

Prospectus

# AHAM New China Tracker Fund

*(Formerly known as Affin Hwang New China Tracker Fund)*



MANAGER

**AHAM Asset Management Berhad**

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

TRUSTEE

**TMF Trustees Malaysia Berhad**

Registration No.: 200301008392 (610812-W)

This Prospectus is dated 28 April 2023.  
The Fund was constituted on 18 November 2020.  
*The constitution date for the Fund is also the launch date of the Fund.*

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 18 NOVEMBER 2020 AND THE FIRST SUPPLEMENTAL PROSPECTUS DATED 8 OCTOBER 2021. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 6.



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.



**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.**

# TABLE OF CONTENTS

<b>CORPORATE DIRECTORY</b>	<b>1</b>
<b>ABBREVIATION</b>	<b>2</b>
<b>GLOSSARY</b>	<b>2</b>
<b>RISK FACTORS</b>	<b>6</b>
<b>ABOUT AHAM NEW CHINA TRACKER FUND</b>	<b>11</b>
<b>DEALING INFORMATION</b>	<b>18</b>
<b>FEES, CHARGES AND EXPENSES</b>	<b>23</b>
<b>PRICING</b>	<b>25</b>
<b>ABOUT THE TARGET FUND - TRADEPLUS S&amp;P NEW CHINA TRACKER</b>	<b>27</b>
<b>SALIENT TERMS OF THE DEED</b>	<b>32</b>
<b>THE MANAGER</b>	<b>37</b>
<b>THE TRUSTEE</b>	<b>38</b>
<b>RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST</b>	<b>39</b>
<b>TAXATION OF THE FUND</b>	<b>40</b>
<b>RELEVANT INFORMATION</b>	<b>46</b>
<b>CONSENTS</b>	<b>47</b>
<b>DOCUMENTS AVAILABLE FOR INSPECTION</b>	<b>48</b>
<b>DIRECTORY OF SALES OFFICES</b>	<b>49</b>

# CORPORATE DIRECTORY

## **The Manager**

**AHAM Asset Management Berhad**

*(formerly known as Affin Hwang Asset Management Berhad)*

### **Registered Office**

3<sup>rd</sup> 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](mailto:customercare@aham.com.my)

Website : [www.aham.com.my](http://www.aham.com.my)

## **The Trustee**

**TMF Trustees Malaysia Berhad**

### **Registered Office and Business Address**

10<sup>th</sup> Floor, Menara Hap Seng, No. 1 and 3, Jalan P. Ramlee, 50250 Kuala Lumpur

Tel No. : (603) 2382 4288

Fax No. : (603) 2026 1451

E-mail : [malaysia@tmf-group.com](mailto:malaysia@tmf-group.com)

Website: [www.tmf-group.com](http://www.tmf-group.com)

## ABBREVIATION

<b>ADR</b>	American depositary receipt.
<b>ETF</b>	Exchange-traded Fund.
<b>FiMM</b>	Federal of Investment Managers Malaysia.
<b>HKD</b>	Hong Kong Dollar.
<b>MYR</b>	Ringgit Malaysia.
<b>PHS</b>	Product Highlights Sheet.
<b>SC</b>	Securities Commission Malaysia.
<b>USD</b>	United States of America Dollar.

## GLOSSARY

<b>the Act</b>	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
<b>Affin Hwang IB</b>	Means Affin Hwang Investment Bank Berhad.
<b>Authorised Securities</b>	Means any or all of the following: <ul style="list-style-type: none"> <li>(i) Index Securities;</li> <li>(ii) Non-Index Securities which in the opinion of the Target Fund Manager has a high correlation (i.e. positive correlation coefficient of at least 0.7) to one or more of the Index Securities that it is substituting; and</li> <li>(iii) If the Target Fund Manager is of the opinion there exists liquidity constraints with the Index Securities and/or non-Index Securities, one or more local or foreign collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Target Fund as determined by the Target Fund Manager.</li> </ul>
<b>the Board</b>	Means the board of directors of the Manager.
<b>Benchmark of the Target Fund</b>	Means S&P New China Sectors Ex A-Shares Index.
<b>Bursa Securities</b>	Means the stock exchange operated by the Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>Business Day</b>	Means a day on which Bursa Securities is open for trading. The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as in the event of market disruption.
<b>Cash Component</b>	Means: <ul style="list-style-type: none"> <li>(i) the amount of cash to be paid per Creation Unit Block which forms part of the In-Kind Creation Basket; or</li> <li>(ii) the amount of cash to be received per Redemption Unit Block which forms part of the In-Kind Redemption Basket,</li> </ul> as the case may be.
<b>Cash Creation</b>	Means the creation of units of the Target Fund in Creation Unit Block(s) in exchange for the Subscription Amount delivered by the Participating Dealer.
<b>Cash Redemption</b>	Means the redemption of existing units of the Target Fund in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for the Redemption Amount.
<b>Commencement Date</b>	Means the date on which sale of Units of the Fund is first made. The Commencement Date is also the launch date of the Fund.
<b>Consideration</b>	Means the price payable for units of the Target Fund applied for pursuant to a Creation Application which shall be the Issue Price multiplied by the number of units applied for.

<b>Correlation</b>	In respect of the Target Fund, means the degree to which the periodically measured return of one investment resembles that of another investment. The performance of the Target Fund and the Benchmark of the Target Fund will vary somewhat due to, among other things, Transaction Costs, market impact and timing variances.
<b>Creation Application</b>	Means an application by the Participating Dealer (in accordance with the terms of the Participating Dealer Agreement) to the Target Fund Manager for the creation of new units (in a Creation Unit Block or whole multiples thereof) of the Target Fund.
<b>Creation Application Fee</b>	Means the fees which may be charged by the Target Fund Manager to the Participating Dealer on each Creation Application in addition to the Consideration and Transaction Costs.
<b>Creation Securities</b>	Means the Authorised Securities comprised in the In-Kind Creation Basket.
<b>Creation Unit Block</b>	Means the quantity of units of the Target Fund which will be issued upon a successful Creation Application: (i) for In-Kind Creation, in respect of one (1) whole In-Kind Creation Basket; and (ii) for Cash Creation, in respect of the Subscription Amount. The size of a Creation Unit Block may change from time to time as determined by the Target Fund Manager, upon consultation with the trustee of the Target Fund and notified to the Participating Dealer.
<b>CVC Capital Partners Asia Fund V</b>	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.
<b>Dealing Day</b>	Means a day (excluding Saturdays, Sundays and public holidays) on which the Relevant Exchanges in which the Target Fund is invested in is open for trading. The Target Fund Manager may declare certain Dealing Days as non-Dealing Days when one or more of the Relevant Exchanges in which the Target Fund is invested in is closed for trading but shall not include a Dealing Day on which a force majeure event occurs or is continuing.
<b>Deed</b>	Refers to the Deed dated 15 May 2020 and the first supplement deed dated 10 January 2023 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed.
<b>ETF Guidelines</b>	Refers to the Guidelines on Exchange-traded Funds issued by the SC and any amendments thereafter.
<b>Financial Institution(s)</b>	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; or (iii) Licensed Islamic Bank; or (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
<b>Forward Pricing</b>	Means the price of a Unit that is the NAV per Unit calculated at the next valuation point after a purchase request or a repurchase request, as the case may be, is received by the Manager.
<b>the Fund</b>	Refers to AHAM New China Tracker Fund ( <i>formerly known as Affin Hwang New China Tracker Fund</i> ).
<b>Guidelines</b>	Refers to the <i>Guidelines on Unit Trust Funds</i> issued by the SC and as may be amended from time to time.
<b>Index Licensor</b>	Means S&P Opco, LLC, the licensor of the Benchmark of the Target Fund, who has the right to grant the Target Fund Manager usage of the Benchmark of the Target Fund.
<b>Index Securities</b>	Means the securities or interests issued by the companies that are included in the Benchmark of the Target Fund from time to time or the ADR that may be issued against such securities or interests.
<b>In-Kind Creation</b>	Means the creation of new units of the Target Fund in Creation Unit Block(s) in exchange for In-Kind Creation Basket(s) delivered by the Participating Dealer.

<b>In-Kind Creation Basket</b>	Means the portfolio of Creation Securities and Cash Component (if any) determined by the Target Fund Manager in respect of each Dealing Day, that must be delivered by the Participating Dealer pursuant to a Creation Application in exchange for one (1) Creation Unit Block.
<b>In-Kind Redemption</b>	Means the redemption of existing units of the Target Fund in Redemption Unit Block(s) delivered by the Participating Dealer in exchange for the In-Kind Redemption Basket.
<b>In-Kind Redemption Basket</b>	Means the portfolio of Redemption Securities and Cash Component (if any) determined by the Target Fund Manager in respect of each Dealing Day, that will be received by the Participating Dealer pursuant to a Redemption Application in exchange for one (1) Redemption Unit Block.
<b>Issue Price</b>	Means the price per unit of the Target Fund at which units are from time to time issued, based on the net asset value per unit of the Target Fund and which shall be ascertained in accordance with the provisions of the Target Fund's prospectus.
<b>Institutional Unit Trust Scheme Advisers (IUTA)</b>	Means institutional unit trust schemes advisers, which is a corporation that is registered with the FiMM and authorised to market and distribute unit trust funds.
<b>Licensed Bank</b>	Means a bank licensed under the Financial Services Act 2013.
<b>Licensed Investment Bank</b>	Means an investment bank licensed under the Financial Services Act 2013.
<b>Licensed Islamic Bank</b>	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
<b>LPD</b>	Means 15 January 2023 and is the latest practicable date whereby the information disclosed in this Prospectus shall remain relevant and current as at the date of issue of this Prospectus.
<b>Manager / AHAM</b>	Means AHAM Asset Management Berhad ( <i>formerly known as Affin Hwang Asset Management Berhad</i> ).
<b>Net Asset Value or NAV</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
<b>Participating Dealer</b>	Means Affin Hwang IB and Malacca Securities Sdn Bhd, and shall include any other eligible dealer who enters into a Participating Dealer Agreement in the form and substance acceptable to the Target Fund Manager and the trustee of the Target Fund.
<b>Participating Dealer Agreement</b>	Means the agreement entered into between the Participating Dealer, the Target Fund Manager and the trustee of the Target Fund setting out, amongst others, the arrangement in respect of the creation and issue of units and the redemption and cancellation of units.
<b>Prospectus</b>	Means this prospectus and includes any supplemental or replacement prospectus, as the case may be.
<b>Redemption Amount</b>	Means the cash sum to be delivered to the Participating Dealer in respect of a Cash Redemption equivalent to the Redemption Price multiplied by the number of units of the Target Fund to be redeemed.
<b>Redemption Application</b>	Means an application by the Participating Dealer to the Target Fund Manager for the redemption of existing units of the Target Fund in a Redemption Unit Block (or whole multiples thereof).
<b>Redemption Price</b>	Means the price per unit of the Target Fund at which units are from time to time redeemed, based on the net asset value per unit of the Target Fund, and which shall be ascertained in accordance with the provisions of the Target Fund's prospectus.
<b>Redemption Securities</b>	Means the Authorised Securities comprised in an In-Kind Redemption Basket.
<b>Redemption Unit Block</b>	Means the quantity of units of the Target Fund which is required to be delivered to the trustee of the Target Fund upon a successful Redemption Application: <ul style="list-style-type: none"> <li>(i) for In-Kind Redemption, in respect of one (1) whole In-Kind Redemption Basket; and</li> <li>(ii) for Cash Redemption, in respect of the Redemption Amount.</li> </ul> The size of a Redemption Unit Block may change from time to time as determined by the Target Fund Manager, upon consultation with the trustee of the Target Fund and notified to the Participating Dealer.

<b>Relevant Exchanges</b>	Means the stock exchanges in which the Target Fund may invest, which includes New York Stock Exchange, National Association of Securities Dealers Automated Quotation System, Hong Kong Stock Exchange and such other exchanges as may be relevant to the Target Fund.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>Repurchase Price</b>	Means the price payable to you by us for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.
<b>Sales Charge</b>	Means a charge imposed pursuant to a purchase request.
<b>Selling Price</b>	Means the price payable by you for us to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
<b>Special Resolution</b>	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths (3/4) of the Unit Holders present and voting" means three-fourths (3/4) of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund, "Special Resolution" means a Special Resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths (3/4) of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
<b>Subscription Amount</b>	Means the cash sum to be delivered by the Participating Dealer in respect of a Cash Creation equivalent to the Issue Price multiplied by the number of units to be applied for.
<b>Target Fund</b>	Means TradePlus S&P New China Tracker.
<b>Target Fund Assets</b>	Means all the assets (including cash) of the Target Fund for the time being held or deemed to be held upon trust by the trustee of the Target Fund pursuant to the deed of the Target Fund.
<b>Target Fund Manager</b>	Means AHAM
<b>Transaction Cost</b>	Means, in relation to any particular transaction or dealing, all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies, foreign exchange costs and other duties and charges whether in connection with the Target Fund Assets or the creation, issue, transfer, cancellation or redemption of units of the Target Fund or the acquisition or disposal of Target Fund Assets or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing.
<b>Trustee</b>	Refers to TMF Trustees Malaysia Berhad.
<b>Unit(s)</b>	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a unit of the Fund.
<b>Units in Circulation</b>	Means Units created and fully paid for and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
<b>Unit Holder(s), investor(s), you</b>	Means the person / corporation registered as the holder of a Unit or 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

This section provides you with the information on the risks associated when investing in the Fund.

## GENERAL RISKS OF THE FUND

### ➤ **Fund Management Risk**

This risk refers to our day-to-day management of the Fund which will impact the performance of the Fund. For example, our investment decisions 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.

### ➤ **Capital and Returns Not Guaranteed**

You should be aware that by investing in the Fund, there is no guarantee of any returns or capital appreciation. Unlike fixed deposits placed directly by the investors into any financial institutions which carry a specific rate of return, this Fund does not provide a fixed rate of return. There is no guarantee that you will enjoy any capital appreciation or will not experience any loss of capital invested in the Fund.

### ➤ **Inflation Risk**

This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.

### ➤ **Loan Financing Risk**

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

### ➤ **Operational Risk**

This risk refers to the possibility of a breakdown in our internal controls and policies. The breakdown may be a result of human error, system failure or fraud where our employees collude with one another. This risk may cause monetary loss and/or inconvenience to you. We will regularly review our internal policies and system capability to mitigate this risk. Additionally, we maintain a strict segregation of duties to mitigate instances of fraudulent practices amongst our employees.

### ➤ **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. Such exceptional circumstances may occur when, amongst others, the trading of the Target Fund units on Bursa Securities is suspended or delisted. 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.

## SPECIFIC RISKS OF THE FUND

Specific risks relating to the Fund are as below:

### ➤ **Concentration Risk**

As a feeder fund, this Fund invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as we are allowed to take temporary defensive positions in response to adverse market conditions.

➤ **Liquidity risk**

Liquidity risk refers to the risk that units of the Target Fund cannot be sold due to unavailability of buyers for such units or restriction on realisation of units of the Target Fund. 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. In order to mitigate such risk, we will maintain sufficient liquidity level for the purposes of meeting redemption requests.

➤ **Counterparty Risk**

Counterparty risk concerns the Fund's investment in derivatives ("Investments"). Counterparty risk is prevalent as the potential returns derived from the Investments are dependent on the ongoing ability and willingness of the issuer i.e a Financial Institution to fulfill their respective financial commitments in a timely manner. Bankruptcy, fraud or regulatory non-compliance arising out of and/or in connection with the issuer may impair the operations and/or the performance of the Fund. However, we will conduct stringent credit selection process of the issuer of the Investments prior to commencement of Investments and monitoring mechanisms established by us may potentially mitigate this risk. If, we are of the opinion there is material adverse change to an issuer, we may consider unwinding the issuer's Investments to mitigate potential losses that may arise.

➤ **Legal and Regulatory Risk**

The Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objective followed by the Fund. Furthermore, such changes in the laws may have an impact on the market sentiment which may in turn affect the performance of the Fund. It is impossible to predict whether such impact caused by any change in the law will be positive or negative for the Fund. In the worst case scenario, a Unit Holder may lose all his investments in the Fund.

➤ **Related Party Transaction Risk**

The Fund invests in AHAM's collective investment scheme and may also have dealings with parties related to AHAM. Nevertheless, it is our policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

## SPECIFIC RISKS OF THE TARGET FUND

Specific risks relating to the Target Fund are as below:

➤ **Equity Investment Risk**

The buying and selling of equities carry a number of risks. The most important being the volatility of the capital markets on which those securities are traded and the general insolvency risk associated with the issuers of the equities. The value of equities investment depends on its earnings 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 Target Fund.

➤ **Country Risk**

Investment of the Target Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Target Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Target Fund in those affected countries. This in turn may cause the net asset value of the Target Fund or prices of units of the Target Fund to fall.

➤ **Currency Risk**

As the investments of the Target Fund may be denominated in currencies other than the Target Fund's base currency, any fluctuation in the exchange rate between the Target Fund's base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investor 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.

#### Currency risk at the Target Fund level

The impact of the exchange rate movement between the Target Fund's base currency and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the Target Fund's base currency.

#### ➤ **Sector-related Risks**

As the Target Fund's investments are within selected sectors and industry of China and Hong Kong domiciled companies, investments of the Target Fund may be affected by factors that may impact the performance of those sectors and industry.

##### (i) Consumption Sector Risk

The consumption sector is generally driven by consumer spending which is influenced by external factors, including but not limited to individual income levels, inflation rate, general economic condition, and consumer confidence. If there is any deterioration in consumer spending, it may affect the profitability of the companies within the consumer discretionary and consumer staples sector.

##### (ii) Health Care Sector Risk

The health care industry in China is experiencing rapid growth driven by factors such as aging population, urbanisation, growing wealth, government reforms and advancement of both basic and private medical insurance. As such, any adverse change in these factors could affect the demand for the health care and insurance industry.

##### (iii) Software, Internet And Related Services Industries Risks

The technology industry is a fast-growing and ever-changing industry. As such, technology companies face immense pressure to keep up with changing consumer demands, improving product launches' time-to-market and compliance to complex regulations, of which would restrict their business growth. Companies within this industry face the risks of being obsolete due to rapid technological change.

##### (iv) Telecommunications Sector Risk

Companies within the telecommunications sector may be affected by factors, including but not limited to industry competition, changes in regulations, advancement in technology and change in the way people communicate with each other. Failure to adapt to these changes will adversely affect the profitability of the companies within this sector.

##### (v) Infrastructure Industry Risk

The infrastructure industry is a capital-intensive business and is generally highly leveraged. Hence, the profitability of the companies in the infrastructure industry may be adversely affected by high interest costs, unforeseen economic conditions, reduction in government's infrastructure spending and others. Further, the profit margins for utilities companies could be highly impacted by changes in regulations.

##### (vi) Sustainable Energy Solutions Industry Risk

The companies' profitability within the sustainable energy solutions industry may be highly impacted by factors such as, but not limited to, fluctuations in commodity prices, supply and demand of alternative energy fuels and changes in government policies.

##### (vii) Transportation Industry Risk

The transportation industry may be adversely affected by factors, including but not limited to economic changes, increases in fuel and operating costs, labour relations, insurance costs and government regulations.

#### ➤ **Concentration Risk**

As the Target Fund focuses its investments on China and Hong Kong companies listed globally, it is subject to concentration risk. The Target Fund may be more volatile than a broadly-based fund such as a global or regional investment fund as it is more susceptible to fluctuation in value resulting from adverse conditions in a single country. The value of the Target Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the market in China, Hong Kong, United States of America and Singapore.

➤ **Minimum Redemption Size**

Units of the Target Fund can only be redeemed in a Redemption Unit Block (or whole multiples thereof). When the Fund does not hold Redemption Unit Blocks, it will only be able to realise the value of its units of the Target Fund by selling the units on Bursa Securities at the trading market prices. The market prices of units traded on Bursa Securities may deviate from the net asset value per unit of the Target Fund.

➤ **Tracking Error Risk**

There may not be perfect Correlation between the net asset value of the Target Fund with the Benchmark of the Target Fund. Factors such as fees and expenses of the Target Fund, Transaction Costs, liquidity of the market, imperfect Correlation of returns between the Target Fund Assets and the securities constituting the Benchmark of the Target Fund, the rounding of share prices, foreign exchange costs, changes to the underlying indices and regulatory policies may affect the Target Fund Manager's ability to achieve close Correlation with the Benchmark of the Target Fund and to rebalance the Target Fund's holdings of Index Securities and/or non-Index Securities in response to changes in the constituents of the Benchmark of the Target Fund. Further, the Target Fund may receive income (such as interests and dividends) from its assets while the Benchmark of the Target Fund does not have such sources of income. There is no guarantee or assurance of exact or identical replication at any time of the performance of the Benchmark of the Target Fund.

Although the Target Fund Manager regularly monitors the tracking error of the Target Fund, there can be no assurance that the Target Fund will achieve any particular level of tracking error relative to the performance of the Benchmark of the Target Fund.

➤ **Risks Related to the Benchmark of the Target Fund**

There may be changes in the constituent securities of the Benchmark of the Target Fund from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Benchmark of the Target Fund. In such circumstances, in order to achieve the investment objective of the Target Fund, the Target Fund Manager may rebalance the composition of the Target Fund. The price of the units of the Target Fund may rise or fall as a result of these changes. Thus, an investment in units of the Target Fund will generally reflect the Benchmark of the Target Fund as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the units of the Target Fund.

The process and the basis of computing and compiling the Benchmark of the Target Fund and any of its related formula, constituent companies and factors may also be changed or altered by the Index Licensor at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the Benchmark of the Target Fund, its computation or any information related thereto.

The Target Fund Manager has been granted a licence by the Index Licensor to use the Benchmark of the Target Fund in connection with the Target Fund. The Target Fund Manager is unlikely to be able to fulfil the investment objective in the event that the licence is terminated or if the Target Fund is unable to use the Benchmark of the Target Fund for any reason whatsoever. The licence is valid until terminated in accordance with the terms of the licence.

➤ **Securities Lending Transaction Risk**

As the Target Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines (SBL Guidelines), the Target Fund may be exposed to additional risks. For example, the borrower may fail to return the securities in a timely manner or may encounter operational difficulty which may result in a delay or failure of settlement. And as a result, it may impact the Target Fund's ability to meet payment obligations from redemption requests. To mitigate this risk, the Target Fund Manager will take necessary steps to ensure that not all of the Target Fund Assets are loaned out at any one point during the lifetime of the Target Fund. In addition, the Target Fund may also suffer a loss as a result of the delay in recovering the securities lent out. While the Target Fund Manager will receive collateral for the loan where it seeks to replace the loaned securities in an occurrence of a default event by the borrower, there is no assurance that this risk could be mitigated all together.

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 and 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 and 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 and 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 and risk oversight committee reports to the board compliance and risk management committee on a quarterly basis.

As the Fund will be investing a minimum of 85% of its NAV in one collective investment scheme, the risk management of the Fund will largely be held at the level of the collective investment scheme that the Fund is investing in.

To manage non-compliance risks, we use information technology system that is able to monitor the trading of investment 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 guidelines violations.

We will also have in place a credit rating evaluation and credit risk management process to reduce counterparty risk of derivatives to ensure they are able to meet their contractual obligations. It is important to note that an event of downgrade does not constitute a default. If we view that the downgrade in the rating of the counterparty may lead to high credit risk, we will not hesitate to take pre-emptive measures to unwind these positions.

We will also closely monitor the performance of the underlying investments of the Fund by looking at the collective investment scheme's standard deviation, tracking error and measures of excess return. The data obtained will be reviewed on a quarterly basis, or as and when extreme market conditions or price movement in the collective investment scheme occurs.

### 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 15% of its NAV in money market instruments and/or 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. Such exceptional circumstances may occur when, amongst others, the trading of the Target Fund units on Bursa Securities is suspended or delisted. During the suspension period, the repurchase requests from the Unit Holders will be accepted but will not be processed. Such repurchase requests will 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 to the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.**

# ABOUT AHAM NEW CHINA TRACKER FUND

<b>Fund Category</b>	: Feeder fund
<b>Fund Type</b>	: Growth
<b>Base Currency</b>	: MYR
<b>Financial Year End</b>	: 30 April
<b>Distribution Policy</b>	: The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.
<b>Deed(s)</b>	: Deed dated 15 May 2020 and the first supplemental deed dated 10 January 2023.

## INVESTMENT OBJECTIVE

The Fund aims to provide investors with investment results that closely correspond to the performance of the benchmark.

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

## BENCHMARK

S&P New China Sectors Ex A-Shares Index

Source: [www.spdji.com](http://www.spdji.com) and [www.tradeplus.com.my](http://www.tradeplus.com.my)

*Kindly note that the benchmark of the Fund is the same as the Benchmark of the Target Fund.*

## ASSET ALLOCATION

- A minimum of 85% of the Fund's NAV will be invested in the Target Fund; and
- A maximum of 15% of the Fund's NAV will be invested in money market instruments and/or deposits.

## INVESTMENT STRATEGY

The Fund will be investing a minimum of 85% of the Fund's NAV in the Target Fund and a maximum of 15% of the Fund's NAV in money market instruments and/or deposits.

The Fund may invest in derivatives such as, forward contracts and swaps to hedge the foreign exchange movements between the Fund and the Target Fund. While the hedging strategy will reduce the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well.

The Fund adopts commitment approach to measure the Fund's global exposure to derivatives. The commitment approach is a methodology that aggregates the underlying market values or notional values of derivatives after taking into account the possible effects of netting and/or hedging arrangements. The Fund's global exposure from the derivatives position must not exceed 100% of NAV of the Fund at all times.

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

## Cross Trades Policy

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

## PERMITTED INVESTMENTS

- Units/shares in a collective investment scheme;
- Money market instruments;
- Deposits;
- Derivatives; and
- Any other form of investments as may be permitted by the SC from time to time which is in line with the objective of the Fund.

## INVESTMENT RESTRICTIONS AND LIMITS

- The Fund's assets must be relevant and consistent with the investment objective of the Fund.
- The Fund must not invest in:
  - (i) a fund-of-funds;
  - (ii) a feeder fund; and
  - (iii) any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.
- Where the Fund invests in a fund operated by us, i.e. the Target Fund, we will ensure that:-
  - (i) there is no cross-holding between the Fund and the Target Fund;
  - (ii) all initial charges on the Target Fund is waived; and
  - (iii) the management fee must only be charged once, either at the Fund or the Target Fund.
- The value of the Fund's investment in money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV.
- The aggregate value of the Fund's investments in, or exposure to, a single issuer through money market instruments, deposits, underlying assets of derivatives, and counterparty exposure arising from the use of over-the-counter ("OTC") derivatives must not exceed 25% of the Fund's NAV.
- The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.
- The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a predetermined issue size.
- The value of the Fund's placements in deposits with any single Financial Institution shall not exceed 20% of the Fund's NAV ("Single Financial Institution Limit").

The Single Financial Institution Limit does not apply to placements of 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 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 deposits with various Financial Institutions would not be in the best interests of Unit Holders;
- The Fund's global exposure from its derivatives position should not exceed the Fund's NAV at all times.

- For investments in derivatives:-
  - (i) The exposure to the underlying assets must not exceed the investment restrictions or limitations applicable to such underlying assets and investments as stipulated in the Guidelines; and
  - (ii) The value of the Fund's OTC derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV.

Please note that the above limits and restrictions, does 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; or (b) repurchase of Units or payment made out of the Fund 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.

## VALUATION OF PERMITTED INVESTMENTS

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 collective investment schemes**

Valuation of investments in listed collective investment schemes shall be based on the closing price or last known transacted price on the eligible market on which the listed collective investment schemes 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 listed collective investment schemes for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, the listed collective investment schemes will be valued at fair value as determined in good faith by the Manager or its delegate, based on the methods or bases which have been verified by the auditor and approved by the Trustee.

### ➤ **Money Market Instruments**

The valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-MYR denominated 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 money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.

### ➤ **Deposits**

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

### ➤ **Derivatives**

Unlisted derivatives will be valued at fair value as determined in good faith by the Manager or its delegate, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

For listed derivatives, the valuation will be done 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 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.



## VALUATION POINT OF THE FUND

The Fund will be valued at 6.00 p.m. on every Business Day (or “trading day” or “T” day).

## FINANCING AND SECURITIES LENDING

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

- the Fund’s cash 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; and
- the Fund may only obtain financing from Financial Institutions.

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.

## THE FUND’S MODE OF INVESTING IN THE TARGET FUND

To meet its objective, the Fund will invest into units of the Target Fund either through the Participating Dealer, or trade via Bursa Securities.

### 1) Via Participating Dealer

The Fund may invest into units of the Target Fund via a Participating Dealer. By investing via a Participating Dealer, the Fund would need to transact based on the Target Fund’s minimum basket size of 500,000 units and in Hong Kong Dollars.

The Fund will be investing via Participating Dealer if the Fund meets the Target Fund’s minimum basket size of 500,000 units. If the Fund is unable to meet the minimum basket size, the Fund will be investing via Bursa Securities.

Transaction of units of the Target Fund would be carried out at the net asset value of the Target Fund and incur fees and charges as stipulated below.

These transactions would expose the Fund to counterparty risk as the Fund will be required to carry out the transactions via a Participating Dealer.

### 2) Via Bursa Securities

The Fund may invest into units of the Target Fund via Bursa Securities. By investing via Bursa Securities, the Fund has the flexibility to trade in smaller sizes i.e. at a minimum of 100 units per transaction as per Bursa Securities minimum “board lot”. The transactions via Bursa Securities will be made into the units of the Target Fund that is denominated in Malaysian Ringgit.

By transacting units via Bursa Securities, the Fund would incur fees and charges such as but not be limited to, brokerage fee, Bursa Securities clearing fee and stamp duty.

Transactions carried out via Bursa Securities would also expose the Fund to pricing risk as the quotes on Bursa Securities would be dependent on market makers as well as bid and ask prices by investors thus potentially leading the price to defer from that of the Target Fund’s net asset value. To mitigate this risk, the market makers for the Target Fund are in place to provide buy and sell quotes that reflects the prevailing value of the Target Fund.

Similar to other publicly-listed shares, the Fund will be exposed to liquidity risk where the lack of demand and supply may affect the ability of the Fund to trade units. Nevertheless, this risk is mitigated with the appointment of market makers by the Target Fund.

## INVESTING IN THE TARGET FUND VIA AHAM NEW CHINA TRACKER FUND VS INVESTING DIRECTLY IN TARGET FUND

Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of management fee.

You may be subjected to higher fees arising from the layered investment structure of a feeder fund.

In addition to investing in the Target Fund via the Fund, investors may also invest directly in the Target Fund. The key differences of investing via these two (2) modes are as follows:

Features	Invest in the Target Fund via AHAM New China Tracker Fund	Direct investment in the Target Fund																		
Structure	Unlisted unit trust fund	Exchange-traded fund listed on Main Market of Bursa Securities																		
Transactions	Investors can transact Units via dedicated sales personnel of AHAM and/or agents. Please refer to the directory of sales offices on page 49 of the Prospectus.	Investors can purchase/sell directly units of the Target Fund through the Participating Dealer or trade via Bursa Securities.																		
Pricing	<p>Forward Pricing will be used to determine the Selling Price and the Repurchase Price i.e. the NAV per Unit as at the next valuation point after we receive the purchase request or repurchase request.</p> <p>Investors must observe the minimum initial investment, minimum additional investment, minimum Units of repurchase and minimum holdings of Units as stated on page 19 of the Prospectus.</p>	<p>Investors are able to trade units of the Target Fund intraday with real-time pricing. Like any other publicly-traded shares, units of the Target Fund can be bought and sold on Bursa Securities throughout the trading day and such transactions in the secondary market on Bursa Securities will occur at quoted market prices. Units of the Target Fund are generally purchased and sold in “board lots” of 100 units. However, brokerage firms may permit investors to purchase or sell units of the Target Fund in smaller “odd-lots”, although prices of units of the Target Fund traded in “odd-lots” may differ from units of the Target Fund purchased or sold in “board lots”.</p> <p>Supply and demand for units of the Target Fund may affect the investors’ ability to transact units of the Target Fund.</p>																		
Fees and Charges	<p>These are the charges that investors may <b>directly</b> incur when buying or redeem Units of the Fund.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #D9D9D9;">Charges</th> <th style="background-color: #D9D9D9;">Details</th> </tr> </thead> <tbody> <tr> <td>Sales Charge</td> <td>: Up to 2.00% of the NAV per Unit.</td> </tr> <tr> <td>Repurchase Charge</td> <td>: Nil</td> </tr> <tr> <td>Transfer fee</td> <td>: Nil</td> </tr> <tr> <td>Switching Fee</td> <td>: 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</td> </tr> </tbody> </table>	Charges	Details	Sales Charge	: Up to 2.00% of the NAV per Unit.	Repurchase Charge	: Nil	Transfer fee	: Nil	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	<p><u>Transaction Through Bursa Securities</u></p> <p>These are fees and charges incurred directly by investors if purchase or sale of units of the Target Fund are made through Bursa Securities:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #D9D9D9;">Fees and Charges</th> <th style="background-color: #D9D9D9;">Details</th> </tr> </thead> <tbody> <tr> <td>Brokerage Fee</td> <td>: As prescribed by the Bursa Securities.</td> </tr> <tr> <td>Bursa Securities Clearing fee</td> <td>: 0.03% of the transaction value subject to a maximum of MYR 1,000 per transaction. A MYR 10 minimum fee per transaction is applicable for direct business contracts.</td> </tr> <tr> <td>Stamp Duty</td> <td>: MYR1.00 for every MYR1,000 or fractional part of the transaction value, subject to a maximum of MYR200 per transaction.</td> </tr> </tbody> </table> <p>Investors should check with their brokers on the actual fees and charges which may be incurred.</p>	Fees and Charges	Details	Brokerage Fee	: As prescribed by the Bursa Securities.	Bursa Securities Clearing fee	: 0.03% of the transaction value subject to a maximum of MYR 1,000 per transaction. A MYR 10 minimum fee per transaction is applicable for direct business contracts.	Stamp Duty	: MYR1.00 for every MYR1,000 or fractional part of the transaction value, subject to a maximum of MYR200 per transaction.
Charges	Details																			
Sales Charge	: Up to 2.00% of the NAV per Unit.																			
Repurchase Charge	: Nil																			
Transfer fee	: Nil																			
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																			
Fees and Charges	Details																			
Brokerage Fee	: As prescribed by the Bursa Securities.																			
Bursa Securities Clearing fee	: 0.03% of the transaction value subject to a maximum of MYR 1,000 per transaction. A MYR 10 minimum fee per transaction is applicable for direct business contracts.																			
Stamp Duty	: MYR1.00 for every MYR1,000 or fractional part of the transaction value, subject to a maximum of MYR200 per transaction.																			

Features	Invest in the Target Fund via AHAM New China Tracker Fund	Direct investment in the Target Fund																								
	<p>sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.</p> <p>There are also other fees that investors may indirectly incur when investing in the Fund.</p> <table border="1" data-bbox="336 483 831 696"> <thead> <tr> <th>Charges</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Management fee</td> <td>: Up to 0.5% per annum of the NAV of the Fund</td> </tr> <tr> <td>Trustee fee</td> <td>: Up to 0.03% per annum of the NAV of the Fund</td> </tr> </tbody> </table> <p>The above fees and charges are subject to such increase / variation as permitted by the Deed.</p> <p>Additionally, there are other expenses which are directly related and necessary to the operation and administration of the Fund that may be charged to the Fund.</p> <p>Notwithstanding the above, there are also other charges incurred by the Fund when investing into the Target Fund via following modes.</p> <p><u>Transaction Through Bursa Securities</u></p> <p><i>Kindly refer to the next column of "Direct investment in the Target Fund" on the charges incurred when investing into the Target Fund via this mode.</i></p> <p><u>Transaction Through the Participating Dealer</u></p> <p><i>Kindly refer to the next column of "Direct investment in the Target Fund" on the charges incurred when investing into the Target Fund via this mode.</i></p>	Charges	Details	Management fee	: Up to 0.5% per annum of the NAV of the Fund	Trustee fee	: Up to 0.03% per annum of the NAV of the Fund	<p>In addition to the above charges, there are charges that the investors may incur <b>indirectly</b> when they invest in the units of the Target Fund as follows:</p> <table border="1" data-bbox="863 371 1506 696"> <thead> <tr> <th>Fees and Charges</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Annual Management Fee<sup>(1)</sup></td> <td>: Up to 1.00% per annum of the net asset value of the Target Fund.</td> </tr> <tr> <td>Annual Trustee Fee<sup>(1)</sup></td> <td>: Up to 0.04% per annum of the net asset value of the Target Fund.</td> </tr> <tr> <td>Annual Licence Fee<sup>(2)</sup></td> <td>: Minimum of USD 10,000 per annum or 0.05% of the average daily asset under management, whichever is higher.</td> </tr> </tbody> </table> <p><i>Notes:</i></p> <p>(1) <i>Calculated based on the net asset value of the Target Fund, accrued daily and payable monthly in the Target Fund's base currency. This fee is subject to such increase / variation as permitted by the deed dated 26 October 2018.</i></p> <p>(2) <i>Calculated based on the average daily asset under management of the Target Fund during the applicable quarter and payable quarterly.</i></p> <p><u>Transaction Through the Participating Dealer</u></p> <p>These are fees and charges incurred <b>directly</b> by investors if purchase of units of the Target Fund is made through the Participating Dealer:</p> <table border="1" data-bbox="863 1155 1506 2056"> <thead> <tr> <th>Fees and Charges</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Creation/Redemption Application Fee</td> <td>: HKD 500 per Creation Unit Block or Redemption Unit Block as applicable (and subject to a maximum of HKD 2,500) payable to the Target Fund Manager<sup>^</sup>.</td> </tr> <tr> <td>Creation/Redemption Application Cancellation Fee</td> <td>: 1.00% of the Subscription Amount or Redemption Amount or 1.00% of the value of the In-Kind Creation Basket or In-Kind Redemption Basket, whichever is applicable, payable to the Target Fund Manager<sup>^</sup>.</td> </tr> <tr> <td>Transaction Costs</td> <td>: The Target Fund Manager may charge Transaction Costs (incurred by the Target Fund) to prevent the net asset value of the Target Fund from being diluted.</td> </tr> <tr> <td>Other Fees</td> <td>: The amount (other than Transaction Costs described above) that may be incurred by the Target Fund Manager and/or the trustee of the Target Fund from time to time in relation to the Creation Applications or Redemption Applications submitted by the Participating Dealer, which is charged by Bursa Malaysia Depository Sdn</td> </tr> </tbody> </table>	Fees and Charges	Details	Annual Management Fee <sup>(1)</sup>	: Up to 1.00% per annum of the net asset value of the Target Fund.	Annual Trustee Fee <sup>(1)</sup>	: Up to 0.04% per annum of the net asset value of the Target Fund.	Annual Licence Fee <sup>(2)</sup>	: Minimum of USD 10,000 per annum or 0.05% of the average daily asset under management, whichever is higher.	Fees and Charges	Details	Creation/Redemption Application Fee	: HKD 500 per Creation Unit Block or Redemption Unit Block as applicable (and subject to a maximum of HKD 2,500) payable to the Target Fund Manager <sup>^</sup> .	Creation/Redemption Application Cancellation Fee	: 1.00% of the Subscription Amount or Redemption Amount or 1.00% of the value of the In-Kind Creation Basket or In-Kind Redemption Basket, whichever is applicable, payable to the Target Fund Manager <sup>^</sup> .	Transaction Costs	: The Target Fund Manager may charge Transaction Costs (incurred by the Target Fund) to prevent the net asset value of the Target Fund from being diluted.	Other Fees	: The amount (other than Transaction Costs described above) that may be incurred by the Target Fund Manager and/or the trustee of the Target Fund from time to time in relation to the Creation Applications or Redemption Applications submitted by the Participating Dealer, which is charged by Bursa Malaysia Depository Sdn
Charges	Details																									
Management fee	: Up to 0.5% per annum of the NAV of the Fund																									
Trustee fee	: Up to 0.03% per annum of the NAV of the Fund																									
Fees and Charges	Details																									
Annual Management Fee <sup>(1)</sup>	: Up to 1.00% per annum of the net asset value of the Target Fund.																									
Annual Trustee Fee <sup>(1)</sup>	: Up to 0.04% per annum of the net asset value of the Target Fund.																									
Annual Licence Fee <sup>(2)</sup>	: Minimum of USD 10,000 per annum or 0.05% of the average daily asset under management, whichever is higher.																									
Fees and Charges	Details																									
Creation/Redemption Application Fee	: HKD 500 per Creation Unit Block or Redemption Unit Block as applicable (and subject to a maximum of HKD 2,500) payable to the Target Fund Manager <sup>^</sup> .																									
Creation/Redemption Application Cancellation Fee	: 1.00% of the Subscription Amount or Redemption Amount or 1.00% of the value of the In-Kind Creation Basket or In-Kind Redemption Basket, whichever is applicable, payable to the Target Fund Manager <sup>^</sup> .																									
Transaction Costs	: The Target Fund Manager may charge Transaction Costs (incurred by the Target Fund) to prevent the net asset value of the Target Fund from being diluted.																									
Other Fees	: The amount (other than Transaction Costs described above) that may be incurred by the Target Fund Manager and/or the trustee of the Target Fund from time to time in relation to the Creation Applications or Redemption Applications submitted by the Participating Dealer, which is charged by Bursa Malaysia Depository Sdn																									

Features	Invest in the Target Fund via AHAM New China Tracker Fund	Direct investment in the Target Fund								
		<div data-bbox="863 219 1508 264" style="border: 1px solid black; text-align: center; padding: 2px;">Bhd.</div> <p data-bbox="863 286 1508 369">Note: ^ or such other amount as may be determined by the Target Fund Manager from time to time in consultation with the trustee of the Target Fund.</p> <p data-bbox="863 398 1508 548">The Participating Dealer may charge the above fees and charges to investors or may absorb such fees and charges. Investors should check with the relevant Participating Dealer on the actual fees and charges which may be incurred.</p> <p data-bbox="863 577 1508 728">Additionally, investors may have to pay fees and expenses to the Participating Dealer for its services and in connection with applying for the creation and redemption of units of the Target Fund through the Participating Dealer.</p> <p data-bbox="863 757 1508 840">In addition to the above charges, there are charges that the investors may incur <b>indirectly</b> when they invest in the units of the Target Fund as follows:</p> <table border="1" data-bbox="863 875 1508 1205"> <thead> <tr> <th data-bbox="869 884 1093 918">Fees and Charges</th> <th data-bbox="1093 884 1501 918">Details</th> </tr> </thead> <tbody> <tr> <td data-bbox="869 936 1093 996">Annual Management Fee<sup>(1)</sup></td> <td data-bbox="1093 936 1501 996">: Up to 1.00% per annum of the net asset value of the Target Fund.</td> </tr> <tr> <td data-bbox="869 1010 1093 1070">Annual Trustee Fee<sup>(1)</sup></td> <td data-bbox="1093 1010 1501 1070">: Up to 0.04% per annum of the net asset value of the Target Fund.</td> </tr> <tr> <td data-bbox="869 1084 1093 1144">Annual Licence Fee<sup>(2)</sup></td> <td data-bbox="1093 1084 1501 1196">: Minimum of USD 10,000 per annum or 0.05% of the average daily asset under management, whichever is higher.</td> </tr> </tbody> </table> <p data-bbox="863 1234 1508 1451"><i>Notes:</i>  (2) <i>Calculated based on the net asset value of the Target Fund, accrued daily and payable monthly in the Target Fund's base currency. This fee is subject to such increase / variation as permitted by the deed dated 26 October 2018.</i>  (2) <i>Calculated based on the average daily asset under management of the Target Fund during the applicable quarter and payable quarterly.</i></p>	Fees and Charges	Details	Annual Management Fee <sup>(1)</sup>	: Up to 1.00% per annum of the net asset value of the Target Fund.	Annual Trustee Fee <sup>(1)</sup>	: Up to 0.04% per annum of the net asset value of the Target Fund.	Annual Licence Fee <sup>(2)</sup>	: Minimum of USD 10,000 per annum or 0.05% of the average daily asset under management, whichever is higher.
Fees and Charges	Details									
Annual Management Fee <sup>(1)</sup>	: Up to 1.00% per annum of the net asset value of the Target Fund.									
Annual Trustee Fee <sup>(1)</sup>	: Up to 0.04% per annum of the net asset value of the Target Fund.									
Annual Licence Fee <sup>(2)</sup>	: Minimum of USD 10,000 per annum or 0.05% of the average daily asset under management, whichever is higher.									

**The Fund may create new classes of Units in the future without having to seek Unit Holders' prior approval. You will be notified of the issuance of the new classes of Units by way of a communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement prospectus.**

# 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 documentations before we process the purchase application.

Individual or Jointholder	Corporation
<ul style="list-style-type: none"> <li>• Account opening form;</li> <li>• Suitability assessment form;</li> <li>• Personal data protection notice form;</li> <li>• A copy of identity card or passport or any other document of identification; and</li> <li>• Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (“CRS”) Self-certification Form.</li> </ul>	<ul style="list-style-type: none"> <li>• Account opening form;</li> <li>• Suitability assessment form;</li> <li>• Personal data protection notice form;</li> <li>• Certified true copy of memorandum and articles of association*;</li> <li>• Certified true copy of certificate of incorporation*;</li> <li>• Certified true copy of form 24 and form 49*;</li> <li>• Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*;</li> <li>• Latest audited financial statement;</li> <li>• Board resolution relating to the investment;</li> <li>• A list of the authorised signatories;</li> <li>• Specimen signatures of the respective signatories; and</li> <li>• Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (“CRS”) Self-certification Form.</li> </ul> <p><i>* or any other equivalent documentation issued by the authorities.</i></p>

### 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](http://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 UNITS OF REPURCHASE AND MINIMUM HOLDING OF UNITS?**

Minimum Initial Investment*	MYR 1,000
Minimum Additional Investment*	MYR 100
Minimum Units of Repurchase*	1,000 Units
Minimum Holding of Units*	500 Units

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

**HOW TO REPURCHASE UNITS?**

- It is important to note that, you must meet the minimum holding of Units after a repurchase transaction. If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, we may withdraw all your holding of Units and pay the proceeds to you.
- We may, with the consent of the Trustee, reserve the right to defer your repurchase request if such transaction would adversely affect the Fund or the interest of the Unit Holders.
- You may submit the repurchase request by completing a transaction form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business 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.

**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. However, in the event Target Fund’s daily redemption threshold has been breached, resulting in redemption requests being deferred, a longer repurchase proceeds payout period would be needed. The timeline would be dependent on matters such as volume of redemption, and the redemption value as a total of the Target Fund’s net asset value. Please refer to the Redemption Policy of the Target Fund section for further information.

**WHERE TO PURCHASE AND REPURCHASE UNITS?**

- Units can be purchased and repurchased at any of the location listed in the “Directory of Sales Offices” chapter in the Prospectus 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](http://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 [customercare@aham.com.my](mailto:customercare@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 are 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 right if your cooling-off 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 to 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. The minimum switching amount for the Fund is 1,000 Units. However, you must meet the minimum holding of Units and the minimum investment amount of the fund (or its class) that you intend to switch to.

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 request that we deem to be contrary to the best interest of the Fund and/or the existing Unit Holders.

### ***Switching from this Fund to 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.

You should note that the pricing day of a fund (or its class) may not be on the same day as when 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		T Day
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

## TRANSFER FACILITY

You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. 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.

## 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. Such exceptional circumstances may occur when, amongst others, the trading of the Target Fund units on Bursa Securities is suspended or delisted. 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 dealing 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".

## INCOME DISTRIBUTION

The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

You have the option to receive the income distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. All distribution will be automatically reinvested in additional Units in the Fund if you do not select the mode of distribution in the application form.

Any distribution payable which is less than or equal to the amount of MYR 300.00 would be automatically reinvested.

Notwithstanding the above, we may also reinvest the distribution proceeds which remain unclaimed after twelve (12) months from the date of payment, provided that you still have an account with us.

### Cash Payment Process

Income distribution by way of cash payment will be paid via telegraphic transfer. Income will be transferred to your bank account within seven (7) Business Days after the distribution date.

### Reinvestment Process

We will create the Units based on the NAV per Unit at the income payment date which is within two (2) Business Days after the distribution date. There will not be any cost for reinvestments of those additional Units, i.e., no Sales Charge will be imposed on such reinvestment.

**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 the 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 the fees and charges before investing in the Fund.

You should be aware that all fees, charges and expenses referred to or quoted in the 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 the Fund.

### SALES CHARGE

Up to 2.00% of the NAV per Unit.

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

### REPURCHASE CHARGE

There will be no Repurchase Charge imposed on the repurchase of Units.

### 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 0.5% 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 is MYR 130 million for that day, the accrued management fee for that day would be:

$$\frac{\text{MYR } 130,000,000 \times 0.5\%}{365 \text{ days}} = \text{MYR } 1,780.82$$

## ANNUAL TRUSTEE FEE

The trustee fee is up to 0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges) (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly to the Trustee. In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

*Please note that the example below is for illustration only:*

Assuming that the NAV of the Fund is MYR 130 million for that day, the accrued trustee fee for that day would be:

$$\frac{\text{MYR } 130,000,000 \times 0.03\%}{365 \text{ days}} = \text{MYR } 106.85$$

## EXPENSES

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

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Trustee) charges and fees paid to the sub-custodians in respect of any foreign investments of the Fund;
- Taxes and other duties charged on the Fund by the government and/or other authorities;
- Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- Costs, fees and expenses incurred for the 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;
- Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and
- Any other expenses allowed under the Deed.

## REBATES AND SOFT COMMISSIONS

We or any of our delegates 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; and
- 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 of 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
	<b>MYR</b>
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	1,780.82
Less: Trustee fee for the day	106.85
<b>NAV</b>	199,998,112.33
<b>NAV per Unit*</b>	0.6666

\* NAV per Unit is derived from NAV divided by Unit 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 is payable separately from the Selling Price and Repurchase Price.

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

### 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	2.00% of the NAV per Unit
Sales Charge Paid By Investor**	2.00% x MYR 0.50 x 20,000 Units = MYR 200
Total Amount Paid By Investor***	MYR 10,000 + MYR 200 = MYR 10,200

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	40,000 Units
Repurchase Price per Unit	MYR 0.50
Repurchase Amount <sup>^</sup>	40,000 Units x MYR 0.50 = MYR 20,000
Repurchase Charge	0.00% of the NAV per Unit
Repurchase Charge Paid By Investor <sup>^^</sup>	0.00% x MYR 10,000 = MYR 0
Total Amount Received By Investor <sup>^^^</sup>	MYR 20,000 - MYR 0 = MYR 20,000

Formula for calculating:-

<sup>^</sup> Repurchase amount	=	Unit repurchased x Repurchase Price per Unit
<sup>^^</sup> Repurchase Charge paid by investor	=	Repurchase Charge x Repurchase amount
<sup>^^^</sup> Total amount received by investor	=	Repurchase amount - Repurchase Charge paid by investor

# ABOUT THE TARGET FUND - TRADEPLUS S&P NEW CHINA TRACKER

<b>Fund Category</b>	: Equity exchange-traded fund
<b>Fund Type</b>	: Index tracking fund
<b>Launch Date</b>	: 15 January 2019
<b>Base Currency</b>	: HKD
<b>Trading Currency on Bursa Securities</b>	: MYR and USD
<b>Country of Origin</b>	: Malaysia
<b>Regulatory Authority</b>	: SC and Bursa Securities
<b>Distribution Policy</b>	: Subject to the availability of income, the Target Fund will distribute income on an annual basis after the end of the first financial year of the Target Fund.

## BACKGROUND INFORMATION

The Target Fund is an equity exchange-traded fund listed on the Main Market of Bursa Securities on 28 January 2019. The Target Fund is established under the terms of the deed dated 26 October 2018 and is governed by the laws of Malaysia.

The Target Fund is managed by AHAM. Please refer to page 37 for further information on AHAM.

## INVESTMENT OBJECTIVE AND STRATEGY OF THE TARGET FUND

The Target Fund aims to provide investment results that closely correspond to the performance of the Benchmark of the Target Fund.

To achieve the investment objective of the Target Fund, the Target Fund Manager will primarily adopt a full replication strategy. Under the full replication strategy, the Target Fund Manager will invest substantially in the Index Securities in the same approximate weightings or proportions as they appear in the Benchmark of the Target Fund.

However, if the Target Fund Manager believes that the full replication technique is not the most efficient method to track the Benchmark of the Target Fund, the Target Fund Manager may utilize a representative sampling strategy. Under the representative sampling strategy, the Target Fund Manager will invest in a representative sample of securities consisting of the Index Securities and non-Index Securities selected by the Target Fund Manager using amongst others, a quantitative analytical model in a technique known as “portfolio sampling”. The non-Index Securities selected shall have a high Correlation (i.e. positive correlation coefficient of at least 0.7) with one or more of the Index Securities which it is substituting, and where it is expected to mirror the performance of those of the Index Securities to be substituted.

The Target Fund may also invest in collective investment schemes which have similar investment objectives to the Target Fund’s investment objective, and derivatives including but not limited to, options, futures, swaps and forward contracts in which the Target Fund Manager believes will help the Target Fund to achieve its investment objective and/or to minimize the tracking error of the Target Fund.

For liquidity purposes, the remaining balance of the Target Fund’s net asset value will be invested in money market instruments and/or deposits. The Target Fund will be passively managed, leaving the Target Fund to be highly invested at all times, irrespective of the outlook on the underlying assets.

### Tracking Error

There is no guarantee or assurance that the investment results of the Target Fund will exactly correspond to the performance of the Benchmark of the Target Fund.

Tracking errors may occur when comparing the performance of the Target Fund against the Benchmark of the Target Fund.

## Policy on Rebalancing the Investment Portfolio

The rebalancing of the Target Fund's portfolio will primarily be performed during the scheduled rebalancing date for the Benchmark of the Target Fund. However, the rebalancing of the Target Fund's portfolio could also be performed when there is creation and/or redemption of units or when the Target Fund Manager believes that there is a need to rectify the divergence in tracking error.

## BENCHMARK OF THE TARGET FUND

The Benchmark of the Target Fund is a modified float-adjusted market capitalisation weighted index which is designed to measure the performance of China and Hong Kong domiciled companies in consumption and service-oriented industries. As such, the Benchmark of the Target Fund comprises of constituents in those selected industries that are listed in Hong Kong, United States of America and Singapore.

The Benchmark of the Target Fund is compiled, calculated, maintained and published by S&P Dow Jones Indices. It was launched with a base date of 31 December 2010 and was constructed based on a reference value of 1,000.

The Benchmark of the Target Fund is a price return index where the performance of the index constituents is calculated without adjustments for regular cash dividends and is denominated in HKD.

The constituents of the Benchmark of the Target Fund comprise of the S&P Total China + Hong Kong BMI where it represents the universe of securities from China and Hong Kong, and is formed by combining the constituents of the parent index, i.e. S&P Total China BMI and S&P Hong Kong BMI.

A-shares, which are shares of companies incorporated in mainland China and traded on the Shanghai or Shenzhen Stock Exchanges in Renminbi, will be excluded from the universe.

The constituents of the Benchmark of the Target Fund must satisfy the following criteria:

- A float-adjusted market capitalisation of at least USD 2.5 billion.
- A three (3) month average daily value traded of at least USD 8 million.
- An Investable Weight Factor (IWF)<sup>1</sup> of at least 15%.

*Note: <sup>1</sup> The IWF is an adjustment factor that accounts for the publicly available shares of a company and it ranges between 0 and 1. The company's adjusted market capitalization determines an equity issue's relative weight in the index.*

- A Global Industry Classification Standard (GICS) classification detailed as below:

GICS Level	GICS Code	Description
Sector	25	Consumer Discretionary
Sector	30	Consumer Staples
Sector	35	Health Care
Sector	50	Telecommunication Services
Industry Group	2020	Commercial & Professional Services
Industry Group	4030	Insurance
Industry Group	4510	Software & Services
Industry	551050	Independent Power and Renewable Electricity Producers
Sub-Industry	20301010	Air Freight & Logistics
Sub-Industry	20302010	Airlines
Sub-Industry	20304010	Railroads
Sub-Industry	20305010	Airport Services
Sub-Industry	20305020	Highways & Railtracks
Sub-Industry	45201020	Communications Equipment

- If a company in the Benchmark of the Target Fund has multiple share classes, the priority for inclusion in the Benchmark of the Target Fund is as follows:-
  - 1) Hong Kong listed shares;
  - 2) United States of America listed shares; and
  - 3) Singapore listed shares.

The Benchmark of the Target Fund is weighted by modified float-adjusted market capitalisation. At each rebalancing, constituents' weightings are capped at 10% of the Benchmark of the Target Fund.

## PERMITTED INVESTMENTS AND INVESTMENT RESTRICTIONS OF THE TARGET FUND

### Permitted Investments:

- Authorised Securities;
- Derivatives;
- Units or shares in collective investment schemes;
- Money market instruments;
- Deposits; and
- Any other investments permitted by the SC from time to time.

### Investment Restrictions:

The Target Fund may invest in derivatives which are traded on an exchange or traded over-the-counter provided that:

- the use of derivatives must be consistent with the Target Fund's objective in minimising tracking error of the Target Fund and must not cause the Target Fund to diverge from its investment objective;
- the Target Fund's exposure from the derivatives position must not exceed the Target Fund's net asset value at all times;
- the value of the Target Fund's holding in over-the-counter derivatives issued by a single counter-party must not exceed 10% of the Target Fund's net asset value, based on the most up-to-date value of the Target Fund Asset; and
- the exposure to the underlying assets must not exceed the weighting for each particular asset, whether for a full replication or sampling strategy.

*\* The credit rating for the counter-party of OTC derivatives will be at least investment grade.*

The Target Fund may invest in units or shares in other collective investment schemes provided that the value of the Target Fund's investment in units or shares of any collective investment scheme must not exceed 20% of the Target Fund's net asset value based on the most up-to-date value of the Target Fund Assets and the collective investment schemes must:-

- be regulated by a regulatory authority;
- (if the collective investment scheme is constituted in Malaysia) be approved or authorised by the SC;
- (if the collective investment scheme is constituted outside of Malaysia) be registered or authorised or approved by the relevant regulatory authority in its home jurisdiction; and
- operate on the principle of prudent spread of risk and its investments do not diverge from the general investment principles of the ETF Guidelines.

Where the Target Fund invests in a collective investment scheme operated by the Target Fund Manager or its related corporation, the Target Fund Manager must ensure that:-

- there is no cross-holding between the Target Fund and the collective investment scheme;
- all initial charges on the collective investment scheme are waived; and
- the management fee must only be charged once, either at the Target Fund or the collective investment scheme.

The Target Fund's investments in foreign market are limited to markets where the regulatory authority is a member of the International Organization of Securities Commissions (IOSCO).

The abovementioned restrictions and limits will be complied with at all times based on the up-to-date value of the Target Fund, and the value of its investments and instruments. The Target Fund Manager must notify the SC, within (7) seven Dealing Days, of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of any –



- (a) appreciation or depreciation in the value of the Target Fund's underlying investments;
- (b) redemption of units or payments made from the Target Fund;
- (c) change in capital of a company in which the Target Fund has invested in; or
- (d) downgrade in or cessation of a credit rating,

need not be reported to the SC but must be rectified as soon as practicable in accordance with the ETF Guidelines.

The trustee of the Target Fund may decide to extend the period if it is in the best interest of unit holders of the Target Fund and such extension must be subject to at least a monthly review by the trustee of the Target Fund.

## SECURITIES LENDING AND BORROWING OF THE TARGET FUND

The Target Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines (SBL Guidelines), with the objective of earning additional income for the Target Fund. Securities may be lent out to qualified financial institutional borrowers through the Target Fund's appointed lending agents, with processes and procedures as well as terms that are acceptable to the trustee of the Target Fund on the advice of the Target Fund Manager.

### Policy and Procedures

The total value of securities that is lent out will be capped at a value not exceeding 50% of the Target Fund's total net asset value, or such other value agreed upon by the trustee of the Target Fund on the advice of the Target Fund Manager.

The loaned securities may be recalled by the Target Fund at any point in time, and are required to be secured at all times by a cash collateral in an amount not less than the market value of the loaned securities. The market value of the loaned securities is determined at the close of each Dealing Day of the Target Fund. In the event of market fluctuation, collateral received by the Target Fund would be required to be increased to be of the value of the loaned securities. The cash collateral received for the loaned securities shall be held in trust by the lending agent, and such collateral received shall be placed in money market instruments.

The Target Fund will be entitled to securities lending income, represented by fees earned from the borrower, less cost incurred. These costs may include, but not limited to, fees due to the lending agent, as well as operational costs incurred by the Manager in relation to the lending activities of the Target Fund. As accepted by the trustee of the Target Fund on the advice of the Target Fund Manager, the sharing of lending income earned before fees due to the lending agent will be capped at 30%, whilst the operational cost shall not exceed 10%. The retained income after fees due would thereafter be the securities lending income of the Target Fund, which shall be no less than 70% of the total securities lending income earned prior to the deduction of fees.

During the term of the loan, the Target Fund is also entitled to all distributions made on, or in respect of the loaned securities, along with all other economic benefits due to the owner of the loaned securities.

### Risk Management

#### i) Securities lending risk

The Target Fund may engage in securities lending, which exposes the Target fund to the risk of financial losses caused by the lending agent's failure to return the securities on a timely manner. The Target Fund is also exposed to the risk of losing money in the event collateral for the loaned securities are not at market value and a default occurs.

To mitigate this risk, the Target Fund would only be transacting with the lending agent, who will in turn be carrying out the necessary due diligence process with the borrowers. As such, the Target Fund would only be lending out its securities to a prequalified list of counterparties. The borrowers are also required to meet the cash collateral requirement, which shall be no less than the market value of the loaned securities at the close of each Dealing Day of the Target Fund.

- ii) Liquidity risk from securities lending  
This risk may arise from the risk of delay in obtaining the loan securities upon recall. Under such circumstances, the lending agent may utilize the cash collateral put forth by the borrower to purchase identical securities to that of the loaned securities to be returned to the Target Fund.
- iii) Operational dependency or lending agent risk from securities lending  
This risk may arise from the dependency that the Target Fund has towards the lending agent where ownership of securities is transferred during the tenure of the loan, while the Target Fund continues to maintain economic benefits of owning the securities. This exposes the Target Fund to possible operational inaccuracies such as discrepancies between the securities being loaned out by the Target Fund with the list of securities being borrowed by the lending agent from the Target Fund. As a result, the Target Fund may not be able to obtain its entitled lending fees in full from the lending agent.
- To mitigate this risk, the Target Fund Manager has ensured that its valuation agent has in place internal systems to cross reference securities that are lent out by the Target Fund. Processes are also put in place to ensure that the lending agent obtains adequate cash collateral for all loaned securities to ensure that the Target Fund has the necessary recourse if required,
- iv) Risk of conflict of interest from securities lending  
This risk may arise from the Target Fund Manager investing into securities for the Target Fund with the intention of lending the securities to increase the Target Fund's revenue. This risk is mitigated as the Target Fund stipulates within its investment strategy that it will only invest into securities to replicate the Benchmark of the Target Fund's component securities, and to replicate as closely as possible the weightage of the Benchmark of the Target Fund. Furthermore, as an ETF, the Target Fund's securities are also not actively traded, and will be maintained in the portfolio over the medium-to-longer term, or until the next rebalancing exercise for the benchmark by the index provider. Monitoring processes are put in place by the Target Fund Manager to ensure that the Target Fund does not invest into Authorised Securities.

## **Borrowing**

The Target Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the SBL Guidelines) in connection with its activities.

## **REDEMPTION POLICY OF THE TARGET FUND**

- Redemption of the Target Fund units can be carried out via Bursa Securities or through a Participating Dealer.
- If the total number of units (for which redemption applications have been received by the Target Fund Manager) on a trade date exceeds 10% (or such higher percentage as the Target Fund Manager may determine) of the net asset value of the Target Fund on that day, the Target Fund Manager shall be entitled to limit the total number of units to be redeemed on that day to 10% (or such higher percentage as the Target Fund Manager may determine) of the net asset value of the Target Fund.
- Any units which are not redeemed in respect of a particular trade date ("First Relevant Dealing Day") as a result of the limit imposed by the Target Fund Manager (as set out above) shall be carried forward for redemption on the dealing day following the First Relevant Dealing Day (such dealing day being hereinafter referred to as "Second Relevant Dealing Day").
- The Target Fund Manager will inform the Participating Dealer of the higher percentage (if any) and of the number of units the redemption of which have been deferred, within one (1) dealing day after the First Relevant Dealing Day and these units shall be redeemed on the Second Relevant Dealing Day.
- If redemption applications are carried forward, any other redemption application received after the First Relevant Dealing Day and before the Second Relevant Dealing Day shall also be carried forward and be deemed to be a redemption application submitted on the Second Relevant Dealing Day. Redemption applications carried forward from the First Relevant Dealing Day shall be redeemed in priority to redemption applications received after such First Relevant Dealing Day.

# SALIENT TERMS OF THE DEED

Generally an investor would also be a registered Unit Holder unless the Units are purchased through an IUTA or using a nominee. In such an instance, the Units may not be registered in the name of the investor and thus not a registered Unit Holder. Please be advised that the Manager only recognises the rights attached to a registered Unit Holder.

## Rights And Liabilities Of Unit Holders

### Rights Of Unit Holders

You have the right, among others, to the following:

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

You are not entitled to request for the transfer of any of the assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on the Trustee's behalf, of the rights of the Trustee as the registered owner of such assets. In amplification and not in derogation of the aforesaid, Units held shall not confer on any Unit Holder any interest in any assets of the Fund but only in such interest in the Fund as a whole as may be conferred on Unit Holders by the provisions of the Deed.

### Liabilities Of Unit Holders

- You would not 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; and
- You 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.

## Provisions Regarding Unit Holders' Meetings

### Quorum Required For Convening A Unit Holders' Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy; 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.

### Unit Holders' Meeting Convened By Unit Holders

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

- sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders, at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address;

- publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language national newspaper published daily and another newspaper approved by the relevant authorities; and
- specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

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

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

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

#### **Unit Holders' Meeting Convened By Manager**

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

#### **Unit Holders' Meeting Convened By Trustee**

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

- the Manager is in liquidation;
- in the opinion of the Trustee, the Manager has ceased to carry on business;
- in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act;
- requiring the retirement or removal of the Manager;
- giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- securing the agreement of the Unit Holders to release the Trustee from any liability;
- deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to clause 6.9.3 of the Deed; or
- deciding on the reasonableness of the annual management fee charged to the Fund.

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

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

## **Termination Of The Fund**

#### **Circumstances That May Lead To The Termination Of The Fund**

The Fund may be terminated or wound up as provided for under the Deed and the Guidelines as follows:-

- The SC has withdrawn the authorisation of the Fund pursuant to Section 256E of the Act; or
- A Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

Notwithstanding the aforesaid, the Manager may, in consultation with the Trustee, determine the trust created 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.

In the event of the trust 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.

## **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 any relevant law upon giving to the Trustee twelve (12) months' notice in writing of its desire so to do, or such lesser time as the Manager and the Trustee may agree upon, and subject to the fulfilment of the following conditions:

- the retiring Manager shall appoint such corporation by writing under the seal of the retiring Manager as the management company of the Fund in its stead and assign and transfer to such corporation all its rights and duties as management company of the Fund;
- such corporation shall enter into such deed or deeds as are referred to in clause 2.3.2 of the Deed; and
- upon the payment to the Trustee of all sums due from the retiring Manager to the Trustee under the Deed at the date of such retirement, the retiring Manager shall be absolved and released from all further obligations under the Deed but without prejudice to the rights of the Trustee or any Unit Holder or other person in respect of any act or omission on the part of the retiring Manager prior to such retirement and the new management company may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Manager under the Deed as fully as though such new management company had been originally a party to the Deed.

Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:

- if the Manager 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 the Trustee to do so after the Trustee has given notice to the Manager 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 relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- if the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business;

and the Manager shall not accept any extra payment or benefit in relation to such removal.

In any of the events set out above, the Manager shall upon receipt of a written notice from the Trustee ipso facto cease to be the management company of the Fund. The Trustee shall, at the same time, by writing appoint some other corporation approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

## 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 shorter period as the Manager and the Trustee shall agree, and may by deed appoint in its stead a new trustee approved by the relevant authorities and under any relevant law.

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may be removed and such corporation may be appointed as trustee of the Fund by Special Resolution of the Unit Holders at a duly convened meeting.

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

- the Trustee has ceased to exist;
- the Trustee has not been validly appointed;
- the Trustee is not eligible to be appointed or to act as trustee under any relevant law;
- the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- 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;
- 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 insolvent); or
- 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.

## Fee And Charges

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

<b>Sales Charge</b>	6.00% of the NAV per Unit.
<b>Repurchase Charge</b>	5.00% of the NAV per Unit.
<b>Annual Management Fee</b>	5.00% per annum of the NAV of the Fund.
<b>Annual Trustee Fee</b>	0.10% per annum of the NAV of the Fund (excluding foreign custodian fees and charges).

### Increase Of Fees And Charges Stated In The Prospectus

The maximum Sales Charges and Repurchase Charge set out in this Prospectus can only be increased if the Manager has notified the Trustee in writing of the higher charge and the effective date for the higher charge.

The maximum annual management fee and annual trustee fee set out in this Prospectus can only be increased if the Manager has come to an agreement with the Trustee on the higher rate. The Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective and such time as may be prescribed by any relevant law shall have elapsed since the notice is sent.

The supplemental/replacement prospectus proposing a modification to this Prospectus to increase the aforesaid maximum fees and charges is required to be registered, lodged and issued. An increase in the abovementioned fees and charges is allowed if such time as may be prescribed by any relevant laws has elapsed since the effective date of the supplemental/replacement prospectus.

### Increase Of Fees And Charges Stated In The Deed

The maximum Sales Charge, Repurchase Charge, annual management fee and annual trustee fee set out in the Deed can only be increased if a Unit Holders' meeting has been held in accordance with the Deed. Thereafter, a supplemental deed proposing a modification to the Deed to increase the aforesaid maximum charges and fees is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders present and voting at the Unit Holders' meeting sanctioning the proposed modification to the Deed.

## Permitted Expenses under the Deed

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

- commissions or fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- taxes and other duties charged on the Fund by the government and/or other authorities;
- costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- costs and expenses incurred in relation to the distribution of income (if any);
- (where the custodial function is delegated by the Trustee) charges and fees paid to the sub-custodians taking into custody any foreign assets of the Fund;
- fees, charges, costs and expenses relating to the preparation, printing, posting and/or lodgement of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post and/or lodge in relation to the Fund by virtue of any relevant law;
- any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred as mentioned above; and
- costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent.

# 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 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 and CUTA (Corporate Unit Trust Scheme Advisers); and
- Unit trust consultants.

The Manager's head office is located in Kuala Lumpur and has a total of seven (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

The Manager 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 the Manager. In his capacity as the managing director and executive director of the Manager, Dato' Teng manages the overall business and strategic direction as well as the management of the investment team. His hands on approach sees 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 the Manager 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. Mr. 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 the Manager in 2002 as Head of Equities and assumed the role of Chief Investment Officer in September 2006. He has been responsible for successfully steering the Manager'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 the Manager to remain ahead of its peers. A decade later, he has built the investment team from just four (4) fund managers to a 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 the Manager 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 the Manager'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 the 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](http://www.aham.com.my).**



# THE TRUSTEE

## ABOUT TMF TRUSTEES MALAYSIA BERHAD

TMF Trustees Malaysia Berhad was incorporated in Malaysia on 1 April 2003 and registered as a trust company under the Trust Companies Act 1949 on 9 October 2003. Its registered office and business address is at 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 and 3, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The Trustee is part of TMF Group, an independent global service provider in the trust and fiduciary sector. The group has 125 offices in more than 83 jurisdictions in the world. TMF Group started in Malaysia in 1992 with its first office in Labuan International Business Financial Centre (IBFC), providing trust and fiduciary services. The Kuala Lumpur office was established in 2003 to support the Labuan office in servicing Malaysian clients and to undertake domestic trust business.

The Trustee provides various types of trustee business, such as trustee and security trustee for private debt securities (PDS), corporate administrator to asset-backed securities (ABS), trustee for unit trust funds and private trust and custodian for private fund mandate. The TMF Group provides a more comprehensive range of corporate secretarial services, financial accounting, human resource administrative and payroll outsourcing services.

## DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In carrying out these functions and duties, the Trustee has to exercise all due care, skills, diligence and vigilance and is required to act in accordance with the provisions of the Deed, all relevant laws and the Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that AHAM performs its duties and obligations in accordance with the provisions of the Deed, all relevant laws and the Guidelines.

## TRUSTEE'S DELEGATE

The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as the custodian of the quoted and unquoted investments of the Fund. SCBMB was incorporated in Malaysia under the same name on 29 February 1984 under the Companies Act 1965 as a public limited company and is a subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Financial Services Act 2013.

SCBMB is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instructions from the Trustee..

## TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION AND ARBITRATION

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

# 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	Target Fund Manager	AHAM	The Manager is also the manager of the Target Fund.

The tax advisers 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 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 arms-length transaction between independent parties.

# TAXATION OF THE FUND

17 January 2023

Deloitte Tax Services Sdn Bhd  
Level 16, Menara LGB  
1 Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur

The Board of Directors  
**AHAM Asset Management Berhad**  
**[Formerly known as (“f.k.a”) Affin Hwang Asset Management Berhad]**  
Ground Floor, Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur

Dear Sirs

## **AHAM New China Tracker Fund (f.k.a Affin Hwang New China Tracker Fund)** **Taxation of the Fund and Unit Holders**

1. This letter has been prepared for inclusion in the Replacement Prospectus (“Replacement Prospectus”) in connection with the offer for sales of units in the AHAM New China Tracker Fund (“the Fund”).

The following is general information based on Malaysian tax law in force at the time of lodging the Replacement Prospectus with the Securities Commission Malaysia (“SC”) and investors should be aware that the tax law may be changed at any time. To an extent, the application of tax law depends upon an investor’s individual circumstances. The information provided below does not constitute tax advice. The Manager therefore recommends that an investor consult his accountant or tax adviser on questions about his individual tax position.

## **2. Taxation of the Fund**

### **2.1 Income Tax**

As the Fund’s Trustee is a resident in Malaysia, the Fund is regarded as a resident in Malaysia. The taxation of the Fund is governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 (“MITA”).

Pursuant to the Section 2(7) of MITA, 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 Shariah. 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.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia or received in Malaysia from outside Malaysia is liable to income tax. The Fund may be receiving income such as exit fee which will be subject to tax at the prevailing tax rate applicable on the Fund. Gains on disposal of investments by the Fund will not be subject to income tax.

The income tax rate applicable to the Fund is 24%.

Tax exempt interest as listed in the Appendix attached received by the Fund are not subject to income tax.

With effect from 1 January 2014, Malaysia has fully moved to a single-tier income tax system. The Fund is not liable to tax on any Malaysia sourced dividends paid, credited or distributed to the Fund under the single-tier tax system, where the company paying such dividend is not entitled to deduct tax under the MITA. The tax deductibility of other deductions by the Fund against such dividend income will be disregarded in ascertaining the chargeable income of the Fund.

In addition to the single-tier dividend that may be received by the Fund, the Fund may also receive Malaysian dividends which are tax exempt from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund is not subject to income tax on such tax exempt dividend income.

The Fund may also receive interest, dividends, profits and other income from investments derived from sources outside of Malaysia. Prior to 1 January 2022, income arising from sources outside Malaysia and received in Malaysia was exempted from Malaysian income tax pursuant to Paragraph 28 of Schedule 6 of the MITA. Effective from 1 January 2022, Paragraph 28 of Schedule 6 of the MITA was amended to only exempt a non-resident person from foreign sourced income received in Malaysia. Unit trusts funds with a trustee who is tax resident in Malaysia are considered tax residents of Malaysia and would not qualify for the exemption under the amended Paragraph 28 of Schedule 6 of the MITA.

The Ministry of Finance of Malaysia issued the gazette orders, Income Tax (Exemption) (No. 5) Order 2022 [P.U.(A) 234/2022] and Income Tax (Exemption) (No. 6) Order 2022 [P.U.(A) 235/2022] on 19 July 2022 which took effect from 1 January 2022. The orders grant exemption on foreign sourced income as follows:

- Dividend income received by companies and limited liability partnerships; and
- All types of foreign sourced income received by individuals, except for those carrying on a partnership business in Malaysia.

However, as the unit trust fund is not a “company”, “limited liability partnership” or “individual”, the above gazette orders do not apply to unit trust funds.

The income of the Fund which is received in Malaysia from outside Malaysia during the period from 1 January 2022 until 30 June 2022 is subject to the tax rate of 3% on gross foreign sourced income received in Malaysia. Foreign sourced income received in Malaysia from 1 July 2022 onwards will be taxed based on the prevailing income tax rate applicable to the Fund, i.e. 24%.

The foreign sourced income of the Fund may be subject to foreign tax in the country from which the income is derived. Pursuant to Schedule 7 of the MITA, where an income is chargeable to tax in Malaysia as well as in a foreign country, a relief shall be given by way of credit known as bilateral credit if the source country has a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 100% of foreign tax suffered and unilateral credit if the source country does not have a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 50% of foreign tax suffered.

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

Generally, income from distribution by the Malaysia Real Estate Investment Trusts (“REITs”) will be received net of withholding tax of 10%. No further tax will be payable by the Fund on the distribution. Distribution from such income by the Fund will also not be subject to further tax in the hands of the Unit Holders.

Expenses being manager’s remuneration, maintenance of register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage, which are not allowed under the general deduction rules, qualify for a special deduction, subject to a minimum of 10% and a maximum of 25% of such expenses pursuant to Section 63B of the MITA.

## **2.2 Gains on Disposal of Investments**

Gains on disposal of investments by the Fund will not be subject to income tax but where the investments represent shares in real property companies, such gains may be subject to Real Property Gains Tax (“RPGT”) under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties 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.

## 2.3 Service Tax

The issuance of units by the Fund to investors will not be subject to Service Tax. Any distributions made by the Fund to unitholders are also not subject to Service Tax. The Fund would not be required to pay Service Tax on the acquisition of fund management services from the Fund Manager.

To the extent that the Fund invests in any financial services products (e.g. securities, derivatives, units in a fund or unit trust), the acquisition of these interests will also not be subject to Service Tax.

If the Fund acquires any imported taxable services from a service provider outside of Malaysia, these services would be subject to 6% Service Tax. The Fund would be required to file an SST-02A return on an ad hoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department.

## 3. Taxation of Unit Holders

### 3.1 Taxable Distribution

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent such income is distributed to them. Unit Holders are also liable to pay income tax on the taxable income distributions paid by the Fund. Taxable income distributions carry a tax credit in respect of the tax chargeable on that part of the Fund. Unit Holders will be subject to tax on an amount equal to the net taxable income distribution plus attributable underlying tax paid by the Fund. No withholding tax will be imposed on the income distribution of the Fund.

Income distributed to Unit Holders is generally taxable as follows in Malaysia:-

Unit Holders	Malaysian Tax Rates for Year of Assessment 2022
<b>Malaysian tax residents:</b>	
<ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> <li>▪ Trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 30%</li> <li>▪ Progressive tax rates ranging from 0% to 24%</li> <li>▪ 24%</li> </ul>
<ul style="list-style-type: none"> <li>▪ Corporate Unit Holders               <ul style="list-style-type: none"> <li>i. A company with paid up capital in respect of ordinary shares of not more than RM2.5 million where the paid up capital in respect of ordinary shares of other companies within the same group as such company is not more than RM2.5 million (at the beginning of the basis period for a year of assessment) and having gross income from source or sources consisting of a business of not more than RM50 million for the basis period of a year assessment</li> <li>ii. Companies other than those in (i) above</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ 17% for every first RM600,000 of chargeable income</li> <li>▪ 24% for chargeable income in excess of RM600,000</li> <li>▪ 24%</li> <li>▪ 33% for chargeable income in excess of RM100,000,000 for the year of assessment 2022 only</li> </ul>
<b>Non-Malaysian tax residents:</b>	
<ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> </ul>	<ul style="list-style-type: none"> <li>▪ 30%</li> <li>▪ 24%</li> </ul>

The tax credit that is attributable to the income distributed to the Unit Holders will be available for set off against tax payable by the Unit Holders. There is no withholding tax on taxable distributions made to non-resident Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

### 3.2 Withholding Tax on Distribution from Retail Money Market Fund (“RMMF”) to Unit Holders

Distribution of income of a unit trust fund that is a RMMF to its Unit Holders (other than the distribution of interest income to non-individual Unit Holders) is exempted from tax in the hands of the Unit Holders. Non-individual Unit Holders will be chargeable to tax on the income distributed to the Unit Holder from the interest income of a RMMF exempted under Paragraph 35A of Schedule 6 of the MITA with effect from 1 January 2022 as follows:-

Types of Unit Holders	Malaysian Tax Rates for Year of Assessment 2022
<p><b>Non-individual residents:</b></p> <ul style="list-style-type: none"> <li>▪ Withholding tax rate</li> <li>▪ Withholding tax mechanism</li> <li>▪ Due date of payment</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ Income distribution carries a tax credit, which can be utilised to set off against the tax payable by the Unit Holders</li> <li>▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>
<p><b>Non-individual non-residents:</b></p> <ul style="list-style-type: none"> <li>▪ Withholding tax rate</li> <li>▪ Withholding tax mechanism</li> <li>▪ Due date of payment</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ Withholding tax deducted will be regarded as a final tax</li> <li>▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>

As the Fund is not a RMMF, the above withholding tax on distribution of interest income that is exempted under Paragraph 35A of Schedule 6 of the MITA will not be applicable to the non-individual Unit Holders of the Fund.

### 3.3 Tax Exempt Distribution

Tax exempt distributions made out of gains from realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian tax in the hands of Unit Holders, whether individual or corporate, resident or non-resident. All Unit Holders do not pay tax on that portion of their income distribution from the Fund’s distribution equalisation account.

### 3.4 Distribution Voucher

To help complete a Unit Holder’s tax returns, the Manager will send to each Unit Holder a distribution voucher as and when distributions are made. This sets out the various components of the income distributed and the amount of attributable income tax already paid by the Fund.

### **3.5 Sale, Transfer or Redemption of Units**

Any gains realised by a Unit Holder on the sale, transfer or redemption of his units are generally tax-free capital gains unless the Unit Holder is an insurance company, a financial institution or a person trading or dealing in securities. Generally, the gains realised by these categories of Unit Holders constitute business income on which tax is chargeable.

### **3.6 Reinvestment of Distribution**

Unit Holders who receive their income distribution by way of investment in the form of the purchase of new units will be deemed to have received their income distribution after tax and reinvested that amount in the Fund.

### **3.7 Unit Splits**

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

### **3.8 Service Tax**

Pursuant to the Lampiran A of the First Schedule of the Service Tax Regulations 2018 ("First Schedule"), only taxable services listed in the First Schedule are subject to service tax. This excludes any investment income or gains received by the Unit Holder as such income and gains are not prescribed taxable services.

The legal fees, consultant fees and management fees may be subject to service tax at 6% if the service providers are registered for Services Tax. Effective from 1 January 2019, the imposition and scope of service tax has been widened to include any imported taxable service.

We hereby confirm that the statements made in this tax adviser letter correctly reflect our understanding and the interpretation of the current Malaysian tax legislations and the related interpretation and practice thereof, all of which may subject to change. 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

**Tax Exempt Income of Unit Trusts**

1. Interest or discount paid or credited to any individual, unit trust and listed closed-end fund in respect of the following will be exempt from tax:-
  - Securities or bonds issued or guaranteed by the Government; or
  - Debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the SC; or
  - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.
2. Income of a unit trust in respect of interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 (“FSA”) or the Islamic Financial Services Act 2013 (“IFSA”) or any development financial institution regulated under the Development Financial Institutions Act 2002 (“DFIA”).
 

Provided that the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.
3. Interest in respect of any savings certificates issued by the Government.
4. Interest paid or credited to any person in respect of Sukuk originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved or authorized by, or lodged with, the SC or approved by the Labuan Financial Services Authority.
5. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia.
6. Interest income derived from bonds (other than convertible loan stocks) paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad (“MESDAQ”) (now known as Bursa Malaysia Securities Berhad ACE Market).
7. Income derived from the Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc.
8. Discount or profit received from the sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad within and outside Malaysia.
9. Income derived from the Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad.
10. Gain or profit received from the investment in Islamic securities, other than convertible loan stock, which are issued in accordance with the principles of *Mudharabah*, *Musarakah*, *Ijarah*, *Istisna’* or any other principle approved by the Shariah Advisory Council established by the SC under the Capital Markets and Services Act 2007.
11. Gains or profits in lieu of interest, derived from the Sukuk Wakala in accordance with the principle of *Al-Wakala Bil Istithmar*, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad.
12. Income derived from Sukuk Kijang is exempted from the payment of income tax pursuant to Income Tax (Exemption) (No. 10) Order 2013. For the purpose of this order, “Sukuk Kijang” means the Islamic Securities of nominal value of up to two hundred and fifty million United States dollars (USD\$250,000,000) issued or to be issued in accordance with the Shariah principle of Ijarah by BNM Kijang Berhad.
13. Gains or profits derived, in lieu of interest, derived from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (USD1,500,000,000.00) in accordance with the principle of *Wakala Bil Istithmar*, other than a convertible loan stock, issued by the Malaysia Sovereign Sukuk Berhad.
14. Gains or profits derived, in lieu of interest from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (US\$1,500,000,000.00) in accordance with the principle of *Wakala*, other than a convertible loan stock, issued by the Malaysia Sukuk Global Berhad (formerly known as 1Malaysia Sukuk Global Berhad).
15. Income received by the Fund from Malaysia Building Society Berhad (“MBSB”).



# 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](http://www.aham.com.my).

The daily prices are based on information available one (1) 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.**

## COMPLAINTS AVENUES

### 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 [customer@aham.com.my](mailto:customer@aham.com.my).

### How do I make a complaint?

You may e-mail us at [customer@aham.com.my](mailto:customer@aham.com.my) with the following information:

- particulars of the complainant which include name, correspondence address, contact number, e-mail address (if any) and other relevant information;
- circumstances of the non-compliance or improper conduct;
- parties alleged to be involved in the improper conduct; and
- 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 written consent of the Trustee to the inclusion in this Prospectus of its name in the form and context in which such name appears has been given before the issuance of this Prospectus and has not been subsequently withdrawn; and
- The written consent of the tax adviser to the inclusion in this Prospectus of its name and tax adviser's letter in the form and context in which they contained in this Prospectus have been given before the issuance of this Prospectus and has not been subsequently withdrawn.

# DOCUMENTS AVAILABLE FOR INSPECTION

Unit Holders may inspect without charge, at the business address of the Manager, the following documents or copies thereof, where applicable:

- The Deed and 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 this Prospectus; and
- Any consent given by experts disclosed in this Prospectus.

# DIRECTORY OF SALES OFFICES

## AHAM ASSET MANAGEMENT BERHAD

(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD):

<p><b>HEAD OFFICE</b> 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: <a href="mailto:customercare@aham.com.my">customercare@aham.com.my</a> Website: <a href="http://www.aham.com.my">www.aham.com.my</a></p>	<p><b>JOHOR</b> 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><b>MELAKA</b> Ground Floor No. 584 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06 -281 2890 Fax: 06 -281 2937</p>	<p><b>SARAWAK</b> Ground Floor, No. 69 Block 10, Jalan Laksamana Cheng Ho 93200 Kuching, Sarawak Tel : 082 – 233 320 Fax : 082 – 233 663</p> <p>1<sup>st</sup> Floor, Lot 1291 Jalan Melayu, MCLD 98000 Miri, Sarawak Tel : 085 - 418 403 Fax : 085 – 418 372</p>
<p><b>PENANG</b> B-16-2, Lorong Bayan Indah 3 11900 Bayan Lepas Pulau Pinang Toll Free No : 1800-888-377</p>	<p><b>SABAH</b> 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><b>PERAK</b> 1 Persiaran Greentown 6 Greentown Business Centre 30450 Ipoh, Perak Tel: 05 - 241 0668 Fax: 05 – 255 9696</p>		

## 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](mailto: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

[aham.com.my](http://aham.com.my)