

# INFORMATION MEMORANDUM FOR AFFIN HWANG DANA MALAYSIA

**Manager** : Affin Hwang Asset Management Berhad (429786-T)

**Trustee** : TMF Trustees Malaysia Berhad (610812-W)

This Information Memorandum is dated 1 August 2018.

The Affin Hwang Dana Malaysia was constituted on 1 August 2018\*.

*\* 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.**

# TABLE OF CONTENTS

	PAGE
CORPORATE DIRECTORY .....	2
GLOSSARY .....	1
ABOUT AFFIN HWANG DANA MALAYSIA .....	5
ABOUT THE FEES AND CHARGES.....	11
UNDERSTANDING THE RISKS OF THE FUND.....	14
DEALING INFORMATION.....	17
RELATED PARTIES TO THE FUND .....	20
RELEVANT INFORMATION .....	21
INVESTORS INFORMATION.....	25

# CORPORATE DIRECTORY

## **The Manager/AHAM**

**Affin Hwang Asset Management Berhad (429786-T)**

### **Registered Office**

27<sup>th</sup> Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

### **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](mailto:customercare@affinhwangam.com)

Website: [www.affinhwangam.com](http://www.affinhwangam.com)

## **Board of Directors of the Manager/AHAM**

- Tan Sri Dato' Seri Che Lodin bin Wok Kamaruddin
- Datuk Maimoonah binti Mohamed Hussain
- Mr Teng Chee Wai
- Ms Eleanor Seet Oon Hui
- Encik Abd Malik bin A Rahman (Independent Director)
- Dato' Hj Latip bin Ismail (Independent Director)

## **The Manager's Delegate**

(fund valuation & accounting function)

TMF Trustees Malaysia Berhad (610812-W)

### **Business Address**

10<sup>th</sup> 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 (610812-W)

### **Registered & Business Address**

10<sup>th</sup> 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 & Foreign Custodian)

Standard Chartered Bank Malaysia Berhad (312552-W)

### **Business Address**

Level 16, Menara Standard Chartered, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel No. : (603) 2117 7777

Fax No. : (603) 2711 6060

# GLOSSARY

<b>the Act</b>	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
<b>Bursa Malaysia</b>	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad and includes any changes to the name or the operator of the Malaysian stock exchange.
<b>Business Day</b>	A day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.
<b>Commencement Date</b>	Means the date of the first Information Memorandum of the Fund and is the date on which sales of Units of the Fund may first be made. The Commencement Date is also the date of constitution of the Fund.
<b>Communiqué</b>	Refers to the notice issued by us, the Manager to you, the Unit Holder.
<b>Deed</b>	Refers to the deed dated 18 July 2018 entered into between the Manager and the Trustee, which may be modified or varied by further supplemental deeds from time to time.
<b>deposit(s)</b>	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 deposits.
<b>Development Financial Institutions</b>	Means a development financial institution under the Development Financial Institutions Act 2002.
<b>Early Maturity</b>	Means an event where the NAV per Unit is above the Hurdle Value for at least three (3) consecutive Business Days and the Manager has the option to exercise the right to trigger this event. Please refer to "Early Maturity" section on page 7 for further details.
<b>Early Maturity Communiqué</b>	Refers to the communiqué issued to Unit Holders, notifying the Early Maturity is exercised and that the Fund will be unwound on the Early Maturity Date.
<b>Early Maturity Date</b>	Refers to the date as stipulated in the Early Maturity Communiqué and it is a Business Day which will fall within the 10 <sup>th</sup> Business Day immediately following the date which the Manager issues the Early Maturity Communiqué to Unit Holders, notifying that the Fund has met the Early Maturity requirements and the Fund will be unwound on the Early Maturity Date. In the event the Manager deems to be unable to liquidate all the assets on the date as stipulated in the Early Maturity Communiqué, the Manager will issue a communiqué to Unit Holders to extend the Early Maturity Date by up to the 20 <sup>th</sup> Business Day from the date as stipulated in the Early Maturity Communiqué.
<b>Extension of Maturity Date Communiqué</b>	Refers to the communiqué issued to Unit Holders, notifying the extension of Maturity Date one (1) month before the third (3 <sup>rd</sup> ) anniversary of the Investment Date.
<b>FiMM</b>	Means the Federation of Investment Managers Malaysia.
<b>Financial Institution</b>	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.
<b>Forward Pricing</b>	Means the method of determining the price of a Unit which is the NAV per Unit calculated at the next valuation point after an application for purchase or repurchase request is received by the Manager.
<b>Fund</b>	Refers to Affin Hwang Dana Malaysia.

<b>Fund's Maturity</b>	Means the Fund will mature on:- (1) the Maturity Date; or (2) the Early Maturity Date; whichever occurs first.
<b>GST</b>	Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
<b>Guidelines</b>	<i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC and as amended or modified from time to time.
<b>Hurdle Value</b>	Means the minimum value that needs to be achieved before the Manager is eligible for a performance fee or to trigger an Early Maturity.  The Hurdle Value is set at the NAV per Unit of MYR 1.3000, computed from a total return of 30% based on the offer price of the Fund (excluding Sales Charge and before calculation of performance fee).
<b>Information Memorandum</b>	Means this offer document in respect of this Fund as may be, replaced or amended from time to time.
<b>Investment Date</b>	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.
<b>Licensed Bank</b>	Means a bank licensed under the Financial Services Act 2013.
<b>Licensed Investment Bank</b>	Means an investment bank licensed under the Financial Services Act 2013.
<b>Licensed Islamic Bank</b>	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
<b>the Manager / AHAM</b>	Refers to Affin Hwang Asset Management Berhad.
<b>Maturity Date</b>	Means the date on which the Fund automatically terminates and is the date, which is the third (3 <sup>rd</sup> ) anniversary of the Investment Date; if the date is not a Business Day, the "Maturity Date" shall be the first Business Day following the date that is the third (3 <sup>rd</sup> ) anniversary of the Investment Date.  However, the Manager shall have the option to extend the date to the fourth (4 <sup>th</sup> ) anniversary of the Investment date, if in the opinion of the Manager the Fund has the potential in meeting its objective. The Manager will issue an Extension of Maturity Date Communiqué to the Unit Holder, notifying the intention to extend the Maturity Date.  If the date is not a Business Day, the "Maturity Date" shall be the first Business Day following the date that is the third (3 <sup>rd</sup> ) anniversary or fourth (4 <sup>th</sup> ) anniversary of the Investment Date, whichever is applicable.  If the Fund is earlier terminated in accordance with the provisions of the Deed, the "Maturity Date" shall mean the date of such earlier termination.
<b>medium term</b>	Means a period of between three (3) to five (5) years.
<b>MYR</b>	Means the Malaysian Ringgit, the lawful currency of Malaysia.
<b>NAV</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
<b>PHS</b>	Means the product highlights sheet, a disclosure document that contains clear and concise information of the salient features of the Fund.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to the Unit Holder's repurchase request.
<b>Repurchase Price</b>	Means the price payable to a Unit Holder by the Manager for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.

<b>SC</b>	Means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
<b>Sales Charge</b>	Means a charge imposed pursuant to the Unit Holder’s purchase request.
<b>Selling Price</b>	Means the price payable by the Unit Holder for the Manager to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
<b>Sophisticated Investors</b>	<p>Refers to –</p> <ol style="list-style-type: none"> <li>(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;</li> <li>(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;</li> <li>(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;</li> <li>(4) a corporation with total net assets exceeding MYR 10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(5) a partnership with total net assets exceeding MYR 10 million or its equivalent in foreign currencies;</li> <li>(6) a unit trust scheme or prescribed investment scheme;</li> <li>(7) a private retirement scheme;</li> <li>(8) a closed-end fund approved by SC;</li> <li>(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;</li> <li>(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;</li> <li>(11) a statutory body established by an Act of Parliament or an enactment of any State;</li> <li>(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53];</li> <li>(13) central bank of Malaysia;</li> <li>(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;</li> <li>(15) a licensed institution as defined in the Financial Services Act 2013;</li> <li>(16) an Islamic bank as defined in the Islamic Financial Services Act 2013;</li> <li>(17) an insurance company licensed under the Financial Services Act 2013;</li> <li>(18) a takaful operator registered under the Islamic Financial Services Act 2013;</li> <li>(19) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704];</li> <li>(20) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705]; and</li> <li>(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.</li> </ol>
<b>Special Resolution</b>	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, “Special Resolution” means a special resolution passed at a meeting of Unit Holders

duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.

<b>Trustee</b>	Refers to TMF Trustees Malaysia Berhad.
<b>Unit(s)</b>	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.
<b>Unit(s) in Circulation</b>	Means Units created and fully paid for and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
<b>Unit Holder(s) or You</b>	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 and the Information Memorandum is registered pursuant to the Deed as a holder of Units, including a jointholder. In relation to the Fund, means all the Unit Holders of Units in the Fund.

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

# ABOUT AFFIN HWANG DANA MALAYSIA

**FUND CATEGORY** : Mixed Assets (Wholesale)      **BASE CURRENCY** : MYR  
**FUND TYPE** : Growth      **FINANCIAL YEAR END** : 31 October

## TENURE OF THE FUND

The Fund automatically terminates on.

- the Maturity Date; or
- the Early Maturity Date;

whichever occurs first.

## 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 appreciation;
- have medium term investment horizon; and
- have high risk tolerance.

## INVESTMENT OBJECTIVE

The Fund seeks to achieve an absolute return of 30% during its tenure.

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

## PERFORMANCE BENCHMARK

FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI)

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

## ASSET ALLOCATION

Equity and equity-linked instruments	0% - 100%
Fixed income instruments	0% - 100%
Collective investment schemes	0% - 100%
Structured product and/or derivatives	0% – 50%



## **INVESTMENT STRATEGY**

To meet the Fund's objective, the Fund will hold the flexibility to invest into a range of asset classes depending on the prevailing market conditions. These asset classes would range from:

- Equities;
- Equity-linked instruments such as warrants and rights issues;
- Fixed income instruments such as debentures, money market instruments, and/or deposits with Financial Institutions;
- Collective investment schemes such as real estate investment trusts, exchange traded funds and mutual funds;
- Derivatives such as forwards, futures, swaps and options; and
- Structured products such as credit-linked notes and equity-linked notes.

At any one time, the asset mix may also comprise of one or all of the above asset classes.

When selecting the equities and equity-linked instruments, we seek to identify companies that we believe are attractively valued relative to the 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.

To provide diversification, the investment strategy would be unconstrained by any market capitalisation or sector. In our aim to maximise the Fund's growth potential, we will also 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.

When selecting fixed income instruments, the selection will depend largely on the credit quality of the issuers, its ability to meet its financial obligations, display a healthy cash flow, the collateral type, value, claims priority, as well as issuances that offer highest safety for timely payment of interest and capital.

The asset allocation decision is decided with the consideration of the market outlook for the respective asset classes over the medium to long-term horizon. Under normal market conditions, we will likely hold a higher exposure into 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.

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, exchange traded funds and mutual funds including mutual funds 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.

Due to the fast-paced 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.

### **Derivatives**

Derivative trades may be carried out for both investments and hedging purposes through financial instruments such as, but not limited to, forward contracts, futures contracts swaps and options.

## **Structured Products**

We may also invest into structured products such as, but not limited to, equity-linked notes and credit-linked notes. An investment into these structured products will provide the Fund with exposure to a referenced asset. As the note is structured by an external party, investments into a structured product 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.

At the Maturity Date, we will redeem or sell the investments, and return all proceeds to you (based on the number of Units you hold), subject to the applicable Fund expenses and fees. For the investments in fixed income instruments, we will endeavour, as far as it is possible, to purchase fixed income instruments with maturities that either matures prior to or closely mirror the maturity period for this Fund so as to enable the Fund to potentially obtain the full nominal value of those fixed income instruments upon the Maturity Date. We may trade the securities as and when opportunities arise in the Fund's portfolio.

However, if Early Maturity is triggered, that is subject to the requirements specified under "How is an Early Maturity triggered" section, we will liquidate all the investments in the portfolio and return the investment proceeds to you. In the event of an Early Maturity, the Fund will mature on the Early Maturity Date, which will fall on a Business Day as decided by us. Please refer to "Early Maturity" section for more details.

The payment of proceeds to be paid to you, however, is expected to be within two (2) weeks from the Maturity Date and will not be more than one (1) month from the Maturity Date.

## **EARLY MATURITY**

### **What is an Early Maturity?**

An Early Maturity is an event where the Fund is unwound prior to the Maturity Date, subject to the Fund achieving certain requirements (please refer to "How is an Early Maturity triggered" below). Should this occur, the Fund will mature on the Early Maturity Date. When an Early Maturity occurs, we will liquidate all of the investments in the portfolio and return to you the NAV proportion to the number of Units held by you.

### **How is an Early Maturity triggered?**

The Fund's Early Maturity will be triggered when the NAV per Unit of the Fund is at or higher than the Hurdle Value for at least three (3) consecutive Business Days. The Manager has the option to exercise the right to trigger Early Maturity by issuing Early Maturity Communiqué.

The Fund will mature on the Early Maturity Date, which will fall within the 10<sup>th</sup> Business Day immediately following the date the Manager issues the Early Maturity Communiqué to the Unit Holders, notifying that the Fund has met the Early Maturity requirements and the Fund will be unwound on the Early Maturity Date. In the event the Manager deems to be unable to liquidate all the assets on the date as stipulated in the Early Maturity Communiqué, the Manager will issue a communiqué to Unit Holders to extend the Early Maturity Date by up to the 20<sup>th</sup> Business Day from the date as stipulated in the Early Maturity Communiqué.

### **What is the expected payout to you once an Early Maturity is triggered?**

It is important to note that for Early Maturity to be triggered, the NAV per Unit must be at or higher than the Hurdle Value for at least three (3) consecutive Business Days. Hurdle Value, which is set at NAV per Unit of MYR 1.3000, is computed from an absolute return of 30% based on the offer price of the Fund.

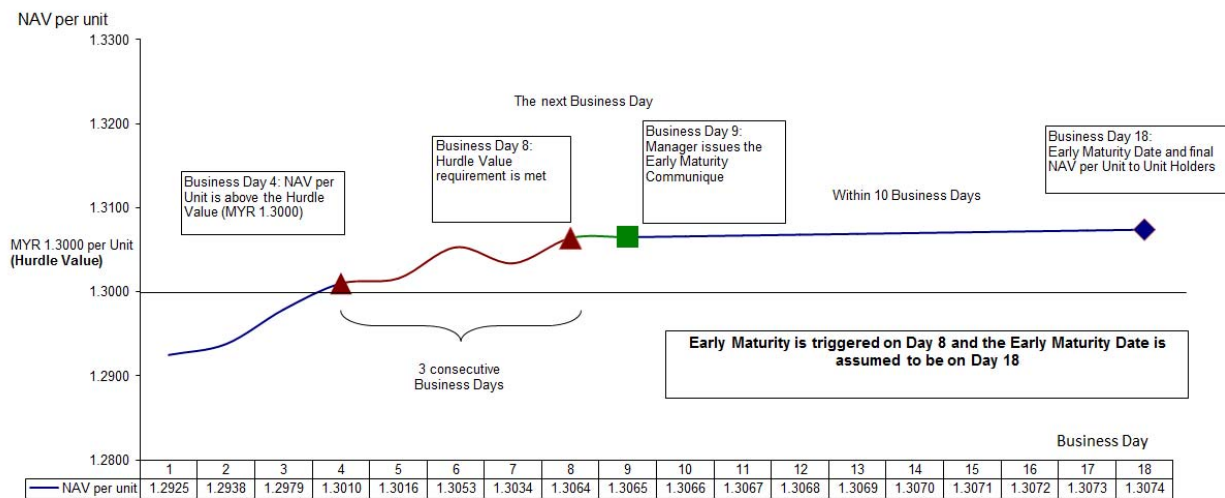
Under normal market conditions, the Early Maturity proceeds received by you based on the final NAV of the Fund are expected to closely match the Hurdle Value but it may be lower than the Hurdle Value as the liquidation of assets in the portfolio is subject to prevailing market conditions, liquidation costs and performance fee.

Please be reminded that your investments in the Fund will be subject to the risks highlighted under "Risk Factors" section.

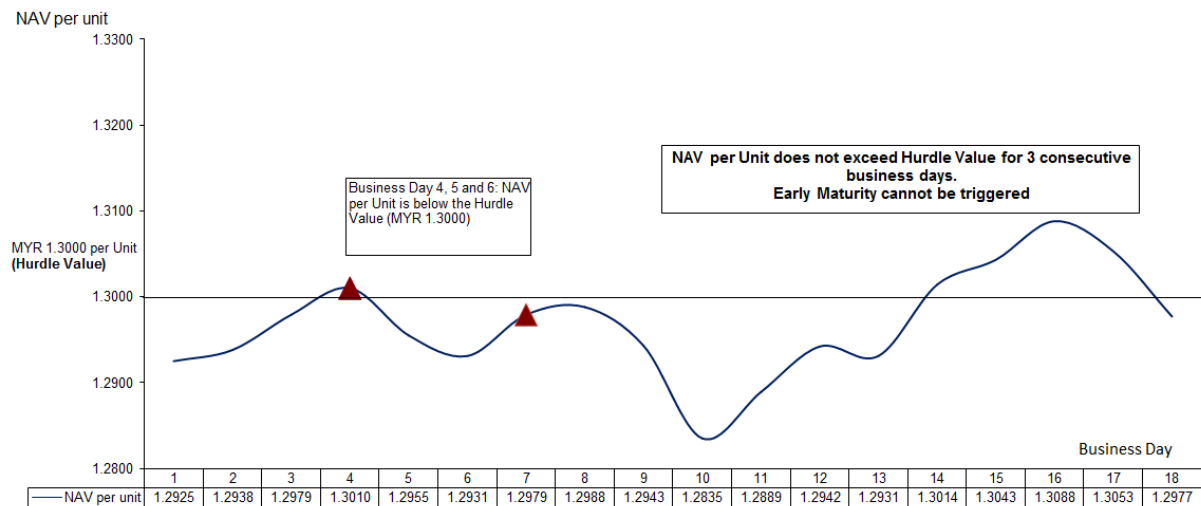
For better understanding, please see the illustrations below:

Offer price (MYR per Unit)	1.0000
Absolute return (%)	30%
Absolute return (MYR per Unit)	= Offer price x absolute return (%) = 1.0000 x 30% = 0.3000
Hurdle Value (MYR per Unit)	= Offer price + absolute return = 1.0000 + 0.3000 = 1.3000

### Early Maturity triggered



### Early Maturity not triggered



## **EXTENSION OF MATURITY DATE**

The Fund automatically terminates on the third (3<sup>rd</sup>) anniversary of the Investment Date. However, the Manager shall have the option to extend the date to the fourth (4<sup>th</sup>) anniversary of the Investment date, if in the opinion of the Manager the Fund has the potential in meeting its objective. The Manager will issue an Extension of Maturity Date Communiqué to the Unit Holder, notifying the intention to extend the Maturity Date.

Any such extension shall bind all the Unit Holders of the Fund and no objection may be made by a Unit Holder to such extension.

## **PERMITTED INVESTMENT**

- Equities
- Equity-linked instruments
- Fixed deposits
- Money market instruments
- Debentures
- Derivatives
- Structured products
- Units/shares in collective investment schemes
- Warrants
- Right issues
- 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

## **DISTRIBUTION POLICY**

The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

## **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 will be valued at 11.00 a.m. on the next Business Day (or “T + 1”). All foreign assets are translated into the base currency of the Fund i.e. MYR, 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 p.m. or 12 a.m. 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 Financial Reporting Standard 139 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.

### ➤ **Listed Securities**

Valuation of listed securities shall be based on closing market bid prices. Where no market value is publicly available or where the use of the quoted market value is inappropriate, or where no market price is available, including in the event of suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such investments will be valued at fair value determined in good faith by the Manager, on methods or bases which have verified by the auditor of the Fund and approved by the Trustee.

### ➤ **Unlisted Securities**

For unlisted securities, valuations will be based on fair value using methods which are verified by the auditor of the Fund and approved by the Trustee.

➤ **Debentures**

Valuation of unlisted debentures denominated in MYR will be done using the fair value price quoted by a bond pricing agency (“BPA”) registered with the SC. If we are of the view that the price quoted by BPA differs from the market price quoted by at least three (3) independent dealers by more than 20 basis points and we determine that the methodology used by the independent dealers to obtain the market price is more appropriate, we may elect to use the price quoted by the independent dealers as the market price, provided that we record our basis for using a non-BPA price, obtain the necessary internal approvals to use the non-BPA price and keep an audit trail of all decisions and basis for adopting the market yields.

Investment in other listed and unlisted debentures will be valued using the Composite Bloomberg Bond Trader (CBBT price) provided by Bloomberg. When CBBT prices are not available, the other listed and unlisted debentures will be valued by reference to the average indicative price quoted by at least 3 independent dealers. In the case where we are unable to obtain quotation from 3 independent dealers, the other listed and unlisted debentures will be valued in accordance to fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

➤ **Deposit**

Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of the deposits and the interests accrued thereon for the relevant period.

➤ **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 average indicative yield quoted by 3 independent and reputable institutions.

➤ **Derivatives & Structured Products**

The valuation of derivatives and structured products will be based on the rates provided by the respective issuers. 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. If the rates are not available on the Bloomberg, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where we are unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance to fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

➤ **Unlisted Collective Investment Schemes**

Investments in unlisted collective investment schemes shall be valued based on the last published repurchase price.

➤ **Any Other Investment**

Fair value as determined in good faith by us, 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 you 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 this Information Memorandum (including any supplemental prospectus) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of GST. We (including the Trustee and other service providers) will charge GST and/or any other applicable taxes on the fees, charges and expenses in accordance with the Goods and Services Tax Act 2014 and/or any other relevant or applicable laws.

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

## SALES CHARGE

Up to 3.00% on the offer price of the Fund.

## REPURCHASE CHARGE

3% on the NAV per Unit.

Notes:

- There will not be any Repurchase Charge applicable on the repurchase request made before the Investment Date.
- At the Maturity Date or Early Maturity Date, we will cancel all Units and as such do not constitute a repurchase request. That being the case, Repurchase Charge is not applicable at the Maturity Date or Early Maturity Date, as the case may be.

## TRANSFER FEE

Nil.

## SWITCHING FEE

Not applicable.

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

## ANNUAL MANAGEMENT FEE

The management fee is up to 1.00% per annum of the NAV of the Fund (before deducting the management fee and trustee fee). The management fee is accrued daily and payable monthly.

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

$$\frac{\text{MYR } 100,000,000 \times 1.00\%}{365 \text{ days}} = \text{MYR } 2,739.73 \text{ per day}$$

## ANNUAL TRUSTEE FEE

The trustee fee is up to 0.06% per annum of the NAV of the Fund (excluding foreign custodian fees and charges). The trustee fee is accrued daily and payable monthly. In addition to the annual 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 fee is calculated and accrued daily and payable monthly to the Trustee.

Please note that the example below is for illustration only:

$$\frac{\text{MYR } 100,000,000 \times 0.06\%}{365 \text{ days}} = \text{MYR } 164.38 \text{ per day}$$

## PERFORMANCE FEE

The Manager will earn a 10% performance fee on the appreciation in the NAV per Unit above the offer price of the Fund upon the Fund's Maturity. In the interest of investors, the Manager imposes a Hurdle Value, which is the NAV per Unit of MYR 1.3000. The Hurdle Value is computed from a total return of 30% based on the offer price of the Fund. In order to impose the performance fee, the Fund's NAV per Unit has to exceed the Hurdle Value. Thus, the Manager will not be eligible for the performance fee if the Fund is unable to generate more than 30% total return upon the Fund's Maturity.

For better understanding on the calculation of the performance fee, please see the illustrations below:

<b>Scenario 1</b>	
Offer price of the Fund	1.0000
NAV per Unit on the Fund's Maturity	1.3500
Hurdle Value	1.3000
Is the NAV per Unit above Hurdle Value?	Yes
Is the Manager eligible for the performance fee?	Yes
Performance fee per Unit	= 10% x (NAV per Unit – Offer price of the Fund) = 10% x (1.3500 – 1.0000) = 10% x 0.3500 = 0.0350
NAV per Unit (after performance fee)	= NAV per Unit – Performance fee per Unit = 1.3500 – 0.0350 = 1.3150

In Scenario 1, assuming the NAV per Unit on the Fund's Maturity is 1.3500 and it is higher than the Hurdle Value. The Manager is eligible for the performance fee of 10% on the appreciation in the NAV per Unit above the offer price of the Fund. In this instance, the performance fee per Unit is 0.0350. Thus, the NAV per Unit (after deduction of performance fee) will become 1.3150 which the Unit Holders will receive on the Fund's Maturity.

<b>Scenario 2</b>	
Offer price of the Fund	1.0000
NAV per Unit on the Fund's Maturity	1.2500
Hurdle Value	1.3000
Is the NAV per Unit above Hurdle Value?	No
Is the Manager eligible for the performance fee?	No
Performance fee per Unit	= 0
NAV per Unit (after performance fee)	= NAV per unit – Performance fee per Unit = 1.2500 - 0 = 1.2500

In the Scenario 2, assuming the NAV per Unit on the Fund's Maturity is 1.2500 and it is lower than the Hurdle Value. For the Manager to earn the performance fee, the NAV per Unit has to exceed the Hurdle Value. In this instance, performance fee will not be imposed. On the Fund's Maturity, the NAV per Unit which the Unit Holders will receive is 1.2500.

<b>Scenario 3</b>	
Offer price of the Fund	1.0000
NAV per Unit on the Fund's Maturity	0.9000
Hurdle Value	1.3000
Is the NAV per Unit above Hurdle Value?	No
Is the Manager eligible for the performance fee?	No
Performance fee per Unit	= 0
NAV per Unit (after performance fee)	= NAV per Unit – Performance fee per Unit = 0.9000 - 0 = 0.9000

In the Scenario 3, assuming the NAV per Unit on the Fund's Maturity is 0.9000 and it is lower than the Hurdle Value. For the Manager to earn the performance fee, the NAV per Unit has to exceed the Hurdle Value. In this instance, performance fee will not be imposed. On the Fund's Maturity, the NAV per Unit which the Unit Holders will receive is 0.9000.

### **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 in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- costs, fees and expenses properly incurred by the auditor;
- 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 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;
- costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or manager;
- costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed



- by the Fund);
- remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;
  - costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
  - costs and expenses incurred in relation to the distribution of income (if any);
  - (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;
  - fees, charges, costs and expenses relating to the preparation, printing, posting, registration and lodgement of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and
  - any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred as mentioned above.

### **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.

<b>Sales Charge</b>	3.00% on the offer price of the Fund
<b>Repurchase Charge</b>	3.00% on the NAV per Unit
<b>Annual Management Fee</b>	2.00% per annum of the NAV of the Fund calculated and accrued daily
<b>Performance Fee</b>	10% performance fee on the appreciation in the NAV per Unit above the offer price of the Fund
<b>Annual Trustee Fee</b>	0.10% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)

### **REBATES AND SOFT COMMISSIONS**

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

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

- the goods and services are of demonstrable benefit to the Unit Holder in the form of research and advisory services that assist in the decision-making process relating to Unit Holders' 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	
<b>Market risk</b>	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. 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.
<b>Fund management risk</b>	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, fraudulent, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
<b>Liquidity risk</b>	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.
<b>Performance risk</b>	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.
<b>Inflation risk</b>	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.
<b>Operational risk</b>	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.

	<b>SPECIFIC RISKS OF THE FUND</b>
<b>Stock specific risk</b>	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 movements of such stock will adversely affect the Fund's NAV.
<b>Warrant investment risk</b>	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.
<b>Credit and default risk</b>	Credit risk relates to the creditworthiness of the issuers of the fixed income instruments (such as debentures and money markets instruments) 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 instruments. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the instruments either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the instruments. This could adversely affect the value of the Fund.
<b>Interest rate risk</b>	This risk refers to the impact of interest rate changes on the valuation of the fixed income instruments (such as debentures and 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.
<b>Structured product risk</b>	This risk arises from investments into instruments such as equity-linked notes and credit-linked notes issued by a third party. The NAV of the Fund will be impacted by the valuation of the structured product. Factors that may impact the valuation of the structured products 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 the aforesaid factors would either positively or negatively impact the valuation of the structured products 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 products that the Fund invested in.
<b>Derivatives risk</b>	The Fund may be investing in derivative such as forward contracts, futures contracts swaps and options. 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.
<b>Concentration risk</b>	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 happens, 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.
<b>Currency risk</b>	Currency risk is also known as foreign exchange risk where the risk is associated with the Fund's underlying investments which are denominated in different currencies than the Fund's base currency, i.e. MYR. The impact of the exchange rate movement between MYR and the currencies of the underlying investments may result in depreciation or appreciation of the value of the Fund's investments as expressed in MYR.

	<b>SPECIFIC RISKS OF THE FUND</b>
<b>Country risk</b>	The foreign investments of the Fund may be affected by risks specific to the country in which it invests in. Such risks, which include changes in a country's economic fundamentals, social and political stability, currency movements and foreign investment policies, may have an impact on the prices of the Fund's investments in such countries. Consequently, it may also affect the Fund's NAV.
<b>Repurchase risk</b>	You are reminded to be prepared to commit your investment until the Fund's Maturity. 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.
<b>Liquidity risk</b>	Liquidity risk occurs when the particular security is difficult to dispose or purchase in the secondary market. In the adverse market circumstances, the secondary market for particular security may be illiquid and, in extreme cases, may cease to function properly. For example, liquidity may dry up in the event of severe market stress as the willingness of transacting parties from both buyers and sellers drops materially. As the liquidity in the market dwindles, the bid-ask spread tends to widen markedly as transacting parties require higher illiquidity premium to compensate for the liquidity risk. Thus, the particular security may need to be disposed at deeper discount than the usual market price. As a result, this may cause the NAV of the Fund to decline.

**!** 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 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 a Sophisticated Investor in order to invest in this Fund. Please refer to the “Glossary” chapter of this Information Memorandum for the details.

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

<b>Minimum Initial Investment</b>	MYR 100,000
<b>Minimum Additional Investment</b>	MYR 50,000
<b>Minimum Units Held</b>	100,000 Units
<b>Minimum Units of Repurchase</b>	100,000 Units

- At our discretion, we may reduce the minimum initial investment amount, minimum Units held and minimum Units of repurchase.
- Any additional investments can only be made during the offer period.

## 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 during the offer period. 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.

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

## **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](http://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 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, we will create your Units based on the offer price of the Fund. Units will ONLY be sold during the offer period.

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

## **HOW TO REPURCHASE UNITS?**

➤ You must meet the minimum holding of Units after a repurchase transaction. If you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum holdings of Units, 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.

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

Any incurred bank charges and other bank fees due to a withdrawal by cheque, 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 3.30p.m. on a Business Day (or “T day”), Units will be repurchased based on the NAV per Unit of the Fund for that Business Day. Any repurchase request received after 3.30p.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.

## **WHAT IS THE PRICING OF UNITS?**

➤ Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price. During offer period, the Selling Price and the Repurchase Price is equivalent to the offer price. After the offer period, Forward Pricing will be used to determine the Repurchase Price per Unit of the Fund, which is the NAV per Unit for the Fund as at the next valuation point after the repurchase request is received by us.

## **WHERE TO PURCHASE AND REPURCHASE UNITS?**

- Units can be purchased and repurchased at any of the location listed in “Directory of Sales Offices” section.
- You may obtain a copy of the Information Memorandum, PHS and application forms from the abovementioned location. Alternatively, you may also visit our website at [www.affinhwangam.com](http://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. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holdings of Units to remain as a Unit Holder.

It is important to note that we are at the liberty to disregard or refuse to process the transfer application if the processing of such instruction 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.

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

For cheques option, you will receive the cheque by mail within seven (7) Business Days after the distribution date, which will be sent to the last known address recorded in the Fund’s register of Unit Holders.

At the Fund’s Maturity, 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 Fund’s Maturity.

# RELATED PARTIES TO THE FUND

## ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 under the Companies Act, 1965 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 15 years’ experience in the fund management industry. Additionally, AHAM is also 30% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd, an Asian investment management franchise. AHAM offers a wide range of products, comprising conventional equity, balanced, bond, money market, capital guaranteed, capital protected, global, structured, feeder funds and exchange-traded funds, as well as Shariah-compliant equity, Islamic money market and Islamic fixed income funds.

### 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:-

### Mr Gan Eng Peng – Head of Equity Strategies & Advisory

Mr Gan joined AHAM in April 2008 as Head of Equities, bringing with him more than 20 years of experience in regional and local equities investment, corporate finance and business management. His high-conviction, bottom-up approach to stock picking that emphasizes competitive business models with quality management combined with the need for yearly income generation has gained a strong industry following. He is known for his clear, concise articulation of his investment ideas. He is the portfolio manager for AHAM’s world-class, 5-star (Morningstar\*) Affin Hwang Select Asia Quantum Fund, a small-cap Asian equity strategy, as well as AHAM’s first flagship fund, the Affin Hwang Select Opportunity Fund. His current role as Head of Equity Strategies & Advisory is to devote his time to finding new ideas, in addition to maintaining portfolio management responsibilities. Prior to joining AHAM, Mr Gan was the Head of Equities of Investments at Pacific Mutual Fund Berhad where he led an experienced fund management team. Mr Gan had overall responsibility for all their funds across the board. His role involved being responsible for all equity fund performance, research initiatives and providing marketing support. Mr Gan graduated with a Bachelor of Science (Industrial and Business Economics) from the London School of Economics, England. *\*Source data: <http://my.morningstar.com/ap/fundselect/results.aspx>.*

## ABOUT THE TRUSTEE

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 80 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 of the Fund. 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 followings:-

- (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 his behalf, of the rights of the Trustee as the registered owner of such assets.

You are not liable to the followings:-

- (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 of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in Circulation of the Fund, as the case may be, 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), whichever is less, of all the Unit Holders of the Fund, as the case may be, summon a meeting of the Unit Holders of the Fund 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, as the case may be; and
- (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), whichever is less, of all the Unit Holders of the Fund.

*Unit Holders’ Meeting convened by the Manager or Trustee*

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.

Unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee pursuant to Clause 17.2.1 and 17.2.2 of the Deed 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 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 and cancellation of Units.	AHAM	Fund

	Reimbursement by:	Receiving parties:
Under valuation and/or pricing in relation to the repurchase and cancellation 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 Monies by the Manager in accordance with the requirements of the Unclaimed Monies Act 1965.

# INVESTORS INFORMATION

## How can I keep track of my contribution?

You may obtain the daily Fund price from our website at [www.affinhwangam.com](http://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](mailto: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](mailto:customercare@affinhwangam.com)  
Website: [www.affinhwangam.com](http://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

### MELAKA

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

### JOHOR

1<sup>st</sup> Floor, No. 93,  
Jalan Molek 1/29, Taman Molek  
81100 Johor Bahru, Johor  
Tel : 07 – 351 5677 / 5977  
Fax : 07 – 351 5377

### 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

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