

PRODUCT HIGHLIGHTS SHEET

for

AHAM Flexi Fund III

Date of issuance: 28 February 2024

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors and/or authorised committee and/or persons approved by the Board of AHAM Asset Management Berhad 199701014290 (429786-T) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the AHAM Flexi Fund III (“the Fund”) including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of AHAM Asset Management Berhad responsible for the Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

This Product Highlights Sheet only highlights the key features and risks of this Fund. Investors are advised to request, read and understand the Information Memorandum of the Fund before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

AHAM FLEXI FUND III

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

The Fund is an open-ended flexi fund which aims to provide investors with long term capital appreciation.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is designed for Sophisticated Investors who have a medium to long term investment horizon, have a medium to high risk tolerance and seek potential growth for their investment.

KEY PRODUCT FEATURES

3. What am I investing in?

Classes	MYR Class	USD Class
Launch Date	27 March 2015	22 November 2022
Tenure	This Fund is an open-ended fund where it does not have a fixed maturity date and may only be terminated in accordance with the terms of the Information Memorandum and the provisions of the Deed.	
Base Currency	USD	
Investment Objective	The Fund seeks to provide Unit Holders with long-term capital appreciation. <i>Any material change to the Fund's investment objective would require Unit Holder's approval.</i>	
Investment Strategy	<p>To meet the Fund's objective, the Fund will adopt a tactical asset allocation strategy depending on the prevailing market conditions. The Fund will hold the flexibility of being invested in a diversified range of investment instruments such as equities and equity-linked instruments, fixed income instruments such as debentures, money market instruments and/or deposits with Financial Institutions. Concurrently, the Fund will also have the option to invest in collective investment schemes, embedded derivatives and derivatives. At any one time, the asset mix may also comprise of one or all asset classes.</p> <p>To meet its objective, the Fund will invest primarily in equity and equity-linked instruments such as warrants of companies. To provide diversification the investment strategy would be unconstrained by any country, market capitalisation or sector. To maximise the Fund's growth potential, we have the option to invest into unlisted securities where those companies are likely to develop into future industry leaders. We will dedicate resources through primary research including company visits and developing earnings models, in search of these companies.</p> <p>In our equity selection process, we seek to identify companies that we believe are attractively valued relative to long-term growth these companies can achieve. These companies will be identified through internal research, and by subjecting them to a disciplined set of growth, valuation and quality criteria. Criteria that are looked at during the investment selection process include sales and profit growth, financial strength and gearing levels, capital expenditure levels, as well as the management's commitment to rewarding shareholders via dividends or capital repayments.</p> <p>When selecting fixed income instruments, the selection will depend largely on the credit quality of the issuers, as well as criteria such as the ability to meet their financial obligations, displays healthy cash flow, the collateral type, value, claims priority, as well as issuances that offer highest safety for timely payment of interest and capital.</p> <p>The asset allocation decision between equities and fixed income instruments is decided with the consideration of the market outlooks for the respective asset classes over the medium to long-term horizon. Under normal market conditions, we will likely hold a higher exposure in the equity market to capitalise on growth potential. However, we may reduce equity exposure for the Fund when the risk reward environment turns less attractive, thus increasing the exposure into the fixed income market instead.</p> <p>The Fund may also invest in collective investment schemes that have a similar investment objective to the Fund. These collective investment schemes may include, but not limited to real estate investment trusts (REITs), exchange-traded funds and mutual funds including collective investment schemes managed by us. In this instance, we will ensure that there will be no improper use of our position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to your interest, and investments into the said collective investment schemes will be done in the best interest of the Fund.</p>	

Classes	MYR Class	USD Class
	<p>Due to the fast pace market environment, we will also hold the option to invest in money market instruments and deposits with Financial Institutions while waiting for investment opportunities to arise in equities or fixed income markets. The selection of the issuers will depend largely on the credit quality and liquidity of the issuer based on our internal credit rating model.</p> <p>Derivatives Derivative trades may be carried out for both investments and hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps.</p> <p>Embedded Derivatives We may also invest into embedded derivatives such as, but not limited to, equity-linked notes and credit linked notes. Investment in these embedded derivatives will provide the Fund with the exposure to the reference asset. Each of these embedded derivatives has its own targeted maturity and will expose investors to the price fluctuations of, in the case of an equity-linked note, the stock that the equity-linked note is linked to. As a result, any fluctuation in the price of the embedded derivatives may also lead to fluctuations in the NAV of the Fund i.e. if the price of the embedded derivatives drops, the NAV of the Fund will also be negatively impacted. As the embedded derivatives are structured by an external party, investments in embedded derivatives will also expose the Fund to counterparty risk, which the Manager will attempt to mitigate by carrying out a stringent selection process on its counterparty prior to an investment being made.</p>	
Asset Allocation	<ul style="list-style-type: none"> Up to 100% of the Fund's NAV to be invested in equity & equity-linked instruments; Up to 100% of the Fund's NAV to be invested in fixed income instruments; Up to 100% of the Fund's NAV to be invested in collective investment schemes; and Up to 100% of the Fund's NAV to be invested in embedded derivatives and/or derivatives. 	
Performance Benchmark	<p>Absolute return of 5% per annum.</p> <p><i>The risk profile of this Fund is different from the risk profile of the benchmark.</i></p>	
Distribution Policy	<p>The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.</p>	
Minimum Initial Investment*	MYR 100,000	USD 100,000
Minimum Additional Investment*	MYR 50,000	USD 50,000
Minimum Units Held*	100,000 Units	100,000 Units
	<p>If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, you will be required to make an additional investment in order to meet the required minimum balance of investment. Otherwise, we may repurchase all your holding of Units in the Fund and pay the proceeds to you.</p>	
Minimum Units Per Switch*	100,000 Units	100,000 Units

Note: Please refer to the Fund's Information Memorandum for further details of the Fund.

4. Who am I investing with?

Relevant parties' information:

The Manager	AHAM Asset Management Berhad
The Trustee	TMF Trustees Malaysia Berhad

5. What are the possible outcomes of my investment?

This Fund is a wholesale mixed asset fund that hold a flexibility of being invested in a diversified range of investment instruments such as equities and equity-linked instruments, fixed income instruments such as debentures, money market instruments and/or deposits with Financial Institutions. Concurrently, the Fund will also have the option to invest in collective investment schemes, embedded derivatives, and derivative.

The Fund's investment into equities and fixed income instruments would to a great extent be linked to the price movements of the global equity and fixed income markets. If the equities and fixed income instruments that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the investments that are investable by the Fund perform poorly; the Fund's performance may also be impacted negatively.

The Fund is not expected to make any income distribution. However, due to the Fund's portfolio of investments, the Manager expects the Fund to yield incidental growth in capital.

Please note that the capital and returns of the Fund are not guaranteed.

**At our discretion, we may reduce the minimum initial investment amount, minimum additional investment amount, minimum Units held and minimum Units per switch.*

KEY RISKS**6. What are the key risks associated with this product?****General Risks**

- **Market risk** – Market risk arises because of factors that affect the entire marketplace. 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. 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 us which will impact the performance of the Fund. For example, investment decisions undertaken by us 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.
- **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.
- **Performance risk** – The performance of the Fund depends on the financial instruments that the Fund purchases. If the instruments do not perform within expectation or if there is a default, then, the performance of the Fund will be impacted negatively. The performance of the Fund may also be impacted if the allocation of assets is not properly done. This is where the experience and expertise of the fund managers are important and the risk on the lack of experience and expertise of the fund managers has been highlighted above. On that basis, there is never a guarantee that investing in the Fund will produce the desired investment returns or on the distribution of income.
- **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.
- **Operational risk** – Operational risk is the risk of loss due to the breakdown, deficiencies or weaknesses in the operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control by the Manager. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.

Specific risks

- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the debentures and money markets instruments and the Financial Institutions where the deposits are placed (hereinafter referred as “investment”) and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer and/or Financial Institution may impact the value as well as liquidity of the investment. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or Financial Institution 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.
- **Stock specific risk** – Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movement of such stock will adversely affect the Fund’s NAV.
- **Warrant investment risk** – The value of the warrants will depend on the pricing of the underlying security whereby the growth and performance prospect of the underlying security would consequentially affect the value of the warrants. In addition, the value of the warrants may decrease exponentially as the warrants approach its maturity date and the potential gains from a favourable price movement of the underlying may be offset by aggressive time decay. We may consider unwinding these warrants if there are material adverse changes to its value with the aim to mitigate the risk.
- **Interest rate risk** – This risk refers to the impact of interest rate changes on the valuation of debentures or money market instruments (hereinafter referred as “investment”). Generally, movement in interest rates affects the prices of investment inversely. For example, when interest rates rise, the investment prices will fall. The fluctuations of the prices of investment will also have an impact on the NAV of the Fund. This risk can largely be eliminated by holding the investment until their maturity. We also manage interest rate risk by considering each investment’s sensitivity to interest rate changes. When interest rates are expected to increase, the Fund would then likely seek to switch to investment that are less sensitive to interest rate changes. For investments in deposits, the fluctuations in the interest rates will not affect the placement of deposits but will result in the opportunity loss by the Fund if the placement of deposits is made at lower interest rate.
- **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 repay the interest and/or 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 be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. You should note that any gain or loss arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

Currency risk at the Fund level

The impact of the exchange rate movement between the Base Currency and the currency of the underlying investments of the Fund (other than in USD) may result in a depreciation of the value of the investments as expressed in the Base Currency.

Currency risk at the Class level

The impact of the exchange rate movement between the Base Currency and the currency of the respective Classes (other than USD Class) may result in a depreciation of your holdings as expressed in the Base Currency.

- **Country risk** – Investments of the Fund in any country 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 in. 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 to fall.
- **Embedded derivatives risk** – The NAV of the Fund will be impacted by the valuation of the embedded derivatives. Factors that may impact the valuation of the embedded derivatives 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 such factors. Any change in these factors would either positively or negatively impact the valuation of the embedded derivatives 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 embedded derivatives that the Fund invested in.
- **Derivatives risk** – Valuation of derivatives 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.
- **Tactical asset allocation fund risk** – This Fund is a tactical asset allocation fund where strategies are employed to shift the asset mix between equities and equity-link notes, fixed income instruments or money market instruments and deposits, depending on the prevailing market outlook. The Manager's investment decision pertaining to the asset allocation may adversely affect the Fund's performance if the assessment concluded by the Manager is not consistent with the market outlook.

Note: Please refer to "Understanding the Risks of the Fund" in Information Memorandum for further details on each risk.

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.

FEES AND CHARGES

7. What are the fees and charges involved?

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

What will I be charged by the Manager?

Sales charge	Up to 2.00% of the NAV per Unit of a Class.
Repurchase charge	Nil.
Transfer fee	Nil.
Switching fee	The Manager does not impose any switching fee. However, if the amount of sales charge of the fund (or class) that the Unit Holder intends to switch into is higher than the sales charge imposed by the fund (or class) being switched from, then the difference in the sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.

What are the key ongoing fees charged to the Fund?

Annual management fee	Up to 1.50% per annum of the NAV of the Fund.
Annual trustee fee	Up to 0.055% per annum of the NAV of the Fund subject to a minimum fee of MYR 12,000 per annum (excluding foreign custodian fees and charges), and is calculated using the Base Currency (before deducting the management fee and trustee fee).
Performance fee	The Manager does not charge any performance fee. However, should the Manager charge a performance fee, the Manager will notify Unit Holders via a supplemental/replacement information memorandum.

Note: Please refer to the Information Memorandum for further explanation and illustration of the Fund's fees, charges, and expenses.

ALL FEES AND CHARGES PAYABLE BY YOU ARE SUBJECT TO ALL APPLICABLE TAXED AND / OR DUTIES AS MAY BE IMPOSED BY THE GOVERNMENT AND / OR THE RELEVANT AUTHORITIES FROM TIME TO TIME.

VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

The Fund will be valued on every Business Day and you may obtain the NAV and NAV per Unit of the Fund from our website at www.aham.com.my, customer service via our toll-free number 1-800-88-7080 or email to customercare@aham.com.my

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

You may request to redeem your investments in the Fund at any point in time by completing the repurchase application form and returning it to us on any Business Day between 8.45 a.m. and 3.30 p.m. Payments will be made to you within ten (10) Business Days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

CONTACT INFORMATION

10. Who should I contact for further information or to lodge a complaint?

1. For internal dispute resolution, you may contact our customer service personnel:

- (a) via phone to : 03 – 2116 6000
- (b) via fax to : 03 – 2116 6100
- (c) via toll free no. : 1-800-88-7080
- (d) via email to : customercare@aham.com.my
- (e) via letter : AHAM Asset Management Berhad
Ground Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

Complaints should be made in writing 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) other supporting documentary evidence (if any).

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

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

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC.

To make a complaint, please contact the SC's Consumer & Investor Office:

- (a) via phone to the Aduan Hotline at : 03 – 6204 8999
- (b) via fax to : 03 – 6204 8991
- (c) via e-mail to : aduan@seccom.com.my
- (d) via online complaint form available at www.sc.com.my
- (e) via letter to : Consumer & Investor Office
Securities Commission Malaysia
No 3, Persiaran Bukit Kiara, Bukit Kiara
50490 Kuala Lumpur

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

- (a) via phone to : 03 – 20923800
 (b) via fax to : 03 – 20932700
 (c) via e-mail to : complaints@fimm.com.my
 (d) via online complaint form available at : www.fimm.com.my
 (e) via letter to : Legal, Secretarial & Regulatory Affairs
 Federal of Investment Managers
 Malaysia
 19-06-1, 6th Floor Wisma Tune
 No. 19, Lorong Dungun, Damansara Heights
 50490 Kuala Lumpur

APPENDIX: GLOSSARY

Base Currency	Means the currency in which the Fund is denominated i.e. USD.
Bursa Malaysia	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad and including such other name as it may be amended from time to time.
Business Day	A day on which the Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading.
Class(es)	Means any number of class(es) of Unit(s) representing similar interests in the assets of the Fund and a "Class" means any one class of Units.
Deed	Refers to the deed dated 12 March 2015 as modified by the supplemental deed dated 5 December 2017, the second supplemental deed dated 5 October 2018 and the third supplemental deed dated 1 November 2022 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
Development Financial Institution	Means a development financial institution under the Development Financial Institutions Act 2002.
Financial Institution (s)	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank; or (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.
Fund	Means AHAM Flexi Fund III.
Guidelines	Means the <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC as may be amended from time to time.
Information Memorandum	Means this offer document in respect of the Fund as may be replaced or amended from time to time.
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 / we / us / our	Means AHAM Asset Management Berhad.
long-term	Means a period of five (5) years and above.
MYR	Malaysian Ringgit
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; where the Fund has more than one Class, there shall be a NAV attributable to each Class.
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; where the Fund has more than one Class, there shall be a NAV per Unit for each Class; the NAV per Unit of a Class at a particular valuation point shall be the NAV of the Fund attributable to that Class divided by the number of Units in Circulation of that Class at the same valuation point.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.

Sales Charge	Means a charge imposed pursuant to a purchase request.
SC	Securities Commission Malaysia.
Sophisticated Investor	Refers to any person who (a) is determined to be a sophisticated investor under the Guidelines on Categories of Sophisticated Investors, as amended from time to time; or (b) acquires any capital market product specified under these Guidelines where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; and/or (c) any other person as categorised by the SC from time to time to be a sophisticated investor. Note: For more information and updates on the definition of “Sophisticated Investor”, please refer to our website at www.aham.com.my .
Trustee	Refers to TMF Trustees Malaysia Berhad.
Unit(s)	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; if the Fund has more than one Class, it means a Unit issued for each Class.
Units in Circulation	Means Units created and fully paid, and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
Unit Holder(s) or you	Refers to the person for the time being who is in full compliance with the relevant laws and is a Sophisticated Investor pursuant to the Guidelines including a jointholder.
USD	United States Dollar.