised IUTAs before their respective cut-off times.

The minimum initial investment and additional investment for the Funds are as follows:

| **Fund** | **Minimum initial investment** | **Minimum additional investment** |
|---|---|---|
| **Cash** | RM1,000.00 or such other amount as the Manager may accept from time to time | RM1,000.00 or such other amount as the Manager may accept from time to time. |
| **iCash** | RM1,000.00 or such other amount as the Manager may accept from time to time | RM1,000.00 or such other amount as the Manager may accept from time to time. |

Investors can obtain this prospectus and an application form for the purchase of units from the Manager's office. This prospectus is also available at the Manager's website at ***www.kaf.com.my***.

***INVESTORS ARE ADVISED NOT TO MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF A FUND.***

### 5.3.2 Repurchase of units

Unit Holders may redeem their investments in the Funds by completing the prescribed repurchase request form and returning it to the Manager before the cut-off time of 3:00

p.m. on a Business Day. Any repurchase request received after 3:00 p.m. on a Business Day, will be considered to be received on the next Business Day.

The minimum repurchase units, minimum investment balance, and frequency of repurchase for the Funds are as follows:

| Fund | Minimum repurchase units | Minimum investment balance | Frequency of repurchase |
|---|---|---|---|
| **Cash** | Any number of units. | 1,000 units or such other lower quantity as the Manager may decide from time to time. | There is no restriction on the repurchase frequency. If the repurchase request leaves a Unit Holder with less than 1,000 units or such other lower quantity as the Manager may decide from time to time (minimum investment balance), the Manager has the option to liquidate the balance of the units held in the Unit Holder's account and forward the proceeds to the Unit Holder. |
| **iCash** | Any number of units. | 1,000 units or such other lower quantity as the Manager may decide from time to time. | There is no restriction on the repurchase frequency. If the repurchase request leaves a Unit Holder with less than 1,000 units or such other lower quantity as the Manager may decide from time to time (minimum investment balance), the Manager has the option to liquidate the balance of the units held in the Unit Holder's account and forward the proceeds to the Unit Holder. |

Redemption proceeds shall be paid on the next business day[#] (T+1) after receipt by the Manager of the request to repurchase before the cut-off time of 3:00 p.m. Such redemption requests are deemed received only if all documents and forms received by the Manager are duly and correctly completed.

In the event of any technical difficulties beyond the Manager's control or should the redemption request result in the sale of assets which cannot be liquidated at an appropriate price or on adequate terms and is as such not in the interest of existing Unit Holders, redemption monies may be paid at any time not later than seven (7) Business Days after receipt by the Manager of the request to repurchase units or such other period as may be permitted by the relevant authorities from time to time.

[#]These are the working days when the Manager is open for business.

### 5.3.3 Where units can be purchased and redeemed

Units of the Funds can be purchased or redeemed at the Manager's office, or from any of its Authorised tied agents or authorised IUTAs before their respective cut-off time.

The dealing hours of the Funds are as follows:

| | |
|---|---|
| Subscription for units and remittance of funds: | The cut-off time is 11:00 a.m. (or such other later time as the Manager may deem fit in its discretion) on any Business Day.<br><br>Any subscription of units and remittance received after 11:00 a.m. will be deemed to have been received on the following Business Day. |
| Redemption of units: | The cut-off time is 3:00 p.m. (or such other later time as the Manager may deem fit in its discretion) on any Business Day.<br><br>Any request for redemption of units received after 3:00 p.m. will be deemed to have been received on the following Business Day. |

Customer or investors may seek assistance from our customer service personnel at 03-9767 6000 during our office hours, Mondays through Fridays from 9.00 a.m. – 5.00 p.m. Investors may also visit our website, ***www.kaf.com.my.***

Please refer to our Directory of Outlets for Purchase and Sale of Unit at the end of this prospectus. Account opening forms, purchase/switch forms, repurchase forms and this prospectus is also available from these distributors.

### 5.3.4 Cooling-off period

The cooling-off right refers to the rights of an investor to obtain a refund of his/her investment in the Funds if he so request within the cooling-off period.

The cooling-off right is only given to an individual investor, other than those listed below, who is investing for the first time in any unit trust fund managed by the Manager:

(a) staff of the Manager; and
(b) persons registered with a body approved by the Securities Commission to deal in unit trusts fund.

The cooling-off period shall be within six (6) Business Days from the day application to purchase units is received by the Manager.

Unit Holders who exercise their cooling-off rights will receive a refund on their investment which will be the sum of:

(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) any charges (for example, a sales charge) imposed on the day the units were purchased (where applicable).

When a cooling-off right is exercised, the refund will be paid within seven (7) Business Days of the receipt of the notice of cooling-off by the Manager.

### 5.3.5 Transfer of ownership of units

Subject to the discretion of the Manager, Unit Holders may transfer the ownership of their units to any person by completing the transfer application form and returning it to the Manager before the cut-off time of 4:00 p.m. on a Business Day.

The minimum number of units for transfer for the Funds is as follows:

| **Fund** | **Minimum number of units for transfer** |
|---|---|
| **Cash** | 1,000 units. |
| **iCash** | 1,000 units. |

### 5.3.6 Switching facility

This is considered as a redemption from a fund and an investments into other funds under the management of the Manager. Unit Holders are required to complete the switching form and forward it to the Manager's office before the cut-off time of 4:00 pm on a Business Day. There are no restrictions as to the frequency of switching.

The minimum number of units for a switch for the Funds is as follows:

| **Fund** | **Minimum number of units for switching** |
|---|---|
| **Cash** | 1,000 units. |
| **iCash** | 1,000 units. |

Units of the fund to be switched into shall be purchased at the net asset value per unit of that fund as at the next valuation point of the fund's relevant business day after the switching form is received by the Manager ("forward pricing"). The Manager reserves the right to vary the terms of the switching facility from time to time at its discretion.

Switching from an Islamic fund to a conventional fund is not encouraged for Muslim Unit Holders.

### 5.3.7 Distribution mode

Distribution may be declared by the Manager in line with the Funds' objective. Please refer to Chapter 3: Detailed information of the Fund for the Fund's distribution policy.

Income distribution, if any will be automatically reinvested to purchase additional units of the Fund. Such additional units will be purchased at the NAV per unit on the income payment date i.e. the closing of the 15$^{th}$ day of the following month or such earlier date as may be determined by the Manager. There will be no additional charges incurred for any reinvestment of the income distribution.

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

### 5.3.8 Unclaimed monies

All money payable to a Unit Holder may be paid by cheques. In the event, the cheque is not presented for payment within six (6) months from date of issuance, the Unit Holder may request the Manager to issue a new cheque as substitution for such amount payable.

However, all money payable to Unit Holders which remain unclaimed after one year from the date of cheque will be handled by the Manager in accordance with the requirements of the Unclaimed Moneys Act, 1965.

## CHAPTER 6: MANAGEMENT COMPANY

### 6.1 Background information

The Manager, KAF Investment Funds Berhad is a holder of a Capital Markets Services Licence issued under the CMSA. The Manager became a subsidiary of KAF Seagroatt & Campbell Berhad, with effect from 15 April 2013 when the latter acquired majority interest in Alliance Investment Management Berhad. Alliance Investment Management Berhad was later renamed as KAF Investment Funds Berhad to reflect the change in ownership.

As at 5 May 2023, the Manager is managing 16 collective investment schemes in its suite of offerings which covers a range of products types with different risk profiles. The Manager offers both conventional and Islamic collective investment schemes.

### 6.2 Board of directors

The board of directors of the Manager takes a proactive role in the activities and affairs of the Manager and the collective investment schemes under its management.
It consists of esteemed members with vast experienced in the banking and financial industry.

The list of board of directors are available on the Manager's website, *www.kaf.com.my/Home/Investment-Funds#investor*

### 6.3 Roles, duties and responsibilities of the Manager

The Manager is responsible for the day-to-day management of the Funds in accordance with the provisions of the Deed, Guidelines and all relevant laws. The Manager's functions include:

- Valuation and pricing of units;
- Implementing appropriate investment strategies to achieve the Funds' objectives;
- Administering Unit Holder's transactions;
- Issuing reports to Unit Holders on a timely basis;
- Distributing income to Unit Holders;
- Keeping proper records of the Funds; and
- Marketing the units of the Funds.

### 6.4 Fund management team

**Mr Tan-Rausch (Designated fund manager for the Funds)**

Mr. Tan-Rausch graduated from the University of South Australia with a Bachelor's Degree in Applied Finance. He holds the Capital Market Services Representative's Licence to carry out the regulated activity of fund management and is also a member of Persatuan Pasaran Kewangan Malaysia (PPKM). Mr Tan-Rausch joined the Manager in 2020 as a fixed income portfolio manager tasked with the responsibilities of managing fixed income and money market unit trust funds. Prior to joining the Manager, he started his career in the financial markets industry as a foreign exchange (FX) and interest rates trader in the treasury department at OSK Investment Bank Bhd and subsequently RHB Investment Bank Bhd. Mr. Tan-Rausch then made his transition

to the fund management industry by joining Public Mutual Bhd as a unit trust consultant and subsequently as a portfolio manager for a Singaporean hedge fund.

## 6.5 Material litigation

As at 5 May 2023, there is no current material litigation or arbitration, including those pending or threatened, and any facts likely to give rise to any proceeding which might materially affect the business or financial position of the Manager.

## 6.6 Shariah Adviser for KAF iCash Fund

### Profile of the Shariah Adviser

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

### About BIMBSEC

BIMBSEC is a stockbroking subsidiary of Bank Islam Malaysia Berhad incorporated on 21 February 1994 and is licensed by the Securities Commission. The corporate mission of BIMBSEC 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 or non-Muslims, looking for Shariah-compliant investment products and services.

### Experience in Shariah advisory services

BIMBSEC is registered with the Securities Commission to act as a Shariah adviser for Islamic products and services regulated by the Securities Commission, which include Islamic collective investment schemes. BIMBSEC is independent from the Manager and does not hold office as a member of the committee undertaking the oversight function of the Fund or any other funds managed and administered by the Manager.

As at 5 May 2023, BIMBSEC is a corporate Shariah adviser to ninety-nine (99) Islamic funds including two (2) Islamic real estate investment trusts. Its staff strength consists of 67 employees of whom 63 are executive staff and the rest are non-executive staff.

### Roles and responsibilities of BIMBSEC as the Shariah Adviser

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

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

In line with the Guidelines on Islamic Capital Market Products and Services, the roles of BIMBSEC as the Shariah Adviser are:

1. to advise on all Shariah aspects of Fund and the Fund's operations and process such that they are in accordance with Shariah requirements;

2. to provide Shariah expertise and guidance in all matters related to the Fund, particularly on the documentation such as the Deed and this prospectus, structure, investments and related operational matters;

3. to ensure that the Fund is managed and operated in accordance with Shariah requirements;

4. to review the Fund's compliance reports as provided by the Manager's compliance officer, and investment transaction reports provided or duly approved by the Trustee to ensure that the Fund's investments are in line with Shariah;

5. to prepare a report to be included in the semi-annual and annual reports of the Fund stating the Shariah Adviser's opinion whether the Fund has been operated and managed in compliance with Shariah, including rulings, principles and concepts endorsed by the SACSC for the financial period concerned;

6. to consult the Securities Commission where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;

7. to meet the Manager on a quarterly basis (or as and when required by the Manager and/or the Shariah Adviser) for the review of the Fund's operations and processes; and

8. to apply *Ijtihad* (intellectual reasoning) to ensure all aspects relating to the Fund is in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SACSC.

**Designated person responsible for Shariah matters**

**Ir. Dr. Muhamad Fuad bin Abdullah**

Ir. Dr. Muhamad Fuad (Dr. Muhamad Fuad) is the designated person in charge of all Shariah matters in BIMBSEC.

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 Securities Commission. He is the chairman of the Shariah Advisory Committee of BIMBSEC and the Shariah Supervisory Council of Bank Islam Malaysia Berhad. He sits on the Shariah committee of AIA-Public Takaful Berhad.

He is also the non-executive chairman of Gagasan Nadi Cergas Berhad and a board member of Universiti Tun Abd Razak Sdn Bhd (UniRAZAK).

**Nurussaádah binti Nasarudin** ("Nurussaádah")

Nurussaádah joined BIMBSEC 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 BIMBSEC' Shariah adviser registration, responsible for the Shariah advisory services offered by BIMBSEC.

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 non-financial institution activities.

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

**FURTHER INFORMATION ON THE MANAGER, SHARIAH ADVISER AND FUND MANAGER IS PROVIDED IN THE MANAGER'S WEBSITE AT WWW.KAF.COM.MY**

## CHAPTER 7: TRUSTEE

### 7.1 Background information

PB Trustee Services Berhad is the trustee of the Funds. The Trustee was incorporated on 24 August 1968 and commenced its operations on 22 January 1969, with its registered and business office at 17th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. The Trustee has an authorized share capital of RM1,050,000 and a paid-up share capital of RM525,000.

### 7.2 Experience in trustee business

The Trustee's experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include corporate bonds, writing of wills, management of estates, trusteeship for golf clubs, recreational clubs and time sharing schemes. The Trustee is also acting as a custodian in its capacity.

### 7.3 Duties and responsibilities of the Trustee

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of the Unit Holders. The general function, duties and responsibility of the Trustee include, but are not limited to, the following:

- act in accordance with the provisions of the Deed, the CMSA, the Guidelines and securities laws;
- take into its custody the investments of the Funds and hold the investments in trust for the Unit Holders;
- ensure that the Manager operates and administers the Funds in accordance with the provisions of the Deed, the CMSA, the Guidelines and acceptable business practice within the unit trust industry;
- ensure that it is fully informed of the investment policies of the Funds and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit Holders, it shall instruct the Manager to take appropriate action as the Trustee deems fit and/or summons a Unit Holders' meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;
- as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deed, the Guidelines and any other matters which in the Trustee's opinion may indicate that the interests of Unit Holders are not being served;
- exercise due care, skill, diligence and vigilance in carrying out its functions and duties, in actively monitoring the administration of the Fund by the Manager and in safeguarding the interests of Unit Holders;
- maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Funds; and
- Require that the accounts be audited at least annually.

### 7.4 Material litigation and arbitration

As at 5 May 2023, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened and is not aware of any facts likely to give any proceedings which might materially affect the business or financial position of Trustee and any of the Trustees or any of its delegates.

## CHAPTER 8: SALIENT TERMS OF THE DEED

### 8.1 Rights and Liabilities of the Unit Holders

#### Rights of the Unit Holders of the Fund

As a Unit Holder of the Fund and subject to the provisions of the Deed, you have the right:

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

However, a Unit Holder would not have the right to require the transfer to the Unit Holder of any of the assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such assets. In amplification and not in derogation of the aforesaid, units held shall not confer on any Unit Holder any interest in any particular part or asset of the Fund but only in such interest in the Fund as a whole as may be conferred on Unit Holders by the provisions of the Deed.

*Note: Please be advised that if a Unit Holder invests in units through an authorised IUTA which adopts the nominee system of ownership, the Unit Holder would not be considered to be a Unit Holder under the Deed and the Unit Holder may consequently not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holder's meeting and to vote thereat and the right to have the Unit Holder's particulars appearing in the register of Unit Holders of the Fund.*

#### Liabilities of Unit Holders of the Fund

As a Unit Holder of the Fund, and subject to the provisions of the Deed, your liabilities would be limited to the following:

1) a Unit Holder would not be liable for any amount in excess of the purchase price paid for units as determined in accordance with the Deed at the time the units were purchased and any charges payable in relation thereto.

2) a Unit Holder would not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund.

## 8.2 Maximum fees and charges permitted by the Deed

The maximum rate of fees and charges allowable by the Deed are as follows:

| Fund | Maximum sales charge | Maximum repurchase charge |
|---|---|---|
| **Cash** | 5.00% of NAV per unit | 3.00% of NAV per unit |
| **iCash** | 5.00% of NAV per unit | 3.00% of NAV per unit |

| | Maximum annual management fee | Maximum annual trustee fee |
|---|---|---|
| **Cash** | 1.50% of NAV | 0.15% of NAV, subject to a minimum fee of RM15,000 per annum. |
| **iCash** | 1.50% of NAV | 0.15% of NAV, subject to a minimum fee of RM15,000 per annum. |

## 8.3 Increase in fees and charges

The increase of the actual sales charge, actual repurchase charge, annual management fee or annual trustee fee above the rate as disclose in this prospectus (but below the maximum rate prescribed in the Deed) can be made by way of a supplementary prospectus or replacement prospectus.

The maximum sales charge, repurchase charge, annual management fee or annual trustee fee as prescribed in the Deed may not be increased without the prior consent from the Unit Holders and will require the issuance of a supplemental deed and a supplementary prospectus or replacement prospectus.

## 8.4 Permitted expenses

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

- commissions and/or fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- costs, fees and expenses properly incurred by the auditor of the Fund;
- costs, fees and expenses incurred for the valuation of any investment of the Fund;
- costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- costs, commissions, fees and expenses of the sale, purchase, insurance (or takaful) and any other dealing of any asset of the Fund;
- costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;

- costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- 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 Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (where the custodial function is delegated by the Trustee) charges and fees paid to custodians of the foreign assets of the Fund, if any;
- fees, charges, costs and expenses relating to the preparation, printing, posting, registration and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and
- any tax such as goods and services tax and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred as above.

### 8.5 The Manager's right to retire

The Manager has the power to retire in favour of some other corporation by giving to the Trustee three (3) months' notice in writing of the Manager's desire so to do, or such other period as the Trustee and the Manager may agree upon, and subject to the fulfilment of the conditions prescribed in the Deed and in accordance with the relevant law.

### 8.6 The Manager's power to remove or replace the Trustee

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

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

The Trustee may be removed and another trustee may be appointed by special resolution of the Unit Holders at a duly convened meeting of which notice has been given to the Unit Holders in accordance with the Deed.

## 8.7 The Trustee's right to retire

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may retire upon the expiration of three (3) months' (or such other period as the Manager and the Trustee may agree upon), notice in writing to the Manager of its desire so to do.

## 8.8 Removal and replacement of the Manager

The Manager may be removed by the Trustee on the grounds that:

- if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the Unit Holders' interest to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a special resolution;
- unless expressly directed otherwise by the relevant authorities, if the Manager are in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

The Manager may also be removed or be required to retire by the Unit Holders if a special resolution is passed at a meeting of the Unit Holders.

## 8.9 Termination of the Fund

The Funds may be terminated or wound-up upon the occurrence of any of the following events:

- the Securities Commission's authorization has been withdrawn under Section 256E of the CMSA;
- a special resolution is passed at a meeting of Unit Holders summoned by the Trustee to terminate or wind up the Fund and thereafter the Trustee obtained an order from the court to confirm the said special resolution; and
- a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Funds.

Notwithstanding the above, the Manager may, in consultation with the Trustee terminate and wind up the Fund at any time if the Manager deems it uneconomical to continue managing the Fund and that the termination of the Fund is in the best interest of the Unit Holders. If the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

## 8.10 Meeting of Unit Holders

A Unit Holders' meeting may be summoned by the Manager, Trustee or Unit Holders in accordance with the provisions of the Deed and the Guidelines. The meeting of Unit Holders may be conducted in a physical, virtual or hybrid manner.

**Quorum required for convening a Unit Holders' meeting**

(a) The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, however if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy.

(b) If the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the units in circulation of the Fund at the time of the meeting.

(c) If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders.

Participation by a Unit Holder in a Unit Holders' meeting by any of the communication facilities referred to in the Deed shall be deemed as present at the said Unit Holders' meeting and shall be counted towards the quorum notwithstanding the fact that the Unit Holder is not physically present at the place of where the Unit Holders' meeting is held.

**Manner of voting and resolution**

Every Unit Holder entitled to attend the meeting of Unit Holders and to vote, may do so personally or by proxy. At a meeting of Unit Holders, every resolution shall be decided by a show of hands unless a poll is demanded or if the meeting of Unit Holders is to determine on a matter of special resolution, in which case a poll should be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one vote.

A poll may be demanded on any resolution. If a poll is taken or demanded, every vote held by every Unit Holder who is present in person or by proxy shall be proportionate to the number or to the value of Units held by the Unit Holder.

A poll may be demanded by the chairman of the meeting of Unit Holders, the Trustee, the Manager or by Unit Holders holding (or representing by proxy) between them not less than one-tenth (1/10) of the total number of Units then in issue.

Unless a poll is so demanded, a declaration by the chairman of the meeting of Unit Holders of the result of the resolution shall be conclusive evidence of the fact whether in favour of or against such resolution.

All resolutions presented at the meeting of Unit Holders shall be passed by a simple majority unless the Deed requires for a special resolution. Resolutions passed at the meeting of Unit Holders shall bind all Unit Holders whether or not they were present at such meeting.

The Manager may attend any meeting of Unit Holders but must not exercise the voting rights for the Units it or its nominees hold in any meeting of Unit Holders, regardless of the party who requested for the meeting and the matters that are laid before the meeting.

## CHAPTER 9: RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The Manager has existing, and proposes to continue having broker-dealer relationships with its related entities within its group of companies. However, the Manager has in place policies and procedures to deal with any conflict of interest and/or related party transactions situations.

All transactions with related parties are to be executed on terms which are best available to the Funds and which are not less favourable to the Funds than an arms-length transaction between independent parties.

The Manager observes high standards of integrity and fair dealing for the Unit Holders' best and exclusive interests. The Manager will not conduct transactions in any manner which will result in unnecessary costs or risk to the Funds. The Manager shall not, without prior approval of the Trustee, invest any moneys available under the Deed in any securities, property and assets in which the Manager or any of its officers (including directors and staff) has a financial interest or from which the Manager or any of its officers, derives a benefit.

Where a conflict of interest arises due to the directors holding substantial shareholding or directorship of a company where the Funds invests in that particular company's securities, the said director shall refrain from any decision-making relating to that particular company's securities.

In addition, the Manager has in place a policy and procedure on disclosure and conduct, which regulates its employees' securities and other investments dealings. All the employees of the Manager must disclose their shareholding interest or personal dealings to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the Manager and customers of the Manager.

**Other declarations**

BIMB Securities Sdn Bhd has given confirmation that there is no existing or potential conflict of interest in its capacity as the Shariah Adviser for **iCash**.

PricewaterhouseCoopers Taxation Services Sdn Bhd has given confirmation that there is no existing or potential conflict of interest in its capacity as the tax adviser for the Funds.

Messrs. Wei Chien & Partners has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the solicitors for the Funds.

## CHAPTER 10: TAX ADVISER'S LETTER

**TAXATION ADVISER'S LETTER ON TAXATION OF THE FUNDS AND UNIT HOLDERS**
(prepared for inclusion in this Replacement Prospectus)

PricewaterhouseCoopers Taxation Services Sdn Bhd
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

5 May 2023

The Board of Directors
KAF Investment Funds Berhad
Level 13, Menara IQ,
Lingkaran TRX, Tun Razak Exchange,
55188 Kuala Lumpur

**TAXATION OF THE FUNDS OFFERED UNDER THE REPLACEMENT PROSPECTUS AND UNIT HOLDERS**

Dear Sirs,

This letter has been prepared for inclusion in the Replacement Prospectus in connection with the offer of units in the following funds ("the Funds"):

1. KAF Cash Fund
2. KAF iCash Fund

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

**TAXATION OF THE FUNDS**

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

**(1) Domestic Investments**

**(i) General Taxation**

Subject to certain exemptions, the income of the Funds consisting of dividends, interest or profit[1] (other than interest and profit[1] which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments in Malaysia by the Funds will not be subject to Malaysian income tax.

**(ii) Dividends and Other Exempt Income**

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

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

Interest or profit[1] or discount income derived from the following investments is exempt from tax:

(a) Securities or bonds issued or guaranteed by the government of Malaysia (Government);
(b) Debentures[2] or sukuk, other than convertible loan stocks, approved or authorised by, or lodged with, the Securities Commission Malaysia; and
(c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest or profit[1] derived from the following investments is exempt from tax:

(a) Interest or profit[1] paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013;
(b) Interest or profit[1] paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
(c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
(d) Interest or profit[1] paid or credited by Malaysia Building Society Berhad[3].

The interest or profit[1] or discount income exempted from tax at the Funds level will also be exempted from tax upon distribution to the Unit Holders.

<u>Exception: -</u>

i. Wholesale money market fund

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

ii. Retail money market fund (“RMMF”)

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

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

## (2) Foreign Investments

With effect from 1 January 2022, the exemption of foreign-sourced income received in Malaysia is only applicable to a person who is a non-resident.

The Ministry of Finance ("Minister") subsequently announced on 30 December 2021 that subject to conditions, which will be set out in guidelines to be issued by the Inland Revenue Board ("IRB"), the following foreign-sourced income received from 1 January 2022 to 31 December 2026 (5 years) will continue to be exempted from Malaysian income tax:

- Dividend income received by resident companies and limited liability partnerships ("LLPs").

- All classes of income received by resident individuals, except for resident individuals which carry on business through a partnership.

In addition to the conditions already spelt out previously, resident companies, LLPs and individuals (in relation to a partnership business in Malaysia) are required to comply with economic substance requirements in order to qualify for the tax exemption on foreign-sourced dividend income received in Malaysia from outside Malaysia.

Based on clarifications from the IRB, foreign-sourced income (e.g. dividends, interest, etc.) of a resident Fund which is received in Malaysia will be subject to tax. There will be a transitional period from 1 January 2022 to 30 June 2022 where foreign-sourced income remitted to Malaysia will be taxed at the rate of 3% on gross income. From 1 July 2022 onwards, any foreign-sourced income remitted to Malaysia will be subject to Malaysian income tax at the rate of 24% for a resident Fund.

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

Gains on disposal of foreign investments by the Fund will not be subject to Malaysian income tax.

The foreign income subjected to Malaysian tax at the Fund level will also be taxable upon distribution to the Unit Holders. However, the income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them.

## (3) Tax Deductible Expenses

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

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

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies[4] would be subject to RPGT as follows:-

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

**(5) Sales and Service Tax ("SST")**

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax ("GST"). Both the Sales Tax Act 2018 and Services Tax Act 2018 have been gazetted on 28 August 2018. The rates for sales tax are nil, 5%, 10% or a specific rate whereas the rate for service tax is at 6%.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable cost to the business.

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

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 6%. However, fund management services and trust services are excluded from service tax. With effect from 1 January 2019, service tax will apply to any taxable service that is acquired by any business in Malaysia from a non-Malaysian service provider. In this connection, the Fund, being non-taxable person who acquire imported taxable services (if any) will need to declare its imported taxable services through the submission of prescribed declaration, i.e. Form SST-02A to the Royal Malaysian Customs Department ("RMCD").

With effect from 1 January 2020, service tax on digital services was implemented at the rate of 6%. Under the service tax on digital services, foreign service providers selling digital services to Malaysian consumers are required to register for and charge service tax. Digital services are defined as services which are delivered or subscribed over the internet or other electronic network, cannot be delivered without the use of IT and the delivery of the service is substantially automated.

Furthermore, the provision of digital services has also been prescribed as a taxable service when provided by a local service provider with effect from 1 January 2020. Hence, where the Fund obtains any of the prescribed digital services, those services may be subject to service tax at 6%.

**TAXATION OF UNIT HOLDERS**

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Funds to the extent of the distributions received from the Fund. The income distribution from the Funds will carry a tax credit in respect of the tax paid by the Funds. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. Generally, no additional withholding tax will be imposed on the income distribution from the Fund; unless the Fund is an RMMF, in which case there is a WHT on distribution from

interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6 and distributed to non-individual unitholders.

Corporate Unit Holders, resident[5] and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Funds. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

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

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

Effective from 1 January 2022, in respect of distribution from a RMMF, resident and non-resident corporate Unit Holders (other than individual Unit Holders), who receive income distributed from interest or profit[1] income of the RMMF which are exempted under Paragraph 35A of Schedule 6, is subject to WHT at the rate of 24%, effective from 1 January 2022.

For resident corporate Unit Holders, the WHT is not a final tax. The resident corporate Unit Holders will need to subject the income distributed from interest or profit[1] income of a RMMF which are exempted under Paragraph 35A of Schedule 6 to tax in its income tax returns and the attached tax credit i.e. the 24% WHT suffered will be available for set-off against the tax chargeable on the resident corporate Unit Holders.

For non-resident corporate Unit Holders, the 24% WHT on income distributed from interest or profit[1] income of a RMMF which are exempted under Paragraph 35A of Schedule 6, is a final tax.

The distribution of exempt income and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the Unit Holders.

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

Based on the Budget 2023 retabled and announced on 24 February 2023, the Government will study the introduction of a Capital Gains Tax for the disposal of unlisted shares by companies beginning 2024 at a lower rate. It is currently unclear whether such Capital Gains Tax, if introduced, will apply to disposal of units in unit trust funds by corporate investors.

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

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

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and

we recommend that investors obtain independent advice on the tax issues associated with their investments in the Funds.

Yours faithfully,
for and on behalf of
**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

Lim Phaik Hoon
Partner

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

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

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

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

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

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

   The above shall not apply if more than –
   (a) 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
   (b) 50% of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
   (c) 50% of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

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

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

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

   which is required to be observed from YA 2024.

## CHAPTER 11: APPROVALS AND CONDITIONS

There are no other approvals required, sought or pending from any relevant authorities in respect of the Funds.

There are no waivers or exemptions granted by the Securities Commission for the Funds as none has been sought for.

## CHAPTER 12: ADDITIONAL INFORMATION

### 12.1 Customer service

The Manager will send a statement of investment to the Unit Holders for any investments made in the Funds. The Unit Holders will also receive a half-yearly statement of investments that shows the balance of investments and transactions made during last six (6) months.

From time to time, Unit Holders will be able to obtain the unit price of the Funds as published in the major newspaper and at our website**, *www.kaf.com.my*** to monitor their investments. In addition, Unit Holders will receive regular updates on the Funds through the annual and semi-annual reports from the Manager. The annual and semi-annual reports of the Fund will be sent to the Unit Holders within two (2) months after the end of the Fund's financial period.

Unit Holders can also seek assistance pertaining to their investments from our customer service personnel at 03-9767 6000 during our office hours, Mondays through Fridays from 9:00 a.m. – 5:00 p.m.

### 12.2 Anti money laundering policies and procedures

In preventing from the Manager being used as a platform for money laundering and terrorism financing activities, the Manager has set in place controls and procedures when establishing business relationship with potential investors. An effective Know Your Customer ("KYC") procedures is adopted whereby reasonable effect and measures must be taken to obtain proper identification of all customers. Verification of investors will also made with various reliable sources for money laundering information. If the Manager discovers that the information held on the Unit Holders account is insufficient or in the event a suspicious transaction is detected by the Manager, the Manager will then report to BNM via their Financial Intelligence Unit of such transactions.

### 12.3 Deed of the Funds

| Fund | Deed |
|---|---|
| **Cash** | Master deed dated 1 June 2018 and supplemental master deed dated 22 February 2023. |
| **iCash** | |

### 12.4 Financial year of the Fund

| Fund | Financial year end |
|---|---|
| **Cash** | 31 July. |
| **iCash** | 31 July. |

***THE FUNDS' ANNUAL REPORT IS AVAILABLE UPON REQUEST.***

## CHAPTER 13: CONSENT

The Trustee, the Shariah Adviser, the solicitor and the tax adviser have given their consent to the inclusion of their names and statements in the form and context in which they appear in this prospectus and have not withdrawn such consent prior to the issue of this prospectus.

The tax adviser has given its consent to the inclusion of its taxation adviser's letter in respect of the taxation of the unit trust fund and the unit holders in the form and context in which it appears in this prospectus and has not withdrawn such consent prior to the issue of this prospectus.

## CHAPTER 14: DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents (where applicable) may be inspected at the registered office of the Manager or such other place as the Securities Commission may determine:

a) Deed;

b) This prospectus and its supplementary prospectus, if any;

c) The latest annual and semi-annual reports of the Funds;

d) Each material contract disclosed in this prospectus;

e) The audited financial statements of the Manager and the Funds for the current financial year and for the last three financial years or if less than three (3) years;

f) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this prospectus;

g) Writ and relevant cause papers for all material litigation and arbitration disclosed in this prospectus; and

h) Any consent given by experts disclosed in this prospectus.

## DIRECTORY OF OUTLETS FOR PURCHASE AND SALE OF UNITS

For information on the participating distributors, please contact:

KAF Investment Funds Berhad office.
(Kindly refer to the Corporate Directory for details.)

Or call us at 03-9767 6000 during our office hours: Mondays through Fridays from 9:00 a.m. – 5:00 p.m.

KAF INVESTMENT FUNDS BERHAD 199501004999 (334195-K)
Level 13, Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur
Tel:603-9767 6000 Fax: 603-9767 6001
Website: www.kaf.com.my

# Account Opening Form (Individual)

☐ Individual ☐ Joint

**In compliance with the Capital Markets and Services Act 2007, this Account Opening Form should not be circulated unless accompanied by the relevant master prospectus(es)/ prospectus(es) and its supplementary(ies) (if any) [collectively shall be referred to as Disclosure Document]. Investor(s) should read and understand the contents of the Disclosure Document.**

Please complete in BLOCK LETTERS only, and tick(√) where applicable. For first time investor(s), this Account Opening Form is required to be completed. KAF Investment Funds Berhad shall be referred to as **KAF IF** in this Account Opening Form.

## 1. PARTICULARS OF INDIVIDUAL/PRINCIPAL APPLICANT

Name of Individual/Principal Applicant

(as per NRIC / Passport /Others)

New NRIC No. / Passport No / Others

Date of Birth (DD/MM/YYYY) - -

Residential Address

Postcode Town / City:

State: Country:

Correspondence Address
(if different from residential address)

Postcode Town / City:

State: Country:

Telephone No. (office)

Telephone No.(house)

Handphone No. (mobile)

Email Address

Nationality

Country of Residence

Religion

Race ☐ Malay ☐ Chinese ☐ Indian ☐ Others, please specify

Marital Status ☐ Married ☐ Single ☐ Widowed ☐ Divorced No. of Dependants (please indicate)

Gender ☐ Male ☐ Female

Employment Status ☐ Employed ☐ Self-employed ☐ Unemployed

Occupation

Name of Employer

Employer / Self-employment Address

Postcode Town / City:

State: Country:

Nature of Business

Annual Income ☐ ≤ RM60,000 ☐ ≤ RM120,001 - RM180,000 ☐ > RM240,001
☐ ≤ RM60,001 - RM120,000 ☐ ≤ RM180,001 - RM240,000

Asset Net Worth ☐ ≤ RM300,000 ☐ RM300,000 - RM1million ☐ RM1million - RM3million ☐ > RM3million

Source of Wealth and Net Worth ☐ Salary ☐ Business Income ☐ Investment Returns ☐ Pension Funds
☐ Rental Income ☐ Inheritance
☐ Others, please specify:

Purpose of Investment

Expected Investment Amount per annum / Maximum amount to be invested per annum

Anticipated transaction pattern (Frequency) ☐ Daily ☐ Monthly ☐ Yearly ☐ Others, please specify:

Transaction Channel ☐ Online Transfer ☐ Telegraphic Transfer ☐ Cheque

Note: You may select more than one (1)

Hold prominent position in organisation including political party ☐ Yes ☐ No
If Yes, please specify position

## 2. PARTICULARS OF JOINT APPLICANT

Name of Joint Holder

(as per NRIC / Passport /Others)

New NRIC No. / Passport No / Others

Date of Birth (DD/MM/YYYY) - -

Residential Address

Postcode Town / City:

State: Country:

Correspondence Address
(if different from residential address)

Postcode Town / City:

State: Country:

Telephone No. (office)

Telephone No.(house)

Handphone No. (mobile)

Email Address

Nationality

Country of Residence

Religion

Race ☐ Malay ☐ Chinese ☐ Indian ☐ Others, please specify

Marital Status ☐ Married ☐ Single ☐ Widowed ☐ Divorced No. of Dependants (please indicate)

Gender ☐ Male ☐ Female

Employment Status ☐ Employed ☐ Self-employed ☐ Unemployed

Occupation

Name of Employer

Employer / Self-employment Address

Postcode Town / City:

State: Country:

Annual Income ☐ ≤ RM60,000 ☐ ≤ RM120,001 - RM180,000 ☐ > RM240,001
☐ ≤ RM60,001 - RM120,000 ☐ ≤ RM180,001 - RM240,000

Asset Net Worth ☐ ≤ RM300,000 ☐ RM300,000 - RM1million ☐ RM1million - RM3million ☐ > RM3million

Source of Wealth and Net Worth ☐ Salary ☐ Business Income ☐ Investment Returns ☐ Pension Funds
☐ Rental Income ☐ Inheritance
☐ Others, please specify:

Purpose of Investment

Expected Investment Amount per annum / Maximum amount to be invested per annum

Anticipated transaction pattern (Frequency) ☐ Daily ☐ Monthly ☐ Yearly ☐ Others, please specify:

Transaction Channel ☐ Online Transfer ☐ Telegraphic Transfer ☐ Cheque
Note: You may select more than one (1)

Hold prominent position in organisation including political party ☐ Yes ☐ No
If Yes, please specify position

Relationship to Principal Applicant

## 3. BANK ACCOUNT DETAILS FOR REDEMPTION PAYMENT

Bank Name:

Bank Account Holder Name:

Type of Account: ☐ Current ☐ Saving Account Ownership: ☐ Single ☐ Joint

Account Number:

## 4. JOINT APPLICANT ACCOUNT OPERATING MODE/INSTRUCTION AND REDEMPTION PAYMENT (IF APPLICABLE)

Account Operating Mode/Instruction ☐ Principal Applicant Only ☐ Joint Applicant Only ☐ Either Applicant to sign ☐ Both Applicants to sign

*In the absence of written explicit instructions, I/We acknowledge that instructions must be given by both of us.*

*Redemption payment to be issued in the name of: ☐ Principal Applicant Only ☐ Joint Applicant Only ☐ All Applicant

**Note: both Principal Applicant and Joint Applicant are required to sign the Repurchase (Redemption) Form should the proceeds to be credited into a single account.*

## 5. DECLARATIONS AND SIGNATURES

- I/We acknowledge that I/We have received, read and understood the Disclosure Document for the fund(s) to be invested in, the terms and conditions of this Account Opening Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with KAF IF.
- I/We acknowledge that I am / We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the fund(s). I/We also acknowledge that fees and charges payable to KAF IF and the trustee are subject to any tax as may be imposed by the government or other authorities from time to time.
- I/We undertake to be bound by the provisions of the documents constituting the fund(s) subscribed to as if I was / We were a party thereto.
- I am / We are 18 years old and above as at the date of this application.
- I/We do declare and represent that as at the date hereof, I am / We are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us.
- I/We undertake to provide KAF IF with all information as it may require for the purpose of and in connection with completing the Account Opening Form, including but not limited to, my/our information on financial position, condition or prospect.
- I/We acknowledge that I/We shall keep KAF IF informed of any change of my/our particulars as stated in this Account Opening Form and/or of any material facts that will, direct or indirectly, affect my/our financial position(s), condition(s) or prospect(s).

### FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARD (CRS)

- I/We hereby give my/our consent to KAF IF to report my/our information to regulatory or tax authorities in accordance with the requirements of FATCA and CRS as may be stipulated by the applicable laws, regulations, agreements, regulatory guidelines or directives.

### DECLARATION ON ANTI-MONEY LAUNDERING, ANTI –TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001 (AMLATFAPUAA)

- I am/We are fully aware of the provisions of the AMLATFAPUAA and hereby declare that all information given hereunder is true and accurate and further agree that I/We shall, upon request by KAF IF, provide all relevant documents to verify, including but not limited to my/our identity, domicile, legal capacity, occupation, etc.
- I/We further agree and undertake that I/We will on demand pay and make good to KAF IF the amount of all loss, damage and expense which may be sustained or incurred by KAF IF in respect of any contravention of any provisions of AMLATFAPUAA caused by me/us howsoever arising.
- I/We hereby confirm, represent and shall ensure that all funds used or to be used in respect of any of my/our transactions with KAF IF are obtained or shall be obtained from legitimate and lawful sources AND NOT generated from any unlawful activity either directly or indirectly such as including but not limited to drug trafficking, arms dealing or terrorism or arising from or in connection with any of the serious offences as described in Second Schedule to AMLATFAPUAA or any unlawful or fraudulent activities covered by AMLATFAPUAA or any other existing laws of this country.
- I/We further consent and confirm that KAF IF may rely on my/our representation and/or information and/or documents provided to KAF IF as indicated above, in discharge of any of KAF IF's obligations, if any, under AMLATFAPUAA.

### DECLARATION ON MALAYSIAN ANTI-CORRUPTION COMMISSION ACT (MACC)

- I/We hereby declare that I/We shall not offer or give bribes, monetary or non-monetary offerings or use influence on any individuals in KAF IF or KAF Group of companies or any other individuals, as gratification to obtain this engagement.
- If there is any attempt of bribery from any party from KAF IF or KAF Group of companies, I/We shall immediately lodge a report with the relevant authorities. I/We am aware that failure to do so is an offence under the MACC.

### DECLARATION FOR PERSONAL DATA PROTECTION ACT 2010 (PDPA)

- I/We hereby declare that I/We agree and authorise KAF IF to disclose at any time and without liability to me/us, information about or with regards to my/our affairs and/or accounts when required by law or by order of court of competent jurisdiction, or by any rule, direction or regulation of any regulatory or governmental authority, to the extent permitted by law.
- In accordance with the PDPA, I/ We hereby agree that KAF IF may collect, use and disclose our personal data for the purposes as stated in the KAF IF's Privacy Statement that is available on KAF IF's website, http://www.kaf.com.my/privacy.aspx

  *(Kindly note that, by signing this Account Opening Form, you will be deemed to have agreed and consented to the KAF IF's Privacy Statement stated therein. You are advised to visit the KAF IF's website, http://www.kaf.com.my/privacy.aspx for further details on how the data protection works on you, including how you may access and correct your personal data or withdraw consent to the collection).*

**I/ We hereby declare that all information stated in this Account Opening Form is true and correct. I/ We also hereby declare that I/We:**

- **agree to abide by all applicable rules and regulations of the Capital Markets and Services Act 2007, the FATCA and CRS, the AMLATFAPUAA, the MACC, the PDPA or any relevant regulatory body as are in force from time to time which governs the operations of this account; and**
- **agree to indemnify KAF IF against all actions, suits, proceedings, claims, damages and losses which may be suffered by KAF IF as a result of any inaccuracy of the declarations herein.**

No delay or omission by KAF IF in exercising any right under this declaration will operate as a waiver of that or any other right. The covenants set out in this declaration are separate and severable and enforceable accordingly and whilst the restrictions are considered by the parties to be reasonable in all the circumstances as at the date hereof, it is acknowledged that restrictions of such a nature may be invalid because of changing of the circumstances or other unforeseen reasons and accordingly, if any restrictions shall be adjudged to be void or ineffective for whatever reason but would be adjudged to be valid and effective if part of the wording thereof were deleted or the periods thereof reduced, such modifications shall be applied as may be necessary to make them valid and effective.

| | |
|---|---|
| Name of Principal: | Name of Joint Applicant (if applicable): |
| Date: | Date: |

**TERMS AND CONDITIONS**

You are advised to read and understand the Disclosure Document before investing in the fund(s).

- **INDIVIDUAL/PRINCIPAL APPLICANT**
  Applicant must be 18 years old and above.
  - Please enclose a photocopy of your identity card or passport.
- **JOINT APPLICANT**
  If aged 18 years old and above, he/she is also required to sign the Account Opening Form.
  - Please enclose a photocopy of your identity card or passport.

  In the case of death of a joint-holder, the surviving holder will be the only person recognised by KAF IF and the respective trustee as having any title to or interest in the units held.
- **MINIMUM INVESTMENT**
  Initial and subsequent investment must be as the minimum amount stated in the Disclosure Document.
- **INCOME DISTRIBUTION**
  Depending on the fund invested and subject to Disclosure Document, income distribution will be reinvested into further units in the relevant fund unless been stated otherwise.
- **INVESTMENT**

  All monies due and payable to KAF IF shall be made with clear funds and any cheques issued must be honoured when presented.
  No physical cash shall be accepted as payment for investment.
  If any application made which been rejected by KAF IF for whatsoever reason, whether in part or whole, any monies paid or remaining balance thereof will be returned (without interest or return) and any costs or expenses incurred thereof shall be borne solely by the investor.
  Any investment, repurchase or switching requests received after the respective fund's cut-off time or on the fund's non-business day will be treated as the next business day's transaction.
  Sending cash or transfer money to any unit trust consultant is prohibited and any payment made by a third party other than applicant or account holders is not allowed.
- **REDEMPTION**

  If following a repurchase request leaves you with less than the minimum investment balance as stated in the Disclosure Document, KAF IF has the option to liquidate the balance of the units held in your fund's account and forward the proceeds to you accordingly.

  Payment of repurchase proceeds to a third party is strictly prohibited.
- **RIGHTS OF THE KAF IF**

  KAF IF reserves the right to accept or reject any application in whole or in part thereof and reject any Account Opening Form which is not completed in full and supported by the requested documents and payments.
- **CUSTOMER CARE**

  If you require further information or clarification, please contact our Customer Service for assistance.
- **NOTICES**

  By providing your email address to KAF IF, you have consented to receive communications and/or information from KAF IF relating to your investment via email. Notices delivered via email to applicant are deemed sent and received on the date such email is sent.
  All notices and other communications sent by or to the applicant shall be sent at the risk of the applicant. Unless due to willful default or negligence of KAF IF, KAF IF shall not be responsible for any inaccuracy, interruption, error, delay or failure in transmission or delivery of any notices via whatever means, or for any equipment failure or malfunction. KAF IF shall not be liable for any direct or indirect consequential losses arising from the foregoing.

**6. FOR DISTRIBUTOR AND SALES & MARKETING**

| | |
|---|---|
| Submitted by:<br><br>Name:<br>UTC Code:<br>Date: | Attended by Sales & Marketing:<br><br>Name:<br><br>Date: |

**7. FOR OFFICE USE ONLY**

Account No. _____ Trans. No. _____ Price (RM) _____

| | |
|---|---|
| Input by / Date<br><br>Name:<br>Date: | Checked by:<br><br>Name:<br>Date: |

KAF INVESTMENT FUNDS BERHAD 199501004999 (334195-K)
Level 13, Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur
Tel:603-9767 6000 Fax: 603-9767 6001
Website: www.kaf.com.my

# Purchase Form (Individual)

**In compliance with the Capital Markets and Services Act 2007, this Purchase Form should not be circulated unless accompanied by the relevant master prospectus(es)/ prospectus(es) and its supplementary(ies) (if any) [collectively shall be referred to as Disclosure Document]. Investor(s) should read and understand the contents of the Disclosure Document.**

Please complete in BLOCK LETTERS only, and tick(√) where applicable. For first time investor(s), please fill up the Account Opening Form to be submitted with this Purchase Form. KAF Investment Funds Berhad shall be referred to as **KAF IF** in this Purchase Form.

## 1. PARTICULARS OF INDIVIDUAL/PRINCIPAL APPLICANT

| | |
|---|---|
| Name of Individual/Principal Applicant | |
| (as per NRIC / Passport /Others) | |
| New NRIC No. / Passport No / Others | |
| Handphone No. (mobile) | |
| Email Address | |
| Employment Status | ☐ Employed ☐ Self-employed ☐ Unemployed |
| Source of Funds for Investment<br>*(please tick on the applicable item and provide the necessary information)* | ☐ Salary ☐ Business Income ☐ Pension funds / Retiree<br>(a) Name of employer (employed) / Business (self-employed) / Name of previous employer (retiree)<br>(b) Nature of business of the entity named in (a)<br>(c) Name of pension fund<br>☐ Income from investment<br>*(e.g. derived from investment in capital market products such as bonds, shares, mutual funds or sales or assets/property/rental income)*<br>☐ Inheritance Estimation amount:<br>☐ Support from parents/spouse Estimation amount:<br>☐ Others Please specify : |

## 2. PARTICULARS OF JOINT APPLICANT

| | |
|---|---|
| Name of Joint Holder | |
| (as per NRIC / Passport /Others) | |
| New NRIC No. / Passport No / Others | |
| Handphone No. (mobile) | |
| Email Address | |

## 3. DETAILS OF INVESTMENT APPLICATION

| Fund Name | *Plan | Amount (RM) | Investment Type |
|---|---|---|---|
| 1. | | | ☐ Current ☐ Additional |
| 2. | | | ☐ Current ☐ Additional |
| 3. | | | ☐ Current ☐ Additional |
| * Note: C - Cash Plan / E - EPF Plan | TOTAL | | |

Payment Mode for investment :

☐ Online Transfer ☐ Telegraphic Transfer ☐ EPF Investment Scheme ("EPF")

☐ Cheque (Bank _____ No. _____ )

Note:

- Cheque should be crossed and made payable to "KAF Investment Funds Berhad". You should write your full name and NRIC No. on the back of each cheque. The cheque(s) and the remittance advice slip must be attached with this Purchase Form.
- **Sending cash or transfer money to any unit trust consultant is prohibited and any payment made by a third party other than applicant or account holders is not allowed.**

## 4. LOAN FINANCING RISK DISCLOSURE STATEMENT

Investing in a unit trust fund with borrowed money is more risky than investing with your own savings. You should assess if loan financing is suitable for you in light of your objectives, attitude to risk and financing circumstances. You should be aware of the risk, which would include the following:-

(i) The higher the margin of financing (that is, the amount of money you borrow for every ringgit of your own money which you put in as deposit or down payment), the greater the loss or gains on your investment.

(ii) You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.

(iii) If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amount on top of your normal installments. If you fail to comply within the prescribed time, your units may be sold towards the settlement of your loan.

(iv) Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are experienced. Whether you eventually realise a gain or incur loss may be affected by the timing of the sale of your

units. The value of units may fall just when you want you money back even though the investment may have done well in the past.

This brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take a loan. If you are in doubt of any aspect of this Risk Disclosure Statement or the terms of the loan financing, you should consult the institution offering the loan.

## 5. DECLARATIONS & SIGNATURES

- I/We acknowledge that I/We have received, read and understood the Disclosure Document for the fund(s) to be invested in, the terms and conditions of this Purchase Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with KAF IF.
- I/We acknowledge that I / We have read and understood the contents of the investment Loan Financing Risk Disclosure Statement.
- I/We acknowledge that I am / We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the fund(s). I/We also acknowledge that fees and charges payable to KAF IF and the trustee are subject to any tax as may be imposed by the government or other authorities from time to time.
- I/We acknowledge and agree that KAF IF reserves the right to accept or reject the application in whole or part without assigning any reasons in respect thereof. I am/We are aware that KAF IF may initiate any form of communications to verify and/or validate the application and I/We will provide the confirmation as required within the prescribed timeframe.
- I/We acknowledge that confirmation advices, statements and other documents shall be sent to my/our latest address as notified to KAF IF and shall be at my/or own risk. In the event that I/We fail to notify KAF IF in writing of any discrepancy in the confirmation advice and/or statement within 90 calendar days from the date of issuance, I/We shall be deemed to have waived any right to raise any objection or to pursue any remedies against KAF IF for such case.
- I/We undertake to be bound by the provisions of the documents constituting the fund(s) subscribed to as if I was / We were a party thereto.
- I/We do declare and represent that as at the date hereof, I am / We are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us.
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application. I/We further confirm that all monies paid or to be paid to KAF IF come from lawful source and not from unlawful activities.
- I/We hereby agree to indemnify KAF IF against all actions, suits, proceedings, claims, damages and losses which may be suffered by KAF IF in connection with or in any manner out of KAF IF acting or on my/our instruction(s) as stated above and any inaccuracy of the instruction(s) including as a result of any inaccuracy of the declarations herein.

| | |
|---|---|
| Name of Individual/Principal Applicant | Name of Joint Applicant |
| Date: | Date: |

**Important: Pre-signing of forms relating to investments is strictly prohibited.**

## 6. FOR DISTRIBUTOR AND SALES & MARKETING USE ONLY

| | |
|---|---|
| Submitted by:<br><br>Name:<br>UTC Code:<br>Date: | Attended by Sales & Marketing:<br><br>Name:<br><br>Date: |

## 7. FOR OFFICE USE ONLY

Account No. _____ Trans. No. _____ Price (RM) _____

| | |
|---|---|
| Processed by:<br><br>Name:<br>Date: | Checked by:<br><br>Name:<br>Date: |

KAF INVESTMENT FUNDS BERHAD 199501004999 (334195-K)
Level 13, Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur
Tel:603-9767 6000 Fax: 603-9767 6001
Website: www.kaf.com.my

# ACCOUNT OPENING FORM (Corporate)

**In compliance with the Capital Markets and Services Act 2007, this Form should not be circulated unless accompanied by the relevant master prospectus(es)/ prospectus(es) and its supplementary(ies) (if any) [collectively shall be referred to as Disclosure Document]. Investor(s) should read and understand the contents of the Disclosure Document.**

Please complete in BLOCK LETTERS only, and tick(√) where applicable. For first time Investor(s), this Account Opening Form is required to be completed. KAF Investment Funds Berhad shall be referred to as **KAF IF** in this Account Opening Form.

## 1. PARTICULARS OF CORPORATE APPLICANT

Name of Corporate Applicant
(as in certificate of incorporation)
Company Registration No.
Date of Incorporation/Registration - -
Country of Incorporation/Registration
Status of Residency
☐ Malaysian Resident
☐ Non-Malaysian Resident. Please specify country of resident :
Registered Address
Postcode Town / City:
State: Country:
Principal Place of Business
(if different from Registered Address)
Postcode Town / City:
State: Country:
Correspondence Address
(if different from Registered Address)
Postcode Town / City:
State: Country:
Type of Corporation
☐ Private Limited ☐ Sole Proprietorship ☐ Partnership ☐ State / Federal
☐ Public Limited ☐ Co-Operative ☐ Public listed corporation
☐ Association / Club / Society / Trust foundation / Charity body ☐ Others, please specify:
Affiliation
Are you an affiliate company of a group of companies ?
☐ Yes (Please provide corporate structure ☐ No
Nature of Business
Status of Incorporation
☐ Malaysian Bumiputera Controlled ☐ Malaysian Non-Bumiputera Controlled
☐ Non-Malaysian Controlled ☐ State / Government Controlled

**Contact Person ( 1 )**
Name
Designation
Department
Telephone No. (Office) Fax No.
Handphone No. (mobile)
Office Email Address

**Contact Person ( 2 )**
Name
Designation
Department
Telephone No. (Office) Fax No.
Handphone No. (mobile)
Office Email Address

Asset Net Worth
☐ ≤ RM10,000,000 ☐ RM100,000,001 - RM500,000,000
☐ RM10,000,001 - RM100,000,000 ☐ > RM500,000,000

Source of Wealth and Net Worth ☐ Investments ☐ Business Income
☐ Others, please specify:

Source of Funds for Investment ☐ Disposal of non-core business/ Asset / Investments
☐ Cash in Hand / Surplus Fund / Working Capital/ Asset / Investments
☐ Fund raising exercise such asright issues / Public Offering
☐ Others, please specify:

Purpose of Investment

Expected Investment Amount per annum / Maximum amount to be invested per annum

Anticipated transaction pattern (Frequency) ☐ Daily ☐ Monthly ☐ Yearly ☐ Others, please specify:

Transaction Channel ☐ Online Transfer ☐ Telegraphic Transfer ☐ Cheque
Note: You may select more than one (1)

## 2. PARTICULARS OF BENEFICIAL OWNER

*"Beneficial Owner" means the natural person who ultimately owns or controls the customer or the natural person on whose behalf a transaction is conducted or business relations are established and includes any person who exercises ultimate effective control over a legal person or legal arrangement. Reference to "ultimately owns or controls" and "ultimate effective control" refer to situations in which ownership/control is exercised through a chain of ownership or by means of control other than direct control.*

Name of Beneficial Owner
(as per NRIC / Passport /Others)

New NRIC No. / Passport No / Others

Date of Birth (DD/MM/YYYY) - -

Residential Address

Postcode Town / City:
State: Country:

Correspondence Address
(if different from residential address)

Postcode Town / City:
State: Country:

Telephone No. (office)

Telephone No.(house)

Handphone No. (mobile)

Email Address

Nationality

Country of Residence

Religion

Race ☐ Malay ☐ Chinese ☐ Indian ☐ Others, please specify

Marital Status ☐ Married ☐ Single ☐ Widowed ☐ Divorced No. of Dependants (please indicate)

Gender ☐ Male ☐ Female

Employment Status ☐ Employed ☐ Self-employed ☐ Unemployed

Occupation

Name of Employer

Employer / Self-employment
Address

Postcode Town / City:
State: Country:

Nature of Business

Annual Income ☐ ≤ RM60,000 ☐ ≤ RM120,001 - RM180,000 ☐ > RM240,001
☐ ≤ RM60,001 - RM120,000 ☐ ≤ RM180,001 - RM240,000

Asset Net Worth ☐ ≤ RM300,000 ☐ RM300,000 - RM1million ☐ RM1million - RM3million ☐ > RM3million

Source of Wealth and Net Worth ☐ Salary ☐ Business Income ☐ Investment Returns ☐ Pension Funds
☐ Rental Income ☐ Inheritance ☐ Savings
☐ Others, please specify:

Hold prominent position in organisation including political party ☐ Yes ☐ No
If Yes, please specify position

Relationship to Corporate Applicant

## 3. PARTICULARS OF BENEFICIAL OWNER

*"Beneficial Owner" means the natural person who ultimately owns or controls the customer or the natural person on whose behalf a transaction is conducted or business relations are established and includes any person who exercises ultimate effective control over a legal person or legal arrangement. Reference to "ultimately owns or controls" and "ultimate effective control" refer to situations in which ownership/control is exercised through a chain of ownership or by means of control other than direct control.*

Name of Beneficial Owner
(as per NRIC / Passport /Others)
New NRIC No. / Passport No / Others
Date of Birth (DD/MM/YYYY) - -
Residential Address

Postcode Town / City:
State: Country:

Correspondence Address
(if different from residential address)

Postcode Town / City:
State: Country:

Telephone No. (office)
Telephone No.(house)
Handphone No. (mobile)
Email Address
Nationality
Country of Residence
Religion
Race ☐ Malay ☐ Chinese ☐ Indian ☐ Others, please specify
Marital Status ☐ Married ☐ Single ☐ Widowed ☐ Divorced No. of Dependants (please indicate)
Gender ☐ Male ☐ Female
Employment Status ☐ Employed ☐ Self-employed ☐ Unemployed
Occupation
Name of Employer
Employer / Self-employment Address

Postcode Town / City:
State: Country:

Nature of Business
Annual Income ☐ ≤ RM60,000 ☐ ≤ RM120,001 - RM180,000 ☐ > RM240,001
☐ ≤ RM60,001 - RM120,000 ☐ ≤ RM180,001 - RM240,000
Asset Net Worth ☐ ≤ RM300,000 ☐ RM300,000 - RM1million ☐ RM1million - RM3million ☐ > RM3million
Source of Wealth and Net Worth ☐ Salary ☐ Business Income ☐ Investment Returns ☐ Pension Funds
☐ Rental Income ☐ Inheritance ☐ Savings
☐ Others, please specify:
Hold prominent position in organisation including political party ☐ Yes ☐ No
If Yes, please specify position
Relationship to Corporate Applicant

## 4. BANK ACCOUNT DETAILS FOR REDEMPTION PAYMENT

Bank Name:
Bank Account Holder Name:
Type of Account: ☐ Current ☐ Saving
Account Number:

## 5. POLITICALLY EXPOSED PERSON (PEP)

*Definition of PEPs (foreign PEP, domestic PEP and internal organisation PEP, their family and associates):*
*"foreign PEP" refers to individuals who are or who have been entrusted with prominent public functions by a foreign country.*
*"domestic PEP" refers to individuals who are or have been entrusted domestically with prominent public functions.*
*"internal organisation PEP" refers to persons who are or have been entrusted with a prominent function by an international organisation which refers to members of senior management, i.e. director, deputy director and member of the board or equivalent functions.*
*"family members" refers to individuals who are related to a PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership.*
*"close associates" refers to individuals who are closely connected to a PEP either socially or professionally.*

Are any of the directors, shareholders or authorised personnel is considered as PEPs?

☐ Yes ☐ No

[If Yes, please provide the following information.]

| No | Name | Designation |
|---|---|---|
| | | |
| | | |
| | | |

## 6. DECLARATIONS AND SIGNATURES

- I/We acknowledge that I/We have received, read and understood the Disclosure Document for the fund(s) to be invested in, the terms and conditions of this Account Opening Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with KAF IF.
- I/We acknowledge that I am / We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the fund(s). I/We also acknowledge that fees and charges payable to KAF IF and the trustee are subject to any tax as may be imposed by the government or other authorities from time to time.
- I/We undertake to be bound by the provisions of the documents constituting the fund(s) subscribed to as if I was / We were a party thereto.
- I am / We are duly authorised officer(s) of the Corporation, and warrant that the Corporation has the power and capacity to enter into this agreement and undertake transactions involving the fund(s).
- I/We, as directors(s) of the Corporation do hereby declare that the Corporation is a legally incorporated corporation.
- We, the authorised signatories and representatives for the Company, do declare and represent that as at the date hereof, no petition for winding-up has been filed against the Company nor any receiver has been appointed over any of its assets.
- I/We undertake to provide KAF IF with all information as it may require for the purpose of and in connection with completing the Account Application Form, including but not limited to, the Corporation and its group of companies' information on financial position, condition, operation, business or prospect.
- I/We acknowledge that I/We shall keep KAF IF informed of any change of the information stated in this Account Opening Form and/or of any material facts that will, direct or indirectly, affect the Corporation and its group of companies' financial position, condition, operation, business or prospect.

### FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARD (CRS)

- I/We hereby give my/our consent to KAF IF to report my/our information to regulatory or tax authorities in accordance with the requirements of FATCA and CRS as may be stipulated by the applicable laws, regulations, agreements, regulatory guidelines or directives.

### DECLARATION ON ANTI-MONEY LAUNDERING, ANTI –TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001 (AMLATFAPUAA)

- I am/We are fully aware of the provisions of the AMLATFAPUAA and hereby declare that all information given hereunder is true and accurate and further agree that I/We shall, upon request by KAF IF, provide all relevant documents to verify, including but not limited to my/our identity, domicile, legal capacity, occupation, etc.
- I/We further agree and undertake that I/We will on demand pay and make good to KAF IF the amount of all loss, damage and expense which may be sustained or incurred by KAF IF in respect of any contravention of any provisions of AMLATFAPUAA caused by me/us howsoever arising.
- I/We hereby confirm, represent and shall ensure that all funds used or to be used in respect of any of my/our transactions with KAF IF are obtained or shall be obtained from legitimate and lawful sources AND NOT generated from any unlawful activity either directly or indirectly such as including but not limited to drug trafficking, arms dealing or terrorism or arising from or in connection with any of the serious offences as described in Second Schedule to AMLATFAPUAA or any unlawful or fraudulent activities covered by AMLATFAPUAA or any other existing laws of this country.
- I/We further consent and confirm that KAF IF may rely on my/our representation and/or information and/or documents provided to KAF IF as indicated above, in discharge of any of KAF IF's obligations, if any, under AMLATFAPUAA.

### DECLARATION ON MALAYSIAN ANTI-CORRUPTION COMMISSION ACT (MACC)

- I/We hereby declare that I/We shall not offer or give bribes, monetary or non-monetary offerings or use influence on any individuals in KAF IF or KAF Group of companies or any other individuals, as gratification to obtain this engagement.
- If there is any attempt of bribery from any party from KAF IF or KAF Group of Companies, I/We shall immediately lodge a report with the relevant authorities. I/We am aware that failure to do so is an offence under the MACC.

### DECLARATION FOR PERSONAL DATA PROTECTION ACT 2010 (PDPA)

- I/We hereby declare that I/We agree and authorise KAF IF to disclose at any time and without liability to me/us, information about or with regards to my/our affairs and/or accounts when required by law or by order of court of competent jurisdiction, or by any rule, direction or regulation of any regulatory or governmental authority, to the extent permitted by law.
- In accordance with the PDPA, I/ We hereby agree that KAF IF may collect, use and disclose our personal data for the purposes as stated in the KAF IF's Privacy Statement that available on KAF IF's their website, http://www.kaf.com.my/privacy.aspx

  *(Kindly note that, by signing this Account Opening Form, you will be deemed to have agreed and consented to the KAF IF's Privacy Statement stated therein. You are required to visit the KAF IF's website, http://www.kaf.com.my/privacy.aspx for further details on how the data protection works on you, including how you may access and correct your personal data or withdraw consent to the collection).*

**I/ We hereby declare that all information stated in this Account Opening Form is true and correct. I/ We also hereby declare that I/We:**

- **agree to abide by all applicable rules and regulations of the Capital Markets and Services Act 2007, the FATCA and CRS, the AMLATFAPUAA, the MACC, the PDPA or any relevant regulatory body as are in force from time to time which governs the operations of this account; and**
- **agree to indemnify KAF IF against all actions, suits, proceedings, claims, damages and losses which may be suffered by KAF IF as a result of any inaccuracy of the declarations herein.**

No delay or omission by KAF IF in exercising any right under this declaration will operate as a waiver of that or any other right. The covenants set out in this declaration are separate and severable and enforceable accordingly and whilst the restrictions are considered by the parties to be reasonable in all the circumstances as at the date hereof, it is acknowledged that restrictions of such a nature may be invalid because of changing of the circumstances or other unforeseen reasons and accordingly, if any restrictions shall be adjudged to be void or ineffective for whatever reason but would be adjudged to be valid and effective if part of the wording thereof were deleted or the periods thereof reduced, such modifications shall be applied as may be necessary to make them valid and effective.

| | | |
|---|---|---|
| | | Company Stamp / Common Seal |
| Name of Authorised Signatory: | Name of Authorised Signatory: | |
| Date: | Date: | |

## TERMS AND CONDITIONS

You are advised to read and understand the Disclosure Document before investing in the fund(s).

- **DOCUMENTS REQUIRED**

  All documents shall be certified as true copies where applicable:

  - Memorandum and Articles of Association or its equivalent.
  - Board of directors' resolution to open an investment account, list of authorised signatories including its specimen signatures to operate the investment account.
  - Photocopy of NRIC/passport of directors and authorised signatories.

  For companies incorporated prior to 31 January 2017

  - Certificate of Incorporation – Form 9 (for Sdn Bhd) / Section 17.
  - Certificate for Commencement of Business – Form 23 (for Bhd).
  - List of Directors & Secretary - Form 49 / Section 58.
  - Shareholding/Issue & Paid up Capital - Form 24 / Section 78.
  - Registered Office - Form 44 / Section 46(3).
  - Certificate of Change of Name - Form 13 / Section 28.
  - Latest Annual Return (within 3 months validity).
  - Latest audited financial statement.

  For companies incorporated on/after 31 January 2017

  - Notice of Registration (Section 15) – Email Format / Certificate of Incorporation (Section 17).
  - Application of registration of a Company (Section 14).
  - Return for allotment of share - Section 78.
  - Notification of Appointment of the first Company Secretary – Section 58 & 236(2).
  - Notification of Change in the Register of Directors, Managers and Secretaries – Section 58.
  - Notification of Change in the Registered Address - Section 46(3).
  - Certificate of Change of Name - Section 28.
  - Latest Annual Return (within 3 months validity).
  - Latest audited financial statement.

  KAF IF reserves the right to request additional documents to support application.

- **MINIMUM INVESTMENT**

  Initial and subsequent investment must be for a minimum amount stated in the Disclosure Document.

- **INCOME DISTRIBUTION**

  Depending on the fund invested and subject to Disclosure Document, income distribution will be reinvested into further units in the relevant fund unless been stated otherwise.

- **INVESTMENT**

  All monies due and payable to KAF IF shall be made with clear funds and any cheques issued must be honoured when presented.

  No physical cash shall be accepted as payment for investment.

  If any application made which been rejected by KAF IF for whatsoever reason, whether in part or whole, any monies paid or remaining balance thereof will be returned (without interest or return) and any costs or expenses incurred thereof shall be borne solely by the investor.

  Any investment, repurchase or switching requests received after the respective fund's cut-off time or on the fund's non-business day will be treated as the next business day's transaction.

  Sending cash or transfer money to any unit trust consultant is prohibited and any payment made by a third party other than applicant or account holders is not allowed.

- **REDEMPTION**

  If following a repurchase request leaves you with less than the minimum investment balance as stated in the Disclosure Document, KAF IF has the option to liquidate the balance of the units held in your fund's account and forward the proceeds to you accordingly.

  Payment of repurchase proceeds to a third party is strictly prohibited.

- **RIGHTS OF THE KAF IF**

  KAF IF reserves the right to accept or reject any application in whole or in part thereof and reject any Account Opening Form which is not completed in full and supported by the requested documents and payments.

- **CUSTOMER CARE**

  If you require further information or clarification, please contact our Customer Service for assistance.

- **NOTICES**

  By providing your email address to KAF IF, you have consented to receive communications and/or information from KAF IF relating to your investment via email. Notices delivered via email to applicant are deemed sent and received on the date such email is sent.

  All notices and other communications sent by or to the applicant shall be sent at the risk of the applicant. Unless due to willful default or negligence of KAF IF, KAF IF shall not be responsible for any inaccuracy, interruption, error, delay or failure in transmission or delivery of any notices via whatever means, or for any equipment failure or malfunction. KAF IF shall not be liable for any direct or indirect consequential losses arising from the foregoing.

## 7. FOR DISTRIBUTOR AND SALES & MARKETING

| Submitted by:<br><br>Name:<br>UTC Code:<br>Date: | Attended by Sales & Marketing:<br><br>Name:<br><br>Date: |
|---|---|

## 8. FOR OFFICE USE ONLY

Account No. _____ Trans. No. _____ Price (RM) _____

| Input by / Date<br><br>Name:<br>Date: | Checked by:<br><br>Name:<br>Date: |
|---|---|

# Purchase Form (Corporate)

KAF INVESTMENT FUNDS BERHAD 199501004999 (334195-K)
Level 13, Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur
Tel:603-9767 6000 Fax: 603-9767 6001
Website: www.kaf.com.my

Account no: _____
(for existing unit holder only)

**In compliance with the Capital Markets and Services Act 2007, this Purchase Form should not be circulated unless accompanied by the relevant master prospectus(es)/ prospectus(es) and its supplementary(ies) (if any) [collectively shall be referred to as Disclosure Document]. Investor(s) should read and understand the contents of the Disclosure Document.**

Please complete in BLOCK LETTERS only, and tick(√) where applicable. For first time investor(s), please fill up the Account Opening Form to be submitted with this Purchase Form. KAF Investment Funds Berhad shall be referred to as **KAF IF** in this Form.

## 1. CORPORATE APPLICANT

Name of Corporate Applicant
(as in certificate of incorporation)
Company Registration No.

**Contact Person ( 1 )**

Name
Designation
Department
Telephone No. (Office) Fax No.
Handphone No. (mobile)
Office Email Address

**Contact Person ( 2 )**

Name
Designation
Department
Telephone No. (Office) Fax No.
Handphone No. (mobile)
Office Email Address

Source of Funds for Investment
*(please tick on the applicable item and provide the necessary information)*

☐ Intra group financing
☐ Business loan
☐ External investment
☐ Business income wealth (accumulated profit retained earnings)
☐ Investment by beneficial owner / partner
☐ Sale of property
☐ Stock transfer / fund raising exercise such as right issues / public offering
☐ Others Please specify :

## 2. DETAILS OF INVESTMENT APPLICATION

| Fund Name | Amount (RM) | Investment Type |
|---|---|---|
| 1. | | ☐ Current ☐ Additional |
| 2. | | ☐ Current ☐ Additional |
| 3. | | ☐ Current ☐ Additional |
| TOTAL | | |

Payment Mode for investment :

☐ Online Transfer ☐ Telegraphic Transfer ☐ Cheque (Bank _____ No. _____ )

Note:

- Cheque should be crossed and made payable to "KAF Investment Funds Berhad". You should write the company name and company registration no on the back of each cheque. The cheque(s) and the remittance advice slip must be attached with this Purchase Form.
- **Sending cash or transfer money to any unit trust consultant is prohibited and any payment made by a third party other than applicant or account holders is not allowed.**

## 3. LOAN FINANCING RISK DISCLOSURE STATEMENT

Investing in a unit trust fund with borrowed money is more risky than investing with your own savings. You should assess if loan financing is suitable for you in light of your objectives, attitude to risk and financing circumstances. You should be aware of the risk, which would include the following:-

(i) The higher the margin of financing (that is, the amount of money you borrow for every ringgit of your own money which you put in as deposit or down payment), the greater the loss or gains on your investment.

(ii) You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.

(iii) If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amount on top of your normal installments. If you fail to comply within the prescribed time, your units may be sold towards the settlement of your loan.

(iv) Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are experienced. Whether you eventually realise a gain or incur loss may be affected by the timing of the sale of your units. The value of units may fall just when you want you money back even though the investment may have done well in the past.

This brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take a loan. If you are in doubt of any aspect of this Risk Disclosure Statement or the terms of the loan financing, you should consult the institution offering the loan.

## 4. DECLARATIONS & SIGNATURES

- I/We acknowledge that I/We have received, read and understood the Disclosure Document for the fund(s) to be invested in, the terms and conditions of this Purchase Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with KAF IF.

- I/We acknowledge that I / We have read and understood the contents of the investment Loan Financing Risk Disclosure Statement.
- I/We acknowledge that I am / We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the fund(s). I/We also acknowledge that fees and charges payable to KAF IF and the trustee are subject to any tax as may be imposed by the government or other authorities from time to time.
- I/We acknowledge and agree that KAF IF reserves the right to accept or reject the application in whole or part without assigning any reasons in respect thereof. I am/We are aware that KAF IF may initiate any form of communications to verify and/or validate the application and I/We will provide the confirmation as required within the prescribed timeframe.
- I/We acknowledge that confirmation advices, statements and other documents shall be sent to my/our latest address as notified to KAF IF and shall be at my/or own risk. In the event that I/We fail to notify KAF IF in writing of any discrepancy in the confirmation advice and/or statement within 90 calendar days from the date of issuance, I/We shall be deemed to have waived any right to raise any objection or to pursue any remedies against KAF IF for such case.
- I/We undertake to be bound by the provisions of the documents constituting the fund(s) subscribed to as if I was / We were a party thereto.

- I/We do declare and represent that as at the date hereof, I am / We are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us.
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application. I/We further confirm that all monies paid or to be paid to KAF IF come from lawful source and not from unlawful activities.
- I/We hereby agree to indemnify KAF IF against all actions, suits, proceedings, claims, damages and losses which may be suffered by KAF IF in connection with or in any manner out of KAF IF acting or on my/our instruction(s) as stated above and any inaccuracy of the instruction(s) including as a result of any inaccuracy of the declarations herein.

| | |
|---|---|
| Name of Authorised signatory: | Name of Authorised Signatory: |
| Date: | Date: |

**Important: Pre-signing of forms relating to investments is strictly prohibited.**

## 5. FOR DISTRIBUTOR AND SALES & MARKETING USE ONLY

| | |
|---|---|
| Submitted by:<br><br>Name:<br>UTC Code:<br>Date: | Attended by Sales & Marketing:<br><br>Name:<br><br>Date: |

## 6. FOR OFFICE USE ONLY

Account No. _____ Trans. No. _____ Price (RM) _____

| | |
|---|---|
| Processed by:<br><br>Name:<br>Date: | Checked by:<br><br>Name:<br>Date: |