

Asset Management

# **PRODUCT HIGHLIGHTS SHEET**

**for**

## **Affin Hwang Strategic Income Fund 1**

**Date of issuance: 29 July 2022**

### **RESPONSIBILITY STATEMENT**

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

### **STATEMENT OF DISCLAIMER**

The relevant information and document in relation to the Affin Hwang Strategic Income Fund 1 (“the Fund”), including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

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

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

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

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

**PRODUCT HIGHLIGHTS SHEET**
**AFFIN HWANG STRATEGIC INCOME FUND 1**
**BRIEF INFORMATION ON THE PRODUCT**
**1. What is this product about?**

The Fund is a closed-end wholesale income fund which aims to provide income return whilst maintaining capital preservation#.

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

**PRODUCT SUITABILITY**
**2. Who is this product suitable for?**

The Fund is designed for Sophisticated Investors who seek for income stream, have a three (3) years investment horizon and have a low risk tolerance.

**KEY PRODUCT FEATURES**
**3. What am I investing in?**

Launch Date	29 July 2022
Offer Price	MYR 1.00 Units will ONLY be sold during the Offer Period.
Offer Period	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 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.
Tenure	The Fund aims to mirror the tenure of the Investment. The Manager will notify unit holders about the Maturity Date via the issuance of communique.  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.
Base Currency	MYR
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".

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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. 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 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, 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.

### **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

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	traded on centralised exchanges.  <b>Cross Trades</b> 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.
Asset Allocation	<ul style="list-style-type: none"> <li>• A minimum of 90% of the Fund's NAV to be invested in structured products; and</li> <li>• The remaining to be invested in money market instruments and/or deposits.</li> </ul>
Distribution Policy	Depending on the level of income the Fund generates, the Fund aims to distribute income on a semi-annual basis.
Minimum Initial Investment*	RM 10,000
Minimum Additional Investment*	RM 5,000
Minimum Units of Repurchase*	10,000 Units
Minimum Units Held*	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.*

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

#### 4. Who am I investing with?

Relevant parties' information:

The Manager	Affin Hwang Asset Management Berhad
The Trustee	CIMB Commerce Trustee Berhad

#### 5. What are the possible outcomes of my investment?

This Fund is a closed-end wholesale income fund that aims to income return whilst maintaining capital preservation#. The performance of the Fund would be dependent on the structured products that the Fund invests in.

Unlike fixed deposits which generally provide a guarantee on capital invested and carry specific rate of return, the Fund's investments in structured products do not provide a guarantee on capital contributed nor does it guarantee a fixed rate of return.

Depending on the level of income the Fund generates, the Fund aims to distribute income on a semi-annual basis.

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

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### KEY RISKS

#### 6. What are the key risks associated with this product?

##### General Risks

- **Market risk** – Market risk arises because of factors that affect the entire 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

- **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** – 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.

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Specific risks of structured products:

➤ Maturity Date Extension Provisions

If the Issuers determine 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.

➤ Issuer Calls

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.

➤ Force Majeure Events

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).

➤ Sovereign Risk

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.

- **Derivatives risk** – 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.
- **Concentration risk** – 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.
- **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.

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- **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.
- **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.

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

**It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not possible to protect investments against all risks.**

**You are recommended to read the whole Information Memorandum to assess the risks associated with the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.**

## FEES & CHARGES

### 7. What are the fees and charges involved?

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

#### What will I be charged by the Manager?

Sales charge	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.
Transfer fee	Nil.
Switching fee	Not applicable as the switching facility is not available for this Fund.

#### What are the key ongoing fees charged to 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).

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

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

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### VALUATIONS AND EXITING FROM INVESTMENT

#### 8. How often are valuations available?

The Fund will be valued on every Business Day and you may obtain the NAV and NAV per Unit of the Fund from our website at [www.affinhwangam.com](http://www.affinhwangam.com), our customer service via our toll free number 1-800-88-7080 or email to [customercare@affinhwangam.com](mailto:customercare@affinhwangam.com).

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

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

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

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

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

Complaints should be made in writing with the following information:

- (a) particulars of the complainant which include name, correspondence address, contact number, e-mail address (if any) and other relevant information;
- (b) circumstances of the non-compliance or improper conduct;
- (c) parties alleged to be involved in the improper conduct; and
- (d) other supporting documentary evidence (if any).

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

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

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

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

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

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



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**APPENDIX : GLOSSARY**

<b>Act</b>	Means the Capital Markets and Services Act 2007 as may be amended from time to time.
<b>Base Currency</b>	Means the currency in which the Fund is denominated i.e. MYR.
<b>Bursa Malaysia</b>	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>Business Day</b>	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.
<b>Commencement Date</b>	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.
<b>Communiqué</b>	Refers to the notice issued by the Manager to the Unit Holders.
<b>Credit Events</b>	<p>The Credit Events in respect of the Investment are as follows:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>
<b>Deed</b>	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.
<b>deposit</b>	Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
<b>Early Maturity</b>	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).
<b>Early Maturity Communique</b>	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.
<b>Early Maturity Date</b>	Means the date which will fall on the tenth (10th) Business Day immediately following the date Early Maturity Communique is issued to you.
<b>Early Redemption Events</b>	<p>Early Redemption Events in respect of the Investment are as follows:</p> <ul style="list-style-type: none"> <li>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.</li> </ul>

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	<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>
<b>Forward Pricing</b>	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.
<b>Fund</b>	Means Affin Hwang Strategic Income Fund 1.
<b>Guidelines</b>	Means the <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC as may be amended from time to time.
<b>Information Memorandum</b>	Means this offer document in respect of this Fund as may be replaced or amended from time to time.
<b>Investment</b>	Means structured products.
<b>Investment Date</b>	Means the date on which the investment of the Fund may first be made and it is the date which begins on the next Business Day immediately after the expiry of the Offer Period. A reference to the Fund's anniversary shall be a reference from this Investment Date.
<b>Manager or AHAM</b>	Means Affin Hwang Asset Management Berhad.
<b>Maturity Date</b>	Means the date on which the Fund automatically terminates and is the date, which is the third (3rd) 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 (3rd) anniversary of the Investment Date.
<b>MYR</b>	Means Malaysia Ringgit.
<b>NAV</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
<b>Offer Period</b>	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.
<b>Offer Price</b>	Means the fixed price for each Unit during the Offer Period.
<b>Reference Underlying</b>	Means Federation of Malaysia and any successor thereto
<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>Repurchase Price</b>	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.
<b>Sales Charge</b>	Means a charge imposed pursuant to a purchase request.
<b>SC</b>	Means Securities Commission Malaysia.
<b>Selling Price</b>	Means the price payable by you to us to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
<b>Sophisticated Investor</b>	<p>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.</p> <p>Note: For more information, please refer to our website at <a href="https://affinhwangam.com">https://affinhwangam.com</a> for the</p>

## Asset Management

	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.
<b>Special Resolution</b>	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
<b>Trustee</b>	Refers to CIMB Commerce Trustee Berhad.
<b>Unit or Units</b>	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a unit of the Fund.
<b>Units in Circulation</b>	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>
<b>Unit Holder, you</b>	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.

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