

Prospectus

# AHAM World Series - Japan Growth Fund

*(Formerly known as Affin Hwang World Series - Japan Growth Fund)*



MANAGER

**AHAM Asset Management Berhad**

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

TRUSTEE

**Deutsche Trustees Malaysia Berhad**

Registration No.: 200701005591 (763590-H)

This Prospectus is dated 24 March 2023.

The AHAM World Series - Japan Growth Fund was constituted on 3 March 2014.

*The constitution date of this Fund is also the launch date of this 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 2 JULY 2018. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 4.



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

### **Responsibility Statements**

This Prospectus has been reviewed and approved by the directors of AHAM Asset Management Berhad (*formerly known as Affin Hwang Asset Management*) (“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.**

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# CORPORATE DIRECTORY

## **The Manager/AHAM**

**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

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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**

**Deutsche Trustees Malaysia Berhad**

Registered Office & Business Address

Level 20, Menara IMC

8, Jalan Sultan Ismail

50250 Kuala Lumpur

Tel No. : (603) 2053 7522

Fax No. : (603) 2053 7526

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# ABBREVIATION

|             |   |
|-------------|---|
| <b>FiMM</b> | Federation of Investment Managers Malaysia. |
| <b>IUTA</b> | Institutional Unit Trust Scheme Advisers.   |
| <b>MYR</b>  | Ringgit Malaysia.                           |
| <b>PHS</b>  | Product Highlights Sheet.                   |
| <b>SC</b>   | Securities Commission Malaysia.             |

# GLOSSARY

|   |   |
|---|---|
| <b>the Act or CMSA</b>                  | Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.  |
| <b>Base Currency</b>                    | Means the currency in which the Fund is denominated i.e. MYR.   |
| <b>the Board</b>                        | Means the board of directors of AHAM Asset Management Berhad ( <i>formerly known as Affin Hwang Asset Management Berhad</i> ).  |
| <b>Bursa Malaysia</b>                   | Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.   |
| <b>Business Day</b>                     | Means a day on which the Bursa Malaysia and Tokyo Stock Exchange are open for trading. This information can be obtained from the Bursa Malaysia's website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and Tokyo Stock Exchange's website at <a href="http://www.tse.or.jp/english/">www.tse.or.jp/english/</a> .  |
| <b>Class(es)</b>                        | Means any class of Units representing similar interests in the assets of the Fund although a class of Units of the Fund may have different features from another class of Units of the same Fund.   |
| <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>Deed</b>                             | Refers to the deed dated 26 November 2013, supplemental deed dated 27 June 2014, second supplemental deed dated 19 December 2016, third supplemental deed dated 23 January 2017, fourth supplemental deed dated 20 July 2017 and fifth supplemental deed dated 28 December 2022 all entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed. |
| <b>deposits</b>                         | Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.  |
| <b>eligible market</b>                  | Means an exchange, government securities market or an over-the counter market:-<br>(a) that is regulated by a regulatory authority of that jurisdiction;<br>(b) that is open to the public or to a substantial number of market participants; and<br>(c) on which financial instruments are regularly traded.   |
| <b>External Fund Manager</b>            | Refers to Nikko Asset Management Co., Ltd.  |
| <b>Financial Institution</b>            | Means<br>(a) if the institution is in Malaysia—<br>(i) licensed bank;<br>(ii) licensed investment bank; or<br>(iii) licenced Islamic bank; or<br>(b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.  |
| <b>Forward Pricing</b>                  | Means the method of determining the price of a Unit which is the NAV per Unit at the next valuation point after an application for purchase or repurchase request is received by the Manager.   |

|   |   |
|---|---|
| <b>the Fund</b>                         | Refers to AHAM World Series - Japan Growth Fund ( <i>formerly known as Affin Hwang World Series - Japan Growth Fund</i> ).  |
| <b>Guidelines</b>                       | Means the <i>Guidelines on Unit Trust Funds</i> issued by the SC and as may be amended, substituted or replaced from time to time.  |
| <b>Hedged Class</b>                     | Means a particular Class that aims to reduce the effect of exchange rate fluctuations between the Base Currency and the currency in which Unit Holders are exposed through the NAV hedging method carried out by the Fund. The NAV hedging method is done to mitigate substantial currency movements between the Base Currency and the Hedged-class currency of the Fund.   |
| <b>LPD</b>                              | Means 30 November 2022 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>the Manager/AHAM</b>                 | Refers to AHAM Asset Management Berhad ( <i>formerly known as Affin Hwang Asset Management Berhad</i> ).  |
| <b>medium to long term</b>              | Means a period of three (3) years and above.  |
| <b>MYR Class</b>                        | Represents a Class issued by the Fund which is denominated in MYR.  |
| <b>Net Asset Value or NAV</b>           | Means the value of the Fund which is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.<br><br>Where the Fund has more than one Class, there shall be a Net asset Value of the Fund attributable to each Class.   |
| <b>NAV per Unit</b>                     | Means the Net Asset Value of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point. Where the Fund has more than one Class, there shall be a Net Asset Value per Unit for each Class; the Net Asset Value per Unit of a Class at a particular valuation point shall be the Net Asset Value of the Fund attributable to that Class divided by the number of Units in Circulation of that Class at the same valuation point.   |
| <b>Prospectus</b>                       | Refers to this prospectus in respect of the Fund and includes any supplemental or replacement prospectus, as the case may be.   |
| <b>Repurchase Charge</b>                | Means a charge imposed pursuant to a repurchase request.  |
| <b>Repurchase Price</b>                 | Means NAV per Unit payable to a Unit Holder pursuant to a repurchase of a Unit; for the avoidance of doubt, the Repurchase Price of Units does not include any Repurchase Charge which may be imposed.  |
| <b>Sales Charge</b>                     | Means a charge imposed pursuant to a purchase request.  |
| <b>Selling Price</b>                    | Means NAV per Unit payable by an applicant for a Unit pursuant to a successful application for Units; for the avoidance of doubt, the selling price of Units does not include any Sales Charge which may be imposed.  |
| <b>Special Resolution</b>               | Means a resolution passed by a majority of not less than three quarter ( $\frac{3}{4}$ ) of Unit Holders voting at a meeting of Unit Holders.<br><br><i>For the purpose of terminating the Fund, a special resolution is passed by a majority in number representing at least three quarter (<math>\frac{3}{4}</math>) of the value of Units held by Unit Holders voting at the meeting.</i><br><br><i>For the purpose of terminating a Class of Units, a Special Resolution passed by Unit Holders of that particular Class voting at the meeting is required.</i> |
| <b>Trustee / DTMB</b>                   | Refers to Deutsche 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 and if the Fund has more than one Class, it means a unit issued for each Class.   |
| <b>Units in Circulation</b>             | Means Units created and fully paid and which have not been cancelled.<br><br>It is also the total number of Units issued at a particular valuation point.   |
| <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 of the Prospectus provides you with information on the general risks involved when investing in a unit trust fund and the specific risks associated with the securities/instruments that the Fund will be investing in.

## GENERAL RISKS

### ➤ **Manager's Risk**

This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

### ➤ **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/financing to finance your investment. The inherent risk of investing with borrowed/financed money includes you being unable to service the loan/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 Net Asset Value per Unit as compared to the Net Asset Value per Unit at the point of purchase towards settling the loan/financing.

### ➤ **Operational Risk**

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

### ➤ **Liquidity Risk**

Liquidity risk refers to two scenarios. The first is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the Fund.

### ➤ **Suspension of Repurchase Request Risk**

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

## SPECIFIC RISKS

The specific risks associated with the securities/instruments in which the Fund will invest are as tabulated below:-

### ➤ **Stock Specific Risk**

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

➤ **Warrants Investment Risk**

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

➤ **Currency Risk**

As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should 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 Hedged Class level*

Currency hedging reduces the effect of exchange rate movements for the Hedged Class, but it does not entirely eliminate currency risk between the Hedged Class and the currency of the underlying investments (not a perfect hedge). Hence, the unhedged portion of the respective Hedged Class will be affected by the exchange rate movements and it may cause fluctuation of NAV of the respective Hedged Class. You should note however, that if the exchange rate moves favourably, the Fund would not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum investment size of entering into a forward contract and cost of hedging which may affect returns of the respective Hedged Class.

➤ **Single Country Risk**

The investment of the Fund in securities issued by companies which are domiciled in Japan or companies which derive its earnings from Japan may be affected by risks specific to Japan. Such risks, which include changes in economic fundamentals, social and political stability and sovereign policies, may have an impact on the prices of the Fund's investment in Japan. Consequently, it may also affect the Fund's NAV.

➤ **Regulatory Risk**

The investments of the Fund are exposed to changes in the laws and regulations in the countries that the Fund invest in. These regulatory changes pose a risk to the Fund as it may materially impact the investments of the Fund. To manage and mitigate such risk, the Manager seeks to continuously keep abreast of regulatory developments (for example, by closely monitoring announcements on regulators' website and mainstream medias) in the country that the Fund invests in. The Manager may dispose its investments in that particular country should the regulatory changes adversely impact the Unit Holders' interest or diminish returns to the Fund.

➤ **Collective investment scheme risk**

As the Fund is allowed to invest in collective investment schemes, any adverse effect on the respective collective investment schemes will impact the NAV of the Fund. For example, the respective collective investment schemes may under-perform its benchmarks due to poor market conditions and as a result, the NAV of the Fund will be adversely affected as the performance of the Fund is dependent on the performance of the respective collective investment schemes. In addition, any mismanagement of the collective investment schemes or poor decisions taken on the collective investment schemes may adversely affect the NAV of the collective investment schemes and hence the Fund.

## RISK MANAGEMENT

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



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

To manage compliance and regulatory risks, we use information technology system that is able to monitor the trading of equities to ensure compliance with the Fund's 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 investment 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 also have in place a credit risk management process to reduce counterparty risk of derivatives whereby such risk arises when the counterparty is not able to meet their contractual obligations. Prior to entering into a contract with the counterparty, we will conduct an evaluation on the credit standing of the counterparty 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 are of the view that the counterparty may have high credit risk, we will not hesitate to take pre-emptive measures to unwind these positions.

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

### **Liquidity Risk Management**

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

- a) The Fund may hold a maximum of 30% 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. During the suspension period, the repurchase requests from the Unit Holders will be accepted but will not be processed. Such repurchase requests will only be processed on the next Business Day once the suspension is lifted. That said, the action to suspend repurchase requests from the Unit Holders shall be exercised only as a last resort by the Manager having considered the best interests of Unit Holders.

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

# ABOUT AHAM WORLD SERIES - JAPAN GROWTH FUND

|                            |  |
|----------------------------|--|
| <b>Fund Category</b>       | : Equity   |
| <b>Fund Type</b>           | : Growth   |
| <b>Base Currency</b>       | : MYR  |
| <b>Launch Date</b>         | : 3 March 2014   |
| <b>Financial Year End</b>  | : Last day of February   |
| <b>Distribution Policy</b> | : The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.   |
| <b>Deed</b>                | : Deed dated 26 November 2013, supplemental deed dated 27 June 2014, second supplemental deed dated 19 December 2016, third supplemental deed dated 23 January 2017, fourth supplemental deed dated 20 July 2017 and fifth supplemental deed dated 28 December 2022. |

## INVESTMENT OBJECTIVE

The Fund seeks to provide investors with capital appreciation over the medium to long term period.

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

## BENCHMARK

TOPIX (Tokyo Stock Price Index) Total Return Index

*(Investors may obtain information on the benchmark from the Manager upon request.)*

*Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.*

## ASSET ALLOCATION

|   |                |
|---|----------------|
| Equities  | Minimum of 70% |
| Liquid assets including money market instruments and deposits | Maximum of 30% |

## INVESTMENT STRATEGY

The Fund will focus on achieving its objective by investing in a portfolio consisting a minimum of 70% of its NAV in equities, while the remaining balance may be invested into liquid assets including money market instruments and deposits.

The Fund's investment focus will be on Japanese companies that are undervalued, and are able to display growth potential. The Fund will utilise fundamental research to identify stocks that are undervalued due to mispricing, or going through changes in their business strategy. In the long term, we believe these undervalued companies hold the potential to rise to the price levels that reflect their fundamentals. Key factors which are useful to the identification of such companies would include sales and profit growth, financial strength and gearing levels, expected future earnings growth, share price valuation as well as management quality.

*The reference of "Japanese companies" in the above paragraph means companies which are domiciled in Japan or companies which derive its earnings from Japan.*

To achieve its objective, the Fund will also have the flexibility to invest in collective investment schemes that have similar investment objectives to the Fund, as well as equity-linked instruments such as warrants. We expect to have a small portion of collective investment schemes and warrants investments relative to the size of the Fund.

## Derivative

Derivative trades may be carried out for hedging purposes, through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. Futures and forward contracts are generally contracts between two parties to trade an asset at an agreed price on a pre-determined future date. Swaps, whereas, is an agreement to swap or exchange two financial instruments between two parties.

The intention of hedging is to preserve the value of the asset from any adverse price movements. For example, to hedge against foreign currency exchange risk, the Fund may enter into a currency forward contract to offset any adverse foreign currency movements by determining an agreed rate for an agreed tenure with its counterparty. While the hedging transactions will assist with mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well.

The Fund 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.

## Temporary Defensive Positions

We hold the option to take temporary defensive measures that may be inconsistent with the Fund's principal strategy, and asset allocation to protect the Fund against adverse market conditions. To manage the risk of the Fund, we may shift the Fund's focus into lower risk investments such as deposits with Financial Institutions or money market instruments.

## Cross trades

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

## PERMITTED INVESTMENTS

- Securities of companies listed in Japan Exchange
- Securities of Japanese companies listed in approved exchanges/markets
- Unlisted securities, including without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation of such securities
- Debentures
- Money market instruments
- Deposits
- Embedded derivatives
- Warrants
- Derivatives
- Units or shares in collective investment schemes
- Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund

## INVESTMENT RESTRICTIONS AND LIMITS

Subject to the Guidelines, the purchase of the permitted investments set out above shall not contravene the following restrictions and limits, unless otherwise revised by the SC from time to time:

- a) The Fund's assets must be relevant and consistent with the investment objective of the Fund;

- b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- c) The aggregate value of the Fund's investments in transferable securities that are not traded or dealt in or under the rules of an eligible market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer ("Exposure Limit");
- d) The value of the Fund's investments in transferable securities and money market instruments issued by a single issuer must not exceed 15% of the Fund's NAV ("Single Issuer Limit"). In determining the Single Issuer Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;
- e) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by a single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size;
- f) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("Group Limit"). In determining the Group Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the issuers within the same group of companies must be included in the calculation;
- g) The value of the Fund's placements in deposits with any single Financial Institution must not exceed 20% of the Fund's NAV ("Single Financial Institution Limit");

The Single Financial Institution Limit does not apply to placements of 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;
- h) The aggregate value of the Fund's investments in, or exposure to a single issuer through transferable securities, money market instruments, deposits, underlying assets of derivatives and counterparty exposure arising from the use of over-the-counter derivatives must not exceed 25% of the Fund's NAV ("Single Issuer Aggregate Limit"). In determining the Single Issuer Aggregate Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;
- i) For investments in derivatives, the exposure to the underlying assets of the derivative must not exceed the investment restrictions or limitations applicable to such underlying assets and investments stipulated in the Guidelines and the value of a Fund's over-the-counter derivative transaction with any single counterparty must not exceed 10% of the Fund's NAV;
- j) The Fund's global exposure from derivatives position shall not exceed the Fund's NAV at all times;
- k) The warrants that the Fund invests in shall carry the right in respect of a security traded in or under the rules of an eligible market;
- l) The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in one collective investment scheme;
- m) The value of the Fund's investments in units/shares of a collective investment scheme must not exceed 20% of the Fund's NAV, provided that the collective investment scheme complies with the requirements of the Guidelines;
- n) The value of the Fund's investments in units or shares of a collective investment scheme that invests in real estate must not exceed 15% of the Fund's NAV; and
- o) Any other investment restrictions or limits imposed by the relevant regulatory authorities the Guidelines, the relevant laws and/ or regulations applicable to the Fund.

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

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

We will ensure that the valuation of the Fund is carried out in a fair manner in accordance with 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 with 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 Securities**

Valuation of investments in listed securities shall be based on the closing price or last known transacted price on the eligible market on which the investment is quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the 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, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

➤ **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.

➤ **Unlisted securities**

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

➤ **Collective Investment Schemes**

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

For listed collective investment schemes, valuation will be done in the similar manner used in the valuation of listed securities as described above.

➤ **Money market instruments**

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.

➤ **Derivatives**

The valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts ("FX Forwards"), interpolation formula is applied to compute the value of the FX Forwards based on the rates provided by Bloomberg or Refinitiv. If the rates are not available on Bloomberg or Refinitiv, the FX Forwards will be valued based on fair value as determined in good faith by the Manager, using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

## VALUATION POINT OF THE FUND

The valuation point for the purpose of determining the NAV of the Fund and NAV per Unit will be carried out at 11.00 a.m. on the next Business Day (or “trading day + 1”).

All foreign assets are translated into Base Currency based on the last available bid exchange rate quoted by Bloomberg or Refinitiv at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 midnight (Malaysian time) on the same day, or such time as stipulated in the investment management standards issued by the FiMM.

## FINANCING AND SECURITIES LENDING

The Fund is not permitted to borrow or lend cash or other assets in connection with its activities. However, the Fund may borrow cash for the purpose of meeting repurchase requests for Units and for bridging requirements subject to the following:

- the Fund’s borrowing is only on a temporary basis and that borrowings are not persistent;
- the borrowing period should not exceed one (1) month;
- the aggregate borrowings of the Fund should not exceed 10% of the Fund’s NAV at the time the borrowing is incurred; and
- the Fund may only borrow 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 may create new Classes without having to seek Unit Holders’ prior approval. You will be notified of the issuance of the new Classes 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 documents 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 of a Class for that Business Day. Any purchase request received or deemed to have been received by us after 3.30 p.m. will be transacted on the next Business Day (or "T + 1 day"), unless a prior arrangement is made to our satisfaction.
- Sale of Units will be honoured upon receipt of complete set of documents together with the proof of payments.

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

|                                | MYR Class   | MYR-Hedged Class |
|--------------------------------|-------------|------------------|
| Minimum Initial Investment*    | MYR 1,000   | MYR 1,000        |
| Minimum Additional Investment* | MYR 100     | MYR 100          |
| Minimum Repurchase Amount*     | N/A         | N/A              |
| Minimum Holding of Units*      | 2,000 Units | 2,000 Units      |

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

### HOW TO REPURCHASE UNITS?

- It is important to note that, you must meet the minimum holding of Units for a particular Class after a repurchase transaction.

If you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum holdings of Units, we may 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 of the Fund.

- 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 of a Class 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"), unless a prior arrangement is made to our satisfaction.
- Repurchase of Units must be made in terms of Units or value, provided it meets the minimum repurchase amount of each Class.
- Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

### WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- You will be paid within seven (7) Business Days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

### WHERE TO PURCHASE AND REPURCHASE UNITS?

- Units can be purchased and repurchased at any of the location listed in "Directory of Sales Offices" section or with our authorised distributors.
- You may obtain a copy of the Prospectus, PHS and application forms from the abovementioned locations. Alternatively, you may also visit our website at [www.aham.com.my](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 investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trusts, you are not entitled to this right.

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

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

## SWITCHING FACILITY

Switching facility enables you to switch:

- between Classes of the Fund; or
- into any of our funds (or its classes), provided that the fund (or its class) is denominated in the same currency as the Class that you intend to switch out, and it is subject to the terms and conditions applicable for the respective funds.

However, you must meet the minimum holding of Units requirements of the Class that you switched out from and the minimum investment amount of the fund (or its class) that you intend to switch into. The minimum holding of Units for the respective Classes is as below:

| MYR Class    | MYR-Hedged Class |
|--------------|------------------|
| 2,000 Units* | 2,000 Units*     |

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

You are also to note that we reserve the right to reject any switching requests that is 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 of a particular Class.

The process of the switching application is as below:

### ➤ **Switching between Classes of the Fund**

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

➤ **Switching from the Classes of this Fund into other funds (or its class) managed by AHAM**

You must complete a switching transaction form and submit it to us at or before the cut-off time of 3.30 p.m. on a Business Day (or “T day”) together with relevant supporting documents, if any. If we receive your switching request after 3.30 p.m., we will process your request on the next Business Day (or “T + 1 day”). You should note that the pricing day of a fund (or its class) may not be of the same day as we receive your switching application. Please see below the pricing policy of switching for all our funds:

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

### 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. The transfer must be made in terms of Units and not in terms of MYR value.
- There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holdings of 2,000 Units to remain as a Unit Holder of a Class.
- It is important to note that we are at the liberty to disregard or refuse to process the transfer application if the processing of such instruction 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. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.

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

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

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

### DISTRIBUTION POLICY

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

Income distribution, if any, will be paid out in the currencies in which the Classes are denominated. 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. You may also inform us, at any time before the income distribution date of your wish of receiving cash payment or additional Units via reinvestment. All distribution will be automatically reinvested into additional Units in the Fund if you do not select the mode of distribution in the application form. 6.17

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

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 Units based on the NAV per Unit of the Class 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.**

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**UNCLAIMED MONEYS**

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

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

# FEES, CHARGES AND EXPENSES



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

You should be aware that all fees, charges and expenses referred to or quoted in this Prospectus (including any supplemental prospectus) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of any applicable tax. We (including the Trustee and other service providers of the Fund) 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 5.50%\* of the NAV per unit of a Class.  
*\*You may negotiate for a lower Sales Charge.*

All Sales Charges 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

With the issuance of multiple Classes in this Fund, the fees and expenses for the Fund are apportioned based on the size of the Class relative to the whole Fund, which is also known as multi-class ratio. This apportionment is expressed as a ratio and calculated as a percentage.

As an illustration, assuming there is an indirect fee chargeable to the Fund of MYR 100 and assuming further the size of the MYR Class over the size of the Fund is 60% whereas the size of the MYR-Hedged Class over the size of the Fund is 40%, the ratio of the apportionment based on the percentage will be 60:40, 60% being borne by the MYR Class and 40% being borne by the MYR-Hedged Class.

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 management fee is up to 1.80% of the NAV of the Fund per annum (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:*

|   |   |   |
|---|---|---|
| Management fee per annum  | : | 1.80% of the NAV of the Fund  |
| Total NAV of the Fund (before deducting the management fee and the trustee fee) | : | MYR 130 million   |
| Management fee for the day  | : | $\frac{\text{MYR}130,000,000 \times 1.80\%}{365 \text{ days}} = \text{MYR } 6,410.96$ |

The management fee is payable monthly to the Manager and is apportioned to each Class based on the multi-class ratio.

## ANNUAL TRUSTEE FEE

The trustee fee is up to 0.06% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), and is calculated using the Base Currency (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly. In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

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

|   |   |   |
|---|---|---|
| Trustee fee per annum   | : | 0.06% of the NAV of the Fund  |
| Total NAV of the Fund (before deducting the management fee and the trustee fee) | : | MYR 130 million   |
| Trustee fee for the day   | : | $\frac{\text{MYR } 130,000,000 \times 0.06\%}{365 \text{ days}} = \text{MYR } 213.70$ |

The trustee fee is payable monthly to the Trustee and is apportioned to each Class based on the multi-class ratio.

## ADMINISTRATIVE FEES

Only fees and expenses that are directly related and necessary to the business of the Fund may be charged to the Fund. These include the following:-

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- 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;
- Cost, fees, and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- Costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- Costs and expenses incurred in relation to the distribution of income (if any); and
- Any other expenses allowed under the Deed.

All Fund expenses are apportioned to each Class based on the multi-class ratio.

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

## REBATES AND SOFT COMMISSIONS

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

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

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

**All fees and charges payable by you are subject to all applicable taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.**

# PRICING

## COMPUTATION OF NAV AND NAV PER UNIT

In this section, you will be introduced to certain terms used to explain how the Fund arrives at its NAV and consequently, NAV per Unit for each Class of the Fund. Under this section, please note the following definitions:-

|  |  |
|--|--|
| “Value of the Fund before Income & Expenses” | Refers to the current value of the Fund inclusive of purchases and/or repurchases before the next valuation point. |
| “Value of a Class before Income & Expenses”  | Refers to the current value of a Class inclusive of purchases and/or repurchases before the next valuation point.  |

You should also note that 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 of a Class is the NAV of the Fund attributable to a Class divided by the number of Units in Circulation for that particular Class, at the same valuation point.

Please refer to “*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:-

|  | Fund<br>(MYR)        | MYR-Hedged<br>Class<br>(MYR) | MYR Class<br>(MYR)   |
|--|----------------------|------------------------------|----------------------|
| Value of the Fund / Class before Income & Expenses           | 75,000,000.00        | 30,800,000.00                | 44,200,000.00        |
| <b>Multi-class ratio *</b>                                   | <b>100.00%</b>       | <b>41.07%</b>                | <b>58.93%</b>        |
| Add: Income  | 2,700,000.00         | 1,080,000.00                 | 1,620,000.00         |
| Gross asset value / GAV                                      | 77,700,000.00        | 31,880,000.00                | 45,820,000.00        |
| Less: Fund expenses  | (150,000.00)         | (60,000.00)                  | (90,000.00)          |
| Add: Income from hedging***                                  | 10,000.00            | 10,000.00                    |                      |
| <b>NAV (before deduction of management and trustee fees)</b> | <b>77,560,000.00</b> | <b>31,830,000.00</b>         | <b>45,730,000.00</b> |
| Less: Management fee for the day (1.80% p.a.)                | (3,824.88)           | (1,569.70)                   | (2,255.18)           |
| Less: Trustee fee for the day (0.06% p.a.)                   | (127.50)             | (52.32)                      | (75.17)              |
| <b>NAV</b>   | <b>77,556,047.63</b> | <b>31,828,377.98</b>         | <b>45,727,669.65</b> |
| Total Units in Circulation                                   | 150,000,000          | 60,000,000                   | 90,000,000           |
| NAV per Unit in Base Currency **                             |                      | 0.5305                       | 0.5081               |

Notes:

\* Multi-class ratio is apportioned based on the size of the Class relative to the whole Fund. This means the multi-class ratio is calculated by taking the *Value of a Class before Income & Expenses* for a particular day and dividing it with the *Value of the Fund before Income & Expenses* for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

\*\* NAV per Unit of a Class is derived from the NAV of the particular Class divided by Units in Circulation for the particular Class.

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

\*\*\* Income from hedging will only be applicable to the MYR-Hedged Class as the Class would participate into instruments to hedge the class currency against the currency of the underlying investments. As such, all costs incurred and / or income earned as a result of participating in the said instruments would only be borne and/or enjoyed by the Unit Holders of the MYR-Hedged Class.

## INCORRECT PRICING

We will take immediate action to rectify any incorrect valuation and/or pricing of the Fund and/or the Units and to notify the Trustee and the SC of the same unless the Trustee considers the incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance.

The Trustee will not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on your account is less than MYR 10.00. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee will result in reimbursement of moneys in the following manner:

|  | Reimbursement by: | Receiving parties:                |
|--|-------------------|-----------------------------------|
| Over valuation and/or pricing in relation to the purchase and creation of Units  | Fund              | Unit Holder                       |
| Over valuation and/or pricing in relation to the repurchase of Units             | AHAM              | Fund                              |
| Under valuation and/or pricing in relation to the purchase and creation of Units | AHAM              | Fund                              |
| Under valuation and/or pricing in relation to the repurchase of Units            | Fund              | Unit Holder or former Unit Holder |

## COMPUTATION OF SELLING PRICE AND REPURCHASE PRICE

Under a single pricing regime, the Selling Price and the Repurchase Price are equivalent to the NAV per Unit. Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price.

Forward Pricing will be used to determine the Selling Price and the Repurchase Price of the respective Class, i.e. the NAV per Unit of each Class 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:

| Class                                   | MYR Class                                    | MYR-Hedged Class                             |
|---|--|--|
| <i>Investment Amount</i>                | MYR 10,000                                   | MYR 10,000                                   |
| <i>Selling Price per Unit</i>           | MYR 0.50                                     | MYR 0.50                                     |
| <i>Number Of Units Received*</i>        | MYR 10,000 ÷ MYR 0.50 = 20,000 Units         | MYR 10,000 ÷ MYR 0.50 = 20,000 Units         |
| <i>Sales Charge</i>                     | 5.50%  | 5.50%  |
| <i>Sales Charge Paid By Investor**</i>  | 5.50% x MYR 0.50 x 20,000 Units<br>= MYR 550 | 5.50% x MYR 0.50 x 20,000 Units<br>= MYR 550 |
| <i>Total Amount Paid By Investor***</i> | MYR 10,000 + MYR 550 = MYR 10,550            | MYR 10,000 + MYR 550 = MYR 10,550            |

Formula for calculating:-

$$\text{* Number of Units received} = \frac{\text{Investment Amount}}{\text{Selling Price per Unit}}$$

$$\text{** Sales Charge paid by investor} = \text{Sales Charge} \times \text{Selling Price per Unit} \times \text{Number of Units received}$$

$$\text{*** Total amount paid by investor} = \text{Investment Amount} + \text{Sales Charge paid by investor}$$



### Calculation of Repurchase Price

For illustration purposes, let's assume the following:

| <i>Class</i>   | <i>MYR Class</i>                     | <i>MYR-Hedged Class</i>              |
|--|--------------------------------------|--------------------------------------|
| <i>Units Repurchased</i>                               | 20,000 Units                         | 20,000 Units                         |
| <i>Repurchase Price per Unit</i>                       | MYR 0.50                             | MYR 0.50                             |
| <i>Repurchase Amount<sup>^</sup></i>                   | 20,000 Units x MYR 0.50 = MYR 10,000 | 20,000 Units x MYR 0.50 = MYR 10,000 |
| <i>Repurchase Charge</i>                               | 0.00%                                | 0.00%                                |
| <i>Repurchase Charge Paid By Investor<sup>^^</sup></i> | 0.00% x MYR 10,000 = MYR 0.00        | 0.00% x MYR 10,000 = MYR 0.00        |
| <i>Total Amount Received By investor<sup>^^^</sup></i> | MYR 10,000 - MYR 0.00 = MYR 10,000   | MYR 10,000 - MYR 0.00 = MYR 10,000   |

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 |

# 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 instance, the Units may not be registered in the name of the investor and thus not a registered Unit Holder. Please be advised that we only recognise 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 the distribution of income, participate in any increase in the value of the Units and to enjoy other such rights and privileges as set out under the Deed for the Fund;
- 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 its 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 particular part or asset 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 pursuant to 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

- (a) The quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be five (5) Unit Holders (irrespective of the Class), whether present in person or by proxy; however, if the Fund or a Class, as the case may be, has five (5) or less Unit Holders (irrespective of the Class), the quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be two (2) Unit Holders (irrespective of the Class), whether present in person or by proxy.
- (b) If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in Circulation (irrespective of the Class) of the Fund or a particular Class, as the case may be, at the time of the meeting.
- (c) If the Fund or a Class, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a Class, as the case may be.

### 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 of the Fund or of a particular Class, as the case may be, at the registered office of the Manager, summon a meeting of the Unit Holders of the Fund or of that Class, as the case may be, 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 of the Fund or Unit Holders of a particular Class, as the case may be, 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 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), whichever is less, of all the Unit Holders of the Fund or all the Unit Holders of a particular Class, whichever may be applicable.

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

The Manager may for any purpose whatsoever summon a meeting of the Unit Holders by giving at least fourteen (14) days written notice of the meeting to Unit Holders and specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

#### **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, or
- 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.

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

- (1) 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
- (2) 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.

The Trustee may also summon a Unit Holders' meeting by giving at least fourteen (14) days written notice of the meeting to Unit Holders and specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting for any purpose including, without limitation, for the purpose of:

- (1) requiring the retirement or removal of the Manager;
- (2) 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;
- (3) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (4) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to Clause 6.10.3 of the Deed; and
- (5) deciding on the reasonableness of the annual management fee charged to the Fund or each Class.

## Termination Of The Fund

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

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

- The SC has withdrawn the authorization of the Fund pursuant to Section 256E of the CMSA;
- A Special Resolution is passed at a Unit Holders' meeting to terminate the Fund, following the occurrence of events stipulated under Section 301(1) of the CMSA and the court has confirmed the resolution, as required under Section 301(2) of the CMSA; or
- A Special Resolution is passed at a Unit Holders' meeting to terminate the Fund; or
- The effective date of an approved transfer scheme has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

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

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

If the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

### Procedure for the Termination of the Fund

Upon the termination of the trust by the Manager, the Manager shall give to each Unit Holder of the Fund or that Class (whichever applicable) being wound up a notice of such termination in accordance with the relevant laws; the Manager shall notify the existing Unit Holders in writing of the following options:

- (a) to receive the net cash proceeds derived from the sale of all the investments and assets of the Fund and/or assets pertaining to that Class less any payment for liabilities of the Fund and/or liabilities pertaining to that Class and any Cash Produce available for distribution in proportion to the number of Units held by them respectively;
- (b) to use the net cash proceeds to invest in any other collective investment scheme managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- (c) to choose any other alternative as may be proposed by the Manager in accordance with the relevant laws.

In the event of the Fund is 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 and the Trustee shall notify the relevant authorities in such manner as may be prescribed by any relevant law; and
- (c) the Manager or the Trustee shall notify the Unit Holders in such manner as may be prescribed by any relevant law.

## Termination Of A Class

A Class may be terminated if a Special Resolution is passed at a meeting of Unit Holders of that Class to terminate the Class provided always that such termination does not prejudice the interests of any other Class.

Notwithstanding the aforesaid, the Manager may, in consultation with the Trustee, terminate a particular Class 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 Class and the termination of the Class is in the best interests of the Unit Holders.

If the Class is left with no Unit Holder, the Manager shall also be entitled to terminate the Class.

## Procedure for the Termination of a Class

If at a meeting of Unit Holders to terminate a Class, a Special Resolution to terminate the Class is passed by the Unit Holders:-

- (a) the Trustee shall cease to create and cancel Units of that Class;
- (b) the Manager shall cease to deal in the Units of that Class;
- (c) the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the Special Resolution; and
- (d) the Trustee or the Manager shall as soon as practicable inform all Unit Holders of the Fund of the termination of that Class.

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that Class by the auditor. Upon the completion of the termination of that Class, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that Class.

## Fees And Charges

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

| Classes               | MYR Class  | MYR-Hedged Class |
|-----------------------|--|------------------|
| Sales Charge          | 10.00% of the NAV per Unit   |                  |
| Repurchase Charge     | 3.00% of the NAV per Unit  |                  |
| Annual management fee | 5.00% per annum of the NAV of the Fund calculated and accrued daily and is calculated using the Base Currency. |                  |
| Annual trustee fee    | 0.10% of the NAV of the Fund (excluding foreign custodian fees and charges).                                   |                  |

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

#### Sales Charge

A higher Sales Charge than that disclosed in this Prospectus may only be imposed if:-

- (a) the Manager has notified the Trustee in writing of the higher charge and the effective date for the higher charge;
- (b) a supplemental/replacement prospectus setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental/replacement prospectus.

#### Repurchase Charge

A higher Repurchase Charge than that disclosed in this Prospectus may only be imposed if:-

- (a) the Manager has notified the Trustee in writing of the higher charge and the effective date of the charge;
- (b) a supplemental/ replacement prospectus setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental/ replacement prospectus.

#### Annual Management Fee

The Manager may not charge an annual management fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Trustee and the Unit Holders in writing of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental/ replacement prospectus stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental/ replacement prospectus.

## **Annual Trustee Fee**

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Trustee and the Unit Holders in writing of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental/ replacement prospectus stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental/ replacement prospectus.

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

Any increase of any such fees and/or charges from the maximum amount stipulated in the Deed shall require Unit Holder's approval and will be in accordance to the procedure stipulated in the Deed.

## **Other Expenses Permitted 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:

- (a) commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the auditor;
- (d) 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;
- (e) 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;
- (f) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (g) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (h) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (i) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (j) costs, fees and expenses incurred in the termination of the Fund or a Class or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (k) 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);
- (l) 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;
- (m) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; and
- (n) (where the custodial function is delegated by the Trustee) costs, fees and charges payable to a foreign custodian of the foreign investments of the Fund duly appointed by Trustee; and
- (o) all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or telegraphic transfer.

## **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' (or such other period as the Manager and the Trustee may agree upon) notice in writing of its desire so to do, and subject to the fulfilment of the following conditions:

- (a) 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 to such corporation all its rights and duties as management company of the Fund;
- (b) such corporation shall enter into such deed or deeds as are referred to in clause 2.3.2 of the Deed; and
- (c) 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 of 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.

### **Powers of the Trustee to Remove the Manager**

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

- (a) 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 it to do so after the Trustee has given notice to the Manager of that opinion and the reason 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 Unit Holders by way of a Special Resolution;
- (b) 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
- (c) 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. For the avoidance of doubt, the Manager will continue to be paid up to the date of such removal.

In any of the above said grounds, the Manager shall upon receipt of a written notice from the Trustee 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 being necessary or desirable to secure the due performance of its duties as management company for the Fund.

## **Retirement or Removal or Replacement of the Trustee**

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

### **Powers of the Manager to Remove the Trustee**

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

The Manager shall take all reasonable steps to replace the 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 laws;
- the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant laws;
- a receiver is 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 to be 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 laws.

# THE MANAGER

## ABOUT AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. AHAM has more than 20 years' experience in the fund management industry. In late 2022, AHAM's ultimate major shareholder is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners ("CVC"), which has approximately 68.35% controlling interest in AHAM. CVC is a global private equity and investment advisory firm with approximately USD125 billion of assets under its management. AHAM is also 27% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd, an Asian investment management franchise.

AHAM distributes its funds through the following various channels:

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

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

### Roles, Duties and Responsibilities of AHAM

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

### Key Personnel

#### ➤ Dato' Teng Chee Wai – Managing Director

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

#### ➤ Mr David Ng Kong Cheong – Chief Investment Officer

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

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



# THE TRUSTEE

## DEUTSCHE TRUSTEES MALAYSIA BERHAD

DTMB was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. DTMB is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses and private individuals.

### Experience in Trustee Business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, agency, depository, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 224 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

### Roles, Duties and Responsibilities of the Trustee

DTMB’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 performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the Act and all relevant laws.

### Trustee’s Disclosure of Material Litigation and Arbitration

As at the LPD, the Trustee has not(a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee.

### Trustee’s Delegate

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB’s roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

### Disclosure on Related Party Transactions/ Conflict of Interest

As the trustee for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:

- (1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC’s guidelines and other applicable laws;
- (3) Where the Manager appoints DTMB to perform its back office functions (e.g. fund accounting and valuation); and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm’s length basis as if between independent parties. While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB’s commitment to act in the best interests of the Unit Holders of the Fund does not preclude the possibility of related party transactions or conflicts.

# EXTERNAL FUND MANAGER

## ABOUT NIKKO ASSET MANAGEMENT CO.,LTD (Nikko AM)

Nikko AM was established in 1959. Nikko AM holds license to provide securities investment management and advisory services in Japan and it is a registered investment advisor with the US Securities and Exchange Commission. Nikko AM's head office is in Tokyo and it maintains local offices in Osaka, Fukuoka, Singapore, Hong Kong and Auckland as well as London, Edinburgh, Frankfurt, Luxembourg, and New York. Nikko AM is majority owned by The Sumitomo Mitsui Trust Holdings, Inc. and has over 60 years' experience in the fund management industry.

### Duties and Responsibilities of the External Fund Manager

The Manager has delegated the investment management function of the Fund to Nikko AM. Some of the main duties of Nikko AM for this delegated role are as follows:

- (1) to comply with the operations procedures and invest the Fund in accordance with the Guidelines;
- (2) to exercise due care and vigilance in carrying out its function and duties and comply with the Act, directives and guidelines issued by the relevant authorities from time to time;
- (3) to employ an appropriate investment process, which currently involves a systematic, fundamentals-based approach to identifying Japan listed stocks that are undervalued;
- (4) to seek to invest in assets which are in the external investment manager's opinion, the most appropriate assets in relation to the Fund's objectives;
- (5) to report to the person(s) or members of a committee undertaking the oversight function of the Fund on a periodic basis for oversight and monitoring purposes, including to discuss and review the performance of the Fund and its strategies.

### Key Personnel of the Investment Management Team

#### Hiroshi Yoh, Executive Corporate Officer, Chief Investment Officer and Global Head of Investment

Hiroshi Yoh joined Nikko Asset Management in November 2022 as Executive Corporate Officer, Chief Investment Officer and Global Head of Investment. He is responsible for directing all of the firm's investment management activities globally. With 33 years of experience in the asset management industry, Yoh has served in offices throughout Asia of major global and Japanese players, where he held key roles including CEO, CIO, Portfolio Manager and Strategist. Prior to joining Nikko Asset Management, he was President of Franklin Templeton Japan Co., Ltd., and CEO and CIO of Tokio Marine Asset Management International. As a portfolio manager, Yoh has managed Japanese Equity, Asia equity, global emerging market equity, Asia multi-asset balanced funds, as well as private equity and hedge funds with excellent track records. Most recently, he was CIO at Asset Management One in Singapore since December 2019.

In December 2021, Yoh was named as one of 25 Leaders in the Asian asset management Industry over last 25 years for his outstanding contributions, according to industry publication Asia Asset Management.

He earned a Master of Economics, with a major in International Trade and Finance from the Graduate School of Business Administration and Political Science at Tsukuba University in 1989, and completed the Advanced Management Program at Harvard Business School in 2010. He is also a Chartered Member of the Securities Analysts Association of Japan (CMA).

#### Yasushi Ishikawa, Head of Equity Fund Management

Yasushi Ishikawa joined Nikko AM in March 2016 as head of the Alternative Investment Fund Management Department. In December 2020, he was appointed to his current position as head of the Equity Fund Management Department. He concurrently served as head of both Equity Fund Management and Alternative Investment Fund Management until August 2021. Separately, from July 2019 to April 2021 he served as joint head of Global Multi Asset. Since May 2021 he has taken on the role of senior executive director of Global Multi Asset. Prior to joining Nikko AM, he spent 16 years working in the development of quantitative strategies at Nomura Securities' Financial Engineering & Technology Research Center, which included 11 years in international positions in New York and London. Immediately before joining Nikko AM, he served as executive director and senior quantitative analyst at Nomura Securities' Quantitative Research Department, where he developed strategic indices such as those used in smart beta products. He was also awarded the Securities Analyst Journal Prize, 2019, for his article titled "Efficiency of Japanese Companies' Investment in Human Capital and Shareholder Value." He holds a B.A. (Physics) from the University of Tokyo, a Master of Science (Physics) from the Graduate School of Science, the University of Tokyo and a Ph.D. (Management Science) from Kyoto University. He is an organizer of the MPT Forum and a chartered member of the Securities Analysts Association of Japan (CMA).

**Toshinori Kobayashi, Lead Portfolio Manager**

Toshinori Kobayashi began his career at Nikko Securities Investment Trust & Management (a predecessor of Nikko AM) in 1988 as a research analyst. He became a portfolio manager in 1992 and was subsequently promoted to team leader in 2003, a role which he continues to perform on the Research Active Management team. He holds a B.A. in Law from Chuo University and is a Chartered Member of the Security Analysts Association of Japan (CMA).

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

# RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST

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

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.

## Related Party Transactions

| Name of Party Involved in the Transaction | Nature of Transaction  | Name of Related Party                       | Nature of Relationship            |
|---|--|---|-----------------------------------|
| AHAM                                      | Appointment of Nikko AM as the External Fund Manager of the Fund and payment of fees by AHAM to Nikko AM in connection with the provision of services thereon. | Nikko Asset Management Co., Ltd. (Nikko AM) | External Fund Manager to the Fund |

## Policy on Dealing with Conflict of Interest

AHAM has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, AHAM will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where the interests of the directors or the person(s) or members of a committee undertaking the oversight function's interests may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staff of AHAM are required to seek prior approval from the executive director or the managing director of AHAM before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

# TAX ADVISER'S LETTER

6 December 2022

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 World Series – Japan Growth Fund (f.k.a Affin Hwang World Series – Japan Growth 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 World Series – Japan Growth 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> <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>▪ Progressive tax rates ranging from 0% to 30%</li> <li>▪ Progressive tax rates ranging from 0% to 24%</li> <li>▪ 24%</li> <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.

**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*, *Musyarakah*, *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).

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

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

**THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.**

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

You can seek assistance from our customer service personnel at our toll free number 1-800-88-7080 between 8.45 a.m. to 5.30 p.m. on a Business Day. Alternatively, you can email us at [customercare@aham.com.my](mailto:customercare@aham.com.my).

## COMPLAINTS AVENUES

### How do I make a complaint?

You may e-mail us at [customercare@aham.com.my](mailto:customercare@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 Trustee and External Fund Manager have given their consent to the inclusion of their names in the form and context in which such names appear in this Prospectus and have not subsequently withdrawn such consent before the issuance of this Prospectus; and
- The tax adviser has given its consent to the inclusion of its name and the tax adviser's letter in the form and context in which such name and tax adviser's letter appear in this Prospectus and has not subsequently withdrawn such consent before the issuance of this Prospectus.

# DOCUMENTS AVAILABLE FOR INSPECTION

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

- The Deed and the supplemental deeds (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 material litigation and arbitration disclosed in the Prospectus; and
- Any consent given by experts disclosed in the Prospectus.

# DIRECTORY OF SALES OFFICES

## AHAM ASSET MANAGEMENT BERHAD:

**(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD):**

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

## 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)  
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