

INFORMATION MEMORANDUM FOR AFFIN HWANG 18M ENHANCED INCOME FUND 2

Manager : Affin Hwang Asset Management Berhad
Registration Number: 199701014290 (429786-T)

Trustee : TMF Trustees Malaysia Berhad
Registration Number: 200301008392 (610812-W)

This Information Memorandum is dated 20 January 2020.

The Affin Hwang 18M Enhanced Income Fund 2 is constituted on 20 January 2020*.

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

The Fund is open for sale during the Offer Period only.

This Information Memorandum has been seen and approved by the directors of Affin Hwang Asset Management Berhad and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Affin Hwang Asset Management Berhad and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.

Sophisticated 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 this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Fund.

This Information Memorandum is to be issued and distributed in Malaysia only. Consequently, no representation has been and will be made as to its compliance with the laws of any foreign jurisdiction.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE UNITS OF THE FUND. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.



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

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CORPORATE DIRECTORY

The Manager/AHAM

Affin Hwang Asset Management Berhad 199701014290 (429786-T)

Registered Office

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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)

Manager's Delegate

(fund valuation & accounting function)

TMF Trustees Malaysia Berhad 200301008392 (610812-W)

Registered & Business Address

10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur

Tel No. : (603) 2382 4288

Fax No. : (603) 2026 1451

The Trustee

TMF Trustees Malaysia Berhad 200301008392 (610812-W)

Registered & Business Address

10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur

Tel No. : (603) 2382 4288

Fax No. : (603) 2026 1451

Trustee's Delegate (Local and Foreign Custodian)

Standard Chartered Bank Malaysia Berhad 198401003274 (115793-P)

Business Address

Level 26, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel No. : (603) 2117 7777

Fax No. : (603) 7682 0617

ABBREVIATION

FiMM	Federation of Investment Managers Malaysia.
MYR	Ringgit Malaysia.
PHS	Product Highlights Sheet.
SC	Securities Commission Malaysia.
USD	United States Dollar.

GLOSSARY

Act	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
Active Assets	Means options or structured warrants.
Base Currency	Means the currency in which the Fund is denominated i.e. MYR.
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. The Manager may declare certain Business Day a non-Business Day when deemed necessary, such as in the event of market disruption.
Commencement Date	Means the date of the first Information Memorandum of the Fund and is the date on which sale of Units of the Fund may first be made. The Commencement Date is also the date of constitution of the Fund.
Communiqué	Means the notice which the Manager will be giving to you.
Deed	Refers to the deed dated 7 th January 2020 entered into between the Manager and the Trustee.
Defensive Assets	Means money market instruments and/or deposits.
deposit(s)	Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
Development Financial Institutions	Means a development financial institution under the Development Financial Institutions Act 2002.
Financial Institution	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institutions; or (iv) Licensed Islamic Bank; (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Forward Pricing	Means the method of determining the price of a Unit which is the NAV per Unit at the next valuation point after an application for purchase or repurchase request is received by the Manager.
Fund	Refers to the Affin Hwang 18M Enhanced Income Fund 2.
Guidelines	<i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC and as may be amended or modified from time to time.
Information Memorandum	Means this offer document in respect of this Fund as may be, replaced or amended from time to time.

Investment Date	Means the date on which the investment of the Fund may first be made and it is the date which begins on the next Business Day immediately after the expiry of the Offer Period.
Licensed Bank	Means a bank licensed under the Financial Services Act 2013.
Licensed Investment Bank	Means an investment bank licensed under the Financial Services Act 2013.
Licensed Islamic Bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
the Manager/AHAM	Refers to Affin Hwang Asset Management Berhad.
Maturity Date	Means the date on which the Fund automatically terminates and is the date, which is the eighteenth (18 th) month of the Investment Date; if the date is not a Business Day, the "Maturity Date" shall be the next Business Day thereafter. If the Fund is terminated prior to the Maturity Date in accordance with the provisions of the Deed, the "Maturity Date" shall mean the date of such earlier termination.
MYR	Means the Malaysian Ringgit, the lawful currency of Malaysia.
Net Asset Value or NAV	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
NAV per Unit	Means the Net Asset Value of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
Offer Period	Means a period of not more than forty five (45) days from the Commencement Date of the Fund, whereby the Units of the Fund are open for sale at its Offer Price.
Offer Price	Means the fixed price for each Unit during the Offer Period.
Repurchase Price	Means the price payable to a Unit Holder pursuant to a repurchase of a Unit; for the avoidance of doubt, the Repurchase Price does not include any Repurchase Charge which may be imposed.
Sales Charge	Means a charge imposed pursuant to the Unit Holder's purchase request.
Selling Price	Means the fixed price payable by an applicant for a Unit pursuant to a successful application for Units; for the avoidance of doubt, the Selling Price does not include any Sales Charge which may be imposed.
short-term	Means a period of less than three (3) years.
Sophisticated Investors	Refers to – <ul style="list-style-type: none"> (1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed MYR 3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence. (2) an individual who has a gross annual income exceeding MYR 300,000 or its equivalent in foreign currencies per annum in the preceding 12 months. (3) an individual who, jointly with his or her spouse, has a gross annual income exceeding MYR 400,000 or its equivalent in foreign currencies per annum in the preceding 12 months. (4) a corporation with total net assets exceeding MYR 10 million or its equivalent in foreign currencies based on the last audited accounts. (5) a partnership with total net assets exceeding MYR 10 million or its equivalent in foreign currencies. (6) a unit trust scheme or prescribed investment scheme. (7) a private retirement scheme. (8) a closed-end fund approved by SC. (9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding MYR 10 million or its equivalent in foreign currencies. (10) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the Act and has assets under management exceeding MYR 10 million or its equivalent in foreign currencies.

	<p>(11) a statutory body established by an Act of Parliament or an enactment of any State.</p> <p>(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53].</p> <p>(13) central bank of Malaysia.</p> <p>(14) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence.</p> <p>(15) a licensed bank as defined in the Financial Services Act 2013.</p> <p>(16) a licensed Islamic bank as defined in the Islamic Financial Services Act 2013.</p> <p>(17) a licensed insurer as defined in the Financial Services Act 2013.</p> <p>(18) a licensed takaful operator as defined in the Islamic Financial Services Act 2013.</p> <p>(19) a Labuan bank or an insurance licensee as defined in the Labuan Financial Services and Securities Act 2010 [Act 704].</p> <p>(20) a takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010 [Act 705].</p> <p>(21) such other investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.</p>
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 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 votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
Trustee	Refers to TMF Trustees Malaysia Berhad.
Unit or Units	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of 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), you	Means the person for the time being who, in full compliance to the relevant laws is a Sophisticated Investor pursuant to the Guidelines including a jointholder.
US Person	Means a US citizen or US tax resident individual, (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), a US corporation, US partnership, US trust or US estate for US federal income tax purposes.

Note:

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

ABOUT AFFIN HWANG 18M ENHANCED INCOME FUND 2

FUND CATEGORY	: Fixed Income (Wholesale)	BASE CURRENCY	: MYR
FUND TYPE	: Income	FINANCIAL YEAR END	: Last Day of February

TENURE OF THE FUND

The Fund automatically terminates on the eighteenth (18th) month of the Investment Date, i.e. the “Maturity Date”.

OFFER PERIOD & OFFER PRICE

The Offer Period shall be for a period of not more than 45 calendar days from the Commencement Date of the Fund.

The Offer Period may be shortened if we determine that it is in your best interest.

The Offer Price is the selling price and repurchase price for each Units of the Fund during the Offer Period and is set at MYR 1.00 only. Units will ONLY be sold during the Offer Period.

We also reserve the right not to proceed with the Fund if the Fund has not achieved a viable size of MYR 50 million at the end of the Offer Period.

INVESTORS’ PROFILE

The Fund may be suitable for investors who:

- seek capital preservation;
- are risk averse; and
- have short-term investment horizons.

INVESTMENT OBJECTIVE

The Fund aims to provide income* whilst maintaining capital preservation.

**All income distribution will be made in the form of cash only.*

Any material change to the Fund’s investment objective would require Unit Holders’ approval.

PERFORMANCE BENCHMARK

12-Month Malayan Banking Berhad Fixed Deposit Rate.

The risk profile of this Fund is different from the risk profile of the benchmark.

ASSET ALLOCATION

Defensive Assets	Minimum 90%
Active Assets	Maximum 10%

INVESTMENT STRATEGY

We strive to achieve capital preservation[#] of the Fund by investing a minimum of 90% of the Fund’s NAV in Defensive Assets. The maturity proceeds from the investments in Defensive Assets could potentially match the capital of the Unit Holders (including Sales Charge imposed on the subscription of Units during the Offer Period), subject to no occurrence of credit default by the Financial Institutions.

In order to provide potential capital appreciation of the Fund, we may invest up to a maximum of 10% of the Fund’s NAV in Active Assets. At the Investment Date of the Fund, the Fund will only invest in one type of Active Assets, and will

[#] The Fund is not a capital guaranteed nor a capital protected fund.

remain so until the Maturity Date of the Fund. We will evaluate the underlying asset of the Active Assets, i.e. a collective investment scheme (CIS) regulated in an eligible market, where we are of the view that the CIS may rise in value and may be able to provide income to the Fund. Subsequently, it enables the Fund to provide potential income distribution to the investors. You should note that investment in Active Assets will expose you to the price fluctuations of the CIS. As a result, it may also lead to fluctuations in the NAV of the Fund i.e. if the price of the Active Assets drops, the NAV of the Fund will also be negatively impacted. As the Active Assets are structured by an external party, investments into the Active Assets will also expose the Fund to counterparty risk, which we will attempt to mitigate by carrying out a stringent selection process on the counterparty prior to an investment being made. You will be informed of the type of the Active Assets and its underlying asset of which the Fund will be invested into via a Communiqué after the end of the Offer Period.

The currency denomination of the Active Assets that the Fund intends to invest into may be in a currency that differs from that of the Base Currency. As such, the Fund will be exposed to currency risk arising from the currency exchange between the denomination of the Active Asset and the denomination of the Base Currency. For example, if the Base Currency is MYR, and the denomination of the Active Asset is USD, the Fund is then exposed to the currency fluctuation of the USD/MYR. With the assumption that the performance of the Active Asset remains unchanged, the value of the Active Asset will be negatively impacted should MYR appreciate against the USD, thus negatively impacting the Fund’s NAV. Similarly, the value of the Active Asset will appreciate should the MYR depreciate against the USD, thus leading to a positive rise in the Fund’s NAV.

The Fund will invest only into countries where the regulatory authorities are ordinary or associate members of the International Organization of Securities Commissions.

In line with the Fund’s objective, we will employ a buy and hold strategy for the Fund’s investments. As such, the Fund will make its investments into its Defensive Assets and its Active Assets at the Investment Date and remain invested until the Maturity Date of the Fund.

At the Maturity Date of the Fund, we will redeem or sell all the assets of the Fund, and return all the proceeds to you (based on the number of Units you hold) after deducting applicable Fund expenses and fees. The proceeds are expected to be paid to you within two (2) weeks from the Maturity Date.

Please refer to “Pertinent Information of the Fund” section for a better understanding of the mechanics of the investment return of the Fund.

PERTINENT INFORMATION OF THE FUND

The following chart depicts the potential capital preservation# and potential capital appreciation during the tenure of the Fund:



Below is an illustration on how the potential capital preservation[#] is achieved by investing in Defensive Assets. Let's assume the following:

Total asset of the Fund as at the Investment Date	MYR 98.5 million
Total Sales Charge imposed on the subscription of Units during the Offer Period	MYR 1.5 million
Investment in Defensive Assets as at Investment Date	MYR 94.1 million ¹
Interest rate	4.2%
Interest income as at Year 1	MYR 94.1 million x 4.2% = MYR 3.95 million
Value of the investment as at Year 1	MYR 94.1 million + MYR 3.95 million = MYR 98.05 million
Interest income as at Maturity Date	MYR 98.05 million x (4.2% ÷ 2) = MYR 2.06 million
Value of the investment as at Maturity Date	MYR 98.05 million + MYR 2.06 million = MYR 100.11 million

Formula for calculating:-

Interest income as at Year 1	=	Investment in Defensive Assets as at Investment Date	x	interest rate
Value of the investment as at Year 1	=	Investment in Defensive Assets as at Investment Date	+	Interest income as at Year 1
Interest income as at Maturity Date	=	Value of the investment as at Year 1	x	(interest rate ÷ 2) ²
Value of the investment as at Maturity Date	=	Value of the investment as at Year 1	+	Interest income as at Maturity Date

We strive to ensure that at all times, the total amount of the *value of the investment as at Maturity Date* is equivalent to the *total asset of the Fund as at the Investment Date* plus *total Sales Charge imposed on the subscription of Units during the Offer Period*.

Below is an illustration on how the potential capital appreciation is achieved by investing in the Active Assets. Let's assume the following:

Investment Date	
Total asset of the Fund as at Investment Date	MYR 98.5 million
Total Sales Charge imposed on the subscription of Units during the Offer Period	MYR 1.5 million
Notional amount of the Active Assets	MYR 100 million
USD/MYR exchange rate	4.00
Denomination of Active Assets	USD

It is important to note that the amount of potential income distribution is subject to deduction of the applicable fees and expenses of the Fund.

What is a participation rate?

In this section, you will be introduced to the term "participation rate". It is defined as the exposure of the Fund to movements in the price of its investment in the Active Assets, which is proportionally linked to the movement in the price of the underlying asset. For example, a participation rate of 120% means that the Fund would receive a return equivalent to 120% increase in the price of the underlying asset. The participation rate below is for illustration purposes and is indicative only. The participation rate can only be locked in at the Investment Date of the Fund.

[#] The Fund is not a capital guaranteed nor a capital protected fund.

¹ This figure is the present value (PV) of the NAV of the Fund as at the Investment Date. The PV is the current worth of a future sum of money or stream of cash flows, given a specified rate of return. With regards to the above, the PV of the NAV of the Fund at the Investment Date has to be calculated in order to ascertain the exact amount that we can place in the Defensive Assets, based on the interest rate of the money market instruments and/or the deposits could achieve.

² The interest rate is an annualised figure. As the Maturity Date falls on the sixth (6th) month of that particular year, the interest rate is to be divided by 2.

What is a notional amount?

The notional amount is the amount as stated in a contract entered into by the issuer of the Active Assets and the Manager and the Trustee, as the case may be, on behalf of the Fund for the purchase of the Active Assets. It is the basis for calculating the potential income distribution of the Fund and at all times, the notional amount is equivalent to the total asset of the Fund as at the Investment Date plus total Sales Charge imposed on the subscription of Units during the Offer Period.

Scenario 1		Price of the Underlying Asset (P)	Participation rate (PR)	USD/MYR exchange rate (FX)
Investment Date	0	USD 100	120%	4.00
Maturity Date	1	USD 105		4.25

Maturity Date	
Performance rate of the Active Assets	$= PR \times [(P_1 - P_0) / P_0] \times 100\%$ $= 120\% \times [(105 - 100) / 100] \times 100\%$ $= 120\% \times (USD 5 / 100) \times 100\%$ $= 120\% \times (0.05 \times 100\%)$ $= 120\% \times 5\%$ $= 6\%$ <p>At the Maturity Date, the price of the underlying asset is increased from USD 100 to USD 105 which is equivalent to 5% during the period. Guided by the assumption of 120% participation rate, the performance rate of the Active Assets is increased to 6% as the 5% return of the underlying asset is increased proportionally by the 120% participation rate.</p>
Investment payout rate in USD <i>(Performance rate of the Active Assets or 0%, whichever is higher)</i>	= 6%
Investment payout rate in MYR	$= \text{Investment payout rate in USD} \times FX_1 / FX_0$ $= 6\% \times FX_1 / FX_0$ $= 6\% \times 4.25 / 4.00$ $= 6\% \times 1.0625$ $= 6.375\%$
	As the Base Currency is in MYR, the investment payout rate of the Active Assets will be converted to MYR using the ratio of USD/MYR exchange rate as at Maturity Date over the USD/MYR exchange rate as at Investment Date. During the period, the USD has appreciated against MYR from 4.00 as at Investment Date to 4.25 as at Maturity Date; hence the investment payout rate in MYR is 6.375%.
Potential income distribution in MYR as at Maturity Date	$\text{Investment payout rate in MYR} \times \text{notional amount}$ $= 6.375\% \times \text{MYR 100 million}$ $= \text{MYR 6.375 million}$ <p>To obtain the potential income distribution as at Maturity Date, the investment payout rate in MYR is to be multiplied by the notional amount of the Active Assets. Thus, the potential income distribution in MYR as at Maturity Date is MYR 6.375million.</p>

Scenario 2		Price of the Underlying Asset (P)	Participation rate (PR)	USD/MYR exchange rate (FX)
Investment Date	0	USD 100	120%	4.00
Maturity Date	1	USD 104		3.75

Maturity Date	
Performance rate of the Active Assets	$= PR \times [(P_1 - P_0) / P_0] \times 100\%$ $= 120\% \times [(104 - 100) / 100] \times 100\%$ $= 120\% \times (USD 4 / 100) \times 100\%$ $= 120\% \times (0.04 \times 100\%)$ $= 120\% \times 4\%$ $= 4.8\%$ <p>At the Maturity Date, the price of the underlying asset is increased from USD 100 to USD 104 which is equivalent to 4% during the period. Guided by the assumption of 120% participation rate, the performance rate of the Active Assets is increased to 4.8% as the 4% return of the underlying asset is increased proportionally by the 120% participation rate.</p>
Investment payout rate in USD <i>(Performance rate of the Active Assets or 0%, whichever is higher)</i>	= 4.8%
Investment payout rate in MYR	$= \text{Investment payout rate in USD} \times FX_1 / FX_0$ $= 4.8\% \times FX_1 / FX_0$ $= 4.8\% \times 3.75 / 4.00$ $= 4.8\% \times 0.9375$ $= 4.5\%$
	As the Base Currency is in MYR, the investment payout rate of the Active Assets will be converted to MYR using the ratio of USD/MYR exchange rate as at Maturity Date over the USD/MYR exchange rate as at Investment Date. During the period, the USD has depreciated against MYR from 4.00 as at Investment Date to 3.75 as at Maturity Date; hence the investment payout rate in MYR is 4.5%.
Potential income distribution in MYR as at Maturity Date	$\text{Investment payout rate in MYR} \times \text{notional amount}$ $= 4.5\% \times \text{MYR } 100 \text{ million}$ $= \text{MYR } 4.5 \text{ million}$ <p>To obtain the potential income distribution as at Maturity Date, the investment payout rate in MYR is to be multiplied by the notional amount of the Active Assets. Thus, the potential income distribution in MYR as at Maturity Date is MYR 4.5 million.</p>

Scenario 3		Price of the Underlying Asset (P)	Participation rate (PR)	USD/MYR exchange rate (FX)
Investment Date	0	USD 100	120%	4.00
Maturity Date	1	USD 98		4.25

Maturity Date	
Performance rate of the Active Assets	$= PR \times [(P_1 - P_0) / P_0] \times 100\%$ $= 120\% \times [(98 - 100) / 100] \times 100\%$ $= 120\% \times (USD -2 / 100) \times 100\%$ $= 120\% \times (-0.02 \times 100\%)$ $= 120\% \times -2\%$ $= -2.4\%$ <p>At the Maturity Date, the price of the underlying asset is decreased from USD 100 to USD 98, which is equivalent to -2%, or -2.4% after the participation rate. However, the payout will be zero, as the maximum loss that the Fund's Unit Holders will incur is zero if the underlying asset's performance over the period is negative.</p>
Investment payout rate in USD	= 0%

<i>(Performance rate of the Active Assets or 0%, whichever is higher)</i>	
Investment payout rate in MYR	$= \text{Investment payout rate in USD} \times \text{FX}_1 / \text{FX}_0$ $= 0\% \times \text{FX}_1 / \text{FX}_0$ $= 0\% \times 4.25 / 4.00$ $= 0\% \times 1.0625$ $= 0\%$
	As the Base Currency is in MYR, the investment payout rate of the Active Assets will be converted to MYR using the ratio of USD/MYR exchange rate as at Maturity Date over the USD/MYR exchange rate as at Investment Date. During the period, the USD has appreciated against MYR from 4.00 as at Investment Date to 4.25 as at Maturity Date, but the underlying asset's performance is negative; hence the investment payout rate in MYR is 0%.
Potential income distribution in MYR as at Maturity Date	$\text{Investment payout rate in MYR} \times \text{notional amount}$ $= 0\% \times \text{MYR } 100 \text{ million}$ $= \text{MYR } 0$
	To obtain the potential income distribution as at Maturity Date, the investment payout rate in MYR is to be multiplied by the notional amount of the Active Assets. Thus, the potential income distribution in MYR as at Maturity Date is MYR 0.

CROSS TRADES POLICY

We may conduct cross trades between funds which we are currently managing provided that all criteria imposed by the regulators are met. Notwithstanding the above, cross trades between the personal account of our employee and the Fund's account(s); and between our proprietary trading accounts and the Fund's account(s) are strictly prohibited. Compliance with the criteria are monitored by our compliance unit, and reported to our compliance and risk management committee, to avoid conflict of interests and manipulation that could have a negative impact on investors.

PERMITTED INVESTMENT

- Money market instruments
- Deposits
- Options
- Structured warrants
- Any other form of 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

The purchase of the permitted investments set out above shall not contravene the following limits:-

- The total value of the Fund's investments in deposits and/or money market instruments shall not be less than 90% of the Fund's NAV;
- The value of the Fund's investment in derivatives or structured products transaction with any single counter-party shall not exceed 10% of the Fund's NAV; and
- Any other investment limits or restrictions imposed by the relevant regulatory authorities or pursuant to the Guidelines, any laws and/or regulations applicable to the Fund.

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. However, a 5% allowance in excess of any limit or restriction may be 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). The Manager will not make any further acquisitions to which the relevant limit is breached and the Manager, within three months from the date of the breach will take all necessary steps and actions to rectify the breach.

DISTRIBUTION POLICY

Subject to the availability of income, the Fund will provide distribution on the Maturity Date.

VALUATION POINT OF 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 shall be valued at 11.00 a.m. on the next Business Day (or “T+1”).

All foreign assets are translated into the Base Currency based on the latest available bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

VALUATION OF ASSETS

In valuing the Fund’s investments, we will ensure that all the assets of the Fund will be valued at fair value and 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.

➤ Money Market Instruments

The valuation of MYR denominated money market instruments will be done using the price quoted by a Bond Pricing Agency registered with the SC. For foreign money market instruments valuation will be done using the indicative yield quoted by 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.

➤ Derivatives and Structured Products

The valuation of derivatives and structured products will be based on the price provided by the respective issuers or structurer. 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 and structured products (e.g. interest rates, movement of the underlying asset, volatility of the underlying assets, the correlation of the underlying assets and such other 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) is merely indicative of what the value might be and does not represent the “actual value” of such securities.

ABOUT THE FEES AND CHARGES



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 Information Memorandum (including any supplemental information memorandum) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of any other applicable taxes. 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.

The following are the charges that may be directly incurred by you

SALES CHARGE

The Sales Charge is 1.50% of the Offer Price and it is non-negotiable.

REPURCHASE CHARGE

We will impose a Repurchase Charge of 5.00% of the NAV per Unit, if repurchase of Units is made after the Investment Date of the Fund.

Note:

- There will not be any Repurchase Charge applicable on a repurchase request made before the Investment Date.
- The Repurchase Charge is fixed and non-negotiable. It will be retained by the Manager.

Assuming that the number of Units repurchased is 100,000 Units and the NAV per Unit is MYR 1.00, the repurchased amount would be:-

100,000 Units x MYR 1.00 = MYR 100,000

Then, the Repurchase Charge would be:-

MYR 100,000 x 5.00% = MYR 5,000

TRANSFER FEE

Nil.

SWITCHING FEE

Nil.

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

ANNUAL MANAGEMENT FEE

Nil.

ANNUAL TRUSTEE FEE

The annual trustee fee is up to 0.04% 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 or 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 50,000,000.00 for the day, the accrued trustee fee for the day would be:-

$$\frac{\text{MYR } 50,000,000.00 \times 0.04\%}{365 \text{ days}} = \text{MYR } 54.79 \text{ per day}$$

FUND EXPENSES

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

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (Where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- Taxes and other duties charged on the Fund by the government and/or other authorities;
- Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- Costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;
- Costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund;
- Costs, fees and expenses incurred for the subscription and maintenance of a benchmark index;
- Costs, fees and expenses incurred for the fund valuation and accounting of the Fund; and
- Any other expenses allowed under the Deed.

MAXIMUM RATE OF FEES AND CHARGES ALLOWABLE BY THE DEED

We may impose higher fees and charges up to the following stated maximum rate, provided that we have taken the necessary procedures as stated in the Deed to increase the fees and charges.

Sales Charge	3.00% of the Offer Price
Repurchase Charge	5.00% of the NAV per Unit
Annual Management Fee	Not applicable
Annual Trustee Fee	0.10% per annum of the NAV of the Fund (excluding foreign custodian fees and charges)

REBATES AND SOFT COMMISSIONS

We, including our delegate (if any), Trustee or Trustee's delegate 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 rebates or shared commissions will 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.

UNDERSTANDING THE RISKS OF THE FUND

Below are the risks associated with the investments of the Fund that you should consider before investing.

GENERAL RISKS OF THE FUND	
Market risk	Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. Market risk cannot be eliminated but may be reduced through diversification. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
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.
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.
Operational risk	This risk refers to the possibility of a breakdown in our internal controls and policies. The breakdown may be a result of human error, system failure or may be fraud where our employees collude with one another. This risk may cause monetary loss and/or inconvenience to you. We will review our internal policies and system capability to mitigate instances of this risk. Additionally, we maintain a strict segregation of duties to mitigate instances of fraudulent practices amongst our employees.

SPECIFIC RISKS OF THE FUND	
Credit and default risk	Credit risk relates to the creditworthiness of the issuers of the money market instruments or deposits (hereinafter referred to 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.

	SPECIFIC RISKS OF THE FUND
Interest rate risk	This risk refers to the impact of interest rate changes on the valuation of the money market instruments. When interest rates rise, the instruments prices generally decline and this may lower the market value of the instruments. The reverse may apply when interest rates fall.
Structured product risk	This risk arises from investments into structured warrants issued by a third party. The NAV of the Fund will be impacted by the valuation of the structured warrants. Factors that may impact the valuation of the structured warrants will include, but not limited to movement of the underlying asset, volatility of the underlying assets, interest rate levels, the correlation of the underlying assets and other factors. Any change in the aforesaid factors would either positively or negatively impact the valuation of the structured warrants hence impacting the NAV of the Fund. As such, the Fund's NAV will be exposed to potential price volatility, which will be dependent on the valuation of the structured warrants that the Fund invested in.
Derivatives risk	The Fund may be investing in options. Valuation of options takes into account a multitude of factors such as movement of the underlying assets, the correlation of the underlying assets with the Fund, the implied future direction of the underlying assets and other factors. Any diverse changes of the factors mentioned above, may result in a lower NAV price and higher volatility for the Fund's NAV.
Concentration risk	This risk arises because the Fund may have placement of deposits with a single Financial Institution. The Fund is subject to the risks linked to the particular Financial Institution. The risk may be in the form of credit risk, for example, when the particular Financial Institution is not able to pay the interest and/or repay the principal possibly due to its poor financial position. Therefore, should such risk happen, the Fund's concentrated portfolio will cause the Fund's overall value to decline to a greater degree than if the Fund was exposed to a less concentrated portfolio.
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.
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.
Repurchase risk	You are reminded to be prepared to commit your investment until the Maturity Date. Any repurchase request made by you will be based on Forward Pricing which is the NAV per Unit at the next valuation point. The NAV per Unit at that valuation point may be lower than your investment outlay. You are also reminded that exiting this Fund prior to the Maturity Date will attract a Repurchase Charge and this may further reduce any monies payable to you. The Repurchase Charge incurred by you will be retained by the Fund for the benefit of the remaining Unit Holders.

! 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 Information Memorandum to assess the risks associated with the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

DEALING INFORMATION

You must read and understand the content of this Information Memorandum (and any supplemental information memorandum) and PHS before investing.

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

WHO IS ELIGIBLE TO INVEST?

- You must be at least eighteen (18) years old and a Sophisticated Investor in order to invest in this Fund. Please refer to the “Glossary” chapter of this Information Memorandum for the details.
- Please note that if you are a US Person, you are not eligible to subscribe to the Units of the Fund. If we become aware that you are a US Person who holds Units of the Fund, we will issue a notice requiring you to:-
 - redeem your Units; or
 - transfer your Units to a non-US Person;
 within thirty (30) days from the date of the said notice.

WHAT ARE THE MINIMUM INITIAL INVESTMENT, MINIMUM UNITS HELD AND MINIMUM UNITS OF REPURCHASE?

Minimum Initial Investment	MYR 10,000
Minimum Repurchase Unit	10,000 Units
Minimum Holding of Units	10,000 Units

- At our discretion, we may reduce the minimum initial investment amount, minimum repurchase Unit and minimum holding of Units.

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. Units will ONLY be sold during the Offer Period.
- You are required to provide us with the following completed forms and documents. However, we reserve the right to request for additional documentations 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 memorandum and articles of association*; • Certified true copy of 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

	<ul style="list-style-type: none"> • 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>
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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?

➤ During the Offer Period, if we receive your purchase application on a Business Day (“or T day”), we will create your Units based on the Offer Price.

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

HOW TO REPURCHASE UNITS?

➤ It is important to note that we will impose a Repurchase Charge of 5.00% on the NAV per Unit, if repurchase of Units is made after the Investment Date of the Fund.

➤ You must meet the minimum holding of 10,000 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, we may repurchase all your holding of Units in the Fund and pay the proceeds to you.

➤ 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.

➤ Payment of the repurchase proceeds will be made via bank transfer where 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 bank transfer or other special arrangement method will be borne by you.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

➤ During the Offer Period, if we receive your repurchase application on a Business Day, we will repurchase your Units based on the Offer Price of the Fund. After the Offer Period, for a repurchase request received or deemed to have been received by us at or before 3.30 p.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 3.30 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.

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 the “Directory of Sales Office” section or with our authorised distributors.
- You may obtain a copy of the Information Memorandum, PHS and application forms from the abovementioned locations. Alternatively, you may also visit our website at www.affinhwangam.com.

WHAT ARE THE SWITCHING OPTIONS?

- Switching facility is not available for this Fund.

CAN I TRANSFER MY UNITS TO ANOTHER PERSON?

- You are permitted to transfer your ownership of investments in the Fund at any point in time by completing the transfer application form and returning it to us on any Business Day. 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 would 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 person who is in receipt of the Units must be a Sophisticated Investor as well.

HOW DO I RECEIVE THE INCOME DISTRIBUTION?

- All income shall be paid in cash. There will be no option for you to reinvest the income in the form of additional Units for this Fund. Payment will be transferred to your bank account within seven (7) Business Days after the distribution date.

At the Maturity Date of the Fund, we will redeem or sell the assets of the Fund, and return all proceeds to you (based on the number of Units you hold), subject to the applicable Fund expenses and fees. The payment of income and proceeds is expected to be paid to you within two (2) weeks from the Maturity Date.

RELATED PARTIES TO THE FUND

ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began 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 more than 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.

Our Role as the Manager

We are 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.

Our Investment Team

Our investment team comprises a group of portfolio managers who possess the necessary expertise and experience to undertake the fund management of its funds. The investment team will meet at least once a week or more should the need arise. The designated fund manager of the Fund is:-

Ms Esther Teo Keet Ying – Head, Fixed Income Investment

Ms Esther Teo is the Head of Fixed Income Investment. Prior to joining the Manager, she was attached with the fixed income division of RHB Asset Management Sdn. Bhd. covering both institutional and unit trust mandates for three (3) years. She began her career in KPMG Malaysia in 1999 as a consultant in financial advisory services specializing in corporate debt restructuring and recovery. Esther graduated from the University of Melbourne, Australia with a Bachelor of Commerce majoring in Accounting and Finance. She has also obtained her licence from the SC on 29 April 2004 to act as a fund manager.

ABOUT THE TRUSTEE - TMF TRUSTEES MALAYSIA BERHAD

The Trustee is part of TMF Group, an independent global service provider in the trust & fiduciary sector. The group has over 125 offices in more than 83 jurisdictions in the world. The Trustee started in Malaysia in 1992 with its first office in Labuan International Business Financial Centre (IBFC), providing trust and fiduciary services. The Kuala Lumpur office was established in 2003 to support the Labuan office in servicing Malaysian clients and to undertake domestic trust business.

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. In performing these functions and duties, the Trustee has to exercise all due care and vigilance and is required to act in accordance with the provisions of the Deed, all relevant laws and the Guidelines. Apart from being the legal owner of the Fund’s assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, all relevant laws and the Guidelines.

RELEVANT INFORMATION

SALIENT TERMS OF THE DEED

Your Rights and Liabilities

You have the right, among others, to the following:-

- (a) To receive the distributions of income (if any), to participate in any increase in the value of the Units and to enjoy such other rights and privileges as are provided for in the Deed;
- (b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a Special Resolution; and
- (c) To receive quarterly and annual reports.

However, you would not have the right to require the transfer to you of any of the assets of the Fund. Neither would you have the right to interfere with or question the exercise by the Trustee or the Manager on the Trustee's behalf, of the rights of the Trustee as the registered owner of such assets.

You are not liable to the following:-

- (a) For any amount in excess of the purchase price paid for the Units as determined in accordance to the Deed at the time the Units were purchased and any charges payable in relation thereto;
- (b) For any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund and any right of indemnity of the Manager and/or the Trustee 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 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 the 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.

The Unit Holders may direct 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 a direction 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 the Manager

The Manager may for any purpose whatsoever summon a meeting of the Unit Holders by sending by post at least fourteen (14) days before the date of the proposed meeting, or such other time as may be prescribed by the relevant laws, a notice of the proposed meeting to all the Unit Holders. All such notices and advertisement to the Unit Holders shall specify the place, time and terms of the resolutions to be proposed.

Unit Holders' Meeting convened by the Trustee

The Trustee may summon a Unit Holders' 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;
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act;
- (d) requiring the retirement or removal of the Manager;
- (e) 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;
- (f) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (g) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to clause 5.9.1 of the Deed; or
- (h) deciding on the reasonableness of the annual management fee charged to the Fund.

The 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

The Fund may be terminated or wound up subject to a Special Resolution being passed at a Unit Holders' meeting to terminate or wind up the Fund.

Procedures to be taken to increase the Fees and Charges from the current amount stipulated in the Information Memorandum

We may not charge a Sales Charge and/or Repurchase Charge at a rate higher than that disclosed in a prevailing information memorandum unless:-

- (a) we have notified the Trustee in writing of the higher charge and the effective date for the higher charge; and
- (b) a supplemental/replacement information memorandum in respect of the Fund setting out the higher charge is issued.

We or the Trustee may not charge an annual management fee and/or an annual trustee fee at a rate higher than that disclosed in a prevailing information memorandum unless:

- (a) both the Trustee and the Manager have come to an agreement on the higher rate;
- (b) we have notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and
- (c) a supplemental/replacement information memorandum stating the higher rate is issued thereafter.

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

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 SC's Securities Borrowing and Lending Guidelines [SBL Guidelines]) in connection with its activities.

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 portfolio of the Fund, we will maintain sufficient liquid assets to ensure short term liquidity in the Fund to meet operating expenses.

UNCLAIMED MONIES

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 Money by the Manager in accordance with the requirements of the Unclaimed Moneys Act 1965.

INVESTORS INFORMATION

How can I keep track of my investment?

You may obtain the daily Fund price from our website at www.affinhwangam.com. The daily prices are based on information available one (1) Business Day prior to publication.

We will provide you with an annual report and a quarterly 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.

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 8.45 a.m. to 5.30 p.m. on a Business Day. Alternatively, you can e-mail us at customercare@affinhwangam.com.

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 failed 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.

DIRECTORY OF SALES OFFICE

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 Bharu, 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