

Out **think**. Out **perform**.



AFFIN HWANG
CAPITAL
Asset Management

Prospectus

Affin Hwang Select Asia Pacific (ex Japan) REITs Fund

MANAGER

Affin Hwang Asset Management Berhad
199701014290 (429786-T)

TRUSTEE

HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

This Prospectus is dated 16 March 2020.

The Affin Hwang Select Asia Pacific (ex Japan) REITs Fund was constituted on 25 April 2007*.

**The constitution date of this Fund is also the launch date of this Fund.*

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 3. THIS IS A REPLACEMENT PROSPECTUS THAT REPLACES AND SUPERCEDES THE PROSPECTUS DATED 18 JULY 2017.



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

Responsibility Statements

This Prospectus has been reviewed and approved by the directors of Affin Hwang Asset Management 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 Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and registration of this Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the said Fund 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 Affin Hwang Asset Management Berhad, the management company responsible for the said Fund 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.

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 Fund.

This Prospectus is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no issue or sale of Units to which this Prospectus relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.



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.

TABLE OF CONTENTS

ABBREVIATION	1
GLOSSARY	1
RISK FACTORS	3
ABOUT AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) REITs FUND	6
DEALING INFORMATION	11
FEES, CHARGES AND EXPENSES	16
PRICING	19
SALIENT TERMS OF THE DEED	22
THE MANAGER	28
THE TRUSTEE	30
RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST	32
TAX ADVISER'S LETTER	34
RELEVANT INFORMATION	39
EXEMPTIONS FROM THE GUIDELINES	40
CONSENTS	41
DOCUMENTS AVAILABLE FOR INSPECTION	42
DIRECTORY OF SALES OFFICE	43

CORPORATE DIRECTORY

The Manager/AHAM

Affin Hwang Asset Management Berhad 199701014290 (429786-T)

Registered Office

27th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2142 3700

Fax No. : (603) 2140 3799

Business Address

Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2116 6000

Fax No. : (603) 2116 6100

Toll free line : 1-800-88-7080

E-mail : customercare@affinhwangam.com

Website : www.affinhwangam.com

Board of Directors of the Manager/AHAM

- Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)
- Mr Teng Chee Wai (Non-independent Director)
- Ms Eleanor Seet Oon Hui (Non-independent Director)
- Mr Yip Kit Weng (Non-independent Director)
- Encik Faizal Sham bin Abu Mansor (Independent Director)
- Maj. Gen. Dato' Zulkiflee bin Mazlan (R) (Independent Director)

The Trustee

HSBC (Malaysia) Trustee Berhad 193701000084 (1281-T)

Registered Office & Business Address

13th Floor, Bangunan HSBC, South Tower, No.2, Leboh Ampang, 50100 Kuala Lumpur

Tel No. : (603) 2075 7800

Fax No. : (603) 2179 6511

Trustee's Delegate

(Local Custodian)

The Hong Kong and Shanghai Banking Corporation Limited

(as Custodian) and assets held through:-

HSBC Nominees (Tempatan) Sdn Bhd (258854-D)

Bangunan HSBC, No. 2, Leboh Ampang, 50100 Kuala Lumpur

Tel No. : (603) 2075 3000

Fax No. : (603) 2179 6488

HSBC Bank Malaysia Berhad (Co. No. 127776-V)

No 2 Leboh Ampang

50100 Kuala Lumpur

Telephone No: (603)2075 3000

Fax No: (603)2179 6488

Trustee's Delegate

(Foreign Custodian)

The Hongkong And Shanghai Banking Corporation Limited

6th Floor, Tower 1, HSBC Centre

1 Sham Mong Road

Kowloon, Hong Kong

Tel : (852) 2288 6111

ABBREVIATION

EPF	Employees Provident Fund.
EMIS	EPF Members' Investment Scheme.
FIMM	Federation of Investment Managers Malaysia.
IOSCO	International Organization of Securities Commissions.
IUTA	Institutional Unit Trust Advisers.
MYR	Ringgit Malaysia.
PHS	Product Highlights Sheet.
SC	Securities Commission Malaysia.

GLOSSARY

the Act	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
Business Day	Means a day on which Bursa Malaysia is open for trading.
Communiqué	Refers to the notice issued by the Manager to the Unit Holders.
Deed	Refers to the deed dated 15 March 2007, first supplemental deed dated 18 June 2007, second supplemental deed dated 15 October 2008, third supplemental deed dated 18 January 2012, fourth supplemental deed dated 2 May 2012, fifth supplemental deed dated 8 May 2013, sixth supplemental deed dated 27 June 2014 and seventh supplemental deed dated 28 April 2017, eighth supplemental deed dated 19 September 2017, ninth supplemental deed dated 5 October 2018 and tenth supplemental deed dated 9 October 2019 entered into between the Manager and the Trustee.
deposit(s)	Has the same meaning as the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
Forward Pricing	Means the price of a Unit that is the Net Asset Value per Unit calculated at the next valuation point after a purchase request or a repurchase request, as the case may be, is received by the Manager.
Fund	Refers to the Affin Hwang Select Asia Pacific (ex Japan) REITs Fund.
Guidelines	Means the Guidelines on Unit Trust Funds issued by the SC and as may be amended, substituted or replaced from time to time.
LPD	Means 1 November 2019 and is the latest practicable date whereby the information disclosed in this Prospectus shall remain relevant and current as at the date of issue of this Prospectus.
long-term	Means a period of more than five (5) years.
the Manager/AHAM	Refers to Affin Hwang Asset Management Berhad.
Prospectus	Means this prospectus and includes any supplementary or replacement prospectus, as the case may be.
medium to long-term	Means a period between three (3) to five (5) years.
Net Asset Value or NAV	Means the value of the Fund's assets less the value of the Fund's liabilities at a particular valuation point.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.

Repurchase Charge	Means a fee imposed pursuant to a repurchase request.
Repurchase Price	Means the price payable to you by us for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.
Sales Charge	Means a fee imposed pursuant to a purchase request.
Selling Price	Means the price payable by you for us to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
short-term	Means a period of less than three (3) years.
Special Resolution	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, “Special Resolution” means a Special Resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
Trustee	Refers to HSBC (Malaysia) Trustee Berhad.
Unit(s)	Means a measurement of the right or interest of a Unit Holder in the Fund.
Units in Circulation	Means Units created and fully paid and which have not been cancelled. It is also the total number of Units issued at a particular valuation point.
Unit Holder(s), investor(s), you	Means the person / corporation registered as the holder of a Unit or Units including persons jointly registered.

Note:

Reference to “day(s)” in this Prospectus will be taken to mean calendar day(s) unless otherwise stated.

Reference to first person pronouns such as “we”, “us” or “our” in this Prospectus means the Manager/AHAM.

RISK FACTORS

This section of the Prospectus provides you with information on the general risks involved when investing in a unit trust fund and the specific risks associated with the securities/instruments that the Fund will be investing in.

GENERAL RISKS

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 NAV.

Fund management 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, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

Performance risk

There is no guarantee in relation to the investment returns or on the distribution to Unit Holders.

Inflation risk

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

Liquidity risk

Liquidity risk refers to two scenarios. The first is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the Fund.

Operational risk

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

Loan financing risk

This risk occurs when you take a loan or financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event Units are used as collateral, you may be required to top-up your 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 NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan.

SPECIFIC RISKS

The specific risks associated with the securities/instruments in which the Fund will invest are as tabulated below:-

Risk associated with investment in Real Estate Investment Trusts (REITs)

As the Fund's investments are primarily in the real estate sector, it is exposed to unexpected declines in real estate's value, unexpected introduction and implementation of local property taxation law. In addition, increase in interest rates and real estate borrowing costs, as well as changes in property taxes and a decline rental demand can negatively impact the income gained from the properties which is unfavorable to the Fund's performance.

Credit and default risk

Credit risk relates to the creditworthiness of the issuers of the money market instruments (hereinafter referred as "investment") and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.

Interest rate risk

This risk refers to the impact of interest rate changes on the valuation of money market instruments (hereinafter referred as "investment"). When interest rates rise, the investment prices generally decline and this may lower the market value of the investment. The reverse may apply when interest rates fall.

Country risk

Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of Units to fall.

Currency risk

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

Regulatory risk

The investments of the Fund would be exposed to changes in the laws and regulations in the countries the Fund is invested in. These regulatory changes pose a risk to the Fund as it may materially impact the investments of the Fund. In an effort to manage and mitigate such risk, the Manager seeks to continuously keep abreast of regulatory developments (for example, by closely monitoring announcements on regulators' website and mainstream media) in that country. The Manager may dispose its investments in that particular country should the regulatory changes adversely impact the Unit Holders' interest or diminish returns to the Fund.

RISK MANAGEMENT

In our day-to-day running of the business, we employ a proactive risk management approach to manage portfolio risks and operational risks. The Board of Directors of AHAM (“the Board”) has established a board compliance & risk management committee to oversee AHAM’s risk management activities both at operational level and at portfolio management level to ensure that the risk management process is in place and functioning. The board compliance & risk management committee comprises of at least three Board members and is chaired by an independent director. At the operational level, we have established a compliance & risk oversight committee with the primary function of identifying, evaluating and monitoring risks as well as to formulate internal control measures to manage and mitigate the exposure to risks that may affect the performance of the Fund, returns to the investors or Unit Holders’ interest within a clearly defined framework and is primarily responsible for ensuring that the policies and procedures that have been implemented are reviewed on an on-going basis with periodic assessments. The compliance & risk oversight committee reports to the board compliance & risk management committee on a quarterly basis.

We employ a stringent screening process by conducting a fundamental analysis of economic, political and social factors before investing. We will also have in place a credit rating evaluation and credit risk management process to reduce counterparty risk of derivatives to ensure they are able to meet their contractual obligations. It is important to note that an event of downgrade does not constitute a default. If we view that the downgrade in the rating of the counterparty may lead to high credit risk, we will not hesitate to take pre-emptive measures to unwind these positions.

We will also closely monitor the performance of the underlying investments of the Fund by obtaining regular updates from the respective managers of the CIS and looking at the CIS’ financial statement. The data obtained will be reviewed on a quarterly basis, or as and when extreme market conditions or price movement in CIS occur.

To manage non-compliance risks, we will use information technology system that is able to monitor the trading of investments to ensure compliance with the Fund’s investment limits and restrictions. These limits are system-controlled and not manually tracked, thus reducing the probability of human error occurring in ensuring the Fund’s limits and restrictions are adhered to. We will also undertake stringent evaluation of movements in market prices and regularly monitor, review and report to the investment committee to ensure that the Fund’s investment objective is met. Regular portfolio reviews by senior members of the investment team further reduces the risk of implementation inconsistencies and guidelines violations.

! It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not possible to protect investments against all risks. You are recommended to read the whole Prospectus to assess the risks associated with the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

ABOUT AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) REITs FUND

Fund Category	: Fund-of-Funds
Fund Type	: Income & Growth
Base Currency	: MYR
Launch Date	: 25 April 2007
Financial Year End	: 30 April
Distribution Policy	: Subject to the availability of income, the Fund will distribute income on an annual basis. However, the amount available for distribution may fluctuate from time to time.
Deed	: Deed dated 20 August 2008, first supplemental deed dated 3 January 2013, second supplemental deed dated 26 September 2013, third supplemental deed dated 22 July 2014, fourth supplemental deed dated 6 August 2015 and fifth supplemental deed dated 24 April 2019, sixth supplemental deed dated 27 June 2014 and seventh supplemental deed dated 28 April 2017, eighth supplemental deed dated 19 September 2017, ninth supplemental deed dated 5 October 2018 and tenth supplemental deed dated 9 October 2019.

INVESTMENT OBJECTIVE

The Fund seeks to provide both income and capital appreciation over the medium to long-term by investing in real estate investment trusts (REITs) in the Asia Pacific (ex Japan).

Note: Any material changes to the Fund's investment objective would require Unit Holders' approval.

INVESTORS' PROFILE

The Fund may be suitable for investors who:

- have medium risk tolerance; and
- are seeking potential long-term income and capital growth over a medium to long-term investment horizon.

BENCHMARK

FTSE EPRA Nareit Asia ex Japan REITs Index

(Source: <http://www.ftse.com>)

Investors may obtain information on the performance benchmark from the Manager upon request.

ASSET ALLOCATION

Collective investment schemes	Minimum 90%
Money market instruments and/or fixed deposits	Maximum 10%

INVESTMENT STRATEGY

The Fund aims to achieve its objective by investing a minimum of 90% of its NAV in at least five (5) collective investment schemes, with at least 80% of the Fund's NAV in real estate investment trusts (REITs) listed on and/or traded in Bursa Malaysia and any other markets where the regulatory authority is an ordinary or associate member of the IOSCO, where the focus will be in Asia Pacific (ex Japan) countries, and a maximum of 10% of the Fund's NAV in money market instruments and/or fixed deposits.

The Fund's exposure in REITs will provide a steady stream of dividend yield and income.

We will take into consideration dividend yield, quality of income flow, liquidity, quality of the management and its strategy, and the property portfolio characteristics when selecting the REITs.

We typically take an active trading policy where we will look to maintain some core holdings that are held over the medium to long-term which is like a buy and hold strategy. We will also maintain a trading portion for the portfolio, which we use to take advantage by participating in investment opportunities that are set to benefit from prevailing market conditions, with the aim of boosting the Fund's performance.

To achieve its objective, the Fund will also have the flexibility of investing up to 10% of its NAV in other collective investment schemes that are relevant and consistent with the investment objective of the Fund.

As the Fund was previously a mixed assets fund, the reallocation of the Fund's assets will be for a period of 3 months effective from the date of this Prospectus. During the said period, the Fund will gradually dispose its infrastructure-related equities holdings and invest the proceeds in REITs and/or REITs-related CIS and REITs exchange traded funds (ETFs).

Derivatives

Derivative trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts. Forward contracts are generally a customised contract between two parties who agree to trade an asset at an agreed price on a pre-determined future date.

The intention for a hedging trade is to protect the value of the portfolio; as such, these contracts are entered into to transfer the risk associated to the underlying asset to its counterparty. The financial derivative transaction carried out will allow the Fund to mitigate foreign currency exchange risk by removing the uncertainty of foreign currency movement by determining an agreed rate for an agreed tenure with its counterparty. While these hedging transactions would protect the Fund against potential losses, trades for hedging purposes would also limit the returns that the Fund may have potentially received from foreign exchange gains if the Fund has not hedged its foreign currency exposure.

Temporary Defensive Measure

We will take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation to protect the Fund against adverse market conditions that may impact financial markets. To manage the risk of the Fund, we may shift the Fund's focus and exposure into lower risk investments such as money market instruments and/or deposits.

PERMITTED INVESTMENTS

- Collective investment schemes
- Money market instruments
- Deposits
- Derivatives
- Any other investments as may be permitted by the SC from time to time which are in line with the objective of the Fund

Investment Restrictions and Limits

Subject to the Guidelines, the purchase of permitted investments stated above shall not contravene the following limits, unless otherwise revised by the SC from time to time:

(a) The Fund must not invest in:

- a fund-of-funds;
- a feeder fund; and
- any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

(b) The target fund must:

- be regulated by a regulator authority;
- (if the target fund is constituted in Malaysia) be authorised by the SC;
- (if the target fund is constituted outside of Malaysia) be registered or authorised or approved by the relevant regulatory authority in its home jurisdiction; and
- where the target fund is a fund other than a real estate investment trust or property fund, operate on the principle of prudent spread of risk and its investments must not diverge from the general principles of the Guidelines.

(c) If the Fund invests in fund under our management, i.e. the target fund, we will ensure that:

- there is no cross-holding between the Fund and the target fund;
- all initial charges on the target fund is waived; and
- the management fee must only be charged once either at the Fund or target fund.

Investment spread limits and concentration limits

Spread Limits

- The Fund must invest in at least five (5) collective investment schemes at all times;
- The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 30% of the Fund's NAV;
- The value of the Fund's investments in money market instruments issued by any single issuer must exceed 15% of the Fund's NAV;
- The value of the Fund's placement in deposits with any single financial institution must not exceed 20% of the Fund's NAV; and
- For investment in derivatives: -
 - The exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines; and
 - The value of the Fund's over-the-counter derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.

Concentration Limit

- The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any collective investment scheme; and
- The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. However, this limit does not apply to money market instruments that do not have a pre-determined issue size.

The abovementioned limits and restrictions will be complied with at all times based on the up-to-date value of the Fund, and the value of their investments and instruments, unless the SC grants the exemption or variation. However, a 5% allowance in excess of any limits or restrictions imposed under the Guidelines is permitted

where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments or as a result of repurchase of Units or payment made from the Fund).

We will not make any further acquisitions to which the relevant limit is breached and the Manager should within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions, however, do not apply to securities that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

! You are advised not to make payment in cash to any individual agent when purchasing Units of the Fund.

VALUATION OF PERMITTED INVESTMENTS

We will ensure that the valuation of the Fund is to be carried out in a fair manner in accordance to the relevant laws and Guidelines. We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Malaysian Financial Reporting Standard 9 issued by the Malaysian Accounting Standards Board. In the absence of daily price or value of the assets, we will use the latest available price or value of the assets respectively.

The valuation bases for the permitted investments of the Fund are as below:

Money Market Instruments

The valuation of MYR denominated money market instruments will be done using the price quoted by a Bond Pricing Agency (“BPA”) registered with the SC. For foreign money market instruments, valuation will be done using the indicative yield quoted by an independent and reputable institutions.

Deposits

Deposits placed with financial institutions are valued by reference to the principal value of such investments and the interests accrued thereon for the relevant period.

Unlisted Collective Investment Schemes

An unlisted collective investment schemes will be valued based on its last published repurchase price.

Listed Collective Investment Schemes

Valuation of listed collective investment schemes shall be based on market price i.e. closing bid price. Where no market value is publicly available or where the use of the quoted market value is inappropriate, or where no market price is available, including in the event of suspension in the quotation of the collective investment schemes for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such listed collective investment schemes will be valued at fair value determined by us in good faith, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Derivatives

The valuation of derivatives will be based on the price provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporates all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying asset, volatility of the underlying assets, the correlation of the underlying assets and other such factors). For foreign exchange forward contracts (“FX Forwards”), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Reuters. If the rates are not available on the Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance to fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

Investors are advised that certain types of securities are required to be held until such securities mature for the “actual value” to be realised. Any sale of such securities prior to its maturity may attract costs and penalties that would result in a value which is less than its “actual value”. As such, any valuation of such securities (prior to its maturity) are merely indicative of what the value might be and does not represent the “actual value” of such securities.

VALUATION POINT FOR THE FUND

The Fund will be valued at 6.00 p.m. on every Business Day (or “trading day” or “T” day). However, if the Fund has exposure to investments outside of Malaysia, the Fund will be valued at 11.00 a.m. on the next Business Day (or “T+1”). All foreign assets are translated into the base currency of the Fund based on the last available bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FIMM.

If the foreign market in which the Fund is invested therein is closed for business, the Manager will value the investment based on the latest available price as at the day the particular foreign market was last opened for business.

POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS

The Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the Securities Borrowing and Lending Guidelines [SBL Guidelines]) in connection with its activities. However, the Fund may borrow cash for the purpose of meeting repurchase requests for Units and such borrowings are subjected to the following:-

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

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

In structuring the investment portfolio of the Fund, we will maintain sufficient liquid assets to ensure short-term liquidity in the Fund to meet operating expenses and possible repurchase of Units.

EPF INVESTMENT

The Fund is approved under EMIS. However, the Fund is subject to the annual evaluation by the EPF. In the event the Fund is no longer offered under the EMIS after the annual evaluation process, the Unit Holders who have invested through the EMIS will remain invested in the Fund, but there will not be any sale of new Units to the Unit Holders/investors under the EMIS.

DEALING INFORMATION

You must read and understand the content of the Prospectus (and any supplemental prospectus) and PHS before investing.



You are advised not to make payment in cash to any individual agent when purchasing Units of the Fund.

PURCHASE AND REPURCHASE OF UNITS

WHO IS ELIGIBLE TO INVEST?

- An individual who is at least eighteen (18) years of age. In the case of joint application, the jointholder whose name appears first in the register of Unit Holders must be at least eighteen (18) years of age.
- A corporation such as registered businesses, co-operative, foundations and trusts.

HOW TO PURCHASE UNITS?

- You may submit the purchase request by completing an application form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business Day.
- You are required to provide us with the following completed forms and documents. However, we reserve the right to request for additional documents before we process the purchase application.

Individual or Jointholder	Corporation
<ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • A copy of identity card or passport or any other document of identification; and • Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Self-certification Form. 	<ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • Certified true copy of the memorandum and articles of association*; • Certified true copy of the certificate of incorporation*; • Certified true copy of form 24 and form 49*; • Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*; • Latest audited financial statement; • Board resolution relating to the investment; • A list of the authorised signatories; • Specimen signatures of the respective signatories; and • Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Self-certification Form. <p><i>* or any other equivalent documentation issued by the authorities.</i></p>

- For subsequent transaction, you simply need to complete a transaction form to request for an additional investment.
- If you invest through the EMIS, your Units will be created once we receive the application to invest. However, the sale of Units will only be honoured once we receive the payments from EPF or other official confirmations from EPF on the approval of such payment.

HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

➤ Bank Transfer

You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer, and include your name in the transaction description for our reference. You may obtain our bank account details from our online download center at www.affinhwangam.com.

➤ Cheque, Bank Draft or Money Order

Issuance of cheque, bank draft or money order should be made payable to “Affin Hwang Asset Management Berhad-CTA”, crossed and drawn on a local bank. You are required to write your name, identity card number or business registration number at the back of the cheque, bank draft or money order.

➤ Bank charges or other bank fees, if any, will be borne by you.

WHAT IS THE PROCESS OF THE PURCHASE APPLICATION?

➤ If we receive your purchase application at or before 3.30p.m. on a Business Day (or “T day”), we will create your Units based on the NAV per Unit for that Business Day. Any purchase request received or deemed to have been received by us after 3.30p.m. will be transacted on the next Business Day (or “T + 1 day”), unless a prior arrangement is made to our satisfaction.

➤ Sale of Units will be honoured upon receipt of complete set of documents together with the proof of payments.

WHAT ARE THE MINIMUM INITIAL INVESTMENT, MINIMUM ADDITIONAL INVESTMENT, MINIMUM REPURCHASE AMOUNT AND MINIMUM HOLDING OF UNITS?

Minimum Initial Investment	MYR 1,000
Minimum Additional Investment	MYR 100
Minimum Repurchase Amount	Not applicable
Minimum Holding of Units	500 Units

➤ At our discretion, we may reduce the minimum initial investment amount, minimum additional investment amount and minimum holding of Units.

HOW TO REPURCHASE UNITS?

➤ It is important to note that, you must meet the above minimum holding of Units after a repurchase transaction.

If you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum holdings of Units, you may be required to make an application to repurchase all your Units.

➤ You may submit the repurchase request by completing a transaction form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business Day.

➤ In the transaction form, you may choose to receive the repurchase proceeds in the manner of a cheque or bank transfer. If cheque is your option, we will issue the cheque in your name. If bank transfer is your option, proceeds will be transferred to your bank account. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders.

➤ Any incurred bank charges and other bank fees due to a withdrawal by of cheque, bank transfer or other special arrangement method will be borne by you.

➤ If you invest through the EMIS, we will remit the repurchase proceeds to EPF for crediting back into your EPF account. If you are above the age of fifty five (55) years old and invest through the EMIS, we will remit the repurchase proceeds to you directly.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

- For a repurchase request received or deemed to have been received by us at or before 3.30p.m. on a Business Day (or “T day”), Units will be repurchased based on the NAV per Unit for that Business Day. Any repurchase request received after 3.30p.m. will be transacted on the next Business Day (or “T + 1 day”).
- Repurchase of Units must be made in terms of Units and not in terms of MYR value.
- Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- You will be paid within ten (10) days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

WHERE TO PURCHASE AND REPURCHASE UNITS?

- Units can be purchased and repurchased at any of the location listed in “Directory of Sales Office” section or with our authorised distributors.
- You may obtain a copy of the Prospectus, PHS and application forms from the abovementioned locations. Alternatively, you may also visit our website at www.affinhwangam.com.

WHO SHOULD I CONTACT IF I HAVE QUESTION OR NEED ADDITIONAL INFORMATION?

- You can seek assistance from our customer service personnel at our toll free number 1-800-88-7080 between 8.45 a.m. to 5.30 p.m. on a Business Day. Alternatively, you can email us at customercare@affinhwangam.com.

COOLING-OFF PERIOD

You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application. You will be refunded for every Unit held based on the NAV per Unit and the Sales Charge, on the day those Units were first purchased and you will be refunded within ten (10) days from the receipt of the cooling-off application.

Please note that the cooling-off right is applicable to you if you are an individual investor and investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trusts, you are not entitled to this right.

We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or “T + 1 day”).

Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

The cooling-off right is not applicable for EPF investors.

SWITCHING FACILITY

Switching facility enables you to switch to any of our funds (or its classes), provided that the fund (or its class) is denominated in MYR, and it is subject to the terms and conditions applicable for the respective funds. However, you must meet the minimum holding of 500 Units and the minimum investment amount of the fund (or its class) that you intend to switch to.

The minimum amount per switch of the Fund is 1,000 Units (or such other amount as may be determined by us from time to time).

You are also to note that we reserve the right to reject any switching requests that are regarded as disruptive to efficient portfolio management, or requests that we deem to be contrary to the best interest of the Fund and/or the existing Unit Holders.

Switching from this Fund to other funds (or its classes) managed by us

You must complete a switching transaction form and submit it to us at or before the cut-off time of 3.30 p.m. on a Business Day (or "T day") together with relevant supporting documents, if any. If we receive your switching request after 3.30p.m., we will process your request on the next Business Day.

You should note that the pricing day of a fund (or its class) may not be of the same day as we receive your switching application. Please see below the pricing policy of switching for all our funds:

Switching Out Fund	Switching In Fund	Pricing Day	
		Switching Out Fund	Switching In Fund
Money market fund	Non-money market fund	T Day	T Day
Non-money market fund	Non-money market fund		
Money market fund	Money market fund	T Day	T + 1 Day
Non-money market fund	Money market fund	T Day	At the next valuation point, subject to clearance of payment and money received by the intended fund

If you invest through the EMIS, you are allowed to switch to any other EPF approved funds managed by us (subject to the availability of units and terms of the intended fund to be switched to).

TRANSFER FACILITY

You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holdings of Units to remain as a Unit Holder.

It is important to note that we are at the liberty to disregard or refuse to process the transfer application if the processing of such instruction will be in contravention of any law or regulatory requirements, whether or not having the force of law and/or would expose us to any liability.

The transfer facility is not applicable for EPF investors.

SUSPENSION OF DEALING

The Trustee may suspend the dealing in Units:

- where the Trustee considers that it is not in the interests of the existing Unit Holders to permit the assets of the Fund to be sold or that the assets cannot be liquidated at an appropriate price or on adequate terms and immediately call a Unit Holders' meeting to decide on the next course of action; or
- without the consent of the Unit Holders, due to exceptional circumstances when there is a good and sufficient reason to do so having regard to the interests of the Unit Holders. In such case, the period of the suspension shall not exceed twenty one (21) days of the commencement of the suspension.

DISTRIBUTION POLICY

Subject to the availability of income, the Fund will distribute income on an annual basis. However, the amount available for distribution may fluctuate from time to time.

You have the option to receive the income distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. All distribution will be automatically reinvested to additional Units in the Fund if you do not elect the mode of distribution in the application form.

Any distribution payable which is less than or equal to the amount of MYR 300.00 will be automatically reinvested on your behalf.

For Unit Holders who invest through the EMIS, any income distributions paid will be considered as EPF savings and automatically reinvested in the form of additional Units for the Unit Holders.

Cash Payment Process

If you elect to receive income distribution by way of cash payment, you shall be paid via cheque or telegraphic transfer.

For cheques option, you will receive the cheque by mail within seven (7) Business Days after the distribution date, which will be sent to the last known address recorded in the Fund's register of Unit Holders. Where Units are held jointly, the cheque shall be issued in the name of the principal Unit Holder. The principal Unit Holder is the one who is first named in the Fund's register of Unit Holders.

For telegraphic transfer option, income will be transferred to your bank account within seven (7) Business Days after the distribution date.

Reinvestment Process

If you elect to reinvest the distribution in additional Units, we will create such Units based on the NAV per Unit at the income payment date which is two (2) Business Days after the distribution date.

There will not be any additional cost to Unit Holders for reinvestments in new additional Units i.e. no Sales Charge will be imposed on such reinvestment.

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

UNCLAIMED MONEYS

Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be paid to the Registrar of Unclaimed Monies by the Manager in accordance with the requirements of the Unclaimed Moneys Act, 1965.

The Fund may create new classes of Units including but not limited to classes with different currency denominations, category of investors, fees and charges and/or minimum transaction amounts in the future. You will be notified of the issuance of the new classes of Units by way of a Communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement prospectus.

FEES, CHARGES AND EXPENSES

! There are fees and charges involved and investors are advised to consider the fees and charges before investing in the Fund.

You should be aware that all fees, charges and expenses referred to or quoted in the Prospectus (including any supplemental prospectus) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of any applicable tax. We (including the Trustee and other service providers) will charge any other applicable taxes on the fees, charges and expenses in accordance with any other relevant or applicable laws.

CHARGES

The following are the charges that you may **directly** incur when you buy or repurchase Units of this Fund.

SALES CHARGE

A Sales Charge will be imposed on the purchase of Units of the Fund. The Sales Charge will be a percentage of the NAV per Unit. The maximum Sales Charge that the distribution channels will impose is as stated below:-

Distributors	Maximum Sales Charge as a percentage of the NAV per Unit*
IUTA	5.50%
Internal distribution channel of the Manager	
Unit trust consultants	

* Investors may negotiate for a lower charge.

The Sales Charge for investors purchasing Units through the EMIS shall be limited to a maximum charge of 3% of the NAV per Unit or as determined by the EPF.

Note: All Sales Charges will be rounded up to two (2) decimal places.

REPURCHASE CHARGE

There will be no Repurchase Charge levied on any repurchase of Units of the Fund.

TRANSFER FEE

There will be no transfer fee imposed on the transfer facility.

SWITCHING FEE

There will be no switching fee levied on any switching transactions.

FEES AND EXPENSES

We may (in our sole and absolute discretion), waive or reduce the amount of any fees (except the trustee fee) and expenses of the Fund, either for all the investors or a particular investor.

The following are the fees that you may **indirectly** incur when you invest in the Fund.

ANNUAL MANAGEMENT FEE

The annual management fee is up to 1.80% per annum of the NAV of the Fund. This fee is calculated and accrued daily and payable monthly to the Manager.

Please note that the example below is for illustration purposes only:

Assuming that the total NAV of the Fund (before deducting the management fee and trustee fee) is MYR 256,603,864.00, the accrued management fee for that day would be:-

$$\frac{\text{MYR } 256,603,864.00 \times 1.80\%}{365 \text{ days}} = \text{MYR } 12,654.44 \text{ per day}$$

ANNUAL TRUSTEE FEE

The annual trustee fee is up to 0.07% per annum of the NAV of the Fund (excluding foreign custodian fees and charges). In addition to the trustee fee which includes the transaction fee i.e. the fee incurred for handling purchase/sale of local investments, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

The trustee fee is calculated and accrued daily and payable monthly to the Trustee.

Please note that the example below is for illustration purposes only:

Assuming the NAV of the Fund is MYR 256,603,864.00 for the day, the accrued trustee fee for the day would be:-

$$\frac{\text{MYR } 256,603,864.00 \times 0.07\%}{365 \text{ days}} = \text{MYR } 492.12 \text{ per day}$$

ADMINISTRATIVE FEES

Only fees and expenses that are directly related and necessary to the business of the Fund may be charged to the Fund. These include the following:-

- Commissions/fees paid to brokers/dealers in affecting dealings in the investments of the Fund;
- Charges/fees paid to sub-custodian;
- Tax and other duties charged on the Fund by the government and other authorities;
- The fee and other expenses properly incurred by the auditor appointed for the Fund;
- Fees for the valuation of any investments of the Fund by independent valuers;
- Costs incurred for the modification of the Deed of the Fund other than those for the benefit of the Manager or Trustee;
- Cost incurred for any meeting of the Unit Holders other those convened by, or for the benefit of, the Manager or Trustee; and
- Other fees/expenses permitted in the Deed.

Expenses related to the issuance of this Prospectus will be borne by the Manager.

REBATES AND SOFT COMMISSIONS

We or any of our delegates thereof will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission should be directed to the account of the Fund.

The soft commission can be retained by us or our delegates provided that:-

- the goods and services are of demonstrable benefit to the Unit Holder in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments; and
- any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund.

All fees and charges payable by you are subject to all applicable taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

PRICING

COMPUTATION OF NAV AND NAV PER UNIT

The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at a particular valuation point. The NAV per Unit is the NAV of the Fund divided by the number of Units in Circulation, at the same valuation point.

Please refer to the "Valuation Point For The Fund" section of this Prospectus for an explanation of the valuation point.

Illustration on computation of NAV and NAV per Unit for a particular day:-

Units in Circulation	300,000,000.00
	MYR
Investments	195,000,000.00
Add other assets	5,700,000.00
Gross asset value	200,700,000.00
Less: Liabilities	700,000.00
NAV (before deduction of management fee and trustee fee for the day)	200,000,000.00
Less: Management fee for the day	9,863.01
Less: Trustee fee for the day	383.56
NAV	199,989,753.43
NAV per Unit*	0.6666

* NAV per Unit is derived from NAV divided by Units in Circulation

The rounding policy is four (4) decimal points for the purposes of publication of the NAV per Unit. However, the rounding policy will not apply when calculating the Sales Charge and Repurchase Charge (where applicable).

INCORRECT PRICING

We will take immediate action to rectify any incorrect valuation and/or pricing of the Fund and/or the Units and to notify the Trustee and the SC of the same unless the Trustee considers the incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance.

The Trustee will not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on your account is less than MYR 10.00 or its foreign currency equivalent, if applicable. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee will result in reimbursement of moneys in the following manner:

	Reimbursement by:	Receiving parties:
Over valuation and/or pricing in relation to the purchase and creation of Units.	Fund	Unit Holder
Over valuation and/or pricing in relation to the repurchase of Units.	AHAM	Fund

Under valuation and/or pricing in relation to the purchase and creation of Units	AHAM	Fund
Under valuation and/or pricing in relation to the repurchase of Units	Fund	Unit Holder or former Unit Holder

COMPUTATION OF SELLING PRICE AND REPURCHASE PRICE

Under a single pricing regime, the Selling Price and the Repurchase Price are equivalent to the NAV per Unit. Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price.

Forward Pricing will be used to determine the Selling Price and the Repurchase Price, which are the NAV per Unit as at the next valuation point after we receive the purchase request or repurchase request.

The Selling Price and Repurchase Price for Units of the Fund created under the EMIS will be based on the NAV per Unit at the end of the Business Day on which the purchase request or repurchase request is received by us.

Calculation of Selling Price

Units will be sold at the NAV per Unit. Any Sales Charge payable by the Unit Holder would be calculated as a percentage of the NAV per Unit.

For illustration purposes, let's assume the following:

Investment Amount	MYR 10,000.00
Selling Price per Unit	MYR 0.50
Number Of Units Received*	MYR 10,000 ÷ MYR 0.50 = 20,000 Units
Sales Charge	5.50%
Sales Charge Paid By Investor**	5.50% x MYR 0.50 x 20,000 Units = MYR 550
Total Amount Paid By Investor***	MYR 10,000 + MYR 550 = MYR 10,583

Formula for calculating:-

$$\text{* Number of Units received} = \frac{\text{Investment Amount}}{\text{Selling Price}}$$

$$\text{** Sales Charge paid by investor} = \text{Sales Charge} \times \text{Selling Price per Unit} \times \text{Number of Units received}$$

$$\text{*** Total amount paid by investor} = \text{Investment Amount} + \text{Sales Charge paid by investor}$$

Calculation of Repurchase Price

The Repurchase Price is the NAV per Unit. Any Repurchase Charge payable by the Unit Holder would be calculated as a percentage of the Repurchase Price.

For illustration purposes, let's assume the following:-

Units Repurchased	20,000 Units
Repurchase Price	MYR 0.50
Repurchased Amount [^]	20,000 Units x MYR 0.50 = MYR 10,000
Repurchase Charge	0.00%
Repurchase Charge Paid By Investor ^{^^}	0.00% x MYR 10,000 = MYR 0.00
Total Amount Received By Investor ^{^^^}	MYR 10,000 - MYR 0.00 = MYR 10,000

Formula for calculating:-

[^] Repurchase amount = Unit repurchased x Repurchase Price

^{^^} Repurchase Charge paid by investor = Repurchase Charge x Repurchase amount

^{^^^} Total amount received by investor = Repurchased amount - Repurchase Charge paid by investor

SALIENT TERMS OF THE DEED

Generally an investor would also be a registered Unit Holder unless the Units are purchased through an IUTA or using a nominee. In such an instance, the Units may not be registered in the name of the investor and thus not a registered Unit Holder. Please be advised that the Manager only recognises the rights attached to a registered Unit Holder.

Rights and Liabilities of Unit Holders

Rights of Unit Holders

A Unit Holder has the right, among others, to the followings:

- (a) To receive the distribution of income, participate in any increase in the value of the Units and to other such rights and privileges as set out under the Deed for the Fund;
- (b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a Special Resolution;
- (c) To exercise the cooling-off right (if applicable); and
- (d) To receive annual and interim reports.

However, a Unit Holder would not have the right to require the transfer to the Unit Holder of any of the investments of the Fund. Neither would a Unit Holder have the right to interfere with or question the exercise by the Trustee or the Manager on his behalf, of the rights of the Trustee as trustee of the investments of the Fund.

Liabilities of Unit Holders

- (a) No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased;
- (b) Unit Holders shall not be under any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager 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 NAV of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

Provisions regarding Unit Holders Meetings

Quorum Required for Convening a Unit Holders Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that 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; 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 at the time of the meeting.

Unit Holders meeting convened by Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a meeting of the Unit Holders by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may apply to the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund; or
- (d) giving to the Trustee such directions as the meeting thinks proper;

provided always that the Manager shall not be obliged to summon such a meeting unless application has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the lesser number.

Unit Holders meeting convened by Manager or Trustee

Unless otherwise required or allowed by the relevant laws, the Manager or Trustee may convene a Unit Holders' meeting by giving Unit Holders' a 14 day written notice specifying the place, time and terms of the resolutions to be proposed.

Provided that where the Trustee summons a meeting in the event:

- (a) the Manager is in liquidation,
- (b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the provisions of the Deed or contravened the provisions of any relevant law.

Or where the Trustee summons a meeting for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to the Deed; and
- (e) deciding on the reasonableness of the annual management fee charged to the Fund.

Then, a meeting of the Unit Holders summoned by the Trustee shall be summoned by:

- (a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and
- (b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

Termination of the Fund

Circumstances that may lead to the termination of the Fund

The Fund may be terminated or wound up as provided for under the Deed as follows:-

- (a) the Manager may wind up the Fund by way of a Special Resolution; and
- (b) a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund, following occurrence of events stipulated in the Deed.

Procedure for the Termination of the Fund

Upon the termination of the Fund, the Trustee shall:

- (a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and
- (b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:
 - (1) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and
 - (2) any available cash produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of MYR 0.50 (fifty cent) in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event of the Fund is terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by the Deed and all relevant laws.

The Trustee shall, as soon as it becomes aware that Fund is to be terminated and wound-up, inform the relevant authorities of the same.

Where the termination of the Fund and the winding-up of the Fund have been occasioned by any of the events set out herein;

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law;

the Trustee shall summon for a Unit Holders meeting to get directions from the Unit Holders and also arrange for a final review and audit of the final accounts of the Fund by the auditor of the Fund; in all other cases of termination of the trust and winding-up of the Fund, such final review and audit by the auditor of the Fund shall be arranged by the Manager.

Fees And Charges

Below are the maximum fees and charges permitted by the Deed:

Sales Charge	10.00% of the NAV per Unit
Repurchase Charge	Nil
Annual management fee	3.00% per annum of the gross NAV of the Fund
Annual trustee fee	0.30% per annum of the NAV of the Fund subject to a minimum of MYR 18,000 per annum calculated and accrued daily (excluding foreign custodian fees and charges)

Increase Of Fees And Charges Stated In The Prospectus

Sales Charge

A higher Sales Charge than that disclosed in this Prospectus may only be imposed if:-

- (a) the Manager has notified the Trustee in writing of the higher charge and the effective date for the higher charge;
- (b) a supplementary/replacement Prospectus setting out the higher charge is issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplementary/replacement Prospectus.

Repurchase Charge

A higher Repurchase Charge than that disclosed in this Prospectus may only be imposed if:-

- (a) the Manager has notified the Trustee in writing of the higher charge and the effective date of the charge;
- (b) a supplementary/ replacement Prospectus setting out the higher charge is issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplementary/ replacement Prospectus.

Annual Management Fee

The Manager may not charge an annual management fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Trustee and the Unit Holders in writing of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplementary/ replacement prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplementary/ replacement prospectus is issued.

Annual Trustee Fee

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Trustee and the Unit Holders in writing of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplementary/ replacement prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplementary/ replacement prospectus is issued.

Increase Of Fees And Charges Stated In The Deed

Any increase of any such fees and/or charges from the maximum amount stipulated in the Deed shall require Unit Holder's approval and will be in accordance to the procedure stipulated in the Deed.

Other Expenses Permitted under the Deed

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

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

- (e) 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;
- (f) 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;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) 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;
- (l) 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);
- (m) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise; and
- (n) 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.

Retirement, Removal or Replacement of the Manager

The Manager may retire upon giving twelve (12) months' notice (or such shorter period as the Manager and the Trustee may agree) to the Trustee of its desire to do so, and may by deed appoint in its stead a new management company approved by the Trustee and the SC.

The Manager shall also retire, if so required by the Trustee, on the grounds that:

- (a) a Special Resolution to that effect has been passed by the Unit Holders at a meeting called for that purpose;
- (b) 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 interests of Unit Holders for it to do so after the Trustee has given notice to it of that opinion and the reason for that opinion, and after consultation with the relevant authorities and with the approval of Unit Holders; or
- (c) 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.

Power of Trustee to Remove or Replace the Manager

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

- (a) 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; or is in breach of any of its obligations or duties under the Deed or the relevant laws; or has ceased to be eligible to be a management company under the relevant laws; or
- (b) 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 interests of Unit Holders for it to do so after the Trustee has given notice to it 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.

In any of the above said grounds, the Manager shall upon receipt of a written notice from the Trustee ipso facto cease to be the management company of the Fund. The Trustee shall, at the same time, by writing appoint some other corporation approved by the relevant authorities to be the management company of the

Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

Retirement or Removal or Replacement of the Trustee

The Trustee may retire upon giving twelve (12) months' notice to the Manager of its desire to do so, or such shorter period as the Manager and the Trustee may agree, and may by deed appoint in its stead a new Trustee approved by the SC.

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed or as stipulated in the Act.

Powers of the Manager to Remove the Trustee

The Trustee may be removed and another Trustee may be appointed by a Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed.

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

- (a) The Trustee has ceased to exist;
- (b) The Trustee has not been validly appointed;
- (c) The Trustee is not eligible to be appointed or to act as Trustee under any relevant laws;
- (d) The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or any relevant laws;
- (e) A receiver is appointed over the whole or a substantial part of the assets or undertaking of the existing Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the existing Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the existing 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 MANAGER

ABOUT AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. In early 2014, AHAM was acquired by the Affin Banking Group (“Affin”) and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, AHAM has 16 years’ experience in the fund management industry. Additionally, AHAM is also 27% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co., Ltd., an Asian investment management franchise.

AHAM distributes its funds through the following various channels:

- In-house/internal sales team;
- IUTA (Institutional Unit Trust Advisers) & CUTA (Corporate Unit Trust Advisers); and
- Unit trust consultants.

AHAM’s head office is located in Kuala Lumpur and has a total of 7 main sales offices located in Peninsular and East Malaysia. The sales offices are in Penang, Ipoh, Johor Bahru, Melaka, Kuching, Miri and Kota Kinabalu.

Roles, Duties and Responsibilities of AHAM

AHAM is responsible for the investment management and marketing of the Fund; servicing Unit Holders’ needs; keeping proper administrative records of Unit Holders and the Fund; ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

Board of Directors

Raja Tan Sri Dato’ Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)

Mr Teng Chee Wai (Non-independent Director)

Ms Eleanor Seet Oon Hui (Non-independent Director)

Mr Yip Kit Weng (Non-independent Director)

Maj. Gen. Dato’ Zulkiflee bin Mazlan (R) (Independent Director)

Encik Faizal Sham bin Abu Mansor (Independent Director)

Key Personnel

Mr Teng Chee Wai – Managing Director

Mr Teng is the founder of AHAM. Over the past 17 years, he has built the company to its current position with an excess of MYR 45 billion in assets under management. In his capacity as the managing director and executive director of AHAM, Mr Teng manages the overall business and strategic direction as well as the management of the investment team. His hands on approach sees him actively involved in investments, product development and marketing. Mr Teng’s critical leadership and regular participation in reviewing and assessing strategies and performance has been pivotal in allowing AHAM to successfully navigate the economically turbulent decade. Mr Teng’s investment management experience spans more than 25 years, and his key area of expertise is in managing absolute return mandates for insurance assets and investment-linked funds in both Singapore and Malaysia. Prior to his current appointments, he was the assistant general manager (investment) of Overseas Assurance Corporation (OAC) and was responsible for the investment function of the Group Overseas Assurance Corporation Ltd. Mr Teng began his career in the financial industry as an investment manager with NTUC Income, Singapore. He is a Bachelor of Science graduate from the National University of Singapore and has a Post-Graduate Diploma in Actuarial Studies from City University in London.

Mr David Ng Kong Cheong – Chief Investment Officer

Mr David joined AHAM in 2002 as Head of Equities and assumed the role of Chief Investment Officer in September 2006. He has been responsible for successfully steering AHAM's investments through a tumultuous decade of multiple crisis. His astute and decisive guidance on broad investment strategies which includes interpreting market signals and making timely asset allocation calls has allowed AHAM to remain ahead of its peers. A decade later, he has built the investment team from just four (4) fund managers to a 40 strong group featuring an impressive resume across different investment specialties, coverage and geographies. Under his foresight and vision, the team has evolved from being equity-heavy to encompass strong local and regional multi-asset and sector investment capabilities. His absolute return investment philosophy and bottom-up stock selection technique has garnered recognition for AHAM with its multiple award wins, having been voted "CIO of the Year" for Malaysia by Asia Asset Management 2013 awards. Mr David's philosophy of subscribing to the long-term, not taking excessive risk, and investing in quality throughout all the portfolios has set the blueprint for AHAM's investments in years to come. He is well-known in the industry for his discipline, prudence and reasonable attitude to investing. He graduated with a double degree in Bachelor of Commerce (Accounting) and Bachelor of Law from Monash University in Melbourne, Australia and is also a Chartered Financial Analyst (CFA) charterholder.

DESIGNATED FUND MANAGER

Ms Tan Angie – Senior Portfolio Manager

Ms Tan Angie joined AHAM in June 2011, bringing with her more than 10 years of experience in equities investment and research. Prior to joining AHAM, Ms Angie was a senior investment analyst with PHEIM Asset Management (Malaysia) where she was responsible for co-managing the unit trust funds and covered the plantation, timber and auto sectors, as well as the Indonesia and Singapore markets. Ms Angie graduated with a Bachelor of Commerce (Banking & Finance) from the University of Western Australia, Perth, Australia and she is also a Chartered Financial Analyst (CFA) charter holder.

INVESTMENT COMMITTEE

The investment committee ("Committee") formulates, establishes and implements investment strategies and policies. The Committee will continually review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The Committee will also ensure investment guidelines and regulations are complied with. The Committee meets at least once every quarterly or more should the need arise.

MATERIAL LITIGATION

As at LPD, AHAM is not engaged in any material litigation and arbitration, including those pending or threatened, and AHAM is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of AHAM.

For further information on AHAM, the investment committee and/or AHAM's delegate, you may obtain the details from our website at www.affinhwangam.com.

THE TRUSTEE

HSBC (MALAYSIA) TRUSTEE BERHAD

The Trustee is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No 2, Leboh Ampang, 50100 Kuala Lumpur.

Experience in Trustee Business

Since 1993, the Trustee has acquired experience in the administration of trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

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 Unit Holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that AHAM performs its duties and obligations in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of repurchase request, the Trustee's responsibility is discharged once it has paid the repurchase amount to AHAM.

Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed of the Fund, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under the Deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

Trustee's Disclosure of Material Litigation

As at LPD, 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 rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

Trustee's Delegate

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd and/or HSBC Bank Malaysia Berhad. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

Particulars of the Trustee's Delegate

For foreign asset:

The Hongkong And Shanghai Banking Corporation Limited
6/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Hong Kong.
Telephone No: (852) 2288 6111

For local asset:

The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)
No 2 Leboh Ampang, 50100 Kuala Lumpur
Telephone No: (603) 2075 3000 Fax No: (603) 2179 6488

The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Bank Malaysia Berhad (Co. No. 127776-V)
No 2 Leboh Ampang, 50100 Kuala Lumpur
Telephone No: (603)2075 3000 Fax No: (603)2179 6488

Policy on Dealing with Related-Party Transactions/Conflict of Interest

As Trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events:-

- 1) Where the Fund invests in instruments offered by the related party of the Trustee (e.g placement of monies, structured products, etc);
- 2) Where the Fund is being distributed by the related party of the Trustee as IUTA;
- 3) Where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) Where the Fund obtains financing as permitted under the Guidelines from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

Anti-money Laundering and Anti-Terrorism Financing Provisions

The Trustee has in place policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, willful default or fraud of the Trustee.

Statement of Disclaimer

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

Consent to Disclosure

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit Holders for purposes of performing its duties and obligations in accordance to the Deed, the Capital Markets and Services Act 2007, Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST

Save for the transaction disclosed below, as at 15 November 2019, the Manager is not aware of any existing and/or proposed related party transactions or conflict of interest situations or other subsisting contracts of arrangements involving the Fund.

Related Party Transactions

Name of Party Involved in the Transaction	Nature of Transaction	Name of Related Party	Nature of Relationship
AHAM	Placement of deposits, money market instruments and derivatives	Affin Hwang Investment Bank Berhad (Affin Hwang IB)	Affin Hwang IB holds 63% equity interest in the Manager.

Details of the Substantial Shareholders of AHAM's Direct and Indirect Interest in other Corporation Carrying on a Similar Business

Save as disclosed below, as at 15 November 2019, the substantial shareholders of AHAM do not have any direct or indirect interest in other corporations carrying on similar business:

Nikko Asset Management International Limited, a substantial shareholder of AHAM is wholly owned by Nikko Asset Management Co., Ltd. ("Nikko AM"). Nikko AM's office is situated in Japan where it provides investment management services, focused on sourcing, packaging and distributing retail investment fund products which are managed in-house or outsourced to third party sub-advisers.

Details of the Directors of AHAM's Direct and Indirect Interest in other Corporation Carrying on a Similar Business

Save as disclosed below, as at 15 November 2019, the directors of the Manager do not have any direct and indirect interest in other corporations carrying on a similar business:

Mr Teng Chee Wai, as a shareholder of the Manager, has an indirect interest in AII MAN Asset Management Sdn Bhd. AII MAN Asset Management Sdn Bhd is wholly-owned by the Manager.

Conflict of Interest

The auditors, tax advisers and solicitors have confirmed that they do not have any existing or potential conflict of interest with AHAM and/or the Fund.

Cross trades

AHAM may conduct cross trades between funds it is currently managing provided that all criteria imposed by the regulators are met. Notwithstanding the above, cross trades between the personal account of an employee of AHAM and the Fund's account(s) and between AHAM's proprietary trading accounts and the Fund's account(s) are strictly prohibited. Compliance with the criteria are monitored by the AHAM'S Compliance Unit, and reported to the AHAM's compliance & risk oversight committee, to avoid conflict of interests and manipulation that could have a negative impact on investors.

Policy on Dealing with Conflict of Interest

AHAM has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, AHAM will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where the interests of the directors or the investment committee member's interests may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staff of AHAM are

required to seek prior approval from the executive director or the managing director of AHAM before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

TAX ADVISER'S LETTER

Taxation adviser's letter in respect of the taxation
of the unit trust and the unit holders
(prepared for inclusion in this Prospectus)

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Pusat Bandar Damansara
50490 Kuala Lumpur

26 November 2019

The Board of Directors
Affin Hwang Asset Management Berhad
Ground Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

Dear Sirs

Taxation of the unit trust and unit holders

This letter has been prepared for inclusion in the Prospectus to be dated 18 July 2017 in connection with the offer of units in the unit trust known as Affin Hwang Select Asia Pacific (ex Japan) REITs Fund (hereinafter referred to as "the Fund").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

Taxation of the Fund

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising interest and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

"Permitted expenses" refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

where A is the total of the permitted expenses incurred for that basis period;

- B is gross income consisting of dividend¹, interest and rent chargeable to tax for that basis period; and
- C is the aggregate of the gross income consisting of dividend¹ and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

Exempt income

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²;
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002²;
- (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)³; and
- (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

¹ Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

² Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the Income Tax Act shall not apply to a wholesale fund which is a money market fund.

³ Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

Foreign sourced income

Dividends, interest and other income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax ("RPGT") under the Real Property Gains Tax Act 1976 ("RPGT Act"), if the gains are derived from the sale of chargeable assets, as defined in the RPGT Act.

Implementation of Sales and Service Tax ("SST")

The new Sales and Service Tax ("SST") was implemented effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a "taxable person", who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as "taxable services").

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> • Individual and non-corporate unit holders (such as associations and societies) • Co-operatives⁴ • Trust bodies • Corporate unit holders <ul style="list-style-type: none"> (i) A company with paid up capital in respect of ordinary shares of not more than RM 2.5 million (at the beginning of the basis period for the year of assessment)⁵ (ii) Companies other than (i) above <p>Non-Malaysian tax resident (Note 1):</p> <ul style="list-style-type: none"> • Individual and non-corporate unit holders • Corporate unit holders and trust bodies 	<ul style="list-style-type: none"> • Progressive tax rates ranging from 0% to 28%⁵ • Progressive tax rates ranging from 0% to 24% • 24% • First RM500,000 of chargeable income @ 17%⁵ • Chargeable income in excess of RM 500,000 @ 24% • 24 • 28%⁶ • 24%

⁴ Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—
 (a) in respect of a period of five years commencing from the date of registration of such co-operative society; and
 (b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit
 is exempt from tax.

⁵ Based on the Finance Bill 2019, it is proposed that a new tax bracket will be introduced, where individual and non-corporate unit holders will be subjected to tax at 30% on chargeable income exceeding RM2,000,000, an increase of two percentage points from 28%, effective from the year of assessment 2020.

⁶ A company would not be eligible for the 17% tax rate on the first RM500,000 of chargeable income if:-
 (a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
 (a)
 b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
 (c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

⁵ Based on the Finance Bill 2019, it is proposed that with effect from the year of assessment 2020:
 (a) the chargeable income threshold subject to the concessionary income tax rate of 17% be increased from RM500,000 to RM600,000; and
 (b) the abovementioned concessionary tax rate be given only to a company having gross business income from one or more sources of not more than RM50 million for the relevant year of assessment.

⁶ Based on the Finance Bill 2019, it is proposed that the tax rate be increased to 30%, effective from the year of assessment 2020.

Note 1:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the realisation of investments will not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders/ dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully

Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Replacement Prospectus and has not withdrawn such consent before the date of issue of this Replacement Prospectus.

RELEVANT INFORMATION

INFORMATION AVENUES

How can I keep track of my investment?

You may obtain the daily Fund price from our website at www.affinhwangam.com.

As the Fund has exposure to investments in foreign jurisdiction, these daily prices are based on information available two (2) Business Days prior to publication.

We will provide you with an annual report and an interim report within two (2) months after the end of the financial period the report covers. In addition, we will also send you a monthly statement confirming the current Unit holdings and transactions relating to your Units in the Fund.

THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.

Who should I contact if I need additional information of the Fund?

You can seek assistance from our customer service personnel at our toll free number 1-800-88-7080 between 8.45a.m. to 5.30p.m. on a Business Day. Alternatively, you can email us at customercare@affinhwangam.com.

COMPLAINTS AVENUES

How do I make a complaint?

You may e-mail us at customercare@affinhwangam.com with the following information:

- (a) particulars of the complainant which include name, correspondence address, contact number, e-mail address (if any) and other relevant information;
- (b) circumstances of the non-compliance or improper conduct;
- (c) parties alleged to be involved in the improper conduct; and
- (d) any other supporting documentary evidence (if any).

ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA") and SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries, it is our responsibility to prevent AHAM from being used for money laundering and terrorism financing activities. To this end, we have established an Anti-Money Laundering/Counter-Financing of Terrorism Framework (AML/CFT Framework) and put in place anti-money laundering process and procedures to combat such activities. This includes a robust due diligence process and procedures for client on-boarding (such as know-your-client procedures and customer due diligence) as well as ongoing monitoring of clients transactions to detect any suspicious transactions.

To meet our regulatory obligations to verify the identity of our clients and to verify the source of funds, we may request for additional information from you. Information requested may include, but not limited to, supporting documents, documentary evidence to support information given and could extend to documents regarding identity of beneficial owners (if applicable). We reserve the right to reject an application to invest in the Fund should clients fail to provide the information required. Furthermore, where a particular transaction is deemed suspicious, we have an obligation under the AMLATFPUAA to notify the relevant authority of the transaction.

EXEMPTIONS FROM THE GUIDELINES

Exemption of Paragraphs (1) to (3), Schedule B – Appendix II of the Guidelines

- “(1) A Fund-of-Funds is one which invests all its assets in other collective investment schemes.
- (2) The fund’s assets should only consist of units/shares in other collective investment schemes.
- (3) Only funds which comply with the restrictions and limits of this appendix can hold itself out as a Fund-of-Funds.”

Exemption from compliance with these paragraphs was obtained from SC on 15 August 2019 for a period of three (3) months, commencing from the date of this Prospectus.

CONSENTS

- The written consents of Trustee and Trustee's Delegate to the inclusion in this Prospectus of their names in the form and context in such names appear have been given before the issue of this Prospectus and have not been subsequently withdrawn; and
- The written consent of Ernst & Young Tax Consultants Sdn Bhd to the inclusion in the Prospectus of its name and Tax Adviser's Letter in the form and context in which it is contained this Prospectus has been given before the issue of this Prospectus and has not been subsequently withdrawn.

DOCUMENTS AVAILABLE FOR INSPECTION

Unit Holders may inspect without charge, at the business address of the Manager and/ or the Trustee, the following documents or copies thereof, where applicable:

- The Deed and the supplemental (if any) of the Fund;
- The Prospectus and supplemental or replacement prospectus (if any) of the Fund;
- The latest annual and interim reports of the Fund;
- Each material contract disclosed in the Prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts.
- The audited financial statements of AHAM and the Fund for the current financial year (where applicable) and the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Prospectus. Where a summary expert's report is included in the Prospectus, the corresponding full expert's report should be made available for inspection;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in the Prospectus.
- Any consent given by experts disclosed in the Prospectus.

DIRECTORY OF SALES OFFICE

AFFIN HWANG ASSET MANAGEMENT BERHAD:

HEAD OFFICE

Ground Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03 – 2116 6000
Fax : 03 – 2116 6100
Toll Free No : 1-800-88-7080
Email: customercare@affinhwangam.com
Website: www.affinhwangam.com

PENANG

No. 10-C-23 & 10-C-24, Precinct 10
Jalan Tanjung Tokong
10470 Penang
Tel : 04 – 899 8022
Fax : 04 – 899 1916

PERAK

13A Persiaran Greentown 7
Greentown Business Centre
30450 Ipoh, Perak
Tel: 05 - 241 0668
Fax: 05 – 255 9696

JOHOR

Unit 22-05, Level 22
Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru
Johor
Tel : 07 – 227 8999
Fax : 07 – 223 8998

MELAKA

Ground Floor
No. 584 Jalan Merdeka
Taman Melaka Raya
75000 Melaka
Tel: 06 -281 2890
Fax: 06 -281 2937

SABAH

Unit 1.09(a), Level 1, Plaza Shell
29, Jalan Tunku Abdul Rahman
88000 Kota Kinabalu, Sabah
Tel : 088 - 252 881
Fax : 088 - 288 803

SARAWAK

Ground Floor, No. 69
Block 10, Jalan Laksamana Cheng Ho
93200 Kuching, Sarawak
Tel : 082 – 233 320
Fax : 082 – 233 663

1st Floor, Lot 1291
Jalan Melayu, MCLD
98000 Miri, Sarawak
Tel : 085 - 418 403
Fax : 085 – 418 372

AUTHORISED DISTRIBUTORS:

For more information about our authorised distributors, kindly contact our customer service personnel at our toll free number 1-800-88-7080 between 8.45 a.m. to 5.30 p.m. on a Business Day. Alternatively, you can e-mail us at customercare@affinhwangam.com.

PROSPECTIVE UNIT HOLDERS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS AND, IF NECESSARY, SHOULD CONSULT THEIR ADVISER(S).

