

Date of Issuance: 30 June 2017

KENANGA SYARIAH GROWTH FUND

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors and/or authorized committee and/or persons approved by the Board of Kenanga Investors Berhad and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, 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 Product Highlights Sheet false or misleading.

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The Securities Commission Malaysia has authorised/recognised the issuance of the Kenanga Syariah Growth Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Kenanga Syariah Growth Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Kenanga Syariah Growth Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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Kenanga Investors

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

KENANGA SYARIAH GROWTH FUND (“KSGF” or the “Fund”)

BRIEF INFORMATION ABOUT THE PRODUCT

1. What is this product about?

The Fund aims to provide Unit Holders with long-term capital growth by investing principally in equities that comply with Shariah requirements.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for investors who have a long-term investment time horizon of more than five (5) years, have a moderate risk profile with tolerance for short-term periods of volatility and have a preference for Shariah compliant investments.

KEY PRODUCT FEATURES

3. What am I investing in?

| | |
|------------------------------|--|
| Fund Type | Growth |
| Fund Category | Equity (Islamic) |
| Launch Date | 29 January 2002 |
| Investment Strategy | The Fund will invest in a diversified portfolio of Malaysian Shariah-compliant equity and equity-related securities of companies with sustainable business model and trading at a discount to its intrinsic value. |
| Asset Allocation | Shariah-compliant equities : 75% to 95% of the Fund's NAV Islamic liquid assets : 5% to 25% of the Fund's NAV |
| Performance Benchmark | FTSE Bursa Malaysia Emas Shariah Index |

4. Who am I investing in?

| | |
|-------------------------------|---|
| Fund Manager / Manager | Kenanga Investors Berhad (“Manager”) |
| Trustee | CIMB Islamic Trustee Berhad (“Trustee”) |
| External Fund Manager | Kenanga Islamic Investors Berhad |

5. What are the possible outcomes of my investment

Unit prices for this Fund may go down as well as up. The Fund is exposed to a variety of risks by nature of the investment strategy of the Fund. As such, the Fund does not provide guarantee on the investment amount nor does it guarantee a fixed rate of return.

KEY RISKS

6. What are the key risks associated with this product?

Investors are advised to read the Fund's prospectus and understand the risks involved and if necessary, consult a professional adviser for a better understanding of the risks before investing.

General Risk related to the Fund

| | |
|-----------------------|---|
| 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 fund's net asset value. |
| Manager's Risk | This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund. |
| Liquidity Risk | Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. |

| | |
|----------------------------|--|
| | If a fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices. |
| Inflation Risk | This is the risk that investors' investment in the fund 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. |
| Non-Compliance Risk | This refers to the current and prospective risk to the unit trust fund and the investors' interest arising from non-compliance of regulations imposed by the Capital Markets and Services Act 2007 and the guidelines, deeds, prospectuses and/or manager's internal policies and procedures by the manager. Risk of non-compliance can lead to diminished reputation, reduced franchise value, limited business opportunities and reduced expansion potential for the company. Accordingly, non-compliance may affect the investor's investments by causing a fall in the value of the unit trust fund. |
| Loan Financing Risk | This risk occurs when investors take a loan/financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the loan repayments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan. Shariah-compliant unit trust fund's investors are advised to seek for Islamic financing to finance their investment. |

Specific Risks related to the Fund

| | |
|--|---|
| Stock Specific Risk | Prices of a particular Shariah-compliant stock/ stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's net asset value. |
| Reclassification of Shariah Status Risk | The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC"), the Fund's Shariah adviser or the Shariah boards of the relevant indices. If this occurs, the Manager will take the necessary steps to dispose of such securities. There may be opportunity loss to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant securities at a price lower than the investment cost. Please refer to master prospectus for further details in relation to Shariah-compliant funds. |

Please be advised that if a Unit Holder invests in Units through an institutional unit trust advisers which adopts the nominee system of ownership, the unit holder would not be considered to be a Unit Holder under the deed and 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).

FEES AND CHARGES

7. What are the fees and charges involved?

The table below describes the charges that you may DIRECTLY incur when you buy or redeem Units of the Fund.

| | |
|--------------------------|--|
| Sales Charge | Up to 5.50% of the NAV per Unit. |
| Redemption Charge | Nil |
| Transfer Fee | Nil |
| Switching Fee | Nil |
| Other Charges | There are no other charges (except charges levied by banks on remittance of money) payable directly by investors when purchasing or redeeming units of the Fund. |

Note: The Manager may waive or reduce the sales charge imposed. Investors may also negotiate for a lower sales charge with their preferred distributor, subject to the respective channels' qualifying criterion.

The table describes the fees that you may INDIRECTLY incur when you invest in Units of the Fund.

| | |
|------------------------------|---|
| Annual Management Fee | 1.50% of the NAV of the Fund per annum. |
| Annual Trustee Fee | 0.05% of the NAV of the Fund per annum. |

All fees and charges payable to the Manager and the Trustee are subject to goods and services tax as imposed by the government or other authorities from time to time.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

VALUATIONS AND EXITING FROM INVESTMENTS

8. How often are valuations available?

Valuations are valued daily and you may refer to www.kenangainvestors.com.my for the unit price.

9. How do I exit from this investment and what are the risks and costs involved

Unit Holders may redeem their investments in the Fund on any Business Day by completing the prescribed redemption request form or such other manner as the Manager may accept and returning it to the Manager on any Business Day; the redemption request form is available at the office of the Manager.

Units redeemed during dealing hours (i.e. from 8.30 a.m. to 4.00 p.m.) on any Business Day will be redeemed at the NAV per Unit calculated as at the next valuation point after the request is received (i.e. "forward pricing").

Any redemption request received after the dealing hours on any Business Day will be taken as a redemption request made on the next Business Day.

The minimum redemption amount is 500 Units for each transaction or such other lower amount as the Manager in its sole discretion allows.

However, if the redemption request leaves a Unit Holder with less than 500 Units (minimum holdings), the Manager reserves the right to liquidate the balance of the Units held in the Unit Holder's account.

Redemption proceeds will be paid within ten (10) days from the date the Manager receives a duly completed redemption request form.

Cooling-Off Right

A cooling-off right is only given to an individual investor who is investing for the first time in any unit trust funds managed by the Manager but shall not include the Manager's staff and a person registered with a body approved by the Securities Commission Malaysia ("SC") to deal in unit trusts.

The cooling-off period shall be within six (6) Business Days from the date the Manager receives the duly completed form. "Cooling-Off Period" or Cooling-Off Right" is not applicable to EPF Member Investment Scheme.

Note: Please read and understand the Fund's prospectus and its supplemental prospectus (if any) before investing in the Fund.

FUND PERFORMANCE

Average Total Returns

The basis of calculating the average total returns is by calculating the growth of the NAV of the Fund at the start point against the NAV of the Fund at the end point of the calculation period of 1 year, 3 years, 5 years and 10 years. We take into account and factor in all the distributions and unit splits into the NAV of the Fund for the purposes of the calculations.

| | 1 year 31/05/15 - 31/05/16 (%) Return | 3 years 31/05/13 - 31/05/16 (%) Return | 5 years 31/05/11 - 31/05/16 (%) Return | 10 years 31/05/06 - 31/05/16 (%) Return |
|--------------------|---|--|--|---|
| KSGF | -0.47 | 3.56 | 10.10 | 12.86 |
| Benchmark # | -5.20 | -1.29 | 2.93 | 7.63 |

Source: Lipper IM

Annual Total Return

| | Dec 2006 (%) | Dec 2007 (%) | Dec 2008 (%) | Dec 2009 (%) | Dec 2010 (%) | Dec 2011 (%) | Dec 2012 (%) | Period 31/12/12 - 31/5/14 (%) | May 2015 (%) | May 2016 (%) |
|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|--------------------|--------------------|
| KSGF | 22.14 | 40.83 | -26.02 | 30.42 | 29.70 | 16.93 | 12.14 | 28.72 | -1.30 | -0.47 |
| Benchmark | 26.52 | 45.57 | -43.52 | 43.03 | 18.20 | 2.41 | 11.85 | 14.02 | -4.26 | -5.20 |

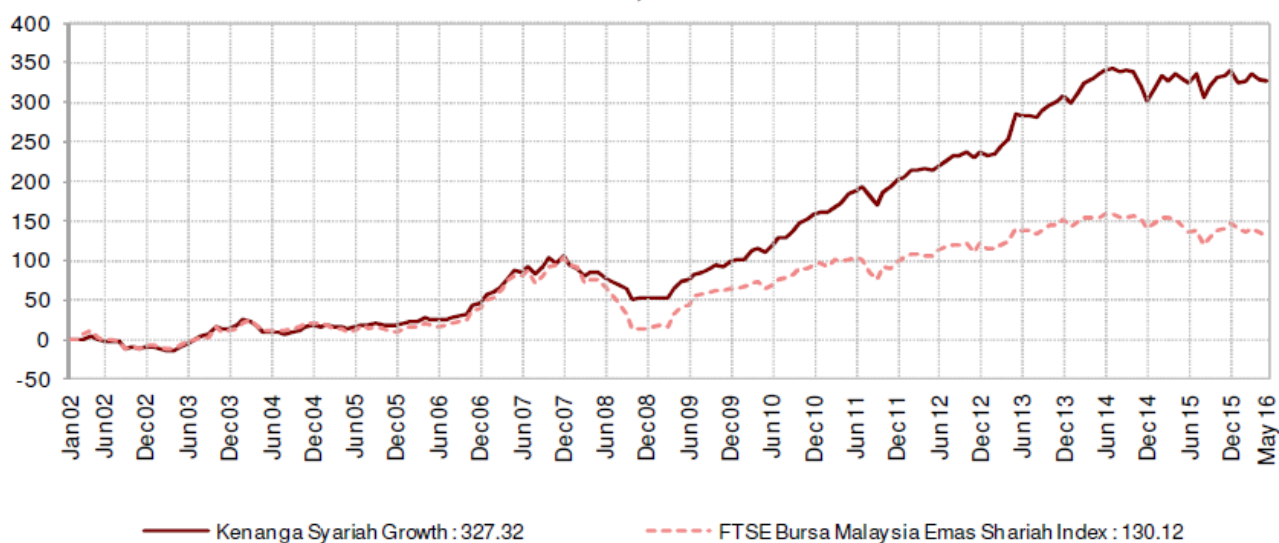
Source: Lipper IM

1-Year Fund Performance Review

For the financial year ended 31 May 2016, the Fund depreciated by 0.47% but outperformed the FBMS benchmark which declined by 5.20%. The better performance was mainly due to Shariah compliant stock selection.

Performance Chart Since Inception

% Cumulative Return, Launch to 31/05/2016



Source: Novagni Analytics and Advisory Sdn Bhd

Portfolio Turnover Ratio (PTR) and Management Expense Ratio (MER)

| | Financial Year Ended 31 May | | |
|--------------------|-----------------------------|------|------|
| | 2016 | 2015 | 2014 |
| PTR (times) | 0.39 | 0.68 | 0.89 |
| MER (%) | 1.70 | 1.62 | 2.28 |

Explanation of significant change in the PTR

The lower PTR is due to a more conservative strategy in terms of Shariah-compliant stock selection which reduces the exposure to more “trading” orientated Shariah-compliant stocks.

Explanation of significant change in the MER

MER ratio of 1.70% indicates an expense of RM0.0170 for every RM1.00 of the average NAV of KSGF during the financial year ended 31 May 2016. MER is higher against previous financial year mainly due to increase in total expenses incurred.

Distribution

Distributions were made in the form of cash for periods disclosed below.

| Year Ended 31 May 2016 | Year Ended 31 May 2015 | Year Ended 31 May 2014 |
|---|---|--|
| Gross distribution per Unit (sen) - 10.11 | Gross distribution per Unit (sen) - 10.50 | Gross distribution per Unit (sen) - 7.50 |
| Net distribution per Unit (sen) - 10.11 | Net distribution per Unit (sen) - 10.50 | Net distribution per Unit (sen) - 7.50 |

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

CONTACT INFORMATION

Who do I contact for further information or to lodge a complaint?

1. For internal dispute resolution, you may contact:

Kenanga Investors Berhad (353563-P)
Level 13, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur

- (a) General Line No : 03-2172 3123
- (b) Facsimile No : 03-2172 3133
- (c) Customer Service Toll Free No : 1-800 88 3737
- (d) Website : www.kenangainvestors.com.my
- (e) Email : investorservices@kenanga.com.my

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

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

3. You can direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaint Department:

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

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- (a) via phone to : 03-2092 3800
- (b) via fax to : 03-2093 2700
- (c) via email to : complaints@fimm.com.my
- (d) via online complaint form available at : www.fimm.com.my
- (e) via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor Wisma Tune
No.19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

APPENDIX : GLOSSARY

| | |
|---------------------------------------|---|
| Business Day | Means a day on which the Bursa Malaysia is open for trading. |
| Management Expense Ratio (MER) | $\frac{\text{Total annual expenses incurred by the Fund}}{\text{Average NAV of the Fund calculated on daily basis}} \times 100$ <p>This ratio will inform you of the total expenses incurred by the Fund during the year as compared to its average NAV. Total expenses include management fee, trustee fee and expenses incurred for fund administrative services. A low MER indicates the effectiveness of the Manager in managing the expenses of the Fund.</p> |
| Net Asset Value (NAV) | Means the total value of the Fund's assets minus its liabilities at the valuation point. In computing the annual management fee and annual trustee fee, the NAV of the Fund should include the management fee and the trustee fee for the relevant day. |
| NAV per Unit | Means the NAV of the Fund divided by its total number of units in circulation. |
| Portfolio Turnover Ratio (PTR) | <p>Refers to the measure of trading activity or how frequently assets within a fund are bought and sold by the Manager. A fund with a 0.5 times portfolio turnover ratio, for example, replaces half of its holdings during the period under review. A fund with a high portfolio turnover rate will typically incur more transaction costs than one with a low portfolio turnover rate.</p> <p>The computation of PTR is as follows :</p> $\text{PTR} = \frac{(\text{Total acquisitions of the Fund} + \text{Total disposals of the Fund}) / 2}{\text{Average NAV of the Fund calculated on a daily basis}}$ |
| Unit(s) | Means a unit of a Fund and includes a fraction of a unit. |
| Unit Holder(s)/ Investor(s) | Means the person for the time being registered under the provisions of the deed as the holder of units and includes the Manager and joint-holder. |