

INFORMATION MEMORANDUM FOR AFFIN HWANG INCOME FOCUS FUND 3

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

Trustee : CIMB Commerce Trustee Berhad (313031-A)

This Information Memorandum is dated 15 November 2017.

The Affin Hwang Income Focus Fund 3 was constituted on 15 November 2017*.

** 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.

CHAPTER	PAGE
CORPORATE DIRECTORY	2
GLOSSARY	1
ABOUT AFFIN HWANG INCOME FOCUS FUND 3	4
ABOUT THE FEES AND CHARGES	12
UNDERSTANDING THE RISKS OF THE FUND	14
DEALING INFORMATION	17
RELATED PARTIES TO THE FUND.....	20
RELEVANT INFORMATION.....	21
INVESTORS INFORMATION	26

CORPORATE DIRECTORY

The Manager/AHAM

Affin Hwang Asset Management Berhad (429786-T)

Registered Office

27th 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

Website: 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
- Mr David Semaya
- Encik Abd Malik bin A Rahman (Independent Director)
- Dato' Hj Latip bin Ismail (Independent Director)

The Manager's Delegate

(fund valuation & accounting function)

CIMB Commerce Trustee Berhad (313031-A)

Registered and Business Address

Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 9886

The Trustee

CIMB Commerce Trustee Berhad (313031-A)

Registered Address

Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur

Business Address

Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 9889

Trustee's Delegate (Custody Services)

CIMB Bank Berhad (13491-P)

Registered Address

Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur

Business Address

Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 9892

GLOSSARY

the Act	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
Active Assets	Means options or structured warrants.
Bursa Malaysia	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.
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 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.
Deed	Refers to the deed dated 31 October 2017 entered into between the Manager and the Trustee, which may be modified or varied by further supplemental deeds from time to time.
Defensive Assets	Means money market instruments and/or deposits.
deposit(s)	Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposits.
Development Financial Institutions	Means a development financial institution under the Development Financial Institutions Act 2002.
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; or (iv) Licensed Islamic Bank; (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Forward Pricing	Means the method of determining the price of a Unit which is the NAV per Unit calculated at the next valuation point after an application for purchase or repurchase request is received by the Manager.
Fund	Refers to Affin Hwang Income Focus Fund 3.
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 as may be, replaced or amended from time to time.
Investment Date	Means the date on which the investment of the Fund may first be made and it is the date which begins on the next Business Day immediately after the expiry of the offer period.
Licensed Bank	Means a bank licensed under the Financial Services Act 2013.
Licensed Investment Bank	Means an investment bank licensed under the Financial Services Act 2013.

Licensed Islamic Bank the Manager / AHAM	Means an Islamic bank licensed under the Islamic Financial Services Act 2013. Refers to Affin Hwang Asset Management Berhad.
Maturity Date	Means the date on which the Fund automatically terminates and is the date, which is the 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, the “Maturity Date” shall mean the date of such earlier termination.
MYR	Means the Malaysian Ringgit, the lawful currency of Malaysia.
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.
PHS	Means the product highlights sheet, a disclosure document that contains clear and concise information of the salient features of the Fund.
Repurchase Charge	Means a charge imposed pursuant to the Unit Holder’s repurchase request.
Repurchase Price	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.
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 three (3) years or less.
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 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.

Trustee

Refers to CIMB Commerce Trustee Berhad.

Unit(s)

Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund.

Unit(s) in Circulation

Means Units created and fully paid for and which has not been cancelled.
It is also the total number of Units issued at a particular valuation point.

Unit Holder(s) or You

Refers to the person for the time being who is in full compliance with the relevant laws and is a Sophisticated Investor pursuant to the Guidelines 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 INCOME FOCUS FUND 3

FUND CATEGORY	: Fixed Income (Wholesale)	BASE CURRENCY	: MYR
FUND TYPE	: Income	LAUNCH DATE	: 15 November 2017
FINANCIAL YEAR END	: 31 October		

TENURE OF THE FUND

The Fund automatically terminates on the third (3rd) anniversary from the Investment Date, i.e. the “Maturity Date”.

OFFER PERIOD & OFFER PRICE

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

The offer period may be shortened if we determine that it is in your best interest.

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

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

INVESTORS’ PROFILE

The Fund may be suitable for investors who:

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

INVESTMENT OBJECTIVE

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

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

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

PERFORMANCE BENCHMARK

12-Month Malayan Banking Berhad Fixed Deposit Rate.

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

ASSET ALLOCATION

Defensive Assets	Minimum 85%
Active Assets	Maximum 15%

INVESTMENT STRATEGY

We strive to achieve the capital preservation by investing a minimum of 85% of the Fund's NAV in Defensive Assets. The maturity proceeds from the investments in Defensive Assets could potentially match the capital of the investor (including Sales Charge and GST imposed on the offer price), subject to no occurrence of credit default by the issuers and/or the Financial Institutions.

In order to provide potential capital appreciation of the Fund, we may invest up to a maximum of 15% of the Fund's NAV in Active Assets. At the Investment Date of the Fund, the Fund will only invest in one type of Active Assets, and will remain so until the Maturity Date of the Fund. We will take a view on the underlying asset of the Active Assets, which is a collective investment scheme that is regulated in an eligible market, in order to establish a long position to gain a specific underlying exposure. For example, if we expect the collective investment scheme to perform in the prevailing market conditions, we may long the collective investment scheme through the Active Assets. Investment in Active Assets will expose investors to the price fluctuations of the collective investment scheme that the Active Assets are linked to. As a result, any fluctuation in the price of the Active Assets may also lead to fluctuations in the NAV of the Fund i.e. if the price of the Active Assets drops, the NAV of the Fund will also be negatively impacted. As the Active Assets are structured by an external party, investments into the Active Assets will also expose the Fund to counterparty risk, which we will attempt to mitigate by carrying out a stringent selection process on the counterparty prior to an investment being made.

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

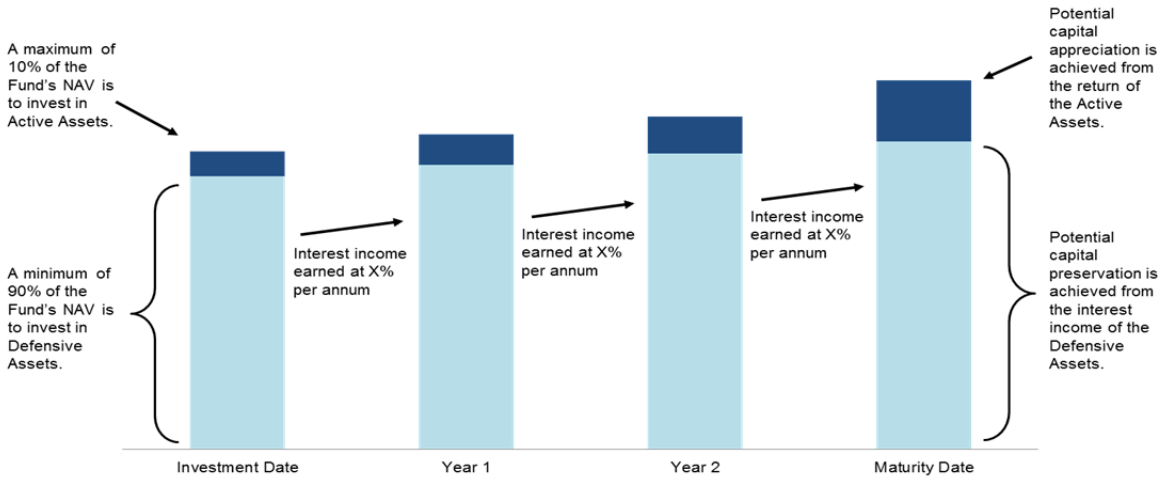
In line with the Fund's objective, we will employ a buy and hold strategy for the Fund's investments. As such, the Fund will make its investments into its Defensive Assets and its Active Assets at the Investment Date and remain invested until the Maturity Date of the Fund.

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

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

PERTINENT INFORMATION OF THE FUND

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



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

The NAV of the Fund as at the Investment Date	MYR 100 million
Investment in Defensive Assets	MYR 88.90 million ¹
Interest rate	4%
Interest income as at Year 1	MYR 88.89 million x 4% = MYR 3.56 million
Return of the investment as at Year 1	MYR 88.89 million + MYR 3.56 million = MYR 92.45 million
Interest income as at Year 2	MYR 92.45 million x 4% = MYR 3.70 million
Return of the investment as at Year 2	MYR 92.45 million + MYR 3.70 million = MYR 96.15 million
Interest income as at Maturity Date	MYR 96.15 million x 4% = MYR 3.85 million
Return of the investment as at Maturity Date	MYR 96.15 million + MYR 3.85 million = MYR 100.00 million

Formula for calculating:-

- Interest income as at Year 1 = Investment in Defensive Assets x interest rate
- Return of the investment as at Year 1 = Investment in Defensive Assets + Interest income as at Year 1
- Interest income as at Year 2 = Return of the investment in Defensive Assets as at Year 1 x interest rate
- Return of the investment as at Year 2 = Investment in Defensive Assets as at Year 1 + Interest income as at Year 2
- Interest income as at Maturity Date = Return of the investment in Defensive Assets as at Year 2 x interest rate
- Return of the investment as at Maturity Date = Investment in Defensive Assets as at Year 2 + Interest income as at Maturity Date

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

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

Investment Date	
The NAV of the Fund as at Investment Date	MYR 100 million
Investment in the warrants	MYR 7.93 million
Notional amount of the warrants	MYR 100 million
EURMYR exchange rate	5.00

In this section, you will be introduced to the term "participation rate". It is defined as the exposure of the Fund to movements in the price of its investment in the Active Assets, which is proportionally linked to the movement in the price of the underlying asset. For example, a participation rate of 180% means that the Fund would receive a return equivalent to 180% increase in the price of underlying asset. The participation rate below is for illustration purposes and is indicative only. The participation rate can only be locked in at the Investment Date of the Fund.

Scenario 1

		Price of the Underlying Asset (P)	Participation rate (PR)	EURMYR exchange rate (FX)
Investment Date	0	100	180%	5.00
Year 1	1	103	180%	5.25
Year 2	2	106	180%	5.50
Maturity Date	3	109	180%	5.75

Year 1	
Performance of the Active Assets	$= PR \times (P_1 - P_0) / 100$ $= 180\% \times (103 - 100) / 100$ $= 180\% \times 3\%$ $= 5.4\%$
Investment payout (Performance of the Active Assets as at Year 1 or 0%, whichever is higher)	= 5.4%
Potential income distribution as at Year 1	$\text{Investment payout} \times \text{notional amount} \times (FX_1 / FX_0)$ $= 5.4\% \times \text{MYR } 100 \text{ million} \times (5.25 / 5.00)$ $= \text{MYR } 5.6700 \text{ million}$
Year 2	
Performance of the Active Assets	$= PR \times (P_2 - P_0) / 2 / 100$ $= 180\% \times (106 - 100) / 2 / 100$ $= 180\% \times 3\%$ $= 5.4\%$
Investment payout (Performance of the Active Assets as at Year 2 or 0%, whichever is higher)	= 5.4%
Potential income distribution as at Year 2	$\text{Investment payout} \times \text{notional amount} \times (FX_2 / FX_0)$ $= 5.4\% \times \text{MYR } 100 \text{ million} \times (5.50 / 5.00)$

	= MYR 5.9400 million
Maturity Date	
Performance of the Active Assets	$= PR \times (P_3 - P_0) / 3 / 100$ $= 180\% \times (109 - 100) / 3 / 100$ $= 180\% \times 3\%$ $= 5.4\%$
Investment payout (Performance of the Active Assets as at Maturity Date or 0%, whichever is higher)	= 5.4%
Potential income distribution as at Maturity Date	$\text{Investment payout} \times \text{notional amount} \times (FX_3 / FX_0)$ $= 5.4\% \times \text{MYR } 100 \text{ million} \times (5.75 / 5.00)$ $= \text{MYR } 6.2100 \text{ million}$

Scenario 2

		Price of the Underlying Asset (P)	Participation Rate (PR)	EURMYR exchange rate (FX)
Investment Date	0	100	180%	5.00
Year 1	1	106	180%	5.25
Year 2	2	98	180%	5.20
Maturity Date	3	108	180%	5.15

Year 1	
Performance of the Active Assets	$= PR \times (P_1 - P_0) / 100$ $= 180\% \times (106 - 100) / 100$ $= 180\% \times 6\%$ $= 10.8\%$
Investment payout (Performance of the Active Assets as at Year 1 or 0%, whichever is higher)	= 10.8%
Potential income distribution as at Year 1	$\text{Investment payout} \times \text{notional amount} \times (FX_1 / FX_0)$ $= 10.8\% \times \text{MYR } 100 \text{ million} \times (5.25 / 5.00)$ $= \text{MYR } 11.3400 \text{ million}$
Year 2	
Performance of the Active Assets	$= PR \times (P_2 - P_0) / 2 / 100$ $= 180\% \times (98 - 100) / 2 / 100$ $= 180\% \times -1\%$ $= -1.8\%$
Investment payout (Performance of the Active Assets as at Year 2 or 0%, whichever is higher)	= 0%
Potential income distribution as at Year 2	$\text{Investment payout} \times \text{notional amount} \times (FX_2 / FX_0)$ $= 0\% \times \text{MYR } 100 \text{ million} \times (5.20 / 5.00)$ $= \text{MYR } 0$

Maturity Date	
Performance of the Active Assets	$= PR \times (P_3 - P_0) / 3 / 100$ $= 180\% \times (108 - 100) / 3 / 100$ $= 180\% \times 2.7\%$ $= 4.9\%$
Investment payout (Performance of the Active Assets as at Maturity Date or 0%, whichever is higher)	= 4.0%
Potential income distribution as at Maturity Date	Investment payout x notional amount x (FX_3 / FX_0) $= 4.9\% \times MYR 100 \text{ million} \times (5.15 / 5.00)$ $= MYR 5.0470 \text{ million}$

Scenario 3

		Price of the Underlying Asset (P)	Participation Rate (PR)	EURMYR exchange rate (FX)
Investment Date	0	100	180%	5.00
Year 1	1	95	180%	4.75
Year 2	2	90	180%	4.50
Maturity Date	3	85	180%	4.25

Year 1	
Performance of the Active Assets	$= PR \times (P_1 - P_0) / 100$ $= 180\% \times (95 - 100) / 100$ $= 180\% \times -5\%$ $= -9\%$
Investment payout (Performance of the Active Assets as at Year 1 or 0%, whichever is higher)	= 0%
Potential income distribution as at Year 1	Investment payout x notional amount x (FX_1 / FX_0) $= 0\% \times MYR 100 \text{ million} \times (4.75 / 5.00)$ $= MYR 0$
Year 2	
Performance of the Active Assets	$= PR \times (P_2 - P_0) / 2 / 100$ $= 180\% \times (90 - 100) / 2 / 100$ $= 180\% \times -5\%$ $= -9\%$
Investment payout (Performance of the Active Assets as at Year 2 or 0%, whichever is higher)	= 0%
Potential income distribution as at Year 2	Investment payout x notional amount x (FX_2 / FX_0) $= 0\% \times MYR 100 \text{ million} \times (4.50 / 5.00)$ $= MYR 0$

Maturity Date	
Performance of the Active Assets	$= PR \times (P_3 - P_0) / 3 / 100$ $= 180\% \times (85 - 100) / 3 / 100$ $= 180\% \times -5\%$ $= -9\%$
Investment payout (Performance of the Active Assets as at Maturity Date or 0%, whichever is higher)	= 0%
Potential income distribution as at Maturity Date	$\text{Investment payout} \times \text{notional amount} \times (FX_3 / FX_0)$ $= 0\% \times \text{MYR } 100 \text{ million} \times (4.25 / 5.00)$ $= \text{MYR } 0$

PERMITTED INVESTMENT

- Money market instruments
- Deposits
- Options
- Structured warrants
- Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund

INVESTMENT RESTRICTIONS AND LIMITS

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

- a) The total value of the Fund's investments in deposits and/or money market instruments shall not be less than 85% of the Fund's NAV;
- b) The value of the Fund's investment in derivatives or structured products transaction with any single counterparty shall not exceed 15% of the Fund's NAV;
- c) Any other investment limits or restrictions imposed by the relevant regulatory authorities or pursuant to the Guidelines, any laws and/or regulations applicable to the Fund.

The abovementioned limits and restrictions will be complied with at all times based on the up-to-date value of the Fund, and the value of their investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of units or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached and the Manager, within three months from the date of the breach will take all necessary steps and actions to rectify the breach.

DISTRIBUTION POLICY

Subject to the availability of income, the Fund will distribute income on an annual basis.

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.

➤ **Deposits**

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 may use the amortization method, i.e. the purchased discount or premium will be amortized to the remaining period of maturity.

➤ **Derivatives and Structured Products**

The valuation will be at bid price of the derivatives and structured products provided by the respective issuers based on fair value. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporates all the relevant and available market data with respect to the derivatives and structured products (e.g. interest rates, movement of the underlying asset, volatility of the underlying assets, the correlation of the underlying assets and other such factors).

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.

The fees, charges and expenses quoted in this Information Memorandum are exclusive of GST. We (including the Trustee and other service providers of the Fund) will charge GST at the prevailing rate of 6% on the fees, charges and expenses in accordance with the Goods and Services Tax Act 2014.

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

SALES CHARGE

The Sales Charge is 3.00% on the offer price and it is non-negotiable.

REPURCHASE CHARGE

Not applicable.

PENALTY CHARGE

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

Note:

- There will not be any penalty fee applicable on the repurchase request made before the Investment Date.
- The penalty fee is fixed and non-negotiable. It will be retained by the Fund for the benefit of the existing Unit Holders.
- The penalty fee is not subject to GST.

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

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

Then, the penalty charge would be:-

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

TRANSFER FEE

Not applicable.

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

Not applicable.

ANNUAL TRUSTEE FEE

The trustee fee is up to 0.03% 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:

$$\frac{\text{MYR } 100,000,000 \times 0.03\%}{365 \text{ days}} = \text{MYR } 82.19 \text{ per day}$$

FUND EXPENSES

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

- commissions or fees paid to brokers 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.

Sales Charge	3.00% on the offer price of the Fund
Repurchase Charge	Not applicable
Annual Management Fee	Not applicable
Annual Trustee Fee	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
Market risk	Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
Fund management risk	This risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. For example, investment decisions undertaken by us as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraudulent, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
Liquidity risk	Liquidity risk refers to two scenarios. The first is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the Fund.
Performance risk	The performance of the Fund depends on the financial instruments that the Fund purchases. If the instruments do not perform within expectation or if there is a default, then, the performance of the Fund will be impacted negatively. The performance of the Fund may also be impacted if the allocation of assets is not properly done. This is where the experience and expertise of the fund managers are important and the risk on the lack of experience and expertise of the fund managers has been highlighted above. On that basis, there is never a guarantee that investing in the Fund will produce the desired investment returns or on the distribution of income.
Inflation risk	This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Operational risk	Operational risk is the risk of loss due to the breakdown, deficiencies or weaknesses in the operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control by the Manager. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.

	SPECIFIC RISKS OF THE FUND
Credit and default risk	Credit risk relates to the creditworthiness of the issuers of the 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.
Interest rate risk	This risk refers to the impact of interest rate changes on the valuation of the money market instruments. When interest rates rise, the instruments prices generally decline and this may lower the market value of the instruments. The reverse may apply when interest rates fall.
Structured product risk	This risk arises from investments into instruments such as structured warrants 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.
Derivatives risk	The Fund may be investing in derivative such as option. 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.
Concentration risk	This risk arises because the Fund may have placement of deposits with a single Financial Institution. The Fund is subject to the risks linked to the particular Financial Institution. The risk may be in the form of credit risk, for example, when the particular Financial Institution is not able to repay the interest and/or principal possibly due to its poor financial position. Therefore, should such risk 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.
Currency risk	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.
Country risk	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.
Repurchase risk	You are reminded to be prepared to commit your investment until the Maturity Date. Any repurchase request made by you will be based on Forward Pricing which is the NAV per Unit at the next valuation point. The NAV per Unit at that valuation point may be lower than your investment outlay. You are also reminded that exiting this Fund prior to the Maturity Date will attract a penalty charge and this may further reduce any monies payable to you. The penalty charge incurred by you will be retained by the Fund for the

	SPECIFIC RISKS OF THE FUND
	benefit of the remaining Unit Holders.

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

DEALING INFORMATION

You 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 UNITS HELD AND MINIMUM UNITS OF REPURCHASE?

Minimum Initial Investment	MYR 10,000
Minimum Units Held	10,000 Units
Minimum Units of Repurchase	10,000 Units

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

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.

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><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.

➤ 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?

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

➤ You must meet the minimum holding of 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.

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

RELATED PARTIES TO THE FUND

ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 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 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:-

Mr David Ng Kong Cheong – Chief Investment Officer

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

ABOUT THE TRUSTEE

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen, Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act, 2007.

Duties and Responsibilities of the Trustee

The Trustee’s functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Trustee include, but are not limited to, the following:

- (a) Take into custody the investments of the Fund and hold the investments in trust for the Unit Holders;

- (b) Ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, SC Guidelines and acceptable business practice within the unit trust industry;
- (c) As soon as practicable notify the SC of any irregularity or breach of the provisions of the Deed, Guidelines and any other matters which in the Trustee's opinions may indicate that the interests of Unit Holders are not served;
- (d) Exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operation and management of the Fund by the Manager to safeguard the interests of Unit Holders;
- (e) Maintain or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Fund to be formed and to ensure that the Fund is operated and managed in accordance with the Deed of the Fund, Information Memorandum, the Guidelines and securities law; and
- (f) Require that the accounts be audited at least annually.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

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.

GOODS AND SERVICES TAX

The Royal Malaysian Customs Department has announced the implementation of GST with effect from 1 April 2015 onwards pursuant to the Goods and Services Tax Act 2014. Collective investment schemes are generally exempted from GST. However, some fees, charges and expenses of the Fund are subject to GST which includes:

- Sales Charge;
- Repurchase Charge;
- Switching fee;
- Transfer fee;
- Management fee;
- Trustee fee; and
- Any other expenses of the Fund that may be subject to GST.

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.

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. 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 customer care@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.

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PENANG

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Fax : 07 – 351 5377

MELAKA

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Taman Melaka Raya, 75000 Melaka
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