

Prospectus

AHAM Aiiman Balanced Fund

(Formerly known as Affin Hwang Aiiman Balanced Fund)



MANAGER

AHAM Asset Management Berhad

(Formerly known as Affin Hwang Asset Management Berhad)
Registration No.: 199701014290 (429786-T)

TRUSTEE

AmanahRaya Trustees Berhad

Registration No.: 200701008892 (766894-T)

This Prospectus is dated 27 February 2023.
The AHAM Aiiman Balanced Fund was constituted on
14 September 2001 and launched on 11 November 2001.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. THIS IS A REPLACEMENT PROSPECTUS THAT REPLACES AND SUPERCEDES THE PROSPECTUS DATED 22 SEPTEMBER 2017. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 4.



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

Responsibility Statements

This Prospectus has been reviewed and approved by the directors of AHAM Asset Management Berhad (*formerly known as Affin Hwang Asset Management Berhad*) (“AHAM”) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Prospectus false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorised the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and registration of this Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the said Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of AHAM, the management company responsible for the said Fund and takes no responsibility for the contents in this Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

Additional Statements

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 the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Fund.

This Prospectus is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia (“Foreign Jurisdiction”). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no issue or sale of Units to which this Prospectus relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

The AHAM Aiiman Balanced Fund (*formerly known as Affin Hwang Aiiman Balanced Fund*) has been certified as Shariah compliant by the Shariah Adviser appointed for the Fund.



INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

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CORPORATE DIRECTORY

The Manager/AHAM

AHAM Asset Management Berhad

(formerly known as Affin Hwang Asset Management Berhad)

Registered Office

3rd 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@aham.com.my

Website : www.aham.com.my

The Trustee

AmanahRaya Trustees Berhad

Registered Address

Tingkat 11, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur

Business Address

Tingkat 14, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur

Tel No. : (603) 2036 5129

Fax No. : (603) 2072 0322

Email: art@arb.com.my

Website: www.artrustees.com.my

External Fund Manager

AIIMAN Asset Management Sdn. Bhd.

Registered Address

3rd Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2142 3700

Fax No. : (603) 2027 5848

Business Address

14th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2116 6156

Fax No. : (603) 2116 6150

Website : www.aiiman.com

The Shariah Adviser

Amanie Advisors Sdn. Bhd.

Level 13A-2, Menara Tokio Marine Life, 189, Jalan Tun Razak, 50400 Kuala Lumpur

Tel No. : (603) 2161 0260

Fax No. : (603) 2161 0262

E-mail : info@amanieadvisors.com

Website : www.amanieadvisors.com

ABBREVIATION

EPF	Employees Provident Fund.
EMIS	EPF Members' Investment Scheme.
FIMM	Federation of Investment Managers Malaysia.
IUTA	Institutional Unit Trust Scheme Advisers.
MARC	Malaysian Rating Corporation Berhad.
MYR	Ringgit Malaysia.
PHS	Product Highlights Sheet.
RAM	RAM Rating Services Berhad.
SAC	Shariah Advisory Council.
SACSC	Shariah Advisory Council of the Securities Commission Malaysia.
SC	Securities Commission Malaysia.

GLOSSARY

the Act	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
the Board	Means the board of directors of the Manager.
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 and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading.
CVC Capital Partners Asia Fund V	Means collectively (1) CVC Capital Partners Asia V L.P.; (2) CVC Capital Partners Investment Asia V L.P.; and (3) CVC Capital Partners Asia V Associates L.P.
Deed	Refers to the deed dated 14 September 2001, first supplemental deed dated 23 October 2002, second supplemental deed dated 23 August 2007, third supplemental deed dated 8 September 2008, fourth supplemental deed dated 13 October 2008, fifth supplemental deed dated 22 July 2014, sixth supplemental deed dated 6 August 2015, seventh supplemental deed dated 5 October 2018 and eighth supplemental deed dated 28 December 2022 entered into between the Manager and the Trustee.
eligible market(s)	Means an exchange, government securities market or an over-the-counter (OTC) market– (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded.
External Fund Manager / AIIMAN	Refers to AIIMAN Asset Management Sdn. Bhd.
Financial Institution(s)	Means (a) if the institution is in Malaysia – (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank; or (b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Forward Pricing	Means the method of determining the price of a Unit which is the NAV per Unit calculated at the next valuation point after an application for purchase or repurchase request is received by the Manager.
Fund	Refers to AHAM Aiiman Balanced Fund (<i>formerly known as Affin Hwang Aiiman Balanced Fund</i>).

GIA	Means the investment account based on either Mudharabah or Murabahah that works on profit sharing basis and fixed profit income basis respectively.
Guidelines	Means the <i>Guidelines on Unit Trust Funds</i> issued by the SC and as may be amended from time to time.
LPD	Means 30 December 2022 and is the latest practicable date for the purposes of ascertaining certain information deemed relevant in this Prospectus.
licensed bank	Means a bank licensed under the Financial Services Act 2013.
licensed investment bank	Means an investment bank licensed under the Financial Services Act 2013.
licensed Islamic bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
long term	Means a period of 5 years and above.
Manager/AHAM	Refers to AHAM Asset Management Berhad (<i>formerly known as Affin Hwang Asset Management Berhad</i>).
medium term	Means a period between 3 years to 5 years.
Net Asset Value or NAV	Means the value of the Fund which is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the total number of Units in Circulation at that valuation point.
Prospectus	Means this prospectus including any supplemental or replacement prospectus, as the case may be.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Repurchase Price	Means the price payable to a Unit Holder by the Manager for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.
Sales Charge	Means a charge imposed pursuant to a purchase request.
Selling Price	Means the price payable by the Unit Holder for the Manager to create a Unit and it shall be exclusive of any Sales Charge.
Shariah	Means Islamic law, originating from the Qur'an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
Shariah Adviser	Refers to Amanie Advisors Sdn Bhd.
Shariah requirements	Means a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
Special Resolution	Means a resolution passed by a majority of not less than three quarter ($\frac{3}{4}$) of Unit Holders present and voting at a meeting of Unit Holders in person or by proxy. <i>For the purpose of terminating the Fund, a special resolution is passed by a majority in number representing at least three quarter ($\frac{3}{4}$) of the value of Units held by the Unit Holders present and voting at the meeting in person or by proxy.</i>
short-term	Means a period of 1 year or less.
Sukuk	Means a document or certificate, documenting the undivided pro-rated ownership of underlying assets.
Trustee	Refers to AmanahRaya Trustees Berhad.
Unit or Units	Means a measurement of the right or interest of a Unit Holder in the Fund.
Units in Circulation	Means Units created and fully paid and which have not been cancelled. It is also the total number of Units issued at a particular valuation point.
Unit Holder(s), you	Means the person / corporation registered as a holder of Units, including persons jointly registered.

Note:

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

RISK FACTORS

GENERAL RISKS

Just like any other form of investment, unit trust funds also carry risks. Risk is the uncertainty to which any form of investment may fluctuate in value. One should consider, amongst others, the following when investing in a unit trust 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. Market risk cannot be eliminated but may be reduced through diversification. 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.

Affected by variable factors and not guaranteed

The performance of a unit trust fund is affected by many variable factors and is not guaranteed. These include overall economic and financial market conditions such as interest rate fluctuation and stability of local currency. While a track record may provide some insight on future performance, it is by no means guaranteed. The prices of Units may go down as well as up. Likewise, distribution may vary from year to year depending on the performance of the unit trust fund.

Issuer risk

The value of each individual securities that a unit trust fund invests in may decline for a number of reasons which is directly related to the issuer, such as but not limited to, the management performance, financial leverage, changing industry conditions and changes in consumer tastes and demand.

Fund management risk

This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager 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, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

Loan / financing risk

This risk occurs when you take a loan or financing to finance your investment. The inherent risk of investing with borrowed/financed money includes you being unable to service the loan/financing repayments/payments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan/financing.

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 and subsequently the value of Unit Holders' investments in the Fund.

Suspension of repurchase request risk

Having considered the best interests of Unit Holders, the repurchase requests by the Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be determined. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.

Shariah-compliant equity and Shariah-compliant securities equivalent to equities investment risk

The buying and selling of Shariah-compliant equities and Shariah-compliant securities equivalent to equities (hereinafter collectively referred to as “Shariah-compliant equities”) carry a number of risks. The most important being the volatility of the capital markets (of those tradable Shariah-compliant equities), the general insolvency risk associated with the issuers of Shariah-compliant equities, and/or the performance of the underlying equity that the Shariah-compliant securities equivalent to equities is linked to.

The value of the Shariah-compliant equities depends on its growth and earning potential, sound management, treatment of minority shareholders, as well as a myriad of other factors. Failure to achieve the expected earnings would result in declining investment value which in turn affects the performance of the Fund. This risk can be mitigated by diversifying the Fund’s portfolio. The Manager will employ stringent stock selection criteria which would effectively filter its stock components to Shariah-compliant equities which may provide returns to the Fund in the form of capital gains and income.

Stock specific risk

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund’s NAV.

Credit and default risk

Credit risk relates to the creditworthiness of the issuers of the Sukuk or Islamic money market instruments and the Financial Institutions where the Islamic deposits are placed (hereinafter referred to as “investment”) and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer and/or Financial Institution may impact the value as well as liquidity of the investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or Financial Institution of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.

Profit rate risk

This risk refers to the impact of profit rate changes on the valuation of Sukuk or Islamic money market instruments (hereinafter referred to as “investment”). Generally, movement in profit rates affects the prices of investment inversely. For example, when profit rates rise, prices of investment will fall. The fluctuations of the prices of investment will also have an impact on the NAV of the Fund. This risk can largely be eliminated by holding the investment until their maturity. We also manage profit rate risk by considering each investment’s sensitivity to profit rate changes. When profit rates are expected to increase, the Fund would then likely seek to switch to investment that are less sensitive to profit rate changes. For investments in Islamic deposits, the fluctuations in the interest rates will not affect the placement of Islamic deposits but will result in the opportunity loss by the Fund if the placement of Islamic deposits is made at lower interest rate.

Shariah-compliant warrants investment risk

The value of the Shariah-compliant warrants will depend on the pricing of the underlying security whereby the growth and performance prospect of the underlying security would consequentially affect the value of the Shariah-compliant warrants. In addition, the value of the Shariah-compliant warrants may decrease exponentially as the Shariah-compliant warrants approach its maturity date and the potential gains from a favourable price movement of the underlying may be offset by aggressive time decay. We may consider unwinding these Shariah-compliant warrants if there are material adverse changes to its value with the aim to mitigate the risk.

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified to be Shariah non-compliant in the periodic review of the equities by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, we will take the necessary steps to dispose of such equities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. We will be required to dispose of these equities immediately if the prices are above the purchase price. Should the prices be below the purchase price, we may choose to hold on to these holdings until the prices meet the purchase price. Nevertheless, should we decide to dispose of these equities below the purchase price, the Fund will be faced with the risk of realising its losses, thus negatively impacting the NAV of the Fund. Please refer to “*Shariah Investment Guidelines*” of this Prospectus on the Fund’s Shariah methodology on the treatment of gains and losses as a result of the reclassification of Shariah non-compliant equities.

Currency risk

As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund 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 of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency of the Fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

Country risk

The foreign investment of the Fund may be affected by risks specific to the country which it invests in. Such risks, which include changes in a country's economic fundamentals, social and political stability, currency movements and foreign investment policies, may have an impact on the prices of the Fund's investment in that country. Consequently, it may also affect the Fund's NAV.

Specific risks relating to the Islamic collective investment schemes in which the Fund invests in are as below:

➤ **Shariah-compliant stock specific risk**

Prices of a particular Shariah-compliant stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such Shariah-compliant stocks will adversely affect the performance of the Islamic collective investment schemes.

➤ **Credit And Default Risk**

Credit risk relates to the creditworthiness of the issuers of the sukuk or Islamic money market instruments and the Financial Institutions where the Islamic deposits are placed (hereinafter referred to as "investment") and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer and/or Financial Institution may impact the value as well as liquidity of the investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or the Financial Institution either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment.

➤ **Profit Rate Risk**

This risk refers to the impact of profit rate changes on the valuation of sukuk or Islamic money market instruments (hereinafter referred to as "investment"). When profit rates rise, the investment prices generally decline and this may lower the market value of the investment. The reverse may apply when profit rates fall. For investments in Islamic deposits, the fluctuations in the profit rates will not affect the placement of Islamic deposits but will result in the opportunity loss by the Fund if the placement of Islamic deposits is made at the lower profit rate.

It is important to note that any adverse effect on the Shariah-compliant stocks, sukuk, Islamic money market instruments and Islamic deposits could adversely affect the performance of the Islamic collective investment schemes which the Fund is investing. This in turn may cause the NAV of the Fund to fall.

RISK MANAGEMENT

In our day-to-day running of the business, we employ a proactive risk management approach to manage portfolio risks, operational risks and liquidity risks. The Board has established a board compliance & risk management committee to oversee AHAM's risk management activities both at operational level and at portfolio management level to ensure that the risk management process is in place and functioning. The board compliance & risk management committee comprises of at least three Board members and is chaired by an independent director. At the operational level, we have established a compliance & risk oversight committee with the primary function of identifying, evaluating and monitoring risks as well as to formulate internal control measures to manage and mitigate the exposure to risks that may affect the performance of the Fund, returns to the investors or Unit Holders' interest within a clearly defined framework and is primarily responsible for ensuring that the policies and procedures that have been implemented are reviewed on an on-going basis with periodic assessments. The compliance & risk oversight committee reports to the board compliance & risk management committee on a quarterly basis.

In managing portfolio risks, we engage a stringent screening process by conducting fundamental analysis of economic, political and social factors to evaluate their likely effects on the performance of the markets and sectors. Regular meetings are held to discuss investment themes and portfolio decisions taken at the meetings are then implemented according to the investment guidelines which also take into account requirements for minimum portfolio diversification across individual investment holdings, sectors, geographies and asset classes (based on the respective portfolio's objective and strategy). We also practise prudent liquidity management with the objective to ensure that the Fund is able to meet its short-term expenses including repurchase requests by the Unit Holders.

We have in place a system that is able to monitor the transactions to ensure compliance with the Fund's investment limits and restrictions. These limits are system-controlled and not manually tracked, thus reducing the probability of human error occurring in ensuring the Fund's limits and restrictions are adhered to. We also undertake stringent evaluation of movements in market prices and regularly monitor, review and report to the person(s) or members of a committee undertaking the oversight function of the Fund to ensure that the Fund's investment objective is met. Regular portfolio reviews by senior members of the investment team further reduce the risk of implementation inconsistencies and violations of the Guidelines.

We also employ a performance attribution system that enables us to review the performance of the Fund to determine the key factors that have contributed to and detracted from the Fund's performance. This system complements our overall risk management process as the system also provides standard risk analytics on the portfolio such as the Fund's standard deviation, tracking error and measures of excess return. The data produced by the performance attribution system is reviewed regularly and at least on a monthly basis in meetings chaired by the managing director and participated by the portfolio managers and the performance evaluation team.

Liquidity Risk Management

We have established liquidity risk management policies to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the repurchase requests from the Unit Holders with minimal impact to the Fund as well as safeguarding the interests of the remaining Unit Holders. Such policies take into account, amongst others, the asset class of the Fund and the redemption policy of the Fund. To manage the liquidity risk, we have put in place the following procedures:

- a) The Fund may hold a maximum of 60% of its NAV in Islamic money market instruments and/or Islamic deposits. This will allow the Fund to have sufficient buffer to meet the Unit Holders' repurchase request;
- b) Regular review by the designated fund manager on the Fund's investment portfolio including its liquidity profile;
- c) Daily monitoring of the Fund's net flows and periodic liquidity stress testing of the Fund's assets against repurchase requests during normal and adverse market conditions are performed as pre-emptive measures in tracking the Fund's liquidity status. This will ensure that we are prepared and able to take the necessary action proactively to address any liquidity concerns, which would mitigate the potential risks in meeting Unit Holders' repurchase requests; and
- d) Suspension of repurchase requests from the Unit Holders under exceptional circumstances where the market value or fair value of a material portion of the Fund's assets cannot be determined. During the suspension period, the repurchase requests from the Unit Holders will be accepted but will not be processed. Such repurchase requests will only be processed on the next Business Day once the suspension is lifted. That said, the action to suspend repurchase requests from the Unit Holders shall be exercised only as a last resort by the Manager having considered the best interests of Unit Holders.



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

ABOUT AHAM AIIMAN BALANCED FUND

Fund Category	: Islamic Balanced
Fund Type	: Income and Growth
Base Currency	: MYR
Launch Date	: 11 November 2001
Financial Year End	: 31 March
Distribution Policy	: Distribution (if any) will be subject to the availability of income.
Deed	: Deed dated 14 September 2001, first supplemental deed dated 23 October 2002, second supplemental deed dated 23 August 2007, third supplemental deed dated 8 September 2008, fourth supplemental deed dated 13 October 2008, fifth supplemental deed dated 22 July 2014, sixth supplemental deed dated 6 August 2015, seventh supplemental deed dated 5 October 2018 and eighth supplemental deed dated 28 December 2022.

INVESTMENT OBJECTIVE

To achieve reasonable returns in both income and capital growth over a medium to long term period by investing in a wide portfolio of authorised securities and other investments which complies with Shariah principles.

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

BENCHMARK

FTSE-Bursa Malaysia EMAS Shariah Index + 3-month GIA rate quoted by Maybank in the ratio of 60:40.

The composite benchmark return is for a more accurate reflection of the portfolio composition of the Fund whereby only 60% of the weighted market capitalisation of stocks under FTSE-Bursa Malaysia EMAS Shariah Index are taken in view of the 60% Shariah-compliant equities portfolio composition while the remaining 40% is benchmarked against 3-month GIA rate.

The composite benchmark has been selected as there is no direct performance benchmark to the Fund's investment strategy. As such, we believe the composite benchmark that comprises 60% FTSE Bursa Malaysia EMAS Shariah Index and 40% 3-month GIA rate quoted by Maybank will be able to provide a reflective gauge to the investment strategy that the Manager employs for the Fund. The portfolio's exposure into Shariah-compliant equities & Shariah-compliant securities equivalent to equities will be gauged through the performance of the FTSE Bursa Malaysia EMAS Shariah Index, while its exposure into Sukuk and Islamic money market instruments will be gauged using the 3-month GIA rate as quoted by Maybank. We believe the composition will be a reflective performance benchmark for the Fund as the Fund holds a strategy to provide investors with a market exposure of 40% - 60% to the two asset classes mentioned above.

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

Information on the benchmark can be obtained from the following sources:-

60% of the Fund's NAV can be obtained from <http://www.bursamalaysia.com.my> and 40% of the Fund's NAV can be obtained from <http://www.maybank2u.com.my>. For further details on the benchmark, you may obtain the information from the Manager upon request.

ASSET ALLOCATION

Shariah-compliant equities & Shariah-compliant securities equivalent to equities	40% to 60%
Sukuk, Islamic money market instruments, and/or Islamic deposits	40% to 60%

The Manager will maintain a sufficient level of cash for liquidity purposes

INVESTMENT STRATEGY

The Fund seeks to maximise total returns by providing a combination of income, if any, and capital appreciation, if any, by investing in Shariah-compliant equities, Shariah-compliant securities equivalent to equities, Sukuk, Islamic money market instruments, and Islamic deposits.

Principal Investment Strategies

The Fund uses a top-down approach that begins with a review of the domestic economy and its financial markets in the context of global economic scenario and capital flows. This sets the basis for the overall asset allocation decision.

Shariah-compliant stock selection will then be carried out after an analysis on the outlook for the broad domestic economy, the individual sectors within the economy and the companies within each sector is carried out. The Fund invests in growth and income Shariah-compliant stocks irrespective of market capitalisation. The Fund may also invest in Sukuk, Islamic money market instruments and Islamic deposits.

The selection of Sukuk and Islamic money market instruments will depend largely on its credit quality where the respective Sukuk and Islamic money market instruments issuers will have strong ability to meet their financial obligations and offer highest safety for timely payment of interest and principal. When choosing individual Sukuk and Islamic money market instruments, the following are the more important considerations:

- Issuer's and/or guarantor's industry and business medium to long term outlook;
- Issuer's and/or guarantor's financial strength and gearing levels;
- Issuer's and/or guarantor's cash-flow quality and volatility;
- Issuer's and/or guarantor's expected future cash-flow and ability to pay interest and principal;
- Issuer's and/or guarantor's ratings by RAM or MARC or a recognized global credit rating agency;
- Duration and interest rate sensitivity;
- Collateral type and value, and claims priority; and
- Price and yield-to-maturity / yield-to-call

The Manager may invest in Islamic collective investment schemes that hold similar investment objectives as the Fund's investment objective.

To meet its objective, the Fund will also look at investing in Shariah-compliant securities equivalent to equities such as Shariah-compliant rights issue and Shariah-compliant warrants, as well as unlisted Shariah-compliant securities. The Fund may invest up to 20% of its NAV in countries which are eligible markets.

Asset Allocation Strategy

The Fund aims to maintain a balanced exposure between Shariah-compliant equities, Shariah-compliant securities equivalent to equities, Sukuk, Islamic money market instruments and Islamic deposits. However, the Manager will increase the Fund's exposure to Sukuk, Islamic money market instruments and Islamic deposits should the Manager deem the equity market to be too volatile. Sukuk, Islamic money market instruments, and Islamic deposits are generally of lower risk compared to Shariah-compliant equities and Shariah-compliant securities equivalent to equities, thus the increase of Sukuk, Islamic money market instruments and Islamic deposits are done with the aim of reducing the risk profile of the Fund.

Temporary Defensive Measures

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by raising cash levels or increasing the Fund's asset allocation weighting in Sukuk, Islamic money market instruments, and Islamic deposits in attempting to respond to adverse conditions that may impact the financial markets.

Cross Trades Policy

We may conduct cross trades between funds which we are currently manage provided that all criteria imposed by the regulators are met. Notwithstanding, cross trades between the personal account of our employee and the Fund's account(s); and between our proprietary trading accounts and the Fund's account(s) are strictly prohibited. Compliance with the criteria would be monitored by our compliance unit, and reported to our compliance and risk management committee, to avoid conflict of interests and manipulation that could have a negative impact on the investors.

PERMITTED INVESTMENTS

- Listed Shariah-compliant securities;
- Unlisted Shariah-compliant securities;
- Shariah-compliant right issues;
- Shariah-compliant warrants;
- Government Investment Issues (GII), Islamic accepted bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt certificate (NIDC), Islamic negotiable instrument of deposits (INID), Cagamas mudharabah bonds and any other government Islamic papers;
- Other Shariah-compliant obligations issued or guaranteed by the Malaysian government, Bank Negara Malaysia, state governments and government-related agencies;
- Sukuk;
- Islamic deposits;
- Islamic money market instruments;
- Units/shares in Islamic collective investment schemes which are in line with the objective of the Fund; and
- Any other form of Shariah-compliant investments as may be permitted by the Securities Commission and/or the Shariah Adviser from time to time that is in line with the Fund's objectives.

INVESTMENT RESTRICTIONS AND LIMITS

The Fund is subject to the following investment restrictions:

- (a) The Fund's assets must be relevant and consistent with the investment objective of the Fund.
- (b) The aggregate value of the Fund's investments in Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an eligible market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer ("Exposure Limit").
- (c) The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- (d) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("Single Issuer Limit"). In determining the Single Issuer Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation.
- (e) The value of the Fund's placement in Islamic deposits with any single Financial Institution must not exceed 20% of the Fund's NAV ("Single Financial Institution Limit").

The Single Financial Institution Limit does not apply to placements of Islamic deposits arising from:

- (i) Subscription monies received prior to the commencement of investment by the Fund;
 - (ii) Liquidation of investments prior to the termination of the Fund, where the placement of Islamic deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
 - (iii) Monies held for the settlement of redemption or other payment obligations, where the placement of Islamic deposits with various Financial Institutions would not be in the best interests of Unit Holders.
- (f) The aggregate value of the Fund's investments in, or exposure to, a single issuer through Shariah-compliant transferable securities, Islamic money market instruments and Islamic deposits must not exceed 25% of the Fund's NAV ("Single Issuer Aggregate Limit"). In determining the Single Issuer Aggregate Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation.
 - (g) The value of the Fund's investments in units/shares of an Islamic collective investment scheme must not exceed 20% of the Fund's NAV provided that the Islamic collective investment scheme complies with the requirements of the Guidelines.
 - (h) The value of the Fund's investments in units or shares of an Islamic collective investment scheme that invests in real estate must not exceed 15% of the Fund's NAV.

- (i) The Shariah-compliant warrants the Fund invests in must carry the right in respect of a security traded in or under the rules of an eligible market.
- (j) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("Group Limit"). In determining the Group Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the issuers within the same group of companies must be included in the calculation.
- (k) The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.
- (l) The Fund's investments in Sukuk must not exceed 20% of the Sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of Sukuk in issue cannot be determined.
- (m) The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.
- (n) The Fund's investments in Islamic collective investment scheme must not exceed 25% of the units or shares in the Islamic collective investment scheme.
- (o) The Fund may invest in foreign Shariah-compliant securities subject to the limits imposed by Bank Negara Malaysia and/or the SC.
- (p) The Single Issuer Limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long term credit rating of investment grade (including gradation and subcategories) by an international rating agency.
- (q) Where the Single Issuer Limit is increased to 35% of the Fund's NAV, the Single Issuer Aggregate Limit may be raised, subject to the Group Limit not exceeding 35% of the Fund's NAV.
- (r) Any other investment limits or restrictions imposed by the relevant regulatory authorities or pursuant to any laws and regulations applicable to the Fund.

Please note that the above limits and restrictions do not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

In respect of the above investment restrictions and limits, any breach as a result of any (a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of Units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, must be rectified as soon as practicable within three months from the date of the breach unless otherwise specified in the Guidelines. Nevertheless, the three-month period may be extended if it is in the best interests of Unit Holders and the Trustee's consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.

SHARIAH INVESTMENT GUIDELINES

The following are the Shariah investment guidelines for the Fund, which the Manager, is to strictly adhere to on a continuous basis. At all times the Fund shall invest in investment instruments that are allowed under Shariah principles and shall not invest in instruments that are prohibited by Shariah principles based on the parameters of the applicable Shariah Advisory Council, relevant Shariah advisory board and the Shariah Adviser.

Investment in Malaysia

a. Equity

The Fund will invest based on a list of listed Shariah-compliant equities (inclusive of Shariah compliant right issue and warrants) by the SACSC.

For initial public offering (IPO) companies that have yet to be determined the Shariah status by the SACSC, the Shariah Adviser adopts the following analysis as a temporary measure in determining its Shariah status until the SACSC releases the Shariah status of the respective companies.

(1) Qualitative analysis

In this analysis, the Shariah Adviser will look into aspects of general public perception of the companies' images, core businesses which are considered important and *maslahah* (beneficial) to the Muslim *ummah* (nation) and the country. The non-permissible elements are very small and involve matters like *umum balwa* (common plight and difficult to avoid), *'uruf* (custom) and rights of the non-Muslim community which are accepted under the Shariah.

(2) Quantitative analysis

Companies which passed the above qualitative analysis will be further subjected to quantitative analysis. The Shariah Adviser deduces the following to ensure that they are lower than the Shariah tolerable benchmarks:

(a) Business activity benchmarks

The 5 per cent benchmark would be applicable to the following business activities:

- Conventional banking and lending;
- Conventional insurance;
- Gambling;
- Liquor and liquor-related activities;
- Pork and pork-related activities;
- Non-halal food and beverages;
- Shariah non-compliant entertainment;
- Tobacco and tobacco-related activities;
- Interest income from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- Dividends from Shariah non-compliant investments; and
- Other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

The 20 per cent benchmark would be applicable to the following activities:

- Share trading;
- Stockbroking business;
- Rental received from Shariah non-compliant activities; and
- Other activities deemed non-compliant according to Shariah principles as determined by the SACSC.

The above-mentioned contribution of Shariah non-compliant businesses/activities to the overall revenue/sales/turnover/income and profit before tax of the companies will be calculated and compared against the relevant business activity benchmarks i.e. must be less than 5 per cent and less than 20 per cent respectively as stated above.

(b) Financial ratio benchmarks

The financial ratios applied are as follows:

- Cash over total assets:

Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.

- Debt over total assets:

Debt will only include interest-bearing debt whereas Islamic financing or Sukuk will be excluded from the calculation.

Both ratios, which are intended to measure *riba'* and *riba'*-based elements within a company's statement of financial position, must be less than 33 per cent.

Should any of the above deductions fail to meet the benchmarks, the Shariah Adviser will not accord Shariah-compliant status for the companies.

Investment in Foreign Markets

The Fund shall invest in securities (inclusive of Shariah compliant right issue and warrants) listed under the list of Shariah-compliant securities issued by:

- the local Shariah governing bodies of the respective countries such as Majelis Ulama Indonesia in Indonesia; and/or
- any Shariah indices recognized internationally including but not limited to the Dow Jones Islamic market indices.

Any foreign securities which are not certified by the local Shariah governing bodies of the respective countries or listed under the list of Shariah-compliant securities issued by Shariah indices recognized internationally shall be determined in accordance with the ruling issued by the Shariah adviser as follows:

(1) Sector-based screens

The Shariah investment guidelines do not allow investment in companies which are directly active in, or derive more than 5% of their revenue or profit before taxation (cumulatively) from, the following activities (“prohibited activities”):

- Alcohol;
- Tobacco;
- Pork-related products;
- Conventional financial services (banking, insurance, etc.);
- Weapons and defense; and
- Entertainment (hotels, casinos/gambling, cinema, pornography, music, etc).

(2) Accounting-based screens

The accounting-based screens applied are as follows and must be less than 33%:

- (a) Total debt over trailing 24-months average market capitalization
- (b) The sum of a company’s cash and interest bearing securities divided by trailing 24-months average market capitalization
- (c) Accounts receivables divided by trailing 24-months average market capitalization

Should any of the above deductions fail to meet the benchmarks, the Shariah Adviser will not accord Shariah-compliant status for the companies.

b. Sukuk

Sukuk are certificates that provide evidence of an investment into an underlying asset or a project which is typically an income generating asset or project. The Fund will only invest in Sukuk which is approved by the SACSC, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and/or other Shariah boards/standards acceptable to the Shariah Adviser. The Shariah Adviser will review any Sukuk instruments to be invested by the Fund based on the data available at:

- Bond info hub (www.bondinfo.bnm.gov.my)
- Fully automated system for issuing/tendering (<http://fast.bnm.gov.my>)

c. Islamic Money Market Instruments

For investment in Malaysia, the Fund will invest in Islamic money market instruments approved by the Shariah Advisory Council of BNM based on the data available at:

- Bond info hub (www.bondinfo.bnm.gov.my)
- Fully automated system for issuing/tendering (www.fast.bnm.gov.my).

For investment in foreign markets, Islamic money market instruments that are endorsed by other Shariah adviser or committee must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.

d. Investment in Islamic Deposits

Islamic deposits shall be placed with financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For the avoidance of doubt, only Islamic account is permitted for placement of liquid assets with institutions licensed under the Financial Services Act 2013. The Fund is also prohibited from investing in interest-bearing liquid assets and recognizing any interest income.

e. Investment in Islamic Collective Investment Scheme

The Fund shall invest in Islamic collective investment scheme which must be regulated and registered or authorised or approved by the relevant authority in its home jurisdiction.

Purification Process for the Fund

Shariah non-compliant investment

This refers to Shariah non-compliant investment made by the Manager. The said investment will be disposed of or withdrawn with immediate effect or within a month of knowing the status of the investment. In the event of the investment resulted in gain (through capital gain and/or dividend and/or profit) received before or after the disposal of the investment, the gain is to be channeled to baitulmal and/or any other charitable bodies as advised by the Shariah Adviser. The Fund has the right to retain only the investment cost. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

Reclassification of Shariah status of the Fund's investment

These refer to Shariah-compliant securities which were earlier classified as Shariah-compliant but due to certain factors, such as changes in the companies' business operations and financial positions, are subsequently reclassified as Shariah non-compliant. In this regard, if on the date the Shariah-compliant securities turned Shariah non-compliant, the respective market price of Shariah non-compliant securities exceeds or is equal to the investment cost, Fund that hold such Shariah non-compliant securities must dispose them off. Any dividends received up to the date of the announcement/review and capital gains arising from the disposal of the Shariah non-compliant securities on the date of the announcement/review can be kept by the Fund.

However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of the announcement/review at a market price that is higher than the closing price on the date of the announcement/review should be channeled to baitulmal and/or charitable bodies as advised by the Shariah Adviser.

On the other hand, the Fund is allowed to hold its investment in the Shariah non-compliant securities if the market price of the said securities is below the Fund's investment costs. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, they are advised to dispose of their holding.

In addition, during the holding period, Fund is allowed to subscribe to:

- (a) any issue of new Shariah-compliant securities by a company whose Shariah non-compliant securities are held by the Fund, for example rights issues, bonus issues, special issues and warrants (excluding Shariah-compliant securities whose nature is Shariah non-compliant e.g. loan stocks); and
- (b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant securities are held by the Fund.

on condition that it expedite the disposal of the Shariah non-compliant securities.

Where the Fund invests in securities (save for Sukuk, money market instruments, deposit, liquid assets and equities or equities related i.e. warrants, right issue etc) earlier classified as Shariah-compliant but considered to have become non-compliant (by the Shariah adviser appointed by the issuer of that security) then guidance from the Shariah Adviser should be obtained.

Where the Fund invests in Sukuk, money market instruments, deposits, or liquid assets and equities or equities related earlier classified as Shariah-compliant that are subsequently determined, regarded or deemed to be Shariah non-compliant as a result of a new or previously unknown fatwa/ruling and/or upon advice by the Shariah Adviser, the Manager would be required to sell such Sukuk, money market instruments and equities or equities related, or withdraw such deposits, or liquid assets, as soon as practicable of having notice, knowledge or advice of the status of such instruments. Any profit received from such instruments prior to the occurrence of the aforesaid event shall be retained by the Fund. Any profit received subsequent to the occurrence of the aforesaid event shall be channelled to baitulmal and/or charitable bodies, as advised by the Shariah Adviser.

The investment portfolio of the Fund comprises of instruments which have been classified as Shariah-compliant by the SAC of SC, and where applicable the Shariah Advisory Council of Bank Negara Malaysia (SACBNM). For instruments that are not classified as Shariah-compliant by the SACSC and, where applicable the SACBNM, the status of such instrument has been determined in accordance with the ruling issued by the Shariah Adviser appointed for the Fund.

VALUATION OF THE FUND

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 below:

Listed Shariah-compliant Securities

Valuation of investments in listed Shariah-compliant securities shall be based on the closing price or last known transacted price on the eligible market on which the investment is quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, the investments will be valued at fair value as determined in good faith by the Manager or its delegate, based on the methods or bases verified by the auditor of the Fund and approved by the Trustee.

Unlisted Shariah-compliant Securities

For unlisted MYR denominated Shariah-compliant unlisted Sukuk, valuation will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-MYR denominated Shariah-compliant unlisted Sukuk, valuation will be based on the average indicative price quoted by independent and reputable institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

For other unlisted Shariah-compliant securities, valuation will be based on fair value as determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

Islamic Deposits

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

Islamic Money Market Instruments

Valuation of MYR denominated Islamic money market instruments will be done using the price quoted by a BPA registered with the SC. For non-MYR denominated Islamic money market instruments, valuation will be done using an average of quotations provided by reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager. This may be determined by reference to the valuation of other Islamic money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.

Unlisted Islamic Collective Investment Schemes

Unlisted Islamic collective investment schemes will be valued based on the last published repurchase price.

For listed Islamic collective investment schemes, the valuation will be done in a similar manner used in the valuation of “Listed Shariah-compliant Securities” as described above.

VALUATION POINT FOR 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 of the Fund based on the last available bid exchange rate quoted by Bloomberg/Refinitiv at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

FINANCING AND SECURITIES LENDING

The Fund is not permitted to seek financing in cash or other assets in connection with its activities. However, the Fund may seek financing for the purpose of meeting repurchase requests for Units and such financings are subjected to the following:-

- the Fund’s financing is only on a temporary basis and that financings are not persistent;
- the financing period should not exceed one (1) month;
- the aggregate financings of the Fund should not exceed 10% of the Fund’s NAV at the time the financing is incurred;
- the Fund may only obtain financing from Financial Institutions; and
- the instruments for such activity must comply with the Shariah requirements.

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.

EPF INVESTMENT

The Fund is approved under EMIS. However, the Fund is subject to the annual evaluation by the EPF. In the event the Fund is no longer offered under the EMIS after the annual evaluation process, the Unit Holders who have invested through the EMIS will remain invested in the Fund, but there will not be any sale of new Units to the Unit Holders/investors under the EMIS.

ZAKAT FOR THE FUND

The Fund does not pay zakat on behalf of Muslim individuals and Islamic legal entities, who are Unit Holders of the Fund. Such Unit Holders are thus required to pay zakat on their own behalf.

DEALING INFORMATION

You must read and understand the content of the Prospectus (and any supplemental prospectus) and PHS before investing.



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

PURCHASE AND REPURCHASE OF UNITS

WHO IS ELIGIBLE TO INVEST?

- An individual who is at least eighteen (18) years of age. In the case of joint application, the jointholder whose name appears first in the register of Unit Holders must be at least eighteen (18) years of age.
- A corporation such as registered businesses, co-operative, foundations and trusts.

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.
- You are required to provide us with the following completed forms and documents. However, we reserve the right to request for additional documents 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>

- If you invest through the EMIS, your Units will be created once we receive the application to invest. However, sale of Units will only be honoured once we receive the payments from EPF or other official confirmations from EPF on the approval of such payment.

HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

- 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.aham.com.my.
- Bank charges or other bank fees, if any, will be borne by you.

WHAT IS THE PROCESS OF THE PURCHASE APPLICATION?

- If we receive your purchase application at or before 3.30 p.m. on a Business Day (or “T day”), we will create your Units based on the NAV per Unit for that Business Day. Any purchase request received or deemed to have been received by us after 3.30 p.m. will be transacted on the next Business Day (or “T + 1 day”), unless a prior arrangement is made to our satisfaction.
- Sale of Units will be honoured upon receipt of complete set of documents together with the proof of payments.

WHAT ARE THE MINIMUM INITIAL INVESTMENT, MINIMUM ADDITIONAL INVESTMENT, MINIMUM REPURCHASE AMOUNT, MINIMUM HOLDING OF UNITS AND MINIMUM SWITCHING OF UNITS?

Minimum Initial Investment*	MYR 200
Minimum Additional Investment*	MYR 100
Minimum Repurchase Amount*	200 Units
Minimum Holding of Units*	200 Units
Minimum Switching of Units*	100 Units

* At our discretion, we may reduce the transaction value and Units, including for transactions made via digital channels, subject to terms and conditions disclosed in the respective channels.

HOW TO REPURCHASE UNITS?

- It is important to note that, you must meet the above minimum holding of Units after a repurchase transaction. If you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum 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 Day.
- 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.
- Bank charges and other bank fees, if any, will be borne by you.
- If you invest through the EMIS, we will remit the repurchase proceeds to EPF for onward crediting to your EPF account. If you are above the age of fifty five (55) and invest through the EMIS, we will remit the repurchase proceeds to you directly.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

- 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 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”).
- Repurchase of Units must be made in terms of Units or value, provided it meets the minimum repurchase amount.
- 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 seven (7) Business Days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

WHERE TO PURCHASE AND REPURCHASE UNITS?

- Units can be purchased and repurchased at any of the location listed in “Directory of Sales Offices” section or with our authorised distributors.
- You may obtain a copy of the Prospectus, PHS and application forms from the abovementioned locations. Alternatively, you may also visit our website at www.aham.com.my.

WHO SHOULD I CONTACT IF I HAVE QUESTION OR NEED ADDITIONAL INFORMATION?

- 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 email us at customer@aham.com.my.

COOLING-OFF PERIOD

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 those 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 Days from our 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.

SWITCHING FACILITY

Switching facility enables you to switch into any of our funds (or its classes), provided that the fund (or its class) is denominated in MYR, and it is subject to the terms and conditions applicable for the respective funds. However, you must meet the minimum holding of 200 Units of the Fund and the minimum investment amount of the fund (or its class) that you intend to switch into.

The minimum amount per switch of the Fund is 100 Units (or such other amount as may be determined by us from time to time).

You are also to note that we reserve the right to reject any switching requests that are regarded as disruptive to efficient portfolio management, or requests that we deem to be contrary to the best interest of the Fund and/or the existing Unit Holders.

Switching from this Fund into other funds (or its classes) managed by us

You must complete a switching transaction form and submit it to us at or before the cut-off time of 3.30 p.m. on a Business Day (or “T day”) together with relevant supporting documents, if any. If we receive your switching request after 3.30 p.m., we will process your request on the next Business Day (or “T + 1 day”).

You should note that the pricing day of a fund (or its class) may not be of the same day as we receive your switching application. Please see below the pricing policy of switching for all our funds:

Switching Out Fund	Switching In Fund	Pricing Day	
		Switching Out Fund	Switching In Fund
Money market fund	Non-money market fund	T Day	T Day
Non-money market fund	Non-money market fund		
Money market fund	Money market fund	T Day	T + 1 Day
Non-money market fund	Money market fund	T Day	At the next valuation point, subject to clearance of payment and money received by the intended fund

If you invest through the EMIS, you are allowed to switch to any other EPF approved funds managed by us (subject to the availability of units and terms of the intended fund to be switched into).

Switching from an Islamic fund to a conventional fund is discouraged for Muslim Unit Holders.

TRANSFER FACILITY

You are permitted to transfer your ownership of investments in the Fund at any point in time by completing the transfer application form and returning it to us on any Business Day. The transfer must be made in terms of Units and not 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.

It is important to note that we are at liberty to disregard or refuse to process the transfer application if the processing of such instruction will be in contravention of any law or regulatory requirements, whether or not having the force of law and/or would expose us to any liability.

The transfer facility is not applicable for EPF investors.

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 dealings in 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.

* The action to impose suspension shall only be exercised as a last resort by the Manager, as disclosed in the section on "Liquidity Risk Management".

DISTRIBUTION POLICY

Distribution (if any) will be subject to the availability of income.

Income distribution (if any) will be automatically reinvested into additional Units of the Fund. The allotment of Units for the reinvestment shall be made within two (2) months from the declaration date. We will create such Units based on the NAV per Unit of the Fund at the income payment date which is within two (2) Business Days after the distribution date.

There will not be any cost to Unit Holders for reinvestments in new additional Units i.e. no Sales Charge will be imposed on such reinvestment.

If you wish to realise your distribution income, you will need to submit a repurchase application and we will process your application accordingly.

EPF Investment:

For Unit Holders who invest through the EMIS, any income distributions paid will be considered as EPF savings and automatically reinvested in the form of additional Units for the Unit Holders.

Unit prices and distributions payable, if any, may go down as well as up.

UNCLAIMED MONEYS

Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be dealt as follows:-

- a) we may reinvest unclaimed distribution proceeds provided that you still have an account with us; or
- b) we will pay to the Registrar of Unclaimed Monies in accordance with the requirements of the Unclaimed Moneys Act, 1965.

FEES, CHARGES AND EXPENSES

! There are fees and charges involved and investors 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 the Prospectus (including any supplemental prospectus) 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.

CHARGES

The following are the charges that you may **directly** incur when you buy or redeem Units of this Fund.

SALES CHARGE

Up to 5.50%* of the NAV per Unit.

* Investors may negotiate for a lower charge.

The Sales Charge for investors purchasing Units through the EMIS shall be limited to a maximum charge of 3% of the NAV per Unit or as determined by the EPF.

Note: All Sales Charge will be rounded up to two (2) decimal places.

REPURCHASE CHARGE

There will be no Repurchase Charge levied on the repurchase of Units for the Fund.

TRANSFER FEE

There will be no transfer fee imposed on the transfer facility.

SWITCHING FEE

The Manager does not impose any switching fee. However, if the amount of sales charge of the fund (or class) that the Unit Holder intends to switch into is higher than the sales charge imposed by the fund (or class) being switched from, then the difference in the sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.

FEES AND EXPENSES

We may (in our sole and absolute discretion), waive or reduce the amount of any fees (except the trustee fee) and expenses of the Fund, either for all the investors or a particular investor.

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

ANNUAL MANAGEMENT FEE

The annual management fee is up to 1.50% per annum of the NAV of the Fund (before deducting the management fee and trustee fee). This fee is calculated and accrued daily and payable monthly to the Manager.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund (before deducting the management fee and the trustee fee) is MYR 120 million. The calculation of annual management fee based on the total NAV of the Fund is:

$$\frac{\text{MYR } 120,000,000 \times 1.50\%}{365 \text{ days}} = \text{MYR } 4,931.51 \text{ per day}$$

ANNUAL TRUSTEE FEE

The annual trustee fee is up to 0.08% per annum of the NAV of the Fund (excluding foreign custodian fees and charges) (before deducting the management fee and trustee fee). In addition to the 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.

The trustee fee is calculated and accrued daily and payable monthly to the Trustee.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is MYR 120 million for that day, the accrued trustee fee for that day would be:

$$\frac{\text{MYR } 120,000,000 \times 0.08\%}{365 \text{ days}} = \text{MYR } 263.01 \text{ per day}$$

ADMINISTRATIVE FEES

Only fees and expenses that are directly related to or necessary for the operation and administration of the Fund may be charged to the Fund. These include the following:

- Commissions or fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Trustee) charges and fees paid to custodians taking into custody any foreign investments of the Fund;
- Taxes and other duties charged on the Fund by the government and other authorities;
- Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- Costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- 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/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or telegraphic transfer;
- Shariah Adviser fees; and
- Other fees or expenses related to the Fund allowed under the Deed.

Expenses related to the issuance of this Prospectus will be borne by the Manager.

REBATES AND SOFT COMMISSIONS

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

The soft commissions can be retained by us or our delegates provided that:-

- the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we or our delegates will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

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.

PRICING

COMPUTATION OF NAV AND NAV PER UNIT

The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at a particular valuation point. The NAV per Unit is the NAV of the Fund divided by the number of Units in Circulation, at the same valuation point.

Please refer to the "Valuation Point For The Fund" section of this Prospectus for an explanation of the valuation point.

Illustration on computation of NAV and NAV per Unit for a particular day:-

Units in Circulation	300,000,000.00
	MYR
Investments	195,000,000.00
Add other assets	5,700,000.00
Gross asset value	200,700,000.00
Less: Liabilities	700,000.00
NAV (before deduction of management fee and trustee fee for the day)	200,000,000.00
Less: Management fee for the day	8,219.18
Less: Trustee fee for the day	438.36
NAV	199,991, 342.46
NAV per Unit*	0.6666

* NAV per Unit is derived from NAV divided by Units in Circulation.

The rounding policy is four (4) decimal points for the purposes of publication of the NAV per Unit. However, the rounding policy will not apply when calculating the Sales Charge and Repurchase Charge (where applicable).

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

COMPUTATION OF SELLING PRICE AND REPURCHASE PRICE

Under a single pricing regime, 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.

Forward Pricing will be used to determine the Selling Price per Unit and the Repurchase Price per Unit of the Fund, which are the NAV per Unit for the Fund as at the next valuation point after we receive the purchase request or repurchase request.

The Selling Price for Units of the Fund created under the EMIS will be based on the NAV per Unit at the end of the Business Day on which the purchase request or repurchase request is received by us.

Calculation of Selling Price

For illustration purposes, let's assume the following:

Investment Amount	MYR 10,000.00
Selling Price per Unit	MYR 0.50
Number Of Units Received*	MYR 10,000 ÷ MYR 0.50 = 20,000 Units
Sales Charge	5.50%
Sales Charge Paid By Investor**	5.50% x MYR 0.50 x 20,000 Units = MYR 550
Total Amount Paid By Investor***	MYR 10,000 + MYR 550 = MYR 10,550

Formula for calculating:-

* Number of Units received	=	$\frac{\text{Investment Amount}}{\text{Selling Price per Unit}}$
** Sales Charge paid by investor	=	Sales Charge x Selling Price per Unit x Number of Units received
*** Total amount paid by investor	=	Investment Amount + Sales Charge paid by investor

Calculation of Repurchase Price

For illustration purposes, let's assume the following:-

Units Repurchased	20,000 Units
Repurchase Price per Unit	MYR 0.50
Repurchase Amount^	20,000 Units x MYR 0.50 = MYR 10,000
Repurchase Charge	0.00%
Repurchase Charge Paid By Investor^^	0.00% x MYR 10,000 = MYR 0.00
Total Amount Received By Investor^^^	MYR 10,000 - MYR 0.00 = MYR 10,000

Formula for calculating:-

^ Repurchase amount	=	Unit repurchased x Repurchase Price per Unit
^^ Repurchase Charge paid by investor	=	Repurchase Charge x Repurchase amount
^^^ Total amount received by investor	=	Repurchase Amount - Repurchase Charge paid by investor

SALIENT TERMS OF DEED

Rights and Liabilities of Unit Holders

Unit Holders' Rights

A Unit Holder is a person registered in the register as a holder of Units or fractions of Units in the Fund that automatically accords him/her rights and interests in the Fund.

For new investors, the date of his first investment with the Fund is the date on which he is recognised as a Unit Holder, and in the case of EPF sales, the date of submission of application forms to the Manager, subject to acceptance of the application request by the Manager.

Unit Holders shall be entitled to receive the distributions of the Fund, participate in any increase in the capital value of the Units, and to other rights and privileges as are provided for in the Deed.

Unit Holders are vested with the powers to call for a Unit Holders' meeting, and to vote for the removal of the Trustee or the Manager through a Special Resolution.

Unit Holders' Liabilities

- (a) A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.
- (b) No Unit Holder shall by reason of any provision of the Deed and the relationship created between the Manager, the Trustee and the Unit Holders under the Deed, or in any event whatsoever, be liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.

Unit Holders' Limitations And Restrictions

- (a) No Unit Holder shall be entitled to require the transfer to him of any of the investments or assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such investments and assets. In amplification and not in derogation of the aforesaid, Units held shall not confer on any Unit Holder any interest in any particular part or asset of the Fund but only in such interest in the Fund as a whole as may be conferred on the Unit Holders by the provisions of the Deed.
- (b) No Unit Holder shall have any right by reason of him being a Unit Holder to attend any meeting of shareholders, stockholders or debenture holders or to vote or take part in or consent to any company or shareholders', stockholders' or debenture holders' action.

Fees And Charges

Below are the maximum fees and charges permitted by the Deed:

Sales Charge	Up to 10% of the NAV per Unit
Repurchase Charge	5 sen per Unit
Annual management fee	Up to 1.50% per annum of the NAV of the Fund
Annual trustee fee	Up to 0.08% per annum calculated daily on the NAV of the Fund

Increase In Fees And Charges

A lower fee and/or charges than what is stated in the Deed may be charged, and all current fees and/or charges are disclosed in the Prospectus.

Any increase of the fees and/or charges above that stated in the current Prospectus may be made provided that a supplemental prospectus is registered, lodged and issued and the Manager has to notify the Unit Holders of the higher rate and the effective date (where necessary or required to do so by the Deed) provided always that the maximum stated in the Deed shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Unit Holders' approval in accordance with the Deed, the Guidelines and/or as prescribed by the relevant law.

Other Expenses Permitted under the Deed

There are annual operating expenses involved in running the Fund, including but not limited to those stated herein below, and such expenses are paid out of the Fund's assets:-

- (a) commissions/fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and other authorities;
- (c) costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- (d) costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- (e) 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;
- (f) 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;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund) or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; and
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians.

Retirement, Removal Or Replacement Of The Manager

The Manager shall have the power to retire in favour of some other corporation and as necessary under the written law upon giving twelve (12) months' notice in writing to the Trustee of its desire to do so, or such other period as the Manager and the Trustee may agree and subject to fulfilment of the conditions as stated in the Deed.

The Manager may be removed and another corporation appointed as manager by Special Resolution of the Unit Holders at a duly convened meeting of which notice has been given to the Manager, the Trustee and the Unit Holders.

The Trustee shall take the necessary step to remove and replace the Manager as soon as practicable after becoming aware of any such circumstances as stated under the "Power of the Trustee to Remove the Manager" section of this Prospectus.

Power Of The Manager To Remove / Replace The Trustee

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed.

The Manager shall take all reasonable steps to replace a Trustee as soon as practicable after becoming aware that:-

- (a) The Trustee has ceased to exist;
- (b) The Trustee has not been validly appointed;

- (c) The Trustee is not eligible to be appointed or to act as trustee under any relevant law;
- (d) The Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (e) A receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under the appointment;
- (f) A petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or
- (g) The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

Retirement, Removal Or Replacement Of The Trustee

The Trustee may retire upon giving twelve (12) months' notice to the Manager of its desire to do so, or such other period as the Manager and the Trustee may agree, and may by deed appoint in its stead a new trustee approved by the relevant authorities under any relevant law.

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed or as stipulated in the Act.

Power Of The Trustee To Remove The Manager

The Manager may be removed by the Trustee on the grounds that the Manager goes into liquidation (except for the purpose of amalgamation or reconstruction upon terms previously approved in writing by the Trustee or some other purpose approved by the relevant authorities); or a petition has been presented for the winding up against the Manager (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction, the Manager becomes or is declared insolvent); the Manager is under investigation for conduct that contravenes the Companies Act 2016 or any relevant law; or has had a receiver appointed or has ceased to carry on business; or is in breach of its obligations or duties under the Deed or the relevant laws or it has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the SC and with the approval of the Unit Holders by way of a Special Resolution.

Termination of the Fund

The Fund may be terminated or wound-up upon the occurrence of any of the following events:

- (a) the SC's approval is revoked under Section 256(E) of the Act;
- (b) a Special Resolution is passed at a Unit Holders' meeting to terminate or wind-up the Fund, following the occurrence of events stipulated under Section 301(1) of the Act and the court has confirmed the resolution, as required under Section 301(2) of the Act;
- (c) a Special Resolution is passed at a Unit Holders' meeting to terminate or wind-up the Fund;
- (d) on reaching the maturity date (if any); or
- (e) the effective date of an approved transfer scheme, as defined under the Guidelines, has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

Notwithstanding the aforesaid, the Manager may, in consultation with the Trustee, determine the trust and wind up the Fund without having to obtain the prior approval of the Unit Holders upon the occurrence of any of the following events:

- (a) if any new law shall be passed which renders it illegal; 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 Holder, the Manager shall also be entitled to terminate the Fund.

Procedures on Termination

In the event of the Fund being terminated:

- (a) the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed;
- (b) the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by the Deed and all relevant laws;
- (c) the Manager and the Trustee shall notify the relevant authorities in such manner as may be prescribed by any relevant law; and
- (d) the Manager or the Trustee shall notify the Unit Holders in such manner as may be prescribed by any relevant law.

Provisions Regarding Unit Holders Meetings

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed and/or the Guidelines.

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll is demanded or if it be a question which under the Deed requires a Special Resolution, in which case a poll shall be taken. On a show of hands every Unit Holder who is present in person or by proxy shall have one vote.

The quorum required for a meeting of Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, however, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy.

If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in Circulation at the time of the meeting.

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.

THE MANAGER

ABOUT AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. AHAM has more than 20 years' experience in the fund management industry. In late 2022, AHAM's ultimate major shareholder is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners ("CVC"), which has approximately 68.35% controlling interest in AHAM. CVC is a global private equity and investment advisory firm with approximately USD125 billion of assets under its management. 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.

AHAM distributes its funds through the following various channels:

- In-house/internal sales team;
- IUTA & CUTA (Corporate Unit Trust Scheme Advisers); and
- Unit trust consultants.

AHAM's head office is located in Kuala Lumpur and has a total of 7 main sales offices located in Peninsular and East Malaysia. The sales offices are in Penang, Ipoh, Johor Bahru, Melaka, Kuching, Miri and Kota Kinabalu.

Roles, Duties and Responsibilities of AHAM

AHAM is 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.

Key Personnel

Dato' Teng Chee Wai – Managing Director

Dato' Teng is the founder of AHAM. In his capacity as the managing director and executive director of AHAM, Dato' Teng manages the overall business and strategic direction as well as the management of the investment team. His hands on approach see him actively involved in investments, product development and marketing. Dato' Teng's critical leadership and regular participation in reviewing and assessing strategies and performance has been pivotal in allowing AHAM to successfully navigate the economically turbulent decade. Dato' Teng's investment management experience spans more than 25 years, and his key area of expertise is in managing absolute return mandates for insurance assets and investment-linked funds in both Singapore and Malaysia. Prior to his current appointments, he was the assistant general manager (investment) of Overseas Assurance Corporation (OAC) and was responsible for the investment function of the Group Overseas Assurance Corporation Ltd. Dato' Teng began his career in the financial industry as an investment manager with NTUC Income, Singapore. He is a Bachelor of Science graduate from the National University of Singapore and has a Post-Graduate Diploma in Actuarial Studies from City University in London.

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 of fund managers 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.

For further information on AHAM including material litigation (if any), the Board, the designated fund manager of the Fund and/or AHAM's delegate, you may obtain the details from our website at www.aham.com.my.

EXTERNAL FUND MANAGER

ABOUT AIIMAN

AIIMAN is an Islamic investment management company managing assets for pension funds, institutions, corporates, high net worth and mass affluent individuals. Headquartered in the world's Islamic financial hub Kuala Lumpur, Malaysia, AIIMAN focuses on providing clients exceptional and innovative Shariah investment solutions that focus on Asian equities and global Sukuk. AIIMAN is licensed by the SC to undertake the regulated activity of Islamic fund management on 17 November 2008 and is a wholly owned subsidiary of AHAM of which its ultimate shareholder is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners ("CVC"). CVC is a global private equity and investment advisory firm with approximately USD125 billion of assets under its management. As at LPD, AIIMAN has more than eleven (11) years' experience in fund management industry.

Duties and Responsibilities of AIIMAN

AHAM has delegated the investment management function of the Fund to AIIMAN. Some of the main duties of AIIMAN for this delegated role are as follows:-

- to comply with the operations procedures and invest the Fund in accordance with the objective of the Fund, the permitted investments and investment restrictions described herein and the Guidelines;
- to exercise due care and vigilance in carrying out its function and duties and comply with the relevant laws, directives and guidelines issued by the relevant authorities from time to time;
- to employ an appropriate investment process for the Fund;
- to seek to invest in assets which are in the External Fund Manager's opinion, the most appropriate assets in relation to the Fund's objective; and
- to report to the Manager on a periodic basis for oversight and monitoring purposes, including to discuss and review the performance of the Fund and its strategies.

Key Personnel of the Management Team

Akmal Hassan – Managing Director

Akmal Hassan is one of the three pioneering senior members in the establishment of AIIMAN. He took over the helm as its Chief Executive Officer and Executive Director on 18 November 2010. Under his management, the business has since turned profitable. Akmal is actively involved in all aspects of the business' day-to-day management from leading the investment team, driving marketing strategies and building the business. He believes in development through empowerment and synergy with a clear focus on delivering positive results, from investment performance, asset under management growth, adding value to AIIMAN's shareholders as well as contributing to the government's push to develop Malaysia as the global international Islamic financial hub. Akmal is the driving force behind the strong returns and low volatility performance of its investment portfolios as well as AHAM's award winning Shariah unit trust funds. People and performance is the source of AIIMAN's success today. Prior to his current appointment, Akmal was the Chief Investment Officer at a subsidiary of a local Islamic Bank. He has more than 15 years of experience in the investment management industry primarily in portfolio management, investment research and marketing strategy. Akmal graduated from Oklahoma State University, USA with a degree in Business Administration, majoring in Finance (BSc). He completed his Master in Business Administration (MBA) at the University of the Sunshine Coast, Queensland, Australia. **Mr. Akmal is the designated fund manager for Fund.**

For further information on External Fund Manager including material litigation (if any) and AIIMAN's designated fund manager for the Fund, you may obtain the details from our website at www.aham.com.my.

THE TRUSTEE

AMANAHRAYA TRUSTEES BERHAD

ART was incorporated under the laws of Malaysia on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949. ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the government of Malaysia. ART took over the corporate trusteeship functions of ARB and acquired ARB's experience of more than 50 years in trustee business.

Duties And Responsibilities Of The Trustee

The Trustee will perform among others the following duties and responsibilities:

- (a) Acts as the custodian of the Fund and safeguards the interest of the Unit Holders;
- (b) Exercises all due diligence and vigilance in carrying out its functions and duties in accordance with the Deed, the Guidelines, the Act and the securities laws;
- (c) Ensures that the Manager manages and administers the Fund in accordance with the Deed, the Guidelines, the Act and the securities laws;
- (d) Ensures proper records are kept of all transactions, dividends, interest and income received and distributed in respect of the Fund;
- (e) Requires the Manager to keep the Trustee fully informed as to the details of the Manager's policies in investments and any changes thereof; and
- (f) Ensures that the accounts are audited at the end of each accrual period by the auditors and ensure that each Unit Holder receives a copy of the audited annual accounts within two months after the financial year-end.

Material Litigation And Arbitration

As at LPD, the Trustee is not engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Statement Of Responsibility By The Trustee

The Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, the Guidelines, the securities laws and other relevant law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under the Deed. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

THE SHARIAH ADVISER

ABOUT AMANIE

Amanie Advisors Sdn Bhd ("Amanie") is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah adviser (Corporation) with the SC. It has been established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah principles. Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services. The company is led by Tan Sri Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. As at LPD, there are more than one hundred and eleven nine (111) funds which Amanie acts as Shariah adviser.

Roles and Responsibilities of Amanie

- (a) To ensure that the Fund is managed and administered in accordance with Shariah principles.
- (b) To provide expertise and guidance in all matters relating to Shariah principles, including on the Deed and Prospectus, its structure and investment process, and other operational and administrative matters.
- (c) To consult with SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process.
- (d) To act with due care, skill and diligence in carrying out its duties and responsibilities.
- (e) Responsible for scrutinizing the Fund's compliance report as provided by the compliance officer, and investment transaction reports provided by, or duly approved by, the Trustee to ensure that the Fund's investments are in line with Shariah principles.
- (f) To prepare a report to be included in the Fund's semi-annual and annual reports certifying whether the Fund has been managed and administered in accordance with Shariah principles for the period concerned.

Amanie will meet us every quarter to review on the Fund's investment and address Shariah advisory matters pertaining to the Fund to ensure compliance with Shariah principles or any other relevant principles at all times. Our portfolio will be reviewed on monthly basis and Amanie shall issue an annual Shariah certificate for the Fund at the financial year end.

Designated Person Responsible for Shariah Matters of the Fund

Tan Sri Dr. Mohd Daud Bakar - Shariah Adviser

Tan Sri Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in a few cities globally. He serves as the Chairman of the Shariah Advisory Council (SAC) at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Astana International Financial Centre (AIFC), Kazakhstan, the First Abu Dhabi Bank (UAE), and Permodalan Nasional Berhad (PNB).

Tan Sri Dr Daud is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas Najma (Bahrain), Natixis Bank (Dubai), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg) and Dow Jones Islamic Market Index (New York) amongst many others.

Tan Sri serves as the Chairman of Federal Territory Islamic Religious Department [Majlis Agama Islam Persekutuan (MAIWP)]. In the corporate world, he is currently a member of the PNB Investment Committee. Previously, he served as a Board Director at Sime Darby Property Berhad and Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinB Sdn. Bhd. He also serves as the Chairman of Berry Pay Sdn. Bhd., Data Sukan Consulting Sdn. Bhd., Bio Fluid Sdn. Bhd., KAB Gold Dynamics Sdn. Bhd., BioAngle Vacs Sdn. Bhd., Tulus Digital Sdn. Bhd., and Amanie-Afra Halal Capital Co (Bangkok). He was the former 8th President of the International Islamic University of Malaysia (IIUM).

Recently, Tan Sri Dr Mohd Daud has received the “Royal Award for Islamic Finance 2022” by His Majesty, the King of Malaysia. While in 2014, he received the “Most Outstanding Individual” award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad’s birthday. Under his leadership, Amanie Advisors received the “Islamic Economy Knowledge Infrastructure Award” at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, Oct 2015. On 13 November 2021, he was conferred the Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title of “Tan Sri”.

He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya.

Tan Sri’s first book entitled “Shariah Minds in Islamic Finance: An Inside Story of A Shariah Scholar” has won the “Islamic Finance Book of the Year 2016” by the Global Islamic Finance Award (GIFA) 2016. Then, his book on sukuk entitled “An Insightful Journey to Emirates Airline Sukuk: Pushing The Boundaries of Islamic Finance” has also won the “Best Islamic Finance Case 2017” by the GIFA 2017 in Kazakhstan. To date, Tan Sri has been authoring more than 40 books with different genre.

For further information on Shariah Adviser, you may obtain the details from our website at www.aham.com.my.

RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST

Save for the transaction disclosed below, as at LPD the Manager is not aware of any existing and/or proposed related party transactions or potential conflict of interest situations or other subsisting contracts of arrangements involving the Fund.

Related Party Transactions

Name of Party Involved in the Transaction	Nature of Transaction	Name of Related Party	Nature of Relationship
AHAM	External Fund Manager	AIIMAN	AHAM holds 100% equity interest in AIIMAN

The tax advisers, Shariah Adviser and solicitors have confirmed that they do not have any existing or potential conflict of interest with AHAM and/or the Fund.

Policy on Dealing with Conflict of Interest

AHAM has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, AHAM will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where the interests of the directors or the person(s) or members of a committee undertaking the oversight function's interests may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staff of AHAM are required to seek prior approval from the executive director or the managing director of AHAM before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are no less favourable to the Fund than an arm's length transaction between independent parties.

TAX ADVISER'S LETTER

**TAXATION ADVISER'S LETTER
ON TAXATION OF THE FUND AND UNIT HOLDERS
(Prepared for inclusion in this Replacement Prospectus)**

13 December 2022

PricewaterhouseCoopers Taxation Services Sdn Bhd

Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

The Board of Directors

AHAM ASSET MANAGEMENT BERHAD
(Formerly known as Affin Hwang Asset Management Berhad)
Ground Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

TAXATION OF THE FUND OFFERED UNDER AHAM AIIMAN BALANCED FUND (FORMERLY KNOWN AS AFFIN HWANG AIIMAN BALANCED FUND) AND UNIT HOLDERS

Dear Sirs,

This letter has been prepared for inclusion in the Replacement Prospectus ("hereinafter referred to as "the Prospectus") in connection with the offer of Units in AHAM Aiiman Balanced Fund ("the Fund").

The taxation of income for both the Fund and the Unit holders are subject to the provisions of the Malaysian Income Tax Act 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

TAXATION OF THE FUND

The Fund will be regarded as resident for Malaysian tax purposes since the Trustee of the Fund is resident in Malaysia.

(1) Domestic Investments

(i) General Taxation

Subject to certain exemptions, the income of the Fund consisting of dividends or interest or profit¹ (other than interest or profit¹ which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24%.

Gains on disposal of investments in Malaysia by the Fund will not be subject to Malaysian income tax.

¹ Under section 2(7) of the Income Tax Act 1967, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Syariah.

The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

(ii) Dividends and Other Exempt Income

Effective 1 January 2014, all companies would adopt the single-tier system. Hence, dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refund available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or profit¹ or discount income derived from the following investments is exempt from tax:

- (a) Securities or bonds issued or guaranteed by the government of Malaysia;
- (b) Debenture² other than convertible loan stocks, approved or authorised by, or lodged with, the Securities Commission Malaysia; and
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest or profit¹ derived from the following investments is exempt from tax:

- (a) Interest or profit¹ paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013;
- (b) Interest or profit¹ paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- (d) Interest or profit¹ paid or credited by Malaysia Building Society Berhad³.

The interest or profit¹ or discount income exempted from tax at the Fund's level will also be exempted from tax upon distribution to the Unit holders.

Exception: -

i. Wholesale money market fund

With effect from 1 January 2019, the exemption shall not apply to interest or profit¹ paid or credited to a unit trust that is a wholesale money market fund.

ii. Retail money market fund ("RMMF")

Based on the Finance Act 2021, the interest income or profit¹ of a RMMF will remain tax exempted under Paragraph 35A, Schedule 6 of the Act.

However, resident and non-resident unit holders (other than individual unit holders), who receive income distributed from interest or profit¹ income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to withholding tax ("WHT") at the rate of 24%. This new WHT will be effective from 1 January 2022 onwards.

The WHT is to be withheld and remitted by the RMMF to the IRB within 30 days upon distribution of the income to the unit holders.

² Structured products approved by the Securities Commission Malaysia are deemed to be "debenture" under the Capital Markets and Services Act, 2007 and fall within the scope of exemption.

³ Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect year of assessment ("YA") 2015.

(2) Foreign Investments

With effect from 1 January 2022, the exemption of foreign sourced income received in Malaysia is only applicable to a person who is non-resident.

On 30 December 2021, the Ministry of Finance announced that the following foreign-sourced income received by Malaysian residents from 1 January 2022 to 31 December 2026 (5 years) will continue to be exempted from Malaysian income tax:

- Dividend income received by resident companies and limited liability partnerships.
- All classes of income received by resident individuals (except for resident individuals which carry on business through a partnership).

Based on clarifications from the IRB, foreign-sourced income (e.g. dividends, interest, etc.) of a resident Fund which is received in Malaysia will be subject to tax.

There will be a transitional period from 1 January 2022 to 30 June 2022 where foreign-sourced income remitted to Malaysia will be taxed at the rate of 3% on gross income. From 1 July 2022 onwards, any foreign-sourced income remitted to Malaysia will be subject to Malaysian income tax at the rate of 24% for a resident Fund.

Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. Subject to meeting the relevant prescribed requirements, the Fund in Malaysia is entitled for double taxation relief on any foreign tax suffered on the income in respect of overseas investment.

The foreign income subjected to Malaysian tax at the Fund level will also be taxable upon distribution to the Unit holders. However, the income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them.

Gains on disposal of foreign investments by the Fund will not be subject to Malaysian income tax.

(3) Hedging Instruments

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

(4) Tax Deductible Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages based on a formula subject to a minimum of 10% and a maximum of 25% of the expenses.

(5) Real Property Gains Tax (“RPGT”)

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies⁴ (“chargeable asset”) would be subject to RPGT as follows:-

Disposal time frame	RPGT rates (Companies incorporated in Malaysia and Trustee of a trust)
Within 3 years	30%
In the 4th year	20%
In the 5th year	15%
In the 6th year and subsequent years	10%

(6) Sales and Service Tax (“SST”)

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax. The rates for sales tax are nil, 5%, 10% or a specific rate whereas the rate for service tax is at 6%.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable cost to the business.

In general, the Fund, being a collective investment vehicle, will not be caught under the service tax regime.

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 6%. However, fund management services and trust services are excluded from service tax.

With effect from 1 January 2019, service tax will apply to any taxable service that is acquired by any business in Malaysia from a non-Malaysian service provider. In this connection, the Fund, being non-taxable person who acquire imported taxable services (if any) will need to declare its imported taxable services through the submission of prescribed declaration, i.e. Form SST-02A to the Royal Malaysian Customs Department (“RMCD”).

With effect from 1 January 2020, service tax on digital services was implemented at the rate of 6%. Under the service tax on digital services, foreign service providers selling digital services to Malaysian consumers are required to register for and charge service tax. Digital services are defined as services which are delivered or subscribed over the internet or other electronic network, cannot be delivered without the use of IT and the delivery of the service is substantially automated.

Furthermore, the provision of digital services has also been prescribed as a taxable service when provided by a local service provider with effect from 1 January 2020. Hence, where the Fund obtains any of the prescribed digital services, those services may be subject to service tax at 6%.

TAXATION OF UNIT HOLDERS

Unit holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them.

⁴ A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75% of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

Corporate Unit holders, resident⁵ and non-resident, will generally be liable to income tax at 24%⁶ on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit holders.

Individuals and other non-corporate Unit holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1%⁷ to 30%⁸. Individuals and other non-corporate Unit holders who are not resident in Malaysia will be subject to income tax at 30%. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit holders.

Non-resident Unit holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.

The distribution of exempt income and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the Unit holders.

Any gains realised by Unit holders (other than dealers in securities or companies habitually buying and selling investments, insurance companies or financial institutions) on the sale or redemption of the units are treated as capital gains and will not be subject to income tax. This tax treatment will include gains in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit holders electing to receive their income distribution by way of investment in the form of new Units will be regarded as having purchased the new Units out of their income distribution after tax.

Unit splits issued by the Fund are not taxable in the hands of Unit holders.

Retail Money Market Fund ("RMMF")

Generally, no additional WHT will be imposed on the income distribution from the Fund unless the Fund is an RMMF, in which case there is a WHT of 24% with effect from 1 January 2022 on distribution from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6 and distributed to non-individual unitholders.

For resident corporate Unit holders, the WHT is not a final tax. The resident corporate Unit holders will need to subject the income distributed from interest or profit¹ income of a RMMF which are exempted under Paragraph 35A of Schedule 6 to tax in its income tax returns and the attached tax credit i.e. the 24% WHT suffered will be available for set-off against the tax chargeable on the resident corporate Unit holders.

For non-resident Corporate Unit holders, the 24% WHT is a final tax.

⁵ Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below and having an annual sales of not more than RM50 million will pay tax at 17% for the first RM600,000 of chargeable income with the balance taxed at 24% with effect from YA 2020.

In addition, the above shall not apply if more than –

- (a) 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50% of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50% of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

"Related company" means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

⁶ Pursuant to Finance Act 2021, the income tax rate for a company (other than Micro, Small and Medium Enterprises) will be increased to 33% if a company has chargeable income exceeding RM100,000,000 in YA 2022.

⁷ Effective from YA 2021, the resident individuals tax rate was reduced by 1% (from 14% to 13%) for the chargeable income band RM50,001 to RM70,000.

⁸ Effective from YA 2020, the resident individuals tax rate was increased to 30% for the chargeable income exceeding RM2,000,000.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,

for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Lorraine Yeoh

Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which they appear in this Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

RELEVANT INFORMATION

INFORMATION AVENUES

How can I keep track of my investment?

You may obtain the daily Fund price from our website at www.aham.com.my.

As the Fund has exposure to investments in foreign jurisdiction, these daily prices are based on information available two (2) Business Days prior to publication.

We will provide you with an annual report and a semi-annual 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.

THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.

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 email us at customercare@aham.com.my.

COMPLAINTS AVENUES

How do I make a complaint?

You may e-mail us at customercare@aham.com.my 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) any other supporting documentary evidence (if any).

ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA") and SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market, 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.

CONSENTS

- The Trustee, External Fund Manager and Shariah Adviser have given their consent to the inclusion of their names in the form and context in which such names appear in this Prospectus and have not subsequently withdrawn such consent before the issuance of this Prospectus; and
- The tax adviser has given its consent to the inclusion of its name and the tax adviser's letter in the form and context in which such name and tax adviser's letter appear in this Prospectus and has not subsequently withdrawn such consent before the issuance of this Prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

You may inspect without charge, at the business address of the Manager and/ or the Trustee, the following documents or copies thereof, where applicable:

- The Deed and the supplemental deed (if any) of the Fund;
- The Prospectus and supplemental or replacement prospectus (if any) of the Fund;
- The latest annual and semi-annual reports of the Fund;
- Each material contract disclosed in the Prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
- The audited financial statements of AHAM and the Fund for the current financial year (where applicable) and the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Prospectus. Where a summary expert's report is included in the Prospectus, the corresponding full expert's report should be made available for inspection;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in the Prospectus; and
- Any consent given by experts disclosed in the Prospectus.

DIRECTORY OF SALES OFFICES

AHAM ASSET MANAGEMENT BERHAD

(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD):

<p>HEAD OFFICE Ground Floor, Menara Boustead 69 Jalan Raja Chulan 50200 Kuala Lumpur Tel : 03 – 2116 6000 Fax : 03 – 2116 6100 Toll Free No : 1-800-88-7080 Email: customercare@aham.com.my Website: www.aham.com.my</p> <p>PENANG B-16-2, Lorong Bayan Indah 3 11900 Bayan Lepas Pulau Pinang Toll Free No : 1800-888-377</p> <p>PERAK 1, Persiaran Greentown 6 Greentown Business Centre 30450 Ipoh, Perak Tel: 05 - 241 0668 Fax: 05 – 255 9696</p>	<p>JOHOR Unit 22-05, Level 22 Menara Landmark No. 12, Jalan Ngee Heng 80000 Johor Bahru Johor Tel : 07 – 227 8999 Fax : 07 – 223 8998</p> <p>MELAKA Ground Floor No. 584 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06 -281 2890 Fax: 06 -281 2937</p> <p>SABAH Unit 1.09(a), Level 1, Plaza Shell 29, Jalan Tunku Abdul Rahman 88000 Kota Kinabalu, Sabah Tel : 088 - 252 881 Fax : 088 - 288 803</p>	<p>SARAWAK Ground Floor, No. 69 Block 10, Jalan Laksamana Cheng Ho 93200 Kuching, Sarawak Tel : 082 – 233 320 Fax : 082 – 233 663</p> <p>1st Floor, Lot 1291 Jalan Melayu, MCLD 98000 Miri, Sarawak Tel : 085 - 418 403 Fax : 085 – 418 372</p>
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AUTHORISED DISTRIBUTORS:

For more information about our authorised distributors, kindly contact 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@aham.com.my.

PROSPECTIVE UNIT HOLDERS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS AND, IF NECESSARY, SHOULD CONSULT THEIR ADVISER(S).

AHAM Asset Management Berhad

(Formerly known as Affin Hwang Asset Management Berhad)
Registration No: 199701014290 (429786-T)

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

Toll Free Number: 1800 88 7080 T: +603 2116 6000 F: +603 2116 6100

aham.com.my