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AFFIN HWANG
CAPITAL
Asset Management

Information Memorandum

Affin Hwang Strategic Income Fund 1

MANAGER

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

TRUSTEE

CIMB Commerce Trustee Berhad
Registration Number: 199401027349 (313031-A)

This Information Memorandum is dated 29 July 2022.
The Affin Hwang Strategic Income Fund 1 is constituted on 29 July 2022.
The constitution date for the Fund is also the launch date of the Fund.

The Fund is open for sale during the Offer Period only

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



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

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.



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TABLE OF CONTENTS

CORPORATE DIRECTORY	III
ABBREVIATION	1
GLOSSARY	1
ABOUT AFFIN HWANG STRATEGIC INCOME FUND 1	5
ABOUT THE FEES AND CHARGES	11
UNDERSTANDING THE RISKS OF THE FUND	13
DEALING INFORMATION	17
RELATED PARTIES TO THE FUND	21
RELEVANT INFORMATION.....	23
INVESTORS INFORMATION	26

CORPORATE DIRECTORY

The Manager/AHAM

Affin Hwang Asset Management Berhad

Registered Office

27th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2142 3700

Fax No. : (603) 2140 3799

Business Address

Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2116 6000

Fax No. : (603) 2116 6100

Toll free line : 1-800-88-7080

E-mail : customercare@affinhwangam.com

Website : www.affinhwangam.com

The Trustee

CIMB Commerce Trustee Berhad

Registered Address

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

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 0099

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 9894

ABBREVIATION

FiMM	Federation of Investment Managers Malaysia.
MYR	Malaysia Ringgit.
PHS	Product Highlights Sheet.
SC	Securities Commission Malaysia.
UK	United Kingdom.

GLOSSARY

Act	Means the Capital Markets and Services Act 2007 as may be amended from time to time.
Base Currency	Means the currency in which the Fund is denominated i.e. MYR.
Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
Business Day	Means a day on which Bursa Malaysia is open for trading. The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as (i) in the event of market disruption; (ii) if the jurisdiction of the issuers of the Investment ("Issuers") /Investment declare that day as a non-business day; and/or (iii) if Issuers declare that day as a non-business day for the Investment.
Commencement Date	Means the date on which sale of Units of the Fund is first made. The Commencement Date is also the date of constitution of the Fund.
Communiqué	Refers to the notice issued by the Manager to the Unit Holders.
Credit Events	The Credit Events in respect of the Investment are as follows: (i) Failure to Pay: The failure by a Reference Underlying to make, when and where due, any payments in an aggregate amount of not less than the payment requirement under one or more obligations. (ii) Repudiation/Moratorium: This occurrence means the government of the Reference Underlying says that it no longer wants to honour its debt and they end up not paying coupon payments or maturity payments or even restructuring their obligations. The mere announcement of a government's intention not to honour or to disavow their debt may not automatically trigger this credit event as it needs an eventual failure to pay or restructuring. (iii) Restructuring: Restructuring covers events as a result of which the terms, as agreed by the Reference Underlying or governmental authority have become less favourable to the Fund i.e. postponement of payment, reduction in principal/interest amounts payable, change in ranking priority of payment.
Deed(s)	Refers to the deed dated 27 July 2022 entered into between the Manager and the Trustee, which may be modified or varied by further supplemental deeds from time to time.
deposits	Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
Development Financial Institutions (DFIs)	Means a development financial institution under the Development Financial Institutions Act 2002.

Early Maturity	Means an event where the Fund is unwound before Maturity Date, subject to the Fund achieving early maturity requirements (please refer to “Early Maturity of the Fund” at page 6 for further details).
Early Maturity Communique	Refers to the Communique issued to the Unit Holders, notifying that the Early Maturity is exercised and that the Fund will be unwound on the Early Maturity Date.
Early Maturity Date	Means the date which will fall on the tenth (10th) Business Day immediately following the date Early Maturity Communique is issued to you.
Early Redemption Events	<p>Early Redemption Events in respect of the Investment are as follows:</p> <p>(i) Illegality Event: The Issuers determines that the performance of the Issuers’ obligations under the Investment or any arrangements made to hedge the Issuers’ obligations under or in connection with the Investment has or will become unlawful, illegal or otherwise prohibited in whole or in part in any relevant jurisdiction as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power or in the interpretation thereof.</p> <p>(ii) Misrepresentation Event: The Issuers determine that any representations and/or warranties given by the Fund to the Issuers under or in connection with this Investment (i) is not true, complete, and accurate in all respects when given or repeated, and/or (ii) becomes untrue or inaccurate in any respect at any time after it is given or repeated.</p> <p>(iii) Merger Event: During the tenure of the Investment, if the Issuers or a Reference Underlying consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Underlying or the Issuers, as applicable, or the Issuers and a Reference Underlying become affiliates, in either case as determined by the Issuers, this will constitute a Merger Event.</p>
Financial Institution	<p>Means (1) if the institution is in Malaysia –</p> <ul style="list-style-type: none"> (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institutions (DFIs); or (iv) Licensed Islamic Bank; <p>(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.</p>
Forward Pricing	Means the method of determining the price of a Unit which is the NAV per Unit at the next valuation point after an application for purchase or repurchase request is received by the Manager.
Fund	Means Affin Hwang Strategic Income Fund 1.
Guidelines	Means the <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC and as may be amended 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	Means structured products.
Investment Date	<p>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.</p> <p>A reference to the Fund’s anniversary shall be a reference from this Investment Date.</p>

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.
Manager / AHAM	Refers to Affin Hwang Asset Management Berhad.
Maturity Date	Means the date on which the Fund automatically terminates and is the date, which is the 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.
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.
Reference Underlying	Means Federation of Malaysia and any successor thereto.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
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 Repurchase Charge.
Sales Charge	Means a charge imposed pursuant to purchase request.
Selling Price	Means the price payable by you to us to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
Sophisticated Investors	Refers to any person (a) who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act; or (b) any other person as may be determined by the SC from time to time under the Guidelines. Note: For more information, please refer to our website at https://affinhwangam.com for the current excerpts of Part 1, Schedules 6 and 7 of the Act and the list of other Sophisticated Investors as permitted by the SC under the Guidelines.
Special Resolution	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths of the Unit Holders present and voting" means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, "Special Resolution" means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
Trustee	Refers to CIMB Commerce Trustee Berhad.
Unit or Units	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund.
Units in Circulation	Means Units created and fully paid and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
Unit Holder, you	Means the person for the time being who, in full compliance to the relevant laws is a Sophisticated Investor pursuant to the Guidelines including a jointholder.

Unwind Costs

Means an amount determined by the Issuers equal to the sum of all fees, costs, expenses, taxes and/or duties incurred or suffered (or which would have been incurred or suffered) by the Issuers or any of its affiliates in connection with the redemption of the Investment and any related termination, settlement or re-establishment of any hedge or related trading position. Unwind Costs will be denominated in USD, and in respect of any fees, costs, expenses, taxes and/or duties not denominated in USD, will be converted into USD by the Issuers at such times and at such rates as it may determine in its sole and absolute discretion. Unwind Costs may include (without limitation) any payment that is or could have been due to be paid (positive number) by the Issuers in respect of unwinding its "Reference Hedge Transactions"* and related trading positions in respect of the Investment on any day as determined by the Issuers, in its sole and absolute discretion, in a commercially reasonable manner. Unwind Costs may be a notional amount and do not require the Issuers to suffer or incur any actual fees, costs, expenses, taxes and/or duties.

Note: *"Reference Hedge Transactions" means, for the purposes of determining the Unwind Costs, any transactions that have been entered into (or hypothetical transactions that may or might have been entered into) by the Issuers in respect of this Investment and/or the hedging of this Investment, the terms of such transactions being determined by the Issuers in good faith and in its sole and absolute discretion.

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

ABOUT AFFIN HWANG STRATEGIC INCOME FUND 1

FUND CATEGORY	: Closed - End (Wholesale)	BASE CURRENCY	: MYR
FUND TYPE	: Income	FINANCIAL YEAR END	: 31 January

TENURE OF THE FUND

The Fund aims to mirror the tenure of the Investment. The Manager will notify unit holders about the Maturity Date via the issuance of communicate.

The tenure of the Investment will be 3 years from the date it is issued, subject to an early maturity or extensions of maturity of the Investment at the sole and absolute discretion of the Issuers.

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.

The Manager may in its sole and absolute discretion not to proceed with the Fund, if the Fund has not achieved an economically viable size at the end of the Offer Period.

INVESTMENT OBJECTIVE

The Fund aims to provide income return whilst maintaining capital preservation[#].

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

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

ASSET ALLOCATION

- A minimum of 90% of the Fund's NAV to be invested in structured products; and
- The remaining to be invested in money market instruments and/or deposits.

INVESTMENT STRATEGY

To achieve the objective of the Fund, we intend to invest a minimum of 90% of the Fund's NAV in structured products ("the Investment"), and remaining balance will be invested in money market instruments and/or deposits. The Investment will be issued by local or foreign Financial Institutions ("the Issuers"). The minimum asset allocation of the Fund however will not be observed when the Fund is nearing the Maturity Date as the tenure of the Investment may be shorter than the maturity period of this Fund.

The Investment that the Fund intends to invest aims to provide exposure to credit risk of the Federation of Malaysia referred to as "Reference Underlying".

The Fund will be paid by the Issuers in the form of semi-annual coupon payments, subject to non-occurrence of any of the Early Redemption Events or Credit Events as specified under "How is an Early Maturity triggered". The Investment may be denominated in foreign currencies other than the Base Currency of the Fund. As a result, the coupon received by the Fund may be subject to foreign exchange risk and would be used to provide semi-annual income distributions to you.

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

The tenure of the Investment is up to 3 years from the date it is issued. At the Maturity Date of the Fund, we will redeem or sell all the assets of the Fund and return all proceeds to you (based on the number of Units you hold) after deducting applicable Fund expenses and fees. In the event the Maturity Date falls on a non-Business Day, the Maturity Date shall be immediately following Business Day. Unit holders will be notified about the Maturity Date via issuance of communique.

However, the Issuers reserve the right to early redeem or call back all of the Investment at any time prior to the Investment's maturity. As such, the Manager has the option to exercise the trigger of Early Maturity of the Fund. If Early Maturity is triggered, that is subject to the requirements specified under "How is an Early Maturity triggered", we will liquidate the Investment in the Fund 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. If the Issuers redeem or call part but not all of the Investment, the Manager may compulsorily repurchase part of your units (based on the number of Units you hold) to facilitate the Fund's capital repayment. You will be informed of the capital repayment via issuance of a communique prior to the date of compulsory repurchase.

For the avoidance of doubt, the tenure of the Investment, as determined by the Issuers, is also subject to extension if the occurrence of a potential Credit Event on or prior to the end date of the Investment. The extension period is generally 3 months from the end date of the Investment. However depending on the nature of the Credit Event, the Issuer may in its sole and absolute discretion to extend the timeframe to longer than 3 months. Such extension is to facilitate payment of principal amount of the Investment, if any, to the Fund.. No coupon or other amounts by way of interest or otherwise will be payable to the Fund in connection with any such extension. Arising from the extension of the Investment, the Maturity Date of the Fund will be extended to mirror the tenure of the Investment. You will be notified via issuance of a communique on the next Business Day when such extensions are made known to us.

The payment of maturity proceeds, including early maturity and extensions of the maturity, is expected to be paid to you within two (2) weeks from the Maturity Date and will not be more than two (2) months 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.

Temporary Defensive Measure

We hold the option to take temporary defensive positions that may be inconsistent with the Fund's principal investment strategy and asset allocation to protect the Fund against adverse market conditions that may impact financial markets. To manage the risk of the Fund, we may shift the Fund's assets to be temporarily invested in money market instruments and/or deposits.

Derivatives

We may use derivatives, such as foreign exchange forward contracts and cross currency swaps, mainly for hedging purposes. Cross currency swaps and/or foreign exchange forward contracts may be used to hedge the principal and/or the returns of the foreign currency exposure of any of the Class(es) against the Base Currency. The employment of derivatives under these circumstances is expected to reduce the impact of foreign currency movements of the Fund's NAV, irrespective of the currency classes. While the hedging strategy will assist in mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well. The Fund may also employ derivatives for investment purposes to enhance the returns of the Fund by taking a view on the underlying asset or currency and establish a long position to gain a specific underlying exposure. The types of derivatives envisaged for investment purposes include forwards and swaps which are OTC or traded on centralised exchanges.

Cross Trades

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

EARLY MATURITY OF THE FUND

An Early Maturity is an event where the Fund is unwound before Maturity Date, subject to the Fund achieving early maturity requirements. Should this occur, the Fund will mature on the Early Maturity Date. When an Early Maturity occurs, we will liquidate 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?

Though the tenure of the Investment is 3 years from date it is issued, it might be shorter than the original tenure on the occurrence of any of the following requirements below:

- **Early call by Issuers**
The Issuers may call all or part* of the principal amount of the Investment at par (“Call Amount”) together with the coupon due to the Fund. As a result, the principal amount of the Investment will be reduced by the call amount and the coupon amount will be adjusted pro-rata to take into account all such early calls by Issuers.

- **Early redemption by Issuers**
If the Issuers determine, in its sole and absolute discretion, any of the Early Redemption Events below occurs:
 - (i) Illegality Event;
 - (ii) Misrepresentation Event; and/or
 - (iii) Merger Event.the Issuers redeem the Investment early either in full or part* at fair market value minus any unwind costs, fees and expenses.

- **Credit Events**
The Fund may suffer a total or partial loss of principal in connection with any of the following Credit Events:
 - (i) Failure to Pay;
 - (ii) Repudiation/Moratorium; and/or
 - (iii) Restructuring

Once any of the above requirements is met, the Manager has the option to exercise the right to trigger an Early Maturity without requiring a Unit Holders’ prior approval or to hold a meeting to obtain Unit Holder’s approval by issuing an Early Maturity Communiqué to you on the next Business Day of the day when above criteria is met.

If the Manager has decided to trigger an Early Maturity, the Fund will terminate on the Early Maturity Date, which will fall on the tenth (10th) Business Day immediately following the date we have issued the Communiqué to you.

For the avoidance of doubt, the Issuers may extend the tenure of the Investment of up to 3 months if a potential Credit Event is deemed to happen on or prior to the end date of the Investment to facilitate payment of principal amount of the Investment, if any, to the Fund. However the extension may be longer than 3 months depending on the nature of the Credit Events and in such situation, the period of extension will be determined solely by the Issuers.

** Should the Issuers redeem or call part but not all of the Investment, the Manager has the discretion to alternatively undertake capital repayment by compulsorily repurchase part of your units (based on the number of Units you hold).*

WHAT IS THE EXPECTED PAYOUT TO YOU ONCE AN EARLY MATURITY IS TRIGGERED?

The Fund will early mature on the tenth (10th) Business Day following the date the Early Maturity Communiqué is issued. You will be paid based on the NAV of the Fund as at tenth (10th) Business Day from the date the Early Maturity Communiqué is issued.

As a reminder, the Early Maturity proceeds received by you based on the Early Maturity NAV of the Fund may be subject to market conditions, liquidation costs and may be higher or lower than your initial NAV per Unit. The Early Maturity NAV will be communicated to you via a Communiqué.

PERTINENT INFORMATION OF THE FUND

Below are the illustrations of the coupon amount received by the Fund and the impact to the Fund should the Credit Event occurs:

Salient Terms on Investment:

Terms	Details
Reference Underlying	Federation of Malaysia
Coupon rate (% p.a.)	4.00%
Coupon amount	Principal amount x coupon rate x day count fraction
Frequency of coupon amount	Semi annual

Scenario 1: The Investment pays coupon amount on a semi-annual basis to the Fund and there is no occurrence of Credit Event.

Principal amount	RM 10,000,000
Day count fraction	180/360
Coupon rate (% p.a.)	4.00%
Coupon amount	= Principal amount x coupon rate x day count fraction = RM 10,000,000 x 4.00% x 180 / 360 = RM 200,000

Scenario 2: A Credit Event occurs any point in time during the tenure of the Investment and the Investment loss is a fraction of the principal amount. In this scenario, the Fund will incur a loss by receiving less than 100% of the principal amount when a Credit Event occurs.

Principal amount	RM 10,000,000
Investment loss	RM 3,000,000
Unwind cost	RM 200,000
Credit Event redemption amount	= Maximum (0, Principal amount – investment loss – unwind cost) = Maximum (0, RM 10,000,000 - RM 3,000,000 – RM 200,000) = Maximum (0, RM 6,800,000) = RM 6,800,000

Scenario 3: A Credit Event occurs at any point in time during the tenure of the Investment and the investment loss is 100% of the principal amount. In this scenario, the Fund risks 100% principal loss when a Credit Event occurs.

Principal amount	RM 10,000,000
Investment loss	RM 10,000,000
Unwind cost	RM 200,000
Credit Event redemption amount	= Maximum (0, Principal amount – investment loss – unwind cost) = Maximum (0, RM 10,000,000 - RM 10,000,000 – RM 200,000) = Maximum (0, -RM 200,000) = RM 0

Under Scenario 2 and 3, coupon amount will cease to accrue from the previous coupon date immediately prior to the date of Credit Event. The Issuers will pay the Credit Event redemption amount to the Fund in connection with this Investment. As such, the Manager has the option to exercise the right to trigger an Early Maturity and return to you the NAV proportion to the number of Units held by you (please refer to “How is an Early Maturity triggered” at page 7 for further details).

PERMITTED INVESTMENT

The Fund will invest in the following investments:

- Structured products;
- Money market instruments;
- Deposits;
- Derivatives; and
- Any other form of investments as may be permitted by the SC that is in line with the Fund's objective.

DISTRIBUTION POLICY

Depending on the level of income the Fund generates, the Fund aims to distribute income on a semi-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 shall be valued at 11.00 a.m. on the next Business Day (or "T + 1 day"). All foreign assets are translated into the Base Currency based on the last available bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (UK time) which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM. If the foreign market in which the Fund is invested 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.

VALUATION OF ASSETS

We will ensure that the valuation of the Fund is 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. The valuation bases for the permitted investments of the Fund are as follows:

➤ **Money Market Instruments**

For MYR denominated money market instruments, they will be valued based on the price quoted by a Bond Pricing Agency ("BPA") registered with the SC.

Where reliable market quotations are not available for these unlisted securities, the fair value shall be determined in good faith by the Manager. This may be determined by reference to the valuation of other securities which are comparable in rating, yield, expected maturity date and/or other characteristics.

Amortized cost accounting may be used for :

- i) Money market instruments with remaining term to maturity of not more than 90 calendar days at the time of acquisition; and
- ii) Adequate measures and safeguards to properly address relevant risks associated with the use of amortized cost accounting.

➤ **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.

➤ **Derivatives and Structured Products**

The valuation of derivatives and structured products will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives and structured products (e.g., interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts (“FX Forwards”), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Reuters. If the rates are not available on the Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least (3) independent dealers. In the case where the Manager is unable to obtain quotation from (3) independent dealers, the FX Forwards will be valued in accordance with a fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

➤ **Any Other Investment**

Fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

Investors are advised that certain types of securities are required to be held until such securities mature for the “actual value” to be realised. Any sale of such securities prior to its maturity may attract costs and penalties that would result in a value which is less than its “actual value”. As such, any valuation of such securities (prior to its maturity) is merely indicative of what the value might be and does not represent the “actual value” of such securities.

ABOUT THE FEES AND CHARGES

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

You should be aware that all fees, charges and expenses referred to or quoted in this Information Memorandum (including any supplemental information memorandum) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of any other applicable taxes. We (including the Trustee and other service providers) will charge any other applicable taxes on the fees, charges and expenses in accordance with any other relevant or applicable laws.

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

SALES CHARGE

1.00% on the Offer Price.

REPURCHASE CHARGE

3.00% on the NAV per Unit, if repurchase of Units is made after the Investment Date of the Fund.

Notes:

- (1) There will not be any Repurchase Charge applicable on repurchase request made before the Investment Date;
- (2) The Manager will retain the Repurchase Charge and;
- (3) The Repurchase Charge is not negotiable.

TRANSFER FEE

Nil.

SWITCHING FEE

Not applicable as the switching facility is not available for this Fund.

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

ANNUAL MANAGEMENT FEE

Nil.

ANNUAL TRUSTEE FEE

The trustee fee is up to 0.02% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), and is calculated using the Base Currency (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly. In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

Please note that the example below is for illustration only:

$$\frac{\text{MYR 120 million} \times 0.02\%}{365 \text{ days}} = \text{MYR 65.75 per day}$$

ADMINISTRATIVE FEE

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

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

MAXIMUM RATE OF FEES AND CHARGES ALLOWABLE BY THE DEED

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

Sales Charge	1.00% of the Offer Price
Repurchase Charge	5.00% on the NAV per Unit, if repurchase of Units is made after the Investment Date of the Fund.
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).

REBATES AND SOFT COMMISSIONS

We, including our delegate (if any) will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker/dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Fund.

The soft commission can be retained by us or any of our delegate thereof provided that the goods and services are of demonstrable benefit to the Unit Holders in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments, and any dealing with the broker is executed on terms which are 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.
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.
Loan financing risk	This risk occurs when you take a loan or financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan.

SPECIFIC RISKS OF THE FUND	
Credit and default risk	Credit risk relates to the creditworthiness of the Issuers of the structured products, money market instruments or deposits (hereinafter referred as “investments”) and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the Issuers may impact the value as well as liquidity of these investments. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an Issuers of these investments either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. 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 structured products and/or money market instruments. When interest rates rise, the prices of the structured products and/or money market instruments generally decline and this may lower the fair value of the structured products and market value of the money market instruments. The reverse may apply when interest rates fall.
Structured product risk	<p>This risk arises from investments into structured products issued by a third party. The NAV of the Fund will be impacted by the valuation of the structured products. 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 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.</p> <p>Specific risks of structured products:</p> <p><u>Maturity Date Extension Provisions</u></p> <p>If the Issuers determines that a potential Credit Event has occurred prior to the Maturity Date, the Issuers may be entitled to extend the period during which the occurrence of a Credit Event can be determined beyond the scheduled Maturity Date. In such circumstances, redemption of the Investment will be extended, and the Fund will be exposed to the risk that a Credit Event may occur, in the period from the scheduled Maturity Date to the Maturity Date (as extended). The Fund will receive no additional interest or coupon amounts during this period even in circumstances in which no Credit Event occurs.</p> <p><u>Issuer Calls</u></p> <p>This Investment may be subject to one or more Issuer Calls whereby the Issuers may call all or part of the principal amount (the “Call Amount”) of the Investment on any coupon payment date by paying an amount equal to the call amount to the Fund on the coupon payment date. Following any Issuers Call, the principal amount will be reduced by an amount equal to the Call Amount with effect from the relevant call date for all purposes, including for the purposes of calculating the coupon amount, which will be adjusted pro-rata to take into account all such Issuers Calls.</p>

SPECIFIC RISKS OF THE FUND	
	<p><u>Force Majeure Events</u></p> <p>The Investment is subject to the occurrence of Force Majeure Events. If a Force Majeure Event occurs, any non-performance by the Issuers of its obligations in connection with the Investment (including without limitation the failure to calculate or pay any amounts owing to an Investor) will not constitute any form of default, and performance of the relevant obligations will be suspended until the Force Majeure Event is no longer continuing or the Issuers or Issuers reasonably determine that it is reasonably able to perform the relevant obligation or duty without material hindrance or restriction from the relevant Force Majeure Event. As such, investors may experience substantial delays in payment or performance under the Investment if a Force Majeure Event occurs. In addition to the above, if a Force Majeure Event occurs, the Issuers may make any modifications or adjustments to the terms and conditions of the Investment that the Issuers determine are necessary or required (in its sole and absolute discretion) as a direct or indirect result of the relevant Force Majeure Event(s). These amendments or modifications may be adverse to the Fund, and investors may therefore suffer losses (either due to the amendments themselves or due to a decrease in the value of the Investment) as a direct or indirect result. Furthermore, following a Force Majeure Event the Issuers may, at any time, by notice in writing to the Fund, elect to terminate and redeem the Investment in full by payment of an amount equal to the fair market value of the Investment at the date of redemption (determined by the Issuers in good faith and in a commercially reasonable manner, taking into account such factors as it deems relevant). This fair market value may be substantially lower than the principal amount of the Investment outstanding at such time, including any accrued coupon, and investors may therefore suffer substantial losses as a result (including the loss of future coupon payments).</p> <p><u>Sovereign Risk</u></p> <p>Payments under or in connection with the Investment may be affected by the economic and political events in the country of the Issuers or the Reference Underlying (or other countries which are material to the Issuers or the Reference Underlying). The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal invested should, as a result of any economic or political circumstance, payment be made in the local currency of the country of the Issuers instead of the original invested currency.</p>
Derivatives risk	<p>The Fund may be investing in derivatives such as but not limited to foreign exchange forwards, cross currency swaps, options and futures. Valuation of the 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.</p>
Concentration risk	<p>This Fund invests in a structured product. Any adverse effect on the structured product will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the structured product. This risk may be mitigated as we are allowed to take temporary defensive positions in response to adverse market conditions.</p>

SPECIFIC RISKS OF THE FUND	
Counterparty risk	The Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. This would include the counterparties to any derivatives, structured product, repurchase/reverse repurchase agreement or securities lending agreement that it enters into. Trading in derivatives which have not been collateralised gives rise to direct counterparty exposure. The Fund mitigates much of its credit risk to its derivatives counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any derivative is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Fund. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The Fund maintains an active oversight of counterparty exposure and the collateral management process.
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. Upon such event and in the best interest of the Unit Holders, the Trustee may suspend the repurchase of Units requests. Please refer to “Suspension of Dealing in Units” section of this Information Memorandum for more details.
Currency risk	As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. You should note that any gain or loss arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
Repurchase risk	You are reminded to be prepared to commit your investment until the Maturity Date. Any repurchase request made by you will be based on Forward Pricing which is the NAV per Unit at the next valuation point. The NAV per Unit at that valuation point may be lower than your investment outlay. You are also reminded that exiting this Fund prior to the Maturity Date will attract a Repurchase Charge and this may further reduce any monies payable to you.

! 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 at least eighteen (18) years old and a Sophisticated Investor in order to invest in this Fund. Please refer to the “Glossary” chapter of this Information Memorandum for the details.

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

Minimum Initial Investment	MYR 10,000
Minimum Additional Investment	MYR 5,000
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 additional investment amount, minimum Units held and minimum Units of repurchase.
- Any additional investments can only be made during the Offer Period.

HOW TO PURCHASE UNITS?

- You may submit the purchase request by completing an application form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business Day during the Offer Period. Units will ONLY be sold during the Offer Period.
- You are required to provide us with the following completed forms and documents. However, we reserve the right to request for additional documentations before we process the purchase application.

Individual or Jointholder	Corporation
<ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • A copy of identity card or passport or any other document of identification; and • Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (“CRS”) Self-certification Form. 	<ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • Certified true copy of memorandum and articles of association*; • Certified true copy of certificate of incorporation*; • Certified true copy of form 24 and form 49*; • Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*; • Latest audited financial statement; • Board resolution relating to the investment; • A list of the authorised signatories; • Specimen signatures of the respective signatories; and • 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.
- 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, you must meet the minimum holding of Units after a repurchase transaction.
- If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, we may withdraw all your holding of Units and pay the proceeds to you.

We may, with the consent of the Trustee, reserve the right to defer your repurchase request if such transaction would adversely affect the Fund or the interest of the Unit Holders.
- 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 Days.
- Payment of the repurchase proceeds will be made via bank transfer where proceeds will be transferred to your bank account. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders.
- Any incurred bank charges and other bank fees due to a bank transfer or other special arrangement method will be borne by you.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

- During the Offer Period, if we receive your repurchase application on a Business Day, we will repurchase your Units based on the Offer Price of the Fund. After the Offer Period, for a repurchase request received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or "T day"), Units will be repurchased based on the NAV per Unit of the Fund for that Business Day. Any repurchase request received after 3.30 p.m. will be transacted on the next Business Day (or "T + 1 day").
- Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- You will be paid within ten (10) Business 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?

- The Selling Price and the Repurchase Price are equivalent to the NAV per Unit. 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 Office” 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 IS COOLING-OFF RIGHT?

You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.

You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge imposed on the day the Units were purchased.

- If the price of a Unit on the day the Units were first purchased (“original price”) is higher than the price of a Unit at the point of exercise of the cooling-off right (“market price”), you will be refunded based on the market price at the point of cooling-off; or
- If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.

You will be refunded within seven (7) Business Day from the receipt of the cooling-off application.

Please note that the cooling-off right is applicable to you if you are an individual investor and investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trusts, you are not entitled to this right.

We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or “T + 1 day”).

Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

WHAT ARE THE SWITCHING OPTIONS?

- Switching facility is not available for this Fund.

CAN I TRANSFER MY UNITS TO ANOTHER PERSON?

- You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. The transfer must be made in terms of Units and not in terms of MYR, value. 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 of a Class.

Please note that the person who is in receipt of the Units must be a Sophisticated Investor as well.

HOW DO I RECEIVE THE INCOME DISTRIBUTION?

- Depending on the level of income of the Fund has, semi-annual distribution may be declared whenever is appropriate.
- All income distribution 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.
- Income distribution will be paid via telegraphic transfer and transfer to your bank account within seven (7) Business Days after the distribution date.

HOW DO I RECEIVE THE CAPITAL REPAYMENT?

- When the Issuers early call/ redeem part of the Investment, we may undertake capital repayment through compulsory repurchase of Units in proportion to the Units held by the Unit Holders. The Units will be repurchased at NAV per unit on the date of capital repayment. Unit holders will be notified via Communique of the capital repayment.
- The settlement arising from the capital repayment will be made to you within 30 Business Days from the date of our Communique issue to you to notify on the capital repayment.

At the Maturity Date of the Fund, we will receive the remaining realised investment proceeds from the Issuers. Upon the receipt of the realised investment proceeds, we will return all proceeds to you (based on the number of Units you hold multiplied by the NAV per unit on Maturity Date), 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 and will not be more than two (2) months from the Maturity Date.

SUSPENSION OF DEALING IN UNITS

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.

The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.

The Trustee may suspend the sale and/or repurchase of Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.

RELATED PARTIES TO THE FUND

ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began operations under the name Hwang–DBS Capital Berhad in 2001. In early 2014, AHAM was acquired by the Affin Banking Group (“Affin”) and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, AHAM has more than 18 years’ experience in the fund management industry. Additionally, AHAM is also 27% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd, an Asian investment management franchise.

Our Role as the Manager

We are responsible for the investment management and marketing of the Fund; servicing Unit Holders’ needs; keeping proper administrative records of Unit Holders and the Fund; ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

Our Investment Team

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

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

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 CIS approved under the Act.

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 fund management industry;
- (c) As soon as practicable notify the SC of any irregularity or breach of the provisions of the Deed, SC 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, Information Memorandum, the SC guidelines and securities law; and
- (f) Require that the accounts of the Fund to 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 following:-

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

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

You are not liable to the following:-

- (a) For any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased and any charges payable in relation thereto; or
- (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 value of the assets 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

Quorum Required for Convening a Unit Holders' Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders (irrespective of the Class of Units) whether present in person or by proxy, provided that if the Fund or a Class of Units has five (5) or less Unit Holders (irrespective of the Class of Units), the quorum required for a meeting of the Unit Holders of the Fund or a Class of Units shall be two (2) Unit Holders (irrespective of the Class of Units), 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 (irrespective of the Class of Units) of the Fund or the particular Class of Units, as the case may be, at the time of the meeting. If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund.

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:

- 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 at the Unit Holders' 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;
- 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 national newspaper published daily and another newspaper approved by the relevant authorities; and
- specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- requiring the retirement or removal of the Manager;
- requiring the retirement or removal of the Trustee;
- considering the most recent financial statements of the Fund;
- giving to the Trustee such directions as the meeting thinks proper; or
- considering any matter in relation to the Deed;

provided always that the Manager shall not be obliged to summon any such meeting unless 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 Manager

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

Unit Holders' Meeting Convened By Trustee

The Trustee may summon a Unit Holders' meeting in the event:

- the Manager is in liquidation;
- in the opinion of the Trustee, the Manager has ceased to carry on business;
- 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;
- requiring the retirement or removal of the Manager;
- 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;
- securing the agreement of the Unit Holders to release the Trustee from any liability;
- 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; or
- deciding on the reasonableness of the annual management fee charged to the Fund.

The meeting of the Unit Holders summoned by the Trustee shall be summoned by:

- 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
- 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.

Early Termination of the Fund

The trust hereby created shall automatically terminate and the Fund shall be automatically wound-up on the Early Termination Date.

The Early Termination Date being such a date as the Manager shall determine upon the occurrence of an Early Termination Event or on such other date as set out herein.

Note :- The Early Termination Event is where the Manager will may, but is not obliged to, at its sole and absolute discretion take such necessary steps to unwind or terminate the Fund without the need for Unit Holders' prior approval when the Fund holds all its assets in money market instruments, deposits and/or cash and, in the manner and upon such terms and conditions as set out herein.

Termination of the Fund

The Manager may, in its sole discretion and without having to obtain the prior approval of the Unit Holders, determine the trust and wind up the Fund upon the occurrence of any of the following events:

- (a) if any new law shall be passed which renders it; or
- (b) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund and the termination of the Fund is in the best interests of the Unit Holders.

If the Fund is left with no Unit Holders, the Manager shall also be entitled to terminate 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 (if any) at a rate higher than that disclosed in this 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 this Information Memorandum unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager 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. 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 purchase and creation of Units.	Fund	Unit Holder
Over valuation and/or pricing in relation to the repurchase of Units.	AHAM	Fund
Under valuation and/or pricing in relation to the purchase and creation of Units	AHAM	Fund
Under valuation and/or pricing in relation to the repurchase of Units	Fund	Unit Holder or former Unit Holder

POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS

The Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the SC's Securities Borrowing and Lending Guidelines [SBL Guidelines]) in connection with its activities.

Except for securities lending as provided under the SBL Guidelines, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. In structuring the portfolio of the Fund, we will maintain sufficient liquid assets to ensure short term liquidity in the Fund to meet operating expenses.

UNCLAIMED MONIES

Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be paid to the Registrar of Unclaimed Monies by the Manager in accordance with the requirements of the Unclaimed Moneys Act 1965.

INVESTORS INFORMATION

How can I keep track of my investment?

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

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

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

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

ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLATFPUAA”) and the 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 fail to provide the information required. Furthermore, where a particular transaction is deemed suspicious, we have an obligation under the AMLATFPUAA to notify the relevant authority of the transaction.

DIRECTORY OF SALES OFFICE

AFFIN HWANG ASSET MANAGEMENT BERHAD:

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Fax : 03 – 2116 6100
Toll Free No : 1-800-88-7080
Email: customercare@affinhwangam.com
Website: www.affinhwangam.com

PENANG

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10470 Penang
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Fax : 04 – 899 1916

PERAK

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Greentown Business Centre
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JOHOR

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Fax : 07 – 223 8998

MELAKA

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Taman Melaka Raya
75000 Melaka
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SABAH

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