

Public Mutual Private Retirement Scheme – Shariah-based Series

Public Mutual PRS Islamic Growth Fund Public Mutual PRS Islamic Moderate Fund Public Mutual PRS Islamic Conservative Fund

RESPONSIBILITY STATEMENTS

This Product Highlights Sheet has been reviewed and approved by the directors of Public Mutual Berhad and they have 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 Product Highlights Sheet false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has approved the Public Mutual Private Retirement Scheme – Shariah-based Series and authorized the Public Mutual PRS Islamic Growth Fund, Public Mutual PRS Islamic Moderate Fund and Public Mutual PRS Islamic Conservative Fund, and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The approval and authorization, as well as the lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Public Mutual Private Retirement Scheme – Shariah-based Series, or Public Mutual PRS Islamic Growth Fund, Public Mutual PRS Islamic Moderate Fund and Public Mutual PRS Islamic Conservative Fund, or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Public Mutual Berhad, the private retirement scheme provider responsible for the Public Mutual Private Retirement Scheme – Shariah-based Series and Public Mutual PRS Islamic Growth Fund, Public Mutual PRS Islamic Moderate Fund and Public Mutual PRS Islamic Conservative Fund, and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

Public Mutual Private Retirement Scheme – Shariah-based Series (the “Scheme”)

This Product Highlights Sheet is an important document.

- It is a summary of the salient information about the Scheme and Public Mutual PRS Islamic Growth Fund, Public Mutual PRS Islamic Moderate Fund and Public Mutual PRS Islamic Conservative Fund.
- You must not contribute to the Scheme based on this Product Highlights Sheet alone. Please read the Scheme’s disclosure document before deciding to make a contribution. If you do not have a copy, please contact us to ask for one.
- You should not contribute to the Scheme if you do not understand it or are not comfortable with the accompanying risks.

What is the Public Mutual Private Retirement Scheme (PRS) – Shariah-based Series?

Public Mutual PRS – Shariah-based Series is a private retirement scheme offered to the public for the purpose of building up long-term savings* for retirement.

** Funds under PRS are neither capital guaranteed nor capital protected funds.*

This Product Highlights Sheet only provides information on the three (3) core funds of Public Mutual PRS – Shariah-based Series:

	Name of Core Fund
1	Public Mutual PRS Islamic Growth Fund
2	Public Mutual PRS Islamic Moderate Fund
3	Public Mutual PRS Islamic Conservative Fund

The trustee of the Scheme is AmanahRaya Trustees Berhad.

What are the benefits of contributing to the Scheme?

- **Diversification** – Your contributions will be pooled for the purchase of a diversified portfolio of stocks and sukuk which yields returns at lower risks compared with investing directly in stock markets.
- **Professional management** – The funds are managed by professional fund managers with the expertise and resources to manage the assets of the funds.
- **Ease of transactions** – The funds do not require cumbersome administrative or paperwork or record keeping on your part in managing your investments.
- **Enjoy personal tax relief** – You are allowed to claim a tax relief on the amount of contribution made to the funds subject to a maximum of RM3,000 per annum (or any other amount as may be determined by the relevant authorities from time to time).
- **Income of the fund is exempt from Malaysian income tax** – Since income of the fund is exempt from Malaysian income tax, the income* distributed from the funds to you should be exempted from Malaysian income tax as well.

** Distribution (if any) will be automatically reinvested into the fund(s).*

- **Tax deduction for employers on contribution made** – Employers which make contributions to the funds on behalf of their employees are allowed to claim tax deduction against their business income on the contribution made. The allowable tax deduction is, together with the contribution made to any other approved scheme [such as Employees Provident Fund (EPF)], restricted to 19% of the employees’ remuneration.

How does the Scheme work?

You can select to contribute your monies under the (a) default option or (b) non-default option as explained below:

(a) Default option:

Your contributions under the default option will be automatically allocated to the core fund that corresponds to your age group as specified below:

Core Fund	Age Group*
Public Mutual PRS Islamic Growth Fund	Age below 40
Public Mutual PRS Islamic Moderate Fund	Age 40 to below 50
Public Mutual PRS Islamic Conservative Fund	Age 50 and above

* *Current retirement age is 55 years and it may change to any other compulsory age of retirement from employment as may be specified under any written law.*

Unless otherwise instructed, your contribution will be automatically switched (without charge) into the relevant core fund, before the end of the next calendar month from the day you attain the age as specified in the table above.

(b) Non-default option:

Under the non-default option, you can actively select one or more core funds regardless of your age.

All contributions made by you (regardless of the option chosen) are maintained in two separate sub-accounts as follows:

- Sub-account A** which holds 70% of all contributions made, reflected in units; and
- Sub-account B** which holds 30% of all contributions made, reflected in units.

If you are investing in a PRS for the first time, you may exercise your cooling-off right within 6 Business Days from the date of receipt by Public Mutual (the “PRS Provider”), of the application form and payment. Once you have exercised the cooling-off right, the cooling-off right is no longer available for contributions in other PRS. The refund for every unit held will be the sum of the price of a unit on the day the units were purchased and the sales charge imposed on the day the units were purchased. The cooling-off right does not extend to the staff of Public Mutual and persons registered to deal in PRS.

Note: Business Day refers to each weekday in which Bursa Malaysia Securities Berhad (Bursa Securities) is open for dealing. The PRS Provider may declare certain Business Day to be a non-Business Day, although Bursa Securities is open for business, if one or more of the foreign markets in which the fund(s) are invested therein are closed for business. This is to ensure that members will be given fair valuation of the fund(s) at all times, be it when purchasing or redeeming units of the fund(s).

Withdrawal upon retirement

Upon reaching retirement age, withdrawals from the fund can be made in part or in full.

To effect a withdrawal request, you need to complete and submit the Withdrawal Request Form to Public Mutual head office or branch office. Upon receiving the withdrawal request, the PRS Provider will process and pay you the withdrawal proceeds within 10 days.

Pre-retirement withdrawal

Pre-retirement withdrawals can be made for the following reasons:

- i. Death of member (withdrawals must be made in full);
- ii. Permanent departure of a member from Malaysia (withdrawals must be made in full); or
- iii. Withdrawal of accrued benefits from sub-account B (withdrawals can be made in part or in full).

Withdrawals from sub-account B can be requested (from one or multiple PRS of different PRS providers) via one application through the Private Pension Administrator (PPA), once per calendar year, provided that no withdrawal can be made from a PRS where you have been a member for less than a year.

First pre-retirement withdrawal request from Sub-account B can be made only one year after your first contribution to any fund under the Scheme.

To effect a pre-retirement withdrawal request, you need to complete and submit your request form to the PPA. Upon receiving authorisation from the PPA, the PRS Provider will process and pay you the pre-retirement withdrawal proceeds within 10 days.

A withdrawal fee and tax penalty of 8% will be deducted from the withdrawal proceeds. The tax penalty does not apply to pre-retirement withdrawals due to death or permanent departure from Malaysia.

Switching between funds within the Scheme and funds under the Public Mutual PRS – Conventional Series

Switching between funds within the Scheme and funds under the Public Mutual PRS-Conventional Series can be requested via one application to Public Mutual, once per calendar year. First switching request can be made only one year after your first contribution to any fund under the Scheme.

To effect a switching request, you need to complete and submit the Switching Request Form to your nearest Public Mutual head office or branch office.

The PRS Provider has the discretion to vary the terms and conditions of switching from time to time. Please contact our Customer Service Hotline for the latest terms and conditions on switching.

Transfer of units to another PRS provider

Transfer of units to another PRS provider can be requested (from one or multiple PRS or different PRS providers) via one application through the PPA, once per calendar year provided no other transfer has been made by you from any other PRS provider in that calendar year.

First transfer request from any fund under the Scheme can be made only one year after your first contribution to any fund under the Scheme.

To effect a transfer request, you need to complete and submit your request form to the PPA. Upon receiving authorisation from the PPA, we will process and remit the net transfer proceeds within 10 days.

A transfer fee will be levied for each transfer transaction.

Minimum redemption units (through withdrawal/switching/transfer)

1,000 units.

Minimum account balance (applicable for post-retirement only)

1,000 units.

In the case of partial redemption request, the PRS Provider may elect to redeem the entire account if the effect thereof would be that less than 1,000 units will be held in your account with the fund.

What are the Core Funds under the Scheme?

Public Mutual PRS Islamic Growth Fund, Public Mutual PRS Islamic Moderate Fund and Public Mutual PRS Islamic Conservative Fund have been certified as being Shariah compliant by ZI Shariah Advisory Services Sdn. Bhd. (the “Shariah Adviser”).

Public Mutual PRS Islamic Growth Fund (PRS-IGRF)

Investment Objective	The fund seeks long-term capital growth and to a lesser extent income. <i>Note: Long-term refers to a period of more than 5 years.</i>	
Fund Category	Core (Growth)	
Investment Strategy	PRS-IGRF seeks to achieve its objective by investing in a diversified portfolio of Shariah-compliant equities and sukuk in the domestic and selected foreign markets. The fund will invest up to 70% of its Net Asset Value (NAV) in Shariah-compliant equities. The balance of the fund’s NAV will be invested in sukuk and Shariah-based liquid assets which include Islamic money market instruments and investment accounts. To achieve increased diversification, the fund may invest up to 20% of its NAV in foreign markets.	
Asset Allocation	Shariah-compliant equities	Up to 70% of NAV
	Sukuk and Shariah-based liquid assets	At least 30% of NAV
Benchmark	70% FTSE Bursa Malaysia EMAS Shariah Index and 30% 3-Month Islamic Interbank Money Market Rate <i>Note: The risk profile of the fund is not the same as the risk profile of the benchmark.</i>	
Member Profile	<ul style="list-style-type: none"> • Risk tolerant • Preference for long-term capital growth • With at least 15 years to retirement • Age below 40 if contribute under the default option 	

Public Mutual PRS Islamic Moderate Fund (PRS-IMDF)

Investment Objective	The fund seeks income and capital growth over the long-term through a balanced asset allocation approach. <i>Note: Long-term refers to a period of more than 5 years.</i>	
Fund Category	Core (Moderate)	
Investment Strategy	PRS-IMDF seeks to achieve its objective by investing in a diversified portfolio of Shariah-compliant equities and sukuk in the domestic and selected foreign markets. The fund will invest up to 60% of its NAV in Shariah-compliant equities. The balance of the fund’s NAV will be invested in sukuk and Shariah-based liquid assets which include Islamic money market instruments and investment accounts. To achieve increased diversification, the fund may invest up to 10% of its NAV in foreign markets.	
Asset Allocation	Shariah-compliant equities	Up to 60% of NAV
	Sukuk and Shariah-based liquid assets	At least 40% of NAV
Benchmark	60% FTSE Bursa Malaysia EMAS Shariah Index and 40% 3-Month Islamic Interbank Money Market Rate <i>Note: The risk profile of the fund is not the same as the risk profile of the benchmark.</i>	
Member Profile	<ul style="list-style-type: none"> • Moderate risk tolerance • Preference for capital growth and to a lesser extent income* • With at least 10 years to retirement • Age 40 to below 50 if contribute under the default option <i>Note: * Distribution (if any) will be automatically reinvested into the fund.</i>	

Public Mutual PRS Islamic Conservative Fund (PRS-ICVF)

Investment Objective	The fund seeks income consistent with capital preservation. <i>Note: This is neither a capital guaranteed nor a capital protected fund.</i>	
Fund Category	Core (Conservative)	
Investment Strategy	PRS-ICVF seeks to achieve its objective by investing in a diversified portfolio of sukuk, Islamic money market instruments and investment accounts as well as Shariah-compliant equities, all in the domestic market. The fund will invest 60% to 80% of its NAV in sukuk and at least 20% of its NAV in Islamic money market instruments. The fund may invest up to 20% of its NAV in Shariah-compliant equities.	
Asset Allocation	Sukuk	60% to 80% of NAV
	Islamic money market instruments and investment accounts	20% to 40% of NAV
	Shariah-compliant equities	Up to 20% of NAV
Benchmark	12-Month General Investment Account rates as quoted by Bank Negara Malaysia <i>Note: The risk profile of the fund is not the same as the risk profile of the benchmark.</i>	
Member Profile	<ul style="list-style-type: none"> • Generally conservative and risk averse • Preference for income* • Age 50 and above if contribute under the default option <i>Note: * Distribution (if any) will be automatically reinvested into the fund.</i>	

What are the risks?

General investment risks

Capital and returns not guaranteed

The fund is exposed to a variety of risks by nature of the investment schemes it is engaged in. As such, the fund does not provide a guarantee on capital contributed nor does it guarantee a fixed rate return.

Market risk

Stock prices fluctuate due to general market or economic conditions as well as factors affecting individual companies. Such movements in the underlying prices of stocks will cause the fund's NAV/prices of units to fall as well as rise.

Fund Manager risk

Although a fundamental investment approach is undertaken by fund managers, there is a risk that investment decisions undertaken pertaining to asset allocation and stock selection may not be in line with market movements. This could adversely impact the performance of the fund.

Inflation risk

Inflation risk refers to the loss in purchasing power of your investment returns due to a general increase in prices of goods and services. If the returns from your investments do not keep pace with the inflation rate, the real rate of returns from these investments will be impacted.

Legal and regulatory risk

Changes in laws and regulations in the countries that the fund is invested in may impact the investments of the fund. Apart from this, there is the risk that changes in laws/regulations/guidelines relating to private retirement schemes could affect your account or accessibility to your monies in the fund.

Risk associated with the default option

Under the default option, your contribution will be automatically switched (regardless of NAV movement trends) into the relevant core fund upon reaching the prescribed age. At the point of switching, the unit price may be lower than the price you paid when you contributed into the fund, and as such, you will incur losses.

Risks specific to each fund

The principal risks relating to each fund are as follows:

	Public Mutual PRS Islamic Growth Fund	Public Mutual PRS Islamic Moderate Fund	Public Mutual PRS Islamic Conservative Fund
<p><input type="checkbox"/> Market risk</p> <p>The risk that the movements in the markets that the fund invests in will cause the fund's NAV/prices of units to fall as well as rise.</p>	√	√	
<p><input type="checkbox"/> Specific security risk</p> <p>Adverse price movements of a particular security invested by the fund may adversely affect the fund's NAV and unit price.</p>	√	√	√
<p><input type="checkbox"/> Liquidity risk</p> <p>If the fund has a large portfolio of securities that are less liquid or difficult to dispose, the securities may have to be sold at a discount to fair value, hence affecting the value of the fund.</p>	√	√	√
<p><input type="checkbox"/> Interest rate risk</p> <p>Interest rates movements impact sukuk valuations with sukuk prices moving inversely with interest rates. When interest rates rise, sukuk prices generally decline and vice versa.</p>		√	√
<p><input type="checkbox"/> Credit risk</p> <p>In the event that the issuer of a security defaults in the payment of profit and/or principal, the value of the fund may be adversely affected.</p>		√	√
<p><input type="checkbox"/> Risk of non-compliance with Shariah requirements</p> <p>For Shariah-based funds, there is the risk that the fund may hold securities which are Shariah non-compliant due to possibilities that such securities which were determined by the Shariah Advisory Council of the SC and/or the Shariah Adviser as Shariah-compliant at the point of purchase, were later reclassified as Shariah non-compliant securities.</p>	√	√	√

You are advised to read the disclosure document and understand the risks involved and, if necessary, consult your professional adviser before making contributions.

What are the fees and charges?

There are fees and charges involved and you are advised to consider them before contributing to the Scheme.

What will I be charged by Public Mutual?

	Public Mutual PRS Islamic Growth Fund	Public Mutual PRS Islamic Moderate Fund	Public Mutual PRS Islamic Conservative Fund
Sales charge	Up to 3% of NAV per unit. <u>Example:</u> For every contribution of RM1,000, you will be charged RM30 i.e. RM1,000 x 3% sales charge. <i>The PRS Provider may, at its discretion, charge a lower sales charge based on criterion as may be determined from time to time.</i>		
Redemption charge	Nil.		
Switching fee (between funds in this Scheme)	Nil.		
Switching fee (between funds in another PRS managed by Public Mutual)	Nil.		
Transfer fee (to another PRS provider)	RM25 for each transfer request.		

What will I be charged by the Private Pension Administrator (PPA)?

	Public Mutual PRS Islamic Growth Fund	Public Mutual PRS Islamic Moderate Fund	Public Mutual PRS Islamic Conservative Fund
PPA account opening fee	RM10 (one off).		
PPA annual fee	RM8 per annum. The fee is not payable for the year the account is opened and not payable for the year(s) where no contributions are made.		
PPA pre-retirement withdrawal fee	RM25 for each pre-retirement withdrawal request.		
PPA transfer fee (to another PRS provider)	RM25 for each transfer request.		

What are the key ongoing fees charged to a fund?

	Public Mutual PRS Islamic Growth Fund	Public Mutual PRS Islamic Moderate Fund	Public Mutual PRS Islamic Conservative Fund
Management fee	1.50% per annum of the NAV.	1.25% per annum of the NAV.	1.0% per annum of the NAV.
Trustee fee	0.06% per annum of NAV, subject to a minimum fee of RM10,000 and a maximum fee of RM600,000 per annum.	0.05% per annum of NAV, subject to a minimum fee of RM10,000 and a maximum fee of RM600,000 per annum.	0.04% per annum of NAV, subject to a minimum fee of RM10,000 and a maximum fee of RM300,000 per annum.
PPA Administration fee	0.04% per annum of the NAV.		

Example

Assuming the amount you have in your account for a particular fund is RM50,000, the fees that will be deducted for that day would be:

Management fee	:	$(RM50,000.00 * 1.50\%) / 365$	=	RM2.05
Trustee fee	:	$(RM50,000.00 * 0.06\%) / 365$	=	RM0.08
PPA administration fee	:	$(RM50,000.00 * 0.04\%) / 365$	=	RM0.05

You can also compare the fees and charges of other private retirement schemes by visiting the Private Pension Administrator’s website, www.ppa.my

How will I be notified of any increase in fees and charges?

You will be notified of any increase in fees and/or charges via interim or annual reports of the fund. The notification will be sent at least 3 months prior to the effective date of such higher fees and/or charges.

What taxes apply?

The PRS is an approved scheme for Malaysian income tax purposes pursuant to Section 2 of the Malaysian Income Tax Act, 1967 (“the Act”). The income of the funds is exempt from tax under Paragraph 20, Schedule 6 of the Act.

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

Since the income of the funds is exempt from Malaysian income tax, the income* distributed from the funds to you should be exempted from Malaysian income tax as well.

** Distribution (if any) will be automatically reinvested into the fund .*

Individual members who are residents in Malaysia and have made contribution to the funds are allowed to claim a tax relief on the amount of the contribution made to the PRS funds, subject to a maximum amount of RM3,000 per annum.

Members who make withdrawals prior to the retirement age (“pre-retirement withdrawals”) from the funds would be subject to tax penalty of 8%. The applicable tax penalty will be deducted from the withdrawn amount before payment is made to you. Withdrawals made after reaching retirement age, death, or permanent departure of a member from Malaysia will not be subject to tax.

Employers which make contribution to the funds under the PRS on behalf of their employees, resident or non-resident in Malaysia, are allowed to claim tax deduction against their business income on the contribution made. The allowable tax deduction is, together with the contribution made to any other approved scheme (such as EPF), restricted to 19% of the employees’ remuneration.

How can I keep track of my contribution?

Computer-generated statements will be issued to provide you a record of each transaction made in your account so that you may confirm the status and accuracy of your transactions, as well as an updated record of your account(s).

The investment strategies, performances, portfolio holdings and accounts of the fund are detailed twice a year in annual and interim reports which are sent within 2 months from the close of each financial year or interim period.

In addition, you will receive annual/interim Statements of Investment, sent together with the fund’s interim/annual report, which will provide you with the latest status of your account.

If any distribution of returns is declared by the fund, you will also receive Statements of Distribution of Returns, detailing the nature and amount of returns distributed by the fund.

A consolidated statement of account will be provided to you by PPA.

The valuation of NAV of PRS-ICVF for each Business Day is carried out at the end of the day immediate upon closing of the Bursa Securities and is published on the next Business Day.

For PRS-IGRF and PRS-IMDF, the valuation of the NAV is conducted after the close of business of Bursa Securities for the relevant day. As certain of the foreign markets in which the funds may invest in have yet to close due to the different time zones of these countries, the valuation point will thus be after the close of Bursa Securities but not later than 5.00 p.m. on the following Business Day in which the PRS Provider is open for business. For example, Monday’s price will be available on Wednesday and you will be able to know your units to be credited into your account on Wednesday.

You may check for the current NAV/price of the funds by visiting our website at www.publicmutual.com.my.

Unit prices and distributions if any, may go down as well as up.

How do I start contributing?

It is important to understand what you are contributing into. Ask for a copy of the Scheme’s disclosure document. If in doubt, consult a professional adviser.

Need Advice?

You may consult our team of dedicated PRS consultants who are registered with Federation of Investment Managers Malaysia (FIMM) or call our Customer Service Hotline at 03-6207 5000 for information pertaining to the funds.

Account opening

You are required to complete the PPA Account Opening Form and new fund Application Form that comes with the disclosure document obtainable free upon request. Your application form, together with the contribution amount made out in a cheque in favour of Public Mutual Berhad followed by your new NRIC number (*e.g. Public Mutual Berhad (New NRIC No.)*), can be submitted to any of the Public Bank Berhad branches. You are advised to write down your name, new NRIC/Passport Number and telephone number at the back of the cheque. Please retain the bank-in slip issued by the bank for your record and future reference.

Your application will only be processed by us upon the receipt of your PPA number from the PPA.

Additional contribution to your account

You may contribute regularly into your account. This can be easily done through issuing direct debit authorisation with Public Bank Berhad. Alternatively, you may add to your account as and when you feel so inclined by depositing your cash/cheque made in favour of Public Mutual Berhad followed by your fund account number, into the collection accounts maintained at Public Bank Berhad.

You are advised not to make payment in cash to any of our PRS consultants or staff when purchasing units of the funds under the Scheme. If you wish to pay in cash, you may do so personally at any Public Bank Berhad branch.

Minimum initial and subsequent contributions

Minimum initial contribution for each fund : RM1,000

Minimum additional contribution for each fund : RM100

How do I lodge a complaint?

1. For internal dispute resolution, you may contact our Customer Service Hotline at 03-6207 5000.
2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
 - (a) via phone to : 03-2282 2280
 - (b) via fax to : 03-2282 3855
 - (c) via email to : info@sidrec.com.my
 - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
3. You can also direct your complaint to Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:
 - (a) via phone to the Aduan Hotline at : 03-6204 8999
 - (b) via fax to : 03-6204 8991
 - (c) via email to : aduan@seccom.com.my
 - (d) via online complaint form available at www.sc.com.my
 - (e) via letter to : Investors Affairs & Complaints Department
Securities Commission Malaysia
No. 3, Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

