INFORMATION MEMORANDUM FOR AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 18

Manager : **Affin Hwang Asset Management Berhad**
(Registration No. 199701014290 (429786-T))

Trustee : **TMF Trustees Malaysia Berhad**
(Registration No. 200301008392 (610812-W))

This Information Memorandum is dated 19 May 2020.

The Affin Hwang Flexible Maturity Income Fund 18 was constituted on 19 May 2020*.
* *The constitution date of this Fund is also the launch date of this Fund.*

The Fund is open for sale during the Offer Period only.

This Information Memorandum has been seen and approved by the directors of Affin Hwang Asset Management Berhad and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Affin Hwang Asset Management Berhad and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.

Sophisticated Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Fund.

This Information Memorandum is to be issued and distributed in Malaysia only. Consequently, no representation has been and will be made as to its compliance with the laws of any foreign jurisdiction.

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

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

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CORPORATE DIRECTORY

The Manager/AHAM
Affin Hwang Asset Management Berhad (199701014290 (429786-T))
Registered Office
27th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur
Business Address
Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur
Tel No. : (603) 2116 6000
Fax No. : (603) 2116 6100
Toll free line: 1-800-88-7080
E-mail: customercare@affinhwangam.com
Website: www.affinhwangam.com

Board of Directors of the Manager/AHAM

- Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)
- Mr Teng Chee Wai (Non-independent Director)
- Ms Eleanor Seet Oon Hui (Non-independent Director)
- Mr Yip Kit Weng (Non-independent Director)
- Encik Faizal Sham bin Abu Mansor (Independent Director)
- Maj. Gen. Dato' Zulkiflee bin Mazlan (R) (Independent Director)

The Manager's Delegate
(fund valuation and accounting function)
TMF Trustees Malaysia Berhad (200301008392 (610812-W))
Business Address
10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur
Tel No. : (603) 2382 4288
Fax No. : (603) 2026 1451

The Trustee
TMF Trustees Malaysia Berhad (200301008392 (610812-W))
Registered and Business Address
10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur
Tel No. : (603) 2382 4288
Fax No. : (603) 2026 1451

Trustee's Delegate (Local and Foreign Custodian)
Standard Chartered Bank Malaysia Berhad (198401003274)
Business Address
Level 16, Menara Standard Chartered, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel No. : (603) 2117 7777
Fax No. : (603) 2711 6060

GLOSSARY

the Act or CMSA 2007	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
Bursa Malaysia	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be changed to from time to time.
Business Day	A day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.
Commencement Date	Means the date of this Information Memorandum and is the date on which sales of Units of the Fund may first be made. The Commencement Date is also the date of constitution of the Fund.
Communiqué	Refers to the notice issued by us, the Manager to you, the Unit Holder.
Deed(s)	Refers to the Deed dated 8 May 2020 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed.
deposits	Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
Development Financial Institutions (DFIs)	Means a development financial institution under the Development Financial Institutions Act 2002.
Early Maturity	An event where the Fund is unwound on or after the first (1st) anniversary of the Investment Date up to 30 days before the 5th anniversary of the Fund's Investment Date, subject to the Fund achieving early maturity requirements (please refer to "Early Maturity" at page 7 for further details).
Early Maturity Communiqué	Refers to the Communiqué issued to Unit Holders, notifying that the Early Maturity is exercised and that the Fund will be unwound on the Early Maturity Date.
Early Maturity Date	Refers to the 10th Business Day immediately following the date which the Manager issues the Early Maturity Communiqué to Unit Holders, notifying that the Fund has met the Early Maturity requirements and the Fund will be unwound on the Early Maturity Date. In the event the Manager deems to be unable to liquidate all the assets on the 10th Business Day, the Manager will issue a Communiqué to Unit Holders to extend the Early Maturity Date by up to the 20th Business Day from the date the Early Maturity Communiqué is issued. The Early Maturity Date may fall on a date, earliest on the 1st anniversary of the Investment Date up to the date, 30 days before the 5th anniversary of the Investment Date.
FiMM	Means the Federation of Investment Managers Malaysia.
Financial Institution	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institutions (DFIs); or (iv) Licensed Islamic Bank; (2) if the institution is outside Malaysia, any institution that is licensed or registered or approved or authorised to provide financial services by the relevant banking regulator.
Fitch	Refers to Fitch Ratings Inc.
Fund	Refers to Affin Hwang Flexible Maturity Income Fund 18.
Guidelines	*Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework* issued by the SC and as amended or modified from time to time.
Information Memorandum	Means this offer document in respect of this Fund.

Institutional Unit Trust Advisers (IUTA)	Means an institution or organisation or corporation that is licensed by the SC for the purpose of carrying out dealing in securities restricted to unit trusts and is duly registered with the FiMM to market and distribute unit trust funds.
Investment Date	Means the date on which the investment of the Fund may first be made and it is the date which begins on the next Business Day immediately after the expiry of the Offer Period. A reference to the Fund's anniversary shall be a reference from this Investment Date.
Licensed Bank	Means a bank licensed under Financial Services Act 2013.
Licensed Investment Bank	Means an investment bank licensed under Financial Services Act 2013.
Licensed Islamic Bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
The Manager / AHAM	Refers to Affin Hwang Asset Management Berhad.
MARC	Refers to Malaysian Rating Corporation Berhad.
Maturity Date	Means the date on which the Fund automatically terminates and is the date, which is the fifth (5th) anniversary of the Investment Date; if the date is not a Business Day, the "Maturity Date" shall be the first Business Day following the date that is the fifth (5th) anniversary of the Investment Date. If the Fund is earlier terminated in accordance with the provisions of the Deed, and due to the Early Maturity feature, the "Maturity Date" shall mean the date of such earlier termination.
Moody's	Refers to Moody's Investors Service.
MYR	Means the Malaysian Ringgit, the lawful currency of Malaysia.
Net Asset Value or NAV	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
Offer Period	Means a period of not more than forty five (45) days from the Commencement Date of the Fund or such shorter period as may be determined by the Manager, whereby the Units of the Fund are open for sale at its Offer Price.
Offer Price	Means the fixed price for each Unit during the Offer Period.
Over-the-Counter (OTC)	OTC trades refer to trading of financial instruments directly between two parties without going through the securities exchange i.e. the financial instruments are not formally traded on a securities exchange.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
RAM	Refers to RAM Rating Services Berhad.
Repurchase Price	Means the price payable to you by us for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.
SC	Means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
Sales Charge	Means a charge imposed pursuant to purchase request.
Selling Price	Means the price payable by you to us to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
short term	Means a period of less than three (3) years.
Sophisticated Investors	Refers to – (1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed MYR 3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence. (2) an individual who has a gross annual income exceeding MYR 300,000 or its

equivalent in foreign currencies per annum in the preceding 12 months.

(3) an individual who, jointly with his or her spouse, has a gross annual income exceeding MYR 400,000 or its equivalent in foreign currencies per annum in the preceding 12 months.

(4) a corporation with total net assets exceeding MYR 10 million or its equivalent in foreign currencies based on the last audited accounts.

(5) a partnership with total net assets exceeding MYR 10 million or its equivalent in foreign currencies.

(6) a unit trust scheme or prescribed investment scheme.

(7) a private retirement scheme.

(8) a closed-end fund approved by SC.

(9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding MYR 10 million or its equivalent in foreign currencies.

(10) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the Act and has assets under management exceeding MYR 10 million or its equivalent in foreign currencies.

(11) a statutory body established by an Act of Parliament or an enactment of any State.

(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53].

(13) central bank of Malaysia.

(14) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence.

(15) a licensed person as defined in the Financial Services Act 2013.

(16) an Islamic bank as defined in the Islamic Financial Services Act 2013.

(17) an insurance company licensed under the Financial Services Act 2013.

(18) a takaful operator registered under the Islamic Financial Services Act 2013.

(19) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704].

(20) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705].

(21) such other investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

Special Resolution Means a resolution passed by a majority of not less than three quarter (¾) of Unit Holders voting at a meeting of the Unit Holders.

For the purpose of terminating the Fund, a Special Resolution is passed by a majority in number representing at least three quarter (¾) of the value of Units held by the Unit Holders voting at the meeting in person or by proxy.

Standard & Poor's Refers to Standard & Poor's Financial Services LLC.

Target NAV per Unit Means the NAV per Unit target for Early Maturity to be triggered (please refer to "What is an Early Maturity" at page 7 for further details).

The Target NAV per Unit is computed via the following formula: MYR 1.0100 + Sales Charge per Unit imposed + Target Yield in MYR per Unit terms. For the avoidance of doubt, MYR 1.0100 per Unit is a preset to reflect the Offer Price, with an additional buffer of 1% i.e. MYR 1.0000 + MYR 0.0100.

Target Yield Means the average annual income distribution rate that the Fund endeavours to distribute to Unit Holders over the tenure of the Fund, subject to the availability of income.

The Target Yield in MYR per Unit terms = Target Yield × (Offer Price + Sales Charge

	per Unit imposed). For the purpose of calculating Target Yield in MYR per Unit terms, if the Sales Charge rate is 3.0%, the Sales Charge per Unit is MYR 0.030). The Target Yield shall be confirmed via a Communiqué after the end of the Offer Period.
Trustee	Refers to TMF Trustees Malaysia Berhad.
Unit or Units	It is a measurement of the right or interest of a Unit Holder and includes a fraction of a Unit.
Units in Circulation	Means Units created and fully paid. It is the total number of Units issued at a particular valuation point.
Unit Holder or Unit Holders or you	Refers to the person for the time being who is in full compliance with the relevant laws and is a Sophisticated Investor pursuant to the Guidelines and the Information Memorandum, is registered pursuant to the Deed as a holder of Units, including a jointholder. In relation to the Fund, means all the Unit Holders of Units in the Fund.
Yield to Maturity	The total return anticipated on a fixed income instrument if the fixed income instrument is held until the end of its lifetime.

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

ABOUT AFFIN HWANG FLEXIBLE MATURITY INCOME FUND 18

FUND CATEGORY	:	Fixed Income (Wholesale)	**BASE CURRENCY**	:	MYR
FUND TYPE	:	Income	**FINANCIAL YEAR END**	:	Last day of February

TENURE OF THE FUND

The Fund automatically terminates on the fifth (5th) anniversary from the Investment Date, i.e. the "Maturity Date".

OFFER PERIOD AND OFFER PRICE

The Offer Period shall be for a period of not more than 45 calendar days from the Commencement Date of the Fund.

The Offer Period may be shortened if we determine that it is in your best interest.

The Offer Price is the Selling Price and Repurchase Price for each Units of the Fund during the Offer Period and is set at MYR 1.00 only. Units will ONLY be sold during the Offer Period.

We also reserve the right not to proceed with the Fund if the Fund has not achieved a viable size of MYR 50 million at the end of the Offer Period.

INVESTORS' PROFILE

The Fund may be suitable for investors who:

- have five (5) years investment horizon; and
- have a moderate risk tolerance.

INVESTMENT OBJECTIVE

The Fund aims to provide income through investments in fixed income instruments.

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

All income distribution will be made in the form of cash. There will be no option for Unit Holders to reinvest the income in the form of additional Units for this Fund.

PERFORMANCE BENCHMARK

5-years Malayan Banking Berhad fixed deposit rate as at Investment Date.

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

ASSET ALLOCATION

Debentures, money market instruments and/or deposits	Minimum of 70% of the Fund's NAV
Cash, derivatives and/or structured products	Remaining balance of the Fund's NAV

INVESTMENT STRATEGY

To achieve the objective of the Fund, we intend to invest a minimum of 70% of the Fund's NAV in fixed income instruments, i.e. debentures, money market instruments and/or deposits, and the remaining balance of the Fund's NAV in cash, derivatives and/or structured products.

The Fund may also invest up to 40% of its NAV in unrated debentures and/or debentures which are rated below investment grade by Standard & Poor's, Moody's, Fitch, RAM, MARC or any other rating agencies (please refer to the credit ratings chart under "Understanding the Risks of the Fund - Credit and default risk" section, for further details).

At the Maturity Date of the Fund, we will redeem or sell the investments, and return all proceeds to you (based on the number of Units you hold), subject to the applicable Fund expenses and fees. In this respect, we will endeavour, as far as it is possible, to purchase investments with maturities that closely mirror the maturity period for this Fund so as to enable the Fund to potentially obtain the full nominal value of those instruments upon the Maturity Date. We may trade the fixed income instruments as and when opportunities arise and/or to manage the credit risk of the fixed income instruments issuers or external adverse events affecting any of the fixed income instruments in the Fund's portfolio. In the event the Maturity Date falls on a non-Business Day, the Maturity Date shall be the first Business Day following the date that is the fifth (5th) anniversary of the Investment Date.

However, if Early Maturity is triggered, that is subject to the requirements specified under "How is an Early Maturity triggered", we will liquidate all the investments in the portfolio and return the investment proceeds to you. In the event of an Early Maturity, the Fund will mature on the Early Maturity Date, which will fall on a Business Day as decided by us. Please refer to "Early Maturity" section below for more details.

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

The fundamental investment process will be driven by two main factors:

- The interest rate outlook for the market over the short term; and
- The overall balance between credit quality and yield of the targeted bonds.

This entails studying relevant economic and business statistics in order to produce forecasts of interest rate trends over the short term.

Fixed Income Instruments Selection Process and Criteria

We will follow a strict selection process to ensure only appropriate fixed income instruments are invested in order to meet the Fund's investment objective. The selection process is in essence of a screening process that selects instruments with risk-return profiles that match the Fund's objective and maturity.

The selection of the debentures will depend largely on its credit quality. Focus will be on the ability of the issuer and/or guarantor to meet their financial obligations and make timely payment of interest and principal in order to protect your interest while delivering the expected returns to the Fund and meet the Fund's investment objective. The following are the more important considerations:

- Issuer's and/or guarantor's industry and business short term outlook;
- Issuer's and/or guarantor's financial strength and gearing levels;
- Issuer's and/or guarantor's cash flow quality and volatility;
- Issuer's and/or guarantor's expected future cash flow and ability to pay interest and principal;
- Collateral type and value, and claims priority;
- Price and yield-to-maturity; and
- Issuer's and/or guarantor's ratings by RAM, MARC, Standard & Poor's, Moody's, Fitch, or equivalent.

The Fund will also invest in money market instruments and deposits with Financial Institutions. The selection of the issuers will depend largely on the credit quality and liquidity of the issuer based on our internal credit rating model.

During adverse market conditions, the Fund holds the option to maintain a higher exposure into money market instruments and/or deposits compared to debentures in its attempt to mitigate market risks.

Investments in Foreign Fixed Income Instruments

The Fund will invest in foreign fixed income instruments where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions (IOSCO).

Derivative Investments

Derivatives trades may be carried out for both investments and hedging purposes through financial instruments such as, but not limited to, forward contracts, futures contracts swaps and options.

Structured Product

The Fund may also invest into structured products such as but not limited to credit linked notes. Investment into these structured products will provide the Fund with the exposure to the reference asset. Each of these products has its own targeted maturity and will expose investors to the price fluctuation of, in the case of a credit linked note, the reference entity that the credit linked note is linked to. As a result, any fluctuation in the price of the structured product may also lead to fluctuations in the NAV of the Fund i.e., if the price of the structured product sees a drop in price, the NAV of the Fund will also be negatively impacted. As the note is structured by an external party, investments into a structured product will also expose the Fund to counterparty risk, which we will attempt to mitigate by carrying out a stringent selection process on its counterparty prior to an investment being made.

Cross Trades Policy

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

EARLY MATURITY

What is an Early Maturity?

An Early Maturity is an event where the Fund is unwound on or after the first (1st) anniversary of the Fund's Investment Date and up to 30 days before the fifth (5th) anniversary of the Fund's Investment Date, subject to the Fund achieving certain requirements (please refer to "How is an Early Maturity triggered" below). Should this occur, the Fund will mature on the Early Maturity Date. When an Early Maturity occurs, we will liquidate all of the investments in the portfolio and return to you the NAV proportion to the number of Units held by you.

How is an Early Maturity triggered?

The Fund's Early Maturity will be triggered when the NAV per Unit of the Fund is at or higher than the Target NAV per Unit for at least ten (10) consecutive Business Days ("Criteria"). However, the decision to exercise the right to trigger the Early Maturity is at our sole discretion. For example, we may need to consider the NAV per Unit after deducting the unwinding cost of forwards, swaps and structured products as well as other expenses. In this situation, we will decide to call for Early Maturity should the NAV per Unit (after deducting the unwinding cost of forwards, swaps and structured products as well as other expenses) is higher than the Target NAV per Unit.

Should the right to trigger the Early Maturity is exercised by us, we will issue you an Early Maturity Communiqué on the next Business Day of the day when Criteria is met. Upon this, the Fund will mature on the Early Maturity Date, which falls on the 10th Business Day immediately following the date we issue the Communiqué to you. In the event we deem unable to liquidate all the assets on the 10th Business Day, we will issue a Communiqué to you to extend the Early Maturity Date up to the 20th Business Day from the date the Early Maturity Communiqué is issued.

Note: The Early Maturity Date may fall on a date, earliest on the 1st anniversary of the Investment Date up to the date, 30 days before the 5th anniversary of the Investment Date.

What is the expected payout to you once an Early Maturity is triggered?

It is important to note that for an Early Maturity to be triggered, the NAV per Unit of the Fund must be higher than the Target NAV per Unit for at least ten (10) consecutive Business Days. The Target NAV per Unit is:-

MYR 1.0100 + Sales Charge per Unit imposed + Target Yield in MYR per Unit terms.

The Target Yield is the annual income distribution rate that the Fund endeavours to distribute to you, subject to the availability of income. It is useful to note that the Target Yield is a projected distribution rate that the Fund is expected to be able to meet, based on the targeted portfolio of fixed income instruments investments.

The Target Yield will be confirmed via a Communiqué after the end of the Offer Period and is expected to be presented as a % rate (e.g. 4.50%). For the Target Yield to be adjusted in MYR per Unit terms, the following calculation will be used:

Target Yield in MYR per Unit terms = (Target Yield × (Offer Price + Sales Charge per Unit))

As an illustration to how the Target NAV per Unit is computed, let assume the following:

Target Yield	=	4.50%
Sales Charge per Unit imposed	=	3.0% (i.e. MYR 0.0300 per Unit)
Offer Price	=	MYR 1.0000 per Unit
Target Yield in MYR per Unit terms	=	(4.50% × (MYR 1.0000 + MYR 0.0300)) = MYR 0.0464

Target NAV per Unit is computed as:-

MYR 1.0100 plus Sales Charge per Unit imposed and Target Yield in MYR per Unit terms

= MYR 1.0100 + MYR 0.0300 + MYR 0.0464

= MYR 1.0864 per Unit

Therefore, the Target NAV per Unit is MYR 1.0864.

In this example, the Fund's NAV per Unit will need to be at least MYR 1.0864 per Unit for 10 consecutive Business Days before we can issue the Early Maturity Communique on the next Business Day of the day when criteria (a) of "How Is an Early Maturity triggered" is met. Subsequently, the Fund will early mature on the 10th Business Day following the date the Early Maturity Communiqué is issued. We will need to liquidate the remaining assets in the Fund and you will be paid based on the NAV of the Fund as at the 10th Business Day from the date the Early Maturity Communiqué is issued. In the event we deem unable to liquidate all the assets on the 10th Business Day, we will issue a Communiqué to you to extend the Early Maturity Date up to the 20th Business Day from the date the Early Maturity Communiqué is issued. In such event, Unit Holders will be paid based on the NAV of the Fund as at the 20th Business Day from the date the Early Maturity Communiqué is issued.

As a reminder, the Target NAV per Unit covers your initial capital invested including the Sales Charge imposed and the annual income distribution at a rate that the Fund endeavours to distribute to you. The Early Maturity proceeds received by you based on the final NAV of the Fund is expected to closely match the Target NAV per Unit but it may be lower than the Target NAV per Unit as the liquidation of assets in the portfolio is subject to market conditions and liquidation costs. To increase the likelihood of the Offer Price, Sales Charge imposed and Target Yield being covered by the Early Maturity proceeds, an additional buffer of 1% has been incorporated into the computation of Target NAV per Unit. The final NAV will be communicated to you via a Communiqué.

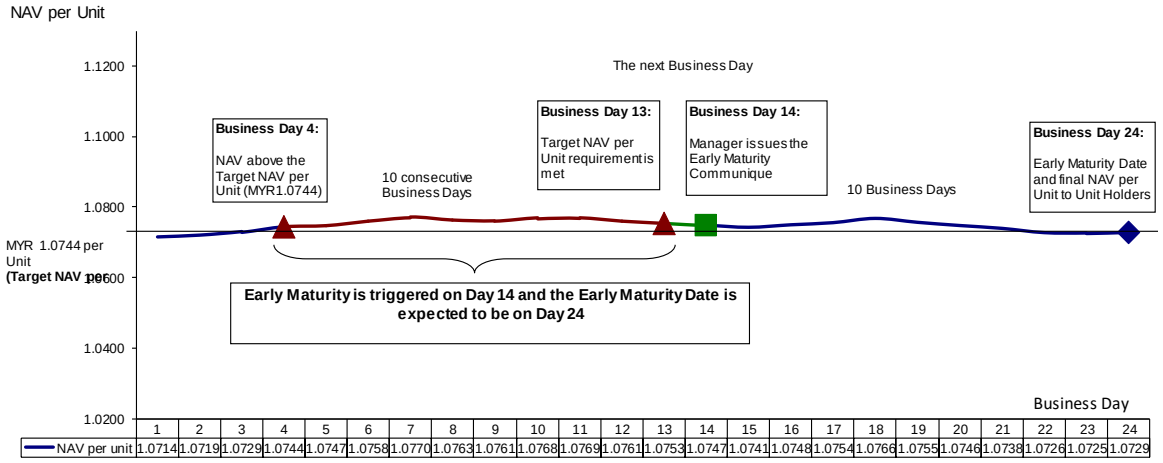
Once a Target Yield is confirmed, the Target NAV per Unit will remain the same throughout the life of the Fund. It is useful to note that the Fund is expected to provide annual income distributions with a minimum per annum rate that equals the Target Yield until the Fund matures. Should the Early Maturity occur in a later stage of the Fund, such as on the fifth (5th) year, you would have already received four (4) rounds of annual income distributions on top of the Early Maturity proceeds. Please be reminded that your investments in the Fund will be subject to the risks highlighted under "Understanding The Risks Of The Fund" section.

Assumptions

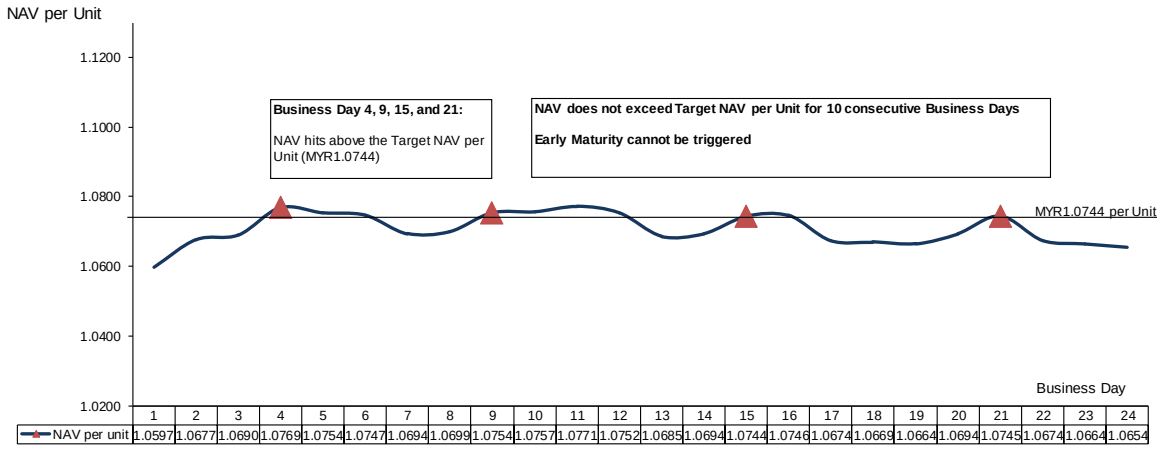
For illustration purposes, Business Day count starts from the 1st anniversary of Investment Date. The Early Maturity Date may fall on a date, earliest on the 1st anniversary of the Investment Date up to the date, 30 days before the 5th anniversary of the Investment Date.

Sales Charge	=	3.00%
Offer Price (MYR per Unit)	=	1.0000
Target Yield	=	4.50%
Target Yield (MYR per Unit)	=	0.0464
Target NAV per Unit	=	1.0864

Early Maturity Triggered



Early Maturity Not Triggered



PERMITTED INVESTMENT

- Debentures
- Money market instruments
- Deposits
- Derivatives
- Structured products
- 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

The purchase of the permitted investments set out above shall not contravene the following limits:-

a) The aggregate value of the Fund's investments in debentures, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single issuer/institution shall not exceed 25% of the Fund's NAV;

b) The value of the Fund's investments in debentures issued by any single issuer shall not exceed 20% of the Fund's NAV;

c) The single issuer limit in (b) may be increased to 30% if the debentures are rated by RAM, MARC, Standard & Poor's, Moody's or Fitch to be of the best quality and offer highest safety for timely payment of interest and principal (i.e. AAA by RAM or its equivalent rated by other rating agencies);

d) For the purpose of (a), where the single issuer limit is increased to 30% pursuant to item (c), the aggregate value of the Fund's investments shall not exceed 30% of the Fund's NAV;

e) The value of the Fund's investments in debentures issued by any one group of companies shall not exceed 30% of the Fund's NAV;

f) The aggregate value of the Fund's investments in debentures which are rated below investment grade i.e. lower than BBB3 rating by RAM or below investment grade rating by other rating agencies, must not exceed 40% of the Fund's NAV;

g) The value of the Fund's placements in deposits with any single institution shall not exceed 20% of the Fund's NAV;

h) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times;

i) The value of the Fund's OTC derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV;

j) The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV. However, this exposure limit does not apply to:-

   i. Debentures traded on an OTC market; and

   ii. Structured products;

k) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;

l) The Fund's investments in debentures shall not exceed 20% of that issued by any single issuer;

m) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a predetermined issue size;

n) The limits and restrictions on the permitted investments set out above does not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia;

o) The issuers of the OTC derivatives must be licensed financial institutions with a minimum long term rating of AA by RAM or its equivalent rated by other rating agencies; and

p) Any other investment limits or restrictions imposed by the Guidelines applicable to the Fund.

The abovementioned limits and restrictions will be complied with at all times based on the up-to-date value of the Fund, and the value of their investments and instruments. However, a 5% allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of units or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached and the Manager, within three (3) months from the date of the breach will take all necessary steps and actions to rectify the breach.

DISTRIBUTION POLICY

Depending on the level of income the Fund generates, the Fund will provide distribution on an annual basis.

VALUATION POINT OF THE FUND

The Fund will be valued at 6.00 p.m. on every Business Day (or "trading day" or "T" day). However, if the Fund has exposure to investments outside of Malaysia, the Fund will be valued at 11.00 a.m. on the next Business Day (or "T + 1"). All foreign assets are translated into the base currency of the Fund i.e. MYR, based on the latest available bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

VALUATION OF ASSETS

We will ensure that the valuation of the Fund is to be carried out in a fair manner in accordance to the relevant laws and Guidelines. We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Malaysian Financial Reporting Standard 9 issued by the Malaysian Accounting Standards Board. In the absence of daily price or value of the assets, we will use the latest available price or value of the assets respectively.

- **Debentures**

  Valuation of unlisted debentures denominated in MYR will be done using the fair value price quoted by a bond pricing agency ("BPA") registered with the SC. If we are of the view that the price quoted by BPA differs from the market price quoted by at least three (3) independent dealers by more than 20 basis points and we determine that the methodology used by the independent dealers to obtain the market price is more appropriate, we may elect to use the price quoted by the independent dealers as the market price, provided that we record our basis for using a non-BPA price, obtain the necessary internal approvals to use the non-BPA price and keep an audit trail of all decisions and basis for adopting the market yields.

  Investment in other listed and unlisted debentures will be valued using the Composite Bloomberg Bond Trader (CBBT price) provided by Bloomberg. When CBBT prices are not available, the other listed and unlisted debentures will be valued by reference to the average indicative price quoted by at least 3 independent and reputable institutions. In the case where we are unable to obtain quotation from 3 independent and reputable institutions, the other listed and unlisted debentures will be valued in accordance to fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

- **Deposits**

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

- **Money Market Instruments**

  The valuation of MYR denominated money market instruments will be done using the price quoted by BPA registered with the SC. For foreign money market instruments, valuation will be done using the indicative yield quoted by independent and reputable institutions.

- **Derivatives and Structured Products**

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

ABOUT THE FEES AND CHARGES

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

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

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

SALES CHARGE

3.00% on the Offer Price and it is non-negotiable.

REPURCHASE CHARGE

We will impose a Repurchase Charge if repurchase of Units is made after the Investment Date of the Fund.

Depending on when the repurchase request is made, the following Repurchase Charge shall be applicable:

- 3.00% of NAV per Unit from the Investment Date up to the second (2nd) anniversary of the Investment Date.
- 2.00% of NAV per Unit from the Business Day immediately following the second (2nd) anniversary up to the fourth (4th) anniversary of the Investment Date.
- 1.00% of NAV per Unit from the Business Day immediately following the fourth (4th) anniversary up to the fifth (5th) anniversary of the Investment Date.
- At Maturity Date or Early Maturity Date – Nil

The Repurchase Charge is not negotiable.

Notes:

(1) There will not be any Repurchase Charge applicable on the repurchase request made before the Investment Date.

(2) At the Maturity Date or Early Maturity Date, we will cancel all Units and as such do not constitute a repurchase request. That being the case, Repurchase Charge is not applicable at the Maturity Date or Early Maturity Date, as the case may be.

(3) The Repurchase Charge will be retained by the Manager.

Assuming that the number of Units repurchased is 100,000, the NAV per Unit is MYR 1.00 and the repurchase request is made on the Fund's 1st anniversary from the Investment Date, the repurchased amount would be:-

100,000 Units x MYR 1.00 = MYR 100,000

Then, the Repurchase Charge would be:-

MYR 100,000 x 3.0% = MYR 3,000

TRANSFER FEE

Nil.

SWITCHING FEE

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

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

ANNUAL MANAGEMENT FEE

The management fee is up to 0.20% of the NAV of the Fund per annum (before deducting the management fee and trustee fee). The management fee is accrued daily and payable monthly.

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

$$\frac{\text{MYR 120 million} \times 0.20\%}{365 \text{ days}} = \text{MYR 657.53 per day}$$

ANNUAL TRUSTEE FEE

The Fund pays an annual trustee fee of up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges). The Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

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

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

$$\frac{\text{MYR 120 million} \times 0.04\%}{365 \text{ days}} = \text{MYR 131.51 per day}$$

FUND EXPENSES

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:

- Charges/fees paid to foreign sub-custodian;
- Taxes and other duties charged on the Fund by the government and/or other authorities;
- The fee and other expenses properly incurred by the auditor appointed for the Fund;
- Fees for the valuation of any investments of the Fund by independent valuers;
- Costs incurred for the modification of the Deed of the Fund other than those for the benefit of the Manager and/or Trustee;
- Cost incurred for any meeting of the Unit Holders except for those that convened for the benefit of the Manager or Trustee;
- Costs, fees and expenses incurred for the fund valuation and accounting of the Fund; and
- Other fees/expenses permitted in the Deed.

MAXIMUM RATE OF FEES AND CHARGES ALLOWABLE BY THE DEED

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

Sales Charge	3.00% of the Offer Price
Repurchase Charge	• 3.00% of NAV per Unit from the Investment Date up to the second (2nd) anniversary of the Investment Date. • 2.00% of NAV per Unit from the Business Day immediately following the second (2nd) anniversary up to the fourth (4th) anniversary of the Investment Date. • 1.00% of NAV per Unit from the Business Day immediately following the fourth (4th) anniversary up to the fifth (5th) anniversary of the Investment Date. • At Maturity Date or Early Maturity Date – Nil
Annual Management Fee	3.00% per annum of the NAV of the Fund calculated and accrued daily
Annual Trustee Fee	0.10% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)

REBATES AND SOFT COMMISSIONS

We 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 commission can be retained by us or our delegates provided that;-

- the goods and services are of demonstrable benefit to the Unit Holder in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments; and
- any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund.

UNDERSTANDING THE RISKS OF THE FUND

Below are the risks associated with the investments of the Fund that you should consider before investing.

	GENERAL RISKS OF THE FUND
Market risk	Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
Fund management risk	This risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. For example, investment decisions undertaken by us as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraudulent, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
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. Please refer to "*What Is The Process of Repurchase Application*" on page 21 for more details.
Performance risk	The performance of the Fund depends on the financial instruments that the Fund purchases. If the instruments do not perform within expectation or if there is a default, then, the performance of the Fund will be impacted negatively. The performance of the Fund may also be impacted if the allocation of assets is not properly done. This is where the experience and expertise of the fund managers are important and the risk on the lack of experience and expertise of the fund managers has been highlighted above. On that basis, there is never a guarantee that investing in the Fund will produce the desired investment returns or on the distribution of income.
Inflation risk	This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Operational risk	Operational risk is the risk of loss due to the breakdown, deficiencies or weaknesses in the operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control by the Manager. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.
Loan financing risk	This risk occurs when you take a loan or financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan.

	SPECIFIC RISKS OF THE FUND
Credit and default risk	Credit risk relates to the creditworthiness of the issuers of the fixed income instruments, i.e. debentures and money market instruments, and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income instrument. In the case of rated fixed income instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a fixed income instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income instruments. This could adversely affect the value of the Fund. As the Fund may also invest up to 40% of its NAV in unrated debentures and/or debentures which are rated below investment grade by Standard & Poor's, Moody's, Fitch, RAM, MARC or any other rating agencies, this will imply a higher credit risk We will follow a strict selection process to reduce the credit risk of the Fund. Please refer to "Fixed Income Instruments Selection Process and Criteria" on page 6 for more details. The chart below shows the credit rating assigned by Moody's, Standard & Poor's, Fitch, RAM and MARC:-

	Global Rating Agencies			Malaysian Rating Agencies	
	Moody's	**Standard & Poor's**	**Fitch**	**MARC**	**RAM**
Investment Grade	Aaa	AAA	AAA	AAA	AAA
	Aa1	AA+	AA+	AA+	AA1
	Aa2	AA	AA	AA	AA2
	Aa3	AA-	AA-	AA-	AA3
	A1	A+	A+	A+	A1
	A2	A	A	A	A2
	A3	A-	A-	A-	A3
	Baa1	BBB+	BBB+	BBB+	BBB1
	Baa2	BBB	BBB	BBB	BBB2
	Baa3	BBB-	BBB-	BBB-	BBB3
Non-Investment Grade	Ba1	BB+	BB+	BB+	BB1
	Ba2	BB	BB	BB	BB2
	Baa3 & lower	BB- & lower	BB- & lower	BB- & lower	BB3 & lower

Note: Credit ratings assigned by the credit rating agencies are dependent on the analyses and assessments conducted by the respective agencies. Due to different methodologies used by the agencies, the creditworthiness of the debentures may be concluded differently as well. Therefore, the credit ratings are not the sole indicator of investment merit. As such, credit rating assigned by a rating agency cannot be assumed as an equivalent rating by another rating agency and therefore, it should not be compared against with another.

Interest rate risk	This risk refers to the impact of interest rate changes on the valuation of the fixed income instruments, i.e. debentures and money market instruments. When interest rates rise, the instruments prices generally decline and this may lower the market value of the instruments. The reverse may apply when interest rates falls. For investments into deposits, the fluctuations in the interest rates will not affect the placement of deposits but will result in the opportunity loss by the Fund if the placement of deposits is made at lower interest rate.

	SPECIFIC RISKS OF THE FUND
Derivatives risk	Valuation of derivatives takes into account a multitude of factors such as movement of the underlying assets, the correlation of the underlying assets with the Fund, the implied future direction of the underlying assets and other factors. Any diverse changes of the factors mentioned above, may result in a lower NAV price and higher volatility for the Fund's NAV.
Structured product risk	The NAV of the Fund will be impacted by the valuation of the structured product. Factors that may impact the valuation of the structured products will include, but not limited to movement of the underlying asset, volatility of the underlying assets, interest rate levels, the correlation of the underlying assets and other such factors. Any change in the aforesaid factors would either positively or negatively impact the valuation of the structured products hence impacting the NAV of the Fund. As such, the Fund's NAV will be exposed to potential price volatility, which will be dependent on the valuation of the structured products that the Fund invested in.
Counterparty risk	Counterparty risk concerns the Fund's investment in structured products and derivatives ("Investments"). Counterparty risk is prevalent as the potential returns derived from the Investments are dependent on the ongoing ability and willingness of the issuer i.e. a financial institution to fulfill their respective financial commitments to the Fund in a timely manner. Bankruptcy, fraud or regulatory non-compliance arising out of and/or in connection with the issuer may impair the operations and/or the performance of the Fund. However, we will conduct stringent credit selection process of the issuer of the Investments prior to commencement of Investments and monitoring mechanisms established by us may potentially mitigate this risk. If, we are of the opinion there is material adverse change to an issuer, we may consider unwinding the issuer's Investments to mitigate potential losses that may arise.
Currency risk	Currency risk is also known as foreign exchange risk where the risk is associated with the Fund's underlying investments which are denominated in different currencies than the Fund's base currency, i.e. MYR. The impact of the exchange rate movement between MYR and the currencies of the underlying investments may result in depreciation or appreciation of the value of the Fund's investments as expressed in MYR.
Country risk	The foreign investments of the Fund may be affected by risks specific to the country in which it invests in. Such risks, which include changes in a country's economic fundamentals, social and political stability, currency movements and foreign investment policies, may have an impact on the prices of the Fund's investments in such countries. Consequently, it may also affect the Fund's NAV.
Repurchase risk	You are reminded to be prepared to commit your investment until the Maturity Date. Any repurchase request made by you will be based on Forward Pricing which is the NAV per Unit at the next valuation point. The NAV per Unit at that valuation point may be lower than your investment outlay. You are also reminded that exiting this Fund prior to the Maturity Date will attract a Repurchase Charge and this may further reduce any monies payable to you. The Repurchase Charge incurred by you will be retained by the Manager.
Reinvestment risk	This risk arises when an issuer of fixed income instrument decides to repay the principal earlier than the intended maturity date, especially during times of declining interest rates. As a result, the Fund may experience lower returns due to reinvesting in lower yielding fixed income instruments.
Mismatch risk	This risk arises upon the commencement of the Investment Date when there is a mismatch between the Maturity Date of the Fund and the maturity date of the investments which the Fund holds. A mismatch of maturity may potentially result in a loss to the Fund. As a simple example, assuming that the Fund matures on 31 July 2025 (5 years from Investment Date of 31 July 2020) but the Fund is holding a debenture that matures only in 2026. When the Fund matures, the Fund is forced to sell that debenture (to liquidate all investments) at the current market price (as at 31 July 2025) which may be lower than the nominal value of the debenture had the debenture been held until 2026.

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

DEALING INFORMATION

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

WHO IS ELIGIBLE TO INVEST?

- You must be a Sophisticated Investor who is at least eighteen (18) years old in order to invest in this Fund. Please refer to the "Glossary" chapter of this Information Memorandum for the details.

- Please note that if you are a US Person, you are not eligible to subscribe to the Units of the Fund. If we become aware that you are a US Person who holds Units of the Fund, we will issue a notice requiring you to:-
  - withdraw your Units of the Fund; or
  - transfer your Units to a non-US Person;

  within thirty (30) days from the date of the said notice.

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

Minimum Initial Investment	MYR 10,000
Minimum Additional Investment	MYR 5,000
Minimum Units Held	10,000 Units
Minimum Units of Repurchase	10,000 Units

- At our discretion, we may reduce the minimum initial investment amount, minimum additional investment, minimum Units held and minimum Units of repurchase.
- Any additional investments can only be made during the Offer Period.

HOW TO PURCHASE UNITS?

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

Individual or Jointholder	Corporation
• Account opening form; • Suitability assessment form; • Personal data protection notice form; • A copy of identity card or passport or any other document of identification; and • Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Self-certification Form.	• Account opening form; • Suitability assessment form; • Personal data protection notice form; • Certified true copy of memorandum and articles of association*; • Certified true copy of certificate of incorporation*; • Certified true copy of form 24 and form 49*; • Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*; • Latest audited financial statement; • Board resolution relating to the investment; • A list of the authorised signatories; • Specimen signatures of the respective signatories; and • Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Self-certification Form. ** or any other equivalent documentation issued by the authorities.*

HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

- Bank Transfer

  You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer and include your name in the transaction description for our reference. You may obtain our bank account details from our online download center at www.affinhwangam.com.

- Cheque, Bank Draft or Money Order

  Issuance of cheque, bank draft or money order should be made payable to "Affin Hwang Asset Management Berhad-CTA", crossed and drawn on a local bank. You are required to write your name, identity card number or business registration number at the back of the cheque, bank draft or money order.

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

WHAT IS THE PROCESS OF THE PURCHASE APPLICATION?

- During the Offer Period, if we receive your purchase application on a Business Day, we will create your Units based on the offer price of the Fund. Units will ONLY be sold during the Offer Period.
- Sale of Units will be honoured upon receipt of complete set of documents together with the proof of payments.

HOW TO REPURCHASE UNITS?

- You must meet the minimum holding of Units after a repurchase transaction. If you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum holdings of Units, we may withdraw all your holding of Units and pay the proceeds to you.
- 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.
- In the transaction form, you may choose to receive the repurchase proceeds in the manner of a cheque or bank transfer. If cheque is your option, we will issue the cheque in your name. If bank transfer is your option, proceeds will be transferred to your bank account. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders.
- Any incurred bank charges and other bank fees due to a withdrawal by cheque, bank transfer or other special arrangement method will be borne by you.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

- During the Offer Period, if we receive your repurchase application on a Business Day, we will repurchase your Units based on the Offer Price of the Fund. After the Offer Period, for a repurchase request received or deemed to have been received by us at or before 3.30p.m. on a Business Day (or "T day"), Units will be repurchased based on the NAV per Unit of the Fund for that Business Day. Any repurchase request received after 3.30p.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.
- In addition, the Trustee may suspend the repurchase of Units requests:

  (i) where the Trustee considers that it is not in the interests of the existing Unit Holders to permit the assets of the Fund to be sold or that the assets cannot be liquidated at an appropriate price or on adequate terms and immediately call a Unit Holders' meeting to decide on the next course of action; or

  (ii) without the consent of the Unit Holders, due to exceptional circumstances when there is a good and sufficient reason to do so having regard to the interests of the Unit Holders. In such case, the period of the suspension shall not exceed 21 days of the commencement of the suspension.

WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- You will be paid within ten (10) days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

WHAT IS THE PRICING OF UNITS?

- Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price. During Offer Period, the Selling Price and the Repurchase Price is equivalent to the Offer Price. After the Offer Period, Forward Pricing will be used to determine the Repurchase Price per Unit of the Fund, which is the NAV per Unit for the Fund as at the next valuation point after the repurchase request is received by us.

WHERE TO PURCHASE AND REPURCHASE UNITS?

- Units can be purchased and repurchased at any of the location listed in "Directory of Sales Office" section.
- You may obtain a copy of the Information Memorandum, PHS and application forms from the abovementioned location. Alternatively, you may also visit our website at www.affinhwangam.com.

WHAT ARE THE SWITCHING OPTIONS?

- Switching facility is not available for this Fund.

CAN I TRANSFER MY UNITS TO ANOTHER PERSON?

- You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holdings of Units to remain as a Unit Holder.

  It is important to note that we are at the liberty to disregard or refuse to process the transfer application if the processing of such instruction be in contravention of any law or regulatory requirements, whether or not having the force of law and/or would expose us to any liability. The person who is in receipt of the Units must be a Sophisticated Investor as well.

HOW DO I RECEIVE THE INCOME DISTRIBUTION?

- All income shall be paid in cash. There will be no option for you to reinvest the income in the form of additional Units for this Fund.

  For telegraphic transfer option, payment will be transferred to your bank account within seven (7) Business Days after the distribution date.

  For cheques option, you will receive the cheque by mail within seven (7) Business Days after the distribution date, which will be sent to the last known address recorded in the Fund's register of Unit Holders.

  At the Maturity Date of the Fund, we will redeem or sell the assets of the Fund, and return all proceeds to you (based on the number of Units you hold), subject to the applicable Fund expenses and fees. The payment of income and proceeds is expected to be paid to you within two (2) weeks from the Maturity Date and will not be more than two (2) month from the Maturity Date.

RELATED PARTIES TO THE FUND

ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. In early 2014, AHAM was acquired by the Affin Banking Group ("Affin") and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, AHAM has over 16 years' experience in the fund management industry. Additionally, AHAM is also 27% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co., Ltd., an Asian investment management franchise.

Our Role as the Manager

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

Our Investment Team

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

Ms Esther Teo Keet Ying – Head, Fixed Income Investment

Ms Esther Teo is the Head of Fixed Income Investment. Prior to joining the Manager, she was attached with the fixed income division of RHB Asset Management Sdn. Bhd. covering both institutional and unit trust mandates for three (3) years. She began her career in KPMG Malaysia in 1999 as a consultant in financial advisory services specializing in corporate debt restructuring and recovery. Esther graduated from the University of Melbourne, Australia with a Bachelor of Commerce majoring in Accounting and Finance. She has also obtained her licence from the SC on 29 April 2004 to act as a fund manager.

ABOUT THE TRUSTEE - TMF TRUSTEES MALAYSIA BERHAD

The Trustee is part of TMF Group, an independent global service provider in the trust and fiduciary sector. The group has more than 125 offices in 83 jurisdictions in the world. The Trustee started in Malaysia in 1992 with its first office in Labuan International Business Financial Centre (IBFC), providing trust and fiduciary services. The Kuala Lumpur office was established in 2003 to support the Labuan office in servicing Malaysian clients and to undertake domestic trust business.

Duties and Responsibilities of the Trustee

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

RELEVANT INFORMATION

SALIENT TERMS OF THE DEED

Your Rights and Liabilities

You have the right, among others, to the followings:-

(a) To receive the distribution of income, participate in any increase in the value of the Units and to other such rights and privileges as set out under the Deed for the Fund;

(b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution; and

(c) To receive annual and quarterly reports.

However, you would not have the right to require the transfer to the Unit Holder of any of the investments or assets of the Fund. Neither would you have the right to interfere with or question the exercise by the Trustee or the Manager on his behalf, of the rights of the Trustee as trustee of the investments or assets of the Fund.

You are not liable to the followings:-

(a) For any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased;

(b) For any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the NAV of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

Provisions Regarding Unit Holders' Meetings

Unit Holders' Meeting Convened By The Unit Holders

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

(a) 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; and

(b) 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.

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

(a) requiring the retirement or removal of the Manager;

(b) requiring the retirement or removal of the Trustee;

(c) considering the most recent financial statements of the Fund; or

(d) giving to the Trustee such directions as the meeting thinks proper;

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

Unit Holders' Meeting Convened By The Trustee

Notwithstanding anything herein the Deed contained, and unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee for the purpose of authorising the exercise of the right to vote by the Manager and/or the Trustee in respect of any shares forming part of the investments of the Fund which are held by the Manager and/or the Trustee at any election for the appointment of any director of a corporation whose shares are so held shall be summoned by:

(a) sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and

(b) publishing at least fourteen (14) 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.

All such notices and advertisement to the Unit Holders shall specify the place, time and terms of the resolutions to be proposed.

Where the Trustee summons a Unit Holders' meeting in the event:

(a) the Manager is in liquidation;

(b) in the opinion of the Trustee, the Manager has ceased to carry on business; or

(c) 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.

Or where the Trustee may also summon a Unit Holders' meeting for any purpose including, without limitation, for the purpose of:

(a) requiring the retirement or removal of the Manager;

(b) 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;

(c) securing the agreement of the Unit Holders to release the Trustee from any liability;

(d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to Clause 6.9.1 of the Deed; and

(e) deciding on the reasonableness of the annual management fee charged to the Fund or each Class.

Then, a meeting of the Unit Holders summoned by the Trustee shall be summoned by:

(a) 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

(b) 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.

Unit Holders' Meeting Convened By The Manager

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

Quorum Required for Convening A Unit Holders' Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.

Termination of the Fund

The Fund may be terminated or wound up subject to a Special Resolution being passed at a Unit Holders' meeting to terminate or wind up the Fund.

Procedures to be taken to increase the Fees and Charges from the current amount stipulated in the Information Memorandum

We may not charge a Sales Charge and/or Repurchase Charge at a rate higher than that disclosed in a prevailing information memorandum unless:-

(a) we have notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and

(b) a supplemental/replacement information memorandum is issued thereafter.

We or the Trustee may not charge an annual management fee and/or an annual trustee fee at a rate higher than that disclosed in a prevailing information memorandum unless:

(a) both the trustee and the Manager have come to an agreement on the higher rate;

(b) we has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and

(c) a supplemental/replacement information memorandum stating the higher rate is issued thereafter.

INCORRECT PRICING

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

The Trustee will not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on your account is less than MYR 10.00, if applicable. 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 repurchase and cancellation of Units.	AHAM	Fund
Under valuation and/or pricing in relation to the repurchase and cancellation of Units	Fund	Unit Holder or former Unit Holder

POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS

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

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

UNCLAIMED MONIES

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

INVESTORS INFORMATION

How can I keep track of my investment?

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

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

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

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

ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA") and the SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries, it is our responsibility to prevent AHAM from being used for money laundering and terrorism financing activities. To this end, we have established an Anti-Money Laundering/Counter-Financing of Terrorism Framework (AML/CFT Framework) and put in place anti-money laundering process and procedures to combat such activities. This includes a robust due diligence process and procedures for client on-boarding (such as know-your-client procedures and customer due diligence) as well as ongoing monitoring of clients transactions to detect any suspicious transactions.

To meet our regulatory obligations to verify the identity of our clients and to verify the source of funds, we may request for additional information from you. Information requested may include, but not limited to, supporting documents, documentary evidence to support information given and could extend to documents regarding identity of beneficial owners (if applicable). We reserve the right to reject an application to invest in the Fund should clients fail to provide the information required. Furthermore, where a particular transaction is deemed suspicious, we have an obligation under the AMLATFPUAA to notify the relevant authority of the transaction.

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