

INFORMATION MEMORANDUM FOR AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 8

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 Flexible Maturity Income Fund 8 is 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.

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1. CORPORATE DIRECTORY

The Manager / AHAM

Affin Hwang Asset Management Berhad (429786-T)

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Business Address

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E-mail: customercare@affinhwangam.com

Website: www.affinhwangam.com

Board of Directors of the Manager

- Tan Sri Dato' Seri Che Lodin Bin Wok Kamaruddin
- Puan 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)

Manager's Delegate

(fund valuation & accounting function)

TMF Trustees Malaysia Berhad (610812-W)

Business Address

10th floor, Menara Hap Seng

No. 1 & 3, Jalan P. Ramlee

50250 Kuala Lumpur

Tel No. : (603) 2382 4288

Fax No. : (603) 2026 1451

The Trustee

TMF Trustees Malaysia Berhad (610812-W)

Registered & Business Address

10th floor, Menara Hap Seng

No. 1 & 3, Jalan P. Ramlee

50250 Kuala Lumpur

Tel No. : (603) 2382 4288

Fax No. : (603) 2026 1451

Trustee's Delegate (Local and Foreign Custodian)

Standard Chartered Bank Malaysia Berhad (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

2. GLOSSARY

the Act or CMSA 2007	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
Board	The Board of Directors of the Manager.
Bursa Malaysia	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be changed to from time to time.
Business Day	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.
Commencement Date	Means the date of this Information Memorandum 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.
Communiqué	Refers to the notice issued by us, the Manager to you, the Unit Holder.
Cooling – off Period	Refers to a period where you are entitled to exercise your Cooling-off Right. This period is six (6) Business Days from the date the purchase request is received by the Manager.
Cooling – off Right	Refers to your right to apply for and receive a refund for every Unit that you paid for, provided that this right is exercised within the Cooling-off Period and you are an individual investor and investing in any funds managed by AHAM for the first time. This right is not applicable to you if you are: (a) a staff of AHAM; or (b) persons registered with a body approved by the SC to deal in unit trusts. You will be refunded within 10 days from receipt of the cooling-off application.
Deed(s)	Refers to the Deed dated 10 th July 2018 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed.
Development Financial Institutions (DFIs)	Means a development financial institution under the Development Financial Institutions Act 2002.
Early Maturity	An event where the Fund is unwound on or after the first (1 st) anniversary of the Investment Date up to 30 days before to the 3 rd anniversary of the Fund's Investment Date, subject to the Fund achieving early maturity requirements (please refer to "Early Maturity" at page 9 for further details).
Early Maturity Communiqué	Refers to the Communiqué issued to Unit Holders, notifying that the Early Maturity is exercised and that the Fund will be unwound on the Early Maturity Date.
Early Maturity Date	Refers to the 10 th 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 10 th Business Day, the Manager will issue a Communiqué to Unit Holders to extend the Early Maturity Date by up to the 20 th Business Day from the date the Early Maturity Communiqué is issued. The Early Maturity Date may fall on a date, earliest on the 1 st anniversary of the Investment Date up to the date, 30 days before the 3 rd anniversary of the Investment Date.
FIMM	Means the Federation of Investment Managers Malaysia.
Financial Institution	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank;

	(iii) Development Financial Institutions (DFIs); or
	(iv) Licensed Islamic Bank;
	(2) if the institution is outside Malaysia, any institution that is licensed or registered or approved or authorised to provide financial services by the relevant banking regulator.
Fitch	Refers to Fitch Ratings Inc.
Fund	Refers to Affin Hwang Flexible Maturity Income Fund 8.
GST	Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
Guidelines	<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.
Information Memorandum	Means this offer document in respect of this Fund.
Institutional Unit Trust Advisers (IUTA)	Means an institution or organisation or corporation that is licensed by the SC for the purpose of carrying out dealing in securities restricted to unit trusts and is duly registered with the FiMM to market and distribute unit trust funds.
Investment Date	Means the date on which the investment of the Fund may first be made and it is the date which begins on the next Business Day immediately after the expiry of the Offer Period. A reference to the Fund's anniversary shall be a reference from this Investment Date.
Licensed Bank	Means a bank licensed under Financial Services Act 2013.
Licensed Investment Bank	Means an investment bank licensed under Financial Services Act 2013.
Licensed Islamic Bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
The Manager / AHAM	Refers to Affin Hwang Asset Management Berhad.
MARC	Refers to Malaysian Rating Corporation Berhad.
Maturity Date	Means the date on which the Fund automatically terminates and is the date, which is the third (3 rd) 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 rd) anniversary of the Investment Date. If the Fund is earlier terminated in accordance with the provisions of the Deed, and due to the Early Maturity feature, the "Maturity Date" shall mean the date of such earlier termination.
Moody's	Refers to Moody's Investors Service.
MYR	Means the Malaysian Ringgit, the lawful currency of Malaysia.
Net Asset Value or NAV	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
Offer Period	Means a period of not more than forty five (45) days from the Commencement Date of the Fund, whereby the Units of the Fund are open for sale at its Offer Price.
Offer Price	Means the fixed price for each Unit during the Offer Period.
Over-the-Counter (OTC)	OTC trades refer to trading of financial instruments directly between two parties without going through the securities exchange i.e. the financial instruments are not formally traded on a securities exchange.
Penalty Charge	Means a charge imposed pursuant to your request for repurchase of Units of

	the Fund.
RAM	Refers to RAM Rating Services Berhad.
Repurchase Price	Means the price payable to you by us for a Unit pursuant to a repurchase request and it shall be exclusive of any Penalty Charge.
SC	Means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
Sales Charge	Means a charge imposed pursuant to the Unit Holder's purchase request.
Selling Price	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.
Short term	Means a period of less than three (3) years.
Sophisticated Investors	Refers to – <ul style="list-style-type: none"> (1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed MYR 3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; (2) an individual who has a gross annual income exceeding MYR 300,000 or its equivalent in foreign currencies per annum in the preceding 12 months; (3) an individual who, jointly with his or her spouse, has a gross annual income exceeding MYR 400,000 or its equivalent in foreign currencies per annum in the preceding 12 months; (4) a corporation with total net assets exceeding MYR 10 million or its equivalent in foreign currencies based on the last audited accounts; (5) a partnership with total net assets exceeding MYR 10 million or its equivalent in foreign currencies; (6) a unit trust scheme or prescribed investment scheme; (7) a private retirement scheme; (8) a closed-end fund approved by SC; (9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding MYR 10 million or its equivalent in foreign currencies; (10) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the Act and has assets under management exceeding MYR 10 million or its equivalent in foreign currencies; (11) a statutory body established by an Act of Parliament or an enactment of any State; (12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53]; (13) central bank of Malaysia; (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; (15) a licensed institution as defined in the Financial Services Act 2013; (16) an Islamic bank as defined in the Islamic Financial Services Act 2013; (17) an insurance company licensed under the Financial Services Act 2013; (18) a takaful operator registered under the Islamic Financial Services Act 2013; (19) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704]; (20) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705]; and (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.
Special Resolution	Means a resolution passed by a majority of not less than three quarter (¾) of Unit Holders voting at a meeting of the Unit Holders. <i>For the purpose of terminating the Fund, a Special Resolution is passed by a majority in number representing at least three quarter (¾) of the value of Units held by the Unit Holders voting at the meeting in person or by proxy.</i>
Standard & Poor's	Refers to Standard & Poor's Financial Services LLC.
Target NAV per Unit	Means the NAV per Unit target for Early Maturity to be triggered (please refer to "What is an Early Maturity" at page 9 for further details). The Target NAV per Unit is computed via the following formula: MYR1.0100 + Sales Charge per Unit imposed + Target Yield in MYR per unit terms. For the avoidance of doubt, MYR 1.0100 per Unit is a preset to reflect the Offer Price, with an additional buffer of 1% i.e. MYR 1.0000 + MYR 0.0100.
Target Yield	Means the annual income distribution rate that the Fund endeavours to distribute to Unit Holders, subject to the availability of income. The Target Yield in MYR per unit terms = Target Yield × (Offer Price + Sales Charge per Unit imposed). For the purpose of calculating Target Yield in MYR per unit terms, if the Sales Charge rate is 3.0%, the Sales Charge per Unit is MYR 0.030). The Target Yield shall be confirmed via a Communiqué after the end of the Offer Period.
Trustee	Refers to TMF Trustees Malaysia Berhad.
Unit or Units	It is a measurement of the right or interest of a Unit Holder and includes a fraction of a Unit.
Units in Circulation	Means Units created and fully paid. It is the total number of Units issued at a particular valuation point.
Unit Holder or Unit Holders 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 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.
Yield to Maturity	The total return anticipated on a fixed income instrument if the fixed income instrument is held until the end of its lifetime.

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

3. ABOUT THE FUND

Fund Category	Wholesale Fixed Income (Close-ended)						
Base Currency	MYR						
Fund Type	Income						
Financial Year End	30 September						
Launch Date	1 August 2018						
Investors' Profile	The Fund is suitable for investors who: <ul style="list-style-type: none"> • have three (3) years investment horizon; and • have a moderate risk tolerance. 						
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 in the event we determine that it is in your best interest. We will then issue a Communiqué to Unit Holders, notifying that the Offer Period is shorten and the actual Investment Date will be stated in the same Communiqué. The Offer Price during the Offer Period is set at MYR 1.00 only. Units will ONLY be sold during the Offer Period.						
Maturity Date	On the third (3 rd) anniversary of the Investment Date or such earlier date in accordance with the provisions of the Deed or subject to the Early Maturity feature.						
Financial Year End	30 September The final Financial Year shall coincide with the Maturity Date of the Fund.						
Distribution Policy	Depending on the level of income the Fund generates, the Fund will provide distribution on an annual basis. <i>The income distribution is expected to be primarily derived from coupons received.</i>						
Investment Objective	The Fund aims to provide income through investments in fixed income instruments. <i>Note :</i> <i>Any material change to the Fund's investment objective would require Unit Holders' approval.</i> <i>All income distribution will be made in the form of cash. There will be no option for Unit Holders to reinvest the income in the form of additional Units for this Fund.</i>						
Performance Benchmark	3-years Malayan Banking Berhad fixed deposit rate as at Investment Date (source: www.maybank2u.com.my) The risk profile of this Fund is different from the risk profile of the benchmark.						
Asset Allocation	The Fund asset allocation range is as follows:- <table border="1" data-bbox="571 1742 1348 1966"> <thead> <tr> <th>Asset Class</th> <th>% of NAV of the Fund</th> </tr> </thead> <tbody> <tr> <td>Fixed income instruments[#]</td> <td>Minimum of 70% of the Fund's NAV</td> </tr> <tr> <td>Liquid assets, derivatives, and/or structured products</td> <td>Remaining balance of the Fund's NAV</td> </tr> </tbody> </table> <p>[#] As stated under section 3 – "Permitted Investment", item (a), (b), and (c).</p>	Asset Class	% of NAV of the Fund	Fixed income instruments [#]	Minimum of 70% of the Fund's NAV	Liquid assets, derivatives, and/or structured products	Remaining balance of the Fund's NAV
Asset Class	% of NAV of the Fund						
Fixed income instruments [#]	Minimum of 70% of the Fund's NAV						
Liquid assets, derivatives, and/or structured products	Remaining balance of the Fund's NAV						

Investment Strategies

To achieve the objective of the Fund, we intend to invest a minimum of 70% of the Fund's NAV in fixed income instruments and the remaining balance of the Fund's NAV in liquid assets. The minimum allocation of fixed income instruments however will not be observed during the early inception of the Fund as we build the portfolio, and nearing the Maturity Date as the Fund begins to divest.

The Fund may also invest up to 40% of its NAV in unrated bonds and/or bonds which are rated below investment grade by Standard & Poor's, Moody's, Fitch, RAM, MARC or any other rating agencies (please refer to the credit ratings chart under Section 4 – "Credit and default risk", for further details).

At the Maturity Date of the Fund, we shall 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. In this respect, we will endeavour, as far as it is possible, to purchase investments with maturities that closely mirror the maturity period for this Fund so as to enable the Fund to potentially obtain the full nominal value of those instruments upon the Maturity Date. We may trade the fixed income instruments as and when opportunities arise and/or to manage the credit risk of the fixed income instruments issuers or external adverse events affecting any of the fixed income instruments in the Fund's portfolio. In the event the Maturity Date falls on a non-Business Day, the Maturity Date shall be the first Business Day following the date that is the third (3rd) anniversary of the Investment Date.

However, if Early Maturity is triggered, that is subject to the requirements specified under "How is an Early Maturity triggered", 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" on page 9-11 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.

The fundamental investment process will be driven by two main factors:

1. The interest rate outlook for the market over the Short term; and
2. The overall balance between credit quality and yield of the targeted bonds.

This entails studying relevant economic and business statistics in order to produce forecasts of interest rate trends over the Short term.

Fixed Income Instruments Selection Process and Criteria

We will follow a strict selection process to ensure only appropriate fixed income instruments are invested in order to meet the Fund's investment objective. The selection process is in essence of a screening process that selects instruments with risk-return profiles that match the Fund's objective and maturity.

The selection of the fixed income instruments will depend largely on its credit quality. Focus will be on the ability of the issuer and/or guarantor to meet their financial obligations and make timely payment of interest and principal in order to protect your interest while delivering the expected returns to the Fund and meet the Fund's investment objective. The following are the more important considerations:

- Issuer's and/or guarantor's industry and business Short term outlook;
- Issuer's and/or guarantor's financial strength and gearing levels;
- Issuer's and/or guarantor's cash flow quality and volatility;
- Issuer's and/or guarantor's expected future cash flow and ability to pay interest and principal;
- Collateral type and value, and claims priority;
- Price and yield-to-maturity; and
- Issuer's and/or guarantor's ratings by RAM, MARC, Standard & Poor's, Moody's, Fitch, or equivalent.

Investments in Foreign Fixed Income Instruments

The Fund will invest in foreign fixed income instruments where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions (IOSCO).

The Fund will also invest in money market instruments and deposits with Financial Institutions. The selection of the issuers will depend largely on the credit quality and liquidity of the issuer based on our internal credit rating model.

Derivative Investments

Derivatives 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 Product

The Fund may also invest into structured products such as but not limited to credit linked notes. Investment into these structured products will provide the Fund with the exposure to the reference asset. Each of these products has its own targeted maturity and will expose investors to the price fluctuation of, in the case of a credit linked note, the reference entity that the credit linked note is linked to. As a result, any fluctuation in the price of the structured product may also lead to fluctuations in the NAV of the Fund i.e., if the price of the structured product sees a drop in price, the NAV of the Fund will also be negatively impacted. 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 its counterparty prior to an investment being made.

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

An Early Maturity is an event where the Fund is unwound on or after the first (1st) anniversary of the Fund's Investment Date and up to 30 days before the third (3rd) anniversary of the Fund's Investment 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:-

- (a) The NAV per Unit of the Fund is at or higher than the Target NAV per Unit for at least ten (10) consecutive Business Days; and
- (b) Once criteria (a) is met, we have the option to exercise the right to trigger an Early Maturity by issuing an Early Maturity Communiqué to you on the next Business Day of the day when criteria (a) is met.

Once (a) and (b) have occurred, the Fund shall mature on the Early Maturity Date, which shall fall on the 10th Business Day immediately following the date we issue the Communiqué to you. In the event we deem unable to liquidate all the assets on the 10th Business Day, we will issue a Communiqué to you to extend the Early Maturity Date up to the 20th Business Day from the date the Early Maturity Communiqué is issued.

Note: The Early Maturity Date may fall on a date, earliest on the 1st anniversary of the Investment Date up to the date, 30 days before the 3rd anniversary of the Investment Date.

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

It is important to note that for an Early Maturity to be triggered, one of the criteria is that the NAV per Unit of the Fund must be higher than the Target NAV per Unit for at least ten (10) consecutive Business Days. The Target NAV per Unit is MYR1.0100 + Sales Charge per

Unit imposed + Target Yield in MYR per unit terms.

The Target Yield is the annual income distribution rate that the Fund endeavours to distribute to you, subject to the availability of income. It is useful to note that the Target Yield is a projected distribution rate that the Fund is expected to be able to meet, based on the targeted portfolio of fixed income instruments investments.

The Target Yield shall be confirmed via a Communiqué after the end of the Offer Period and is expected to be presented as a % rate (e.g. 4.80%). For the Target Yield to be adjusted in MYR per unit terms, the following calculation will be used:

Target Yield in MYR per unit terms = (Target Yield × (Offer Price + Sales Charge per Unit))

As an illustration to how the Target NAV per Unit is computed, let assume the following:

Target Yield: 4.80%

Sales Charge per Unit imposed: 3.0% (i.e. MYR0.0300 per Unit)

Offer Price: MYR1.0000 per Unit

Target Yield in MYR per unit terms = (4.80% × (MYR 1.0000 + MYR 0.0300)) = MYR 0.0494

The Target NAV per Unit is computed as:-

MYR1.0100 plus Sales Charge per Unit imposed and Target Yield in MYR per unit terms
= MYR1.0100 + MYR0.0300 + MYR0.0494 = MYR1.0894 per Unit

Therefore, the Target NAV per Unit is MYR1.0894.

In this example, the Fund's NAV per Unit will need to be at least MYR1.0894 per Unit for 10 consecutive Business Days before we can issue the Early Maturity Communiqué on the next Business Day of the day when criteria (a) of "How Is an Early Maturity triggered" is met. Subsequently, the Fund will early mature on the 10th Business Day following the date the Early Maturity Communiqué is issued. We will need to liquidate the remaining assets in the Fund and you will be paid based on the NAV of the Fund as at the 10th Business Day from the date the Early Maturity Communiqué is issued. In the event we deem unable to liquidate all the assets on the 10th Business Day, we will issue a Communiqué to you to extend the Early Maturity Date up to the 20th Business Day from the date the Early Maturity Communiqué is issued. In such event, Unit Holders will be paid based on the NAV of the Fund as at the 20th Business Day from the date the Early Maturity Communiqué is issued.

As a reminder, the Target NAV per Unit covers your initial capital invested including the Sales Charge imposed and the annual income distribution at a rate that the Fund endeavours to distribute to you. The Early Maturity proceeds received by you based on the final NAV of the Fund is expected to closely match the Target NAV per Unit but it may be lower than the Target NAV per Unit as the liquidation of assets in the portfolio is subject to market conditions and liquidation costs. To increase the likelihood of the Offer Price, Sales Charge imposed and Target Yield being covered by the Early Maturity proceeds, an additional buffer of 1% has been incorporated into the computation of Target NAV per Unit. The final NAV will be communicated to you via a Communiqué.

Once a Target Yield is confirmed, the Target NAV per Unit will remain the same throughout the life of the Fund. It is useful to note that the Fund is expected to provide annual income distributions with a minimum per annum rate that equals the Target Yield until the Fund matures. Should the Early Maturity occur in a later stage of the Fund, such as on the 2nd year, you would have already received 2 rounds of annual income distributions on top of the Early Maturity proceeds. Please be reminded that your investments in the Fund will be subject to the risks highlighted under Section 4 – "Understanding The Risks Of The Fund".

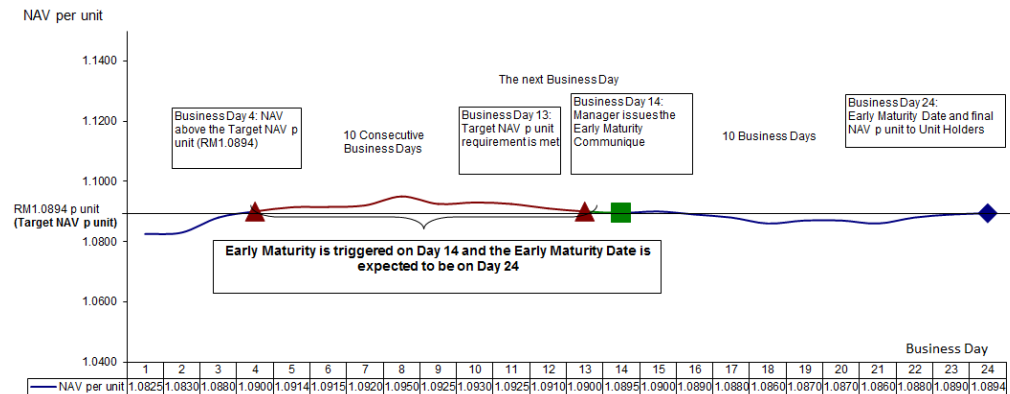
Assumptions

Note: For illustration purposes, business day count starts from the 1st anniversary of Investment Date. The Early Maturity Date may fall on a date, earliest on the 1st anniversary of the Investment Date up to the date, 30 days before the 3rd anniversary of the Investment

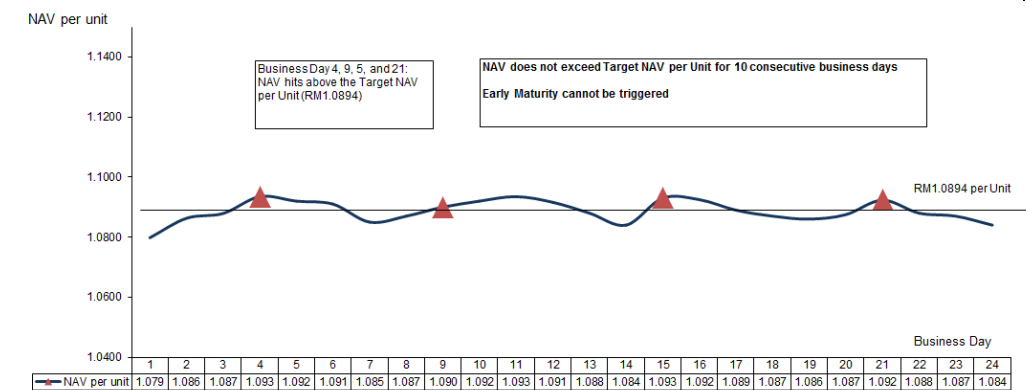
Date.

Sales Charge	3.00%
Offer Price (MYR per Unit)	1.0000
Target Yield	4.80%
Target Yield (MYR per Unit)	0.0494
Target NAV per Unit	1.0894

Early Maturity triggered



Early Maturity not triggered



Permitted Investment

The Fund will invest in the following investments:

- Bonds and other form of securitised debts;
- Money market instruments;
- Deposits with Financial Institutions;
- Derivatives;
- Structured products; and
- Any other form of investments permitted by the SC from time to time which are in line with the objective of the Fund.

Investment Limit

The purchase of the permitted investments set out above shall not contravene the following limit, unless otherwise revised by us as we may deem beneficial to you from time to time:-

- The aggregate value of the Fund's investments in bonds and other forms of securitised debt, money market instruments, deposits with financial institutions and OTC derivatives issued by or placed with (as the case may be) any single issuer/institution shall not exceed 25% of the Fund's NAV;
- The value of the Fund's investments in bonds and other form of securitised debt issued by any single issuer shall not exceed 20% of the Fund's NAV;
- The single issuer limit in (b) may be increased to 30% if the bonds and other forms of securitised debt are rated by RAM, MARC, Standard & Poor's, Moody's or Fitch to be of

	<p>the best quality and offer highest safety for timely payment of interest and principal (i.e. AAA by RAM or its equivalent rated by other rating agencies);</p> <p>d) For the purpose of (a), where the single issuer limit is increased to 30% pursuant to item (c), the aggregate value of the Fund's investments shall not exceed 30% of the Fund's NAV;</p> <p>e) The value of the Fund's investments in bonds and other forms of securitised debt issued by any one group of companies shall not exceed 30% of the Fund's NAV;</p> <p>f) The aggregate value of the Fund's investments in bonds and other forms of securitised debt which are rated below investment grade i.e. lower than BBB3 rating by RAM or below investment grade rating by other rating agencies, must not exceed 40% of the Fund's NAV;</p> <p>g) The value of the Fund's placements in deposits with any single institution shall not exceed 20% of the Fund's NAV;</p> <p>h) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times;</p> <p>i) The value of the Fund's OTC derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV;</p> <p>j) The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV. However, this exposure limit does not apply to :-</p> <ol style="list-style-type: none"> i. Debentures traded on an OTC market; and ii. The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV; <p>k) The Fund's investments in bonds and other forms of securitised debt shall not exceed 20% of that issued by any single issuer;</p> <p>l) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a predetermined issue size;</p> <p>m) The limits and restrictions on the permitted investments set out above does not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia as stipulated in Schedule A of the Guidelines;</p> <p>n) The issuers of the OTC derivatives must be licensed financial institutions with a minimum long term rating of AA by RAM or its equivalent rated by other rating agencies; and</p> <p>o) Any other investment limits or restrictions imposed by the Guidelines applicable to the Fund.</p> <p>The aforesaid investment restrictions and limits must be complied with at all times based on the most up-to-date valuation of the investments and instruments of the Fund. However, a 5% allowance in excess of any restriction or limit may be permitted where the restriction or limit is breached through the appreciation or depreciation in NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments of the Fund, the repurchase of Units or payments made from the Fund or due to currency movements).</p> <p>If the relevant limit is breached, no further acquisition of the particular securities involved shall be made. We shall, within a reasonable period of not more than three (3) months from the date of breach take all necessary steps and actions to rectify the breach.</p>
<p>Cross Trades Policy</p>	<p>We may conduct cross trades between funds we currently manage provided that all criteria imposed by the regulators are met. Notwithstanding, cross trades between the personal account of our employee and the Fund's account(s); and between our proprietary trading accounts and the Fund's account(s) are strictly prohibited. Compliance with the criteria are monitored by our compliance unit, and reported to our compliance and risk management committee, to avoid conflict of interests and manipulation that could have a negative impact on the investors.</p>

4. UNDERSTANDING THE RISKS OF THE FUND

Below are the risks associated with the investments of the Fund. Before investing, you should first consider these factors. You are recommended to read the whole Information Memorandum to assess the risk of the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk.

GENERAL RISKS OF THE FUND	
Fund management risk	This risk refers to our day-to-day management of the Fund which will impact the performance of the Fund. For example, the 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 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.
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.
Loan financing risk	This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes your inability to service the loan repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan/financing.
Operational risk	This risk refers to the possibility of a breakdown in our internal controls and policies. The breakdown may be a result of human error, system failure or may be fraud where our employees collude with one another. This risk may cause monetary loss and/or inconvenience to you. We will regularly review its internal policies and system capability to mitigate instances of this risk. Additionally, we maintain a strict segregation of duties to mitigate instances of fraudulent practices amongst our employees.

SPECIFIC RISKS OF THE FUND	
Interest rate risk	Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income instruments. When interest rates rise, fixed income instruments prices generally decline and this may lower the market value of the Fund's investment in fixed income instruments. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, the Manager will need to manage the fixed income portfolio taking into account the coupon rate and time to maturity of the fixed income instruments.
Credit and default risk	Credit risk relates to the creditworthiness of the issuers of the fixed income 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 fixed income instrument. In the case of rated

fixed income instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a fixed income instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income instruments. This could adversely affect the value of the Fund.

As the Fund may also invest up to 40% of its NAV in unrated bonds and/or bonds which are rated below investment grade by Standard & Poor's, Moody's, Fitch, RAM, MARC or any other rating agencies, this will imply a higher credit risk. The Manager will follow a strict selection process to reduce the credit risk of the Fund. Please refer to "Fixed Income Instruments Selection Process and Criteria at page 8 for more details.

The chart below shows the credit rating assigned by Moody's, Standard & Poor's, Fitch, RAM and MARC:-

	Global Rating Agencies			Malaysian Rating Agencies	
	Moody's	Standard & Poor's	Fitch	MARC	RAM
Investment Grade	Aaa	AAA	AAA	AAA	AAA
	Aa1	AA+	AA+	AA+	AA1
	Aa2	AA	AA	AA	AA2
	Aa3	AA-	AA-	AA-	AA3
	A1	A+	A+	A+	A1
	A2	A	A	A	A2
	A3	A-	A-	A-	A3
	Baa1	BBB+	BBB+	BBB+	BBB1
	Baa2	BBB	BBB	BBB	BBB2
Baa3	BBB-	BBB-	BBB-	BBB3	
Non-Investment Grade	Ba1	BB+	BB+	BB+	BB1
	Ba2	BB	BB	BB	BB2
	Baa3 & lower	BB- & lower	BB- & lower	BB- & lower	BB3 & lower

Note: Credit ratings assigned by the credit rating agencies are dependent on the analyses and assessments conducted by the respective agencies. Due to different methodologies used by the agencies, the creditworthiness of the bonds may be concluded differently as well. Therefore, the credit ratings are not the sole indicator of investment merit. As such, credit rating assigned by a rating agency cannot be assumed as an equivalent rating by another rating agency and therefore, it should not be compared against with another.

Liquidity risk in relation to the Fund	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.
Derivative risk	We may use derivatives for hedging purposes as well as for investment purposes. Valuation of derivatives takes into account a multitude of factors such as price of the underlying assets, volatility of underlying assets, interest rate levels, the correlation between the underlying assets and the derivative, the implied future direction of the underlying assets and other factors. Any adverse changes of the factors mentioned above, may result in a lower NAV.

Reinvestment risk	This risk arises when an issuer of fixed income instrument decides to repay the principal earlier than the intended maturity date, especially during times of declining interest rates. As a result, the Fund may experience lower returns due to reinvesting in lower yielding fixed income instruments.
Country risk	Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall.
Currency risk	As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors 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. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
Regulatory risk	The investments of the Fund would be exposed to changes in the laws and regulations in the countries the Fund is invested in. These regulatory changes pose a risk to the Fund as it may reduce the attractiveness of investment in that particular country. For example, an increase of tax rate in that country may increase the Fund expenses and may reduce the return of the investment of the Fund. In an effort to manage and mitigate such risk, we seek to continuously keep abreast of regulatory developments (for example, by closely monitoring announcements on regulators' website and mainstream medias) in that country. The Manager may dispose its investments in that particular country should the regulatory changes adversely impact the Unit Holders' interest or diminish returns to the Fund.
Political risk	Changes in political environment can directly or indirectly impact investments of the Fund. For example political instability that leads to social unrest could lead to disruption of economic activity which may impact the Fund's investments in that country. A change in government policies could also impact the Fund's investments. For example, a new government may not be pro investment or the existing government may not have the same investment policies in perpetuity. This may cause the Fund having to liquidate investments below the initial investment price. Political risk is also related to regulatory risk.
Mismatch risk	This risk arises upon the commencement of the Investment Date when there is a mismatch between the Maturity Date of the Fund and the maturity date of the investments which the Fund holds. A mismatch of maturity may potentially result in a loss to the Fund. As a simple example, assuming that the Fund matures on 31 August 2021 (3 years from Investment Date of 31 August 2018) but the Fund is holding a bond that matures only in 2022. When the Fund matures, the Fund is forced to sell that bond (to liquidate all investments) at the current market price (as at 31 August 2021) which may be lower than the nominal value of the bond had the bond been held until 2022.

5. WHAT ARE THE FEES AND CHARGES INVOLVED?



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

You should be aware that all fees, charges and expenses referred to or quoted in the Information Memorandum (including any supplemental information memorandum) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of GST and/or any other applicable taxes. 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.

Sales Charge	3.00% of the Offer Price <i>The Sales Charge is not negotiable.</i>
Penalty Charge	<p>We will impose a Penalty Charge if repurchase of Units is made after the Investment Date of the Fund.</p> <p>Depending on when the repurchase request is made, the following Penalty Charge shall be applicable:</p> <ul style="list-style-type: none"> • 3.00% of NAV per Unit from the Investment Date up to the first (1st) anniversary of the Investment Date. • 2.00% of NAV per Unit from the Business Day immediately following the first (1st) anniversary up to the second (2nd) anniversary of the Investment Date. • 1.00% of NAV per Unit from the Business Day immediately following the second (2nd) anniversary up to the third (3rd) anniversary of the Investment Date. • At Maturity Date or Early Maturity Date – Nil <p><i>The Penalty Charge is not negotiable.</i></p> <p>Notes:</p> <p>(1) There will not be any Penalty Charge applicable on the exercise of Cooling-off Right and repurchase request made before the Investment Date.</p> <p>(2) 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, Penalty Charge is not applicable at the Maturity Date or Early Maturity Date, as the case may be.</p> <p>(3) The Penalty Charge will be retained by the Fund for the benefit of remaining Unit Holders.</p> <p>(4) The Penalty Charge is not subject to GST or any other applicable taxes.</p> <p>Assuming that the number of Units repurchased is 100,000, the NAV per Unit is MYR1.00 and the repurchase request is made on the Fund's 1st anniversary from the Investment Date, the repurchased amount would be:-</p> $100,000 \text{ Units} \times \text{MYR}1.00 = \text{MYR}100,000$ <p>Then, the penalty charge would be:-</p> $\text{MYR}100,000 \times 3.0\% = \text{MYR}3,000$
Transfer Fee	Nil.
Switching Fee	Not applicable as the switching facility is not available for this Fund.
Annual Management Fee	Nil

<p>Annual Trustee Fee</p>	<p>The Fund pays an annual trustee fee of up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges). The Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.</p> <p>The trustee fee is calculated and accrued daily and payable monthly to the Trustee.</p> <p>Assuming that the NAV of the Fund is MYR120 million for the day, then the daily accrued trustee fee would be:-</p> $\frac{\text{MYR120 million} \times 0.04\%}{365 \text{ days}} = \text{MYR 131.51 per day}$								
<p>Administrative Fee</p>	<p>Only fees and expenses that are directly related and necessary to the business of the Fund may be charged to the Fund. These include the following:</p> <ul style="list-style-type: none"> (a) Charges/fees paid to foreign sub-custodian; (b) Taxes (including but not limited to goods and services tax) and other duties charged on the Fund by the Government and/or other authorities; (c) The fee and other expenses properly incurred by the auditor appointed for the Fund; (d) Fees for the valuation of any investments of the Fund by independent valuers; (e) Costs incurred for the modification of the Deed of the Fund other than those for the benefit of the Manager and/or Trustee; (f) Cost incurred for any meeting of the Unit Holders except for those that convened for the benefit of the Manager or Trustee; and (g) Other fees/expenses permitted in the Deed. 								
<p>Maximum Rate of Fees And Charges Allowable By The Deed</p>	<p>We may impose higher fees and charges up to the following stated maximum rate, provided that we have taken the necessary procedures (please refer to page 24 for details) to increase the fees and charges.</p> <table border="1" data-bbox="587 1305 1433 2022"> <tr> <td data-bbox="593 1305 906 1355">Sales Charge</td> <td data-bbox="912 1305 1426 1355">5.00% of the Offer Price</td> </tr> <tr> <td data-bbox="593 1364 906 1825">Penalty Charge</td> <td data-bbox="912 1364 1426 1825"> <ul style="list-style-type: none"> • 3.00% of NAV per Unit from the Investment Date up to the first (1st) anniversary of the Investment Date. • 2.00% of NAV per Unit from the Business Day immediately following the first (1st) anniversary up to the second (2nd) anniversary of the Investment Date. • 1.00% of NAV per Unit from the Business Day immediately following the second (2nd) anniversary up to the third (3rd) anniversary of the Investment Date. • At Maturity Date or Early Maturity Date – Nil </td> </tr> <tr> <td data-bbox="593 1834 906 1899">Annual Management Fee</td> <td data-bbox="912 1834 1426 1899">3.00% per annum of the NAV of the Fund calculated and accrued daily</td> </tr> <tr> <td data-bbox="593 1908 906 2022">Annual Trustee Fee</td> <td data-bbox="912 1908 1426 2022">0.10% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)</td> </tr> </table>	Sales Charge	5.00% of the Offer Price	Penalty Charge	<ul style="list-style-type: none"> • 3.00% of NAV per Unit from the Investment Date up to the first (1st) anniversary of the Investment Date. • 2.00% of NAV per Unit from the Business Day immediately following the first (1st) anniversary up to the second (2nd) anniversary of the Investment Date. • 1.00% of NAV per Unit from the Business Day immediately following the second (2nd) anniversary up to the third (3rd) anniversary of the Investment Date. • At Maturity Date or Early Maturity Date – Nil 	Annual Management Fee	3.00% per annum of the NAV of the Fund calculated and accrued daily	Annual Trustee Fee	0.10% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)
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Annual Trustee Fee	0.10% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)								

6. DEALING INFORMATION

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

<p>Pricing of Units</p>	<p>The Selling Price and the Repurchase Price of the Fund shall be equivalent to the Offer Price per Unit of the Fund. Thereafter, the Repurchase Price is equivalent to the NAV per Unit of the Fund.</p>				
<p>How Can I Invest?</p>	<p>You can obtain the Information Memorandum, account opening form and investment application form from our offices listed in Section 11 – Directory of Sales or from any of the our authorised agents. The Fund’s application form can be handed directly to any of the said offices, or sent by mail, together with a cheque or bank draft made payable to “<i>Affin Hwang Asset Management Berhad-CTA</i>”. All cheques and bank drafts have to be crossed and drawn on a local bank. Bank charges, where relevant, for outstation cheques will be borne by you.</p> <p>Units can be bought on any Business Day between 8.45 a.m. to 3.30 p.m. at any of the locations set out in Section 11 – Directory of Sales.</p> <p>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.</p> <table border="1" data-bbox="587 831 1434 1704"> <thead> <tr> <th data-bbox="587 831 1007 875">Individual or Jointholder</th> <th data-bbox="1015 831 1434 875">Corporation</th> </tr> </thead> <tbody> <tr> <td data-bbox="587 880 1007 1704"> <ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • A copy of identity card or passport or any other document of identification; • Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (“CRS”) Self-certification Form. </td> <td data-bbox="1015 880 1434 1704"> <ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • Certified true copy of memorandum and articles of association*; • Certified true copy of certificate of incorporation*; • Certified true copy of form 24 and form 49*; • Certified true copy of form 8, 9, 13, 20 and 44 (where applicable) *; • Latest audited financial statement; • Board resolution relating to the investment; • A list of the authorised signatories; • Specimen signatures of the respective signatories; • Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (“CRS”) Self-certification Form. <p style="text-align: right; font-size: small;">* or any other equivalent documentation issued by the authorities.</p> </td> </tr> </tbody> </table>	Individual or Jointholder	Corporation	<ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • A copy of identity card or passport or any other document of identification; • Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (“CRS”) Self-certification Form. 	<ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • Certified true copy of memorandum and articles of association*; • Certified true copy of certificate of incorporation*; • Certified true copy of form 24 and form 49*; • Certified true copy of form 8, 9, 13, 20 and 44 (where applicable) *; • Latest audited financial statement; • Board resolution relating to the investment; • A list of the authorised signatories; • Specimen signatures of the respective signatories; • Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (“CRS”) Self-certification Form. <p style="text-align: right; font-size: small;">* or any other equivalent documentation issued by the authorities.</p>
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<p>How Can I Redeem?</p>	<p>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”).</p> <p>You will be paid within ten (10) days from the day we receive your repurchase request and provided that all documentations are completed and verifiable.</p>				

	<p>However, if the request to the Trustee to repurchase or cancel the Units results in the sale of assets of the Fund, or sale of assets which cannot be liquidated at an appropriate price or on adequate terms and if such request would adversely affect the Fund and the interest of existing Unit Holders, the Trustee may refuse the said request in accordance to the Deed.</p> <p>You must complete a repurchase form and elect whether to receive the proceeds in a manner of cheque or telegraphic transfer. If cheque is elected, it will be issued in your name. If telegraphic transfer is elected, proceeds will be transferred to your bank account.</p> <p>Any incurred bank charges and other bank fees due to a withdrawal by way of telegraphic transfer, bank cheque or other special arrangement method will be borne by you.</p>
Minimum Initial Investment*	MYR 5,000
Minimum Additional Investment*	MYR 1,000 <i>Any additional investments can only be made during the Offer Period.</i>
Minimum Holdings of Units*	5,000 Units If you insists on making a repurchase request knowing that you will hold less than the minimum holdings of Units, you are required to repurchase all the holding of Units in the Fund at the same time as the repurchase request is received by us.
Repurchase Frequency and Minimum Units Repurchased	<p>There is generally no restriction on the frequency of repurchase; however, there is a minimum repurchase amount of 1,000 Units for each repurchase request.</p> <p>We may, with the consent of the Trustee, reserve the right to defer your repurchase requests if such request would adversely affect the interest of other Unit Holders of the Fund.</p>
Transfer Facility	<p>You are permitted to transfer your Units to another person at any point in time by completing the transfer application form. The transfer must be made in terms of Units and not MYR value. There is no specific amount of Units required to be transferred except that you and the person in receipt of the Units must have at least 5,000 Units after the transfer, in order to remain as a Unit Holder of the Fund.</p> <p>Please note that the person who is in receipt of the Units must be a Sophisticated Investor as well.</p>
Switching Facility	Switching is not available for this Fund.
How Do I Receive My Income Distribution?	We will pay the income distribution by cheque and send the cheque to you by mail within seven (7) Business Days after the distribution date, to the last known address recorded in the register of Unit Holders of the Fund. Where Units are held jointly, we will issue the cheque in the name of the principal Unit Holder i.e. whose name stands first in the register of Unit Holders of the Fund. You may also opt to receive the income distribution by way of cash payment via telegraphic transfer where income will be transferred to your bank account within seven (7) Business Days after the distribution date.

* Subject to the Manager's discretion, the investor may negotiate for a lower amount or value.

7. VALUATION POLICY AND VALUATION BASIS

<p>Valuation Point of Fund</p>	<p>The Fund will be valued on every Business Day (or “trading day” or “T” day) at 6.00 p.m. However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or “T + 1”) using the closing price of the Fund’s assets respectively.</p> <p>All foreign assets are translated into the Base Currency based on the exchange rate quoted by Bloomberg or 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.</p> <p>If the foreign market in which the Fund is invested in is closed for business, we will value the underlying assets based on the latest available price as at the day the particular foreign market was last opened for business.</p>
<p>Valuation of Assets</p>	<p>We will ensure that the valuation of the Fund is to be carried out in a fair manner in accordance to the relevant laws and Guidelines. We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Malaysian Financial Reporting Standard 9 issued by the Malaysian Accounting Standards Board. In the absence of daily price or value of the assets, we will use the latest available price or value of the assets respectively.</p> <p>Fixed Income instruments</p> <p>Valuation of listed and unlisted fixed income instruments 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 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 its basis for using a non-BPA price, obtains the necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the “market yields”.</p> <p>Investment in other listed and unlisted fixed income instruments 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 fixed income instruments 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 fixed income instruments 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.</p> <p>Money Market Instruments</p> <p>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.</p> <p>Deposits</p> <p>Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of the deposits and the profits accrued thereon for the relevant period.</p>

	<p>Derivatives and/or Structured Products</p> <p>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.</p> <p>Any Other Investment</p> <p>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.</p>
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8. RELEVANT PARTIES TO THE FUND

About AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began operations under the name Hwang–DBS Capital Berhad in 2001. In early 2014, AHAM was acquired by the Affin Banking Group (“Affin”) and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, AHAM has 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 and feeder 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:-

Ms Esther Teo Keet Ying – Head, Fixed Income Investment

Esther Teo brings with her more than 15 years investment experience in managing both institutional and unit trust funds. She joined AHAM in January 2004 as a portfolio manager responsible for managing the fixed income portfolios for the Malaysian institutional and unit trust funds. Prior to joining AHAM, Esther Teo was attached with the fixed income division of RHB Asset Management Sdn. Bhd. covering both institutional and unit trust mandates for three (3) years. She began her career in KPMG Malaysia in 1999 as a consultant in financial advisory services specialising in corporate debt restructuring and recovery. Esther graduated from the University of Melbourne, Australia with a Bachelor of Commerce degree majoring in Accounting and Finance and is a Chartered Financial Analyst (CFA) charterholder. She has also obtained her licence from the SC on 29 April 2004 to act as a fund manager.

About the Trustee – TMF Trustees Malaysia Berhad

The Trustee is part of TMF Group, an independent global service provider in the trust & fiduciary sector. The group has over 125 offices in more than 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.

9. RELATED INFORMATION

Your Rights and Liabilities

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

- (a) To receive the distribution of income, participate in any increase in the value of the Units and to other such rights and privileges as set out under the Deed for the Fund;
- (b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution; and
- (c) To receive annual and quarterly reports.

However, you would not have the right to require the transfer to the Unit Holder of any of the investments or 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 trustee of the investments or assets of the Fund.

You are not liable to the followings:-

- (a) For any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased;
- (b) For any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the NAV of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

Provisions Regarding Unit Holders' Meetings

Unit Holders' Meeting Convened By The Unit Holders

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

- (a) 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; 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 apply to the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:-

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

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

Unit Holders' Meeting Convened By The Trustee

Notwithstanding anything herein the Deed contained, and unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee for the purpose of authorising the exercise of the right to vote by the Manager and/or the Trustee in respect of any shares forming part of the investments of the Fund which are held by the Manager and/or the Trustee at any election for the appointment of any director of a corporation whose shares are so held shall be summoned by:

- (a) sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and
- (b) publishing at least fourteen (14) 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.

All such notices and advertisement to the Unit Holders shall specify the place, time and terms of the resolutions to be proposed.

Where the Trustee summons a Unit Holders' meeting in the event:

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

Or where the Trustee may also summon a Unit Holders' meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to Clause 6.9.1 of the Deed; and
- (e) deciding on the reasonableness of the annual management fee charged to the Fund or each Class.

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

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

Unit Holders' Meeting Convened By The Manager

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

Quorum Required for Convening A Unit Holders' Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.

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 Unit Holders of the higher rate and the date on which such higher rate is to become effective; and
- (b) a supplemental/replacement information memorandum is issued thereafter.

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 has 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
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.

Policy on Stockbroking 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.

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.

10. INVESTORS INFORMATION

How can I keep track of my investment?

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

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

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

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

11. DIRECTORY OF SALES OFFICE

HEAD OFFICE

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

PENANG

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

PERAK

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

JOHOR

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

MELAKA

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

SABAH

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

SARAWAK

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

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