

PRODUCT HIGHLIGHTS SHEET

for

AHAM Enhanced Income Fund

(Formerly known as Affin Hwang Enhanced Income Fund)

Date of issuance: 17 November 2023

RESPONSIBILITY STATEMENT

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

STATEMENT OF DISCLAIMER

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

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the AHAM Asset Management Berhad (429786-T) responsible for the Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

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

PRODUCT HIGHLIGHTS SHEET

AHAM ENHANCED INCOME FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

This is a wholesale income fund, issued and managed in-house by the Manager. The Fund is a fixed income based fund which aims to provide investors with regular income through investments in a diversified portfolio of money market instruments and fixed income securities.

PRODUCT SUITABILITY

2. Who is this product suitable for?

This Fund is designed for Sophisticated Investor who seek regular income distribution and have a low to medium risk tolerance.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	2 January 2014							
Tenure	This Fund is an open-ended fund where it does not have a fixed maturity date and may only be terminated in accordance with the terms of the Information Memorandum and the provisions of the Deed.							
Base Currency	MYR							
Asset Allocation	<p>The Fund asset allocation range is as follows:-</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of NAV</th> </tr> </thead> <tbody> <tr> <td>Fixed income securities and money market instruments</td> <td>Minimum of 70% – maximum of 100%</td> </tr> <tr> <td>Cash or deposits</td> <td>Remaining balance of the Fund's NAV</td> </tr> </tbody> </table> <p><i>The Manager will also maintain a sufficient level of cash or cash equivalent for liquidity purposes.</i></p>		Asset Class	% of NAV	Fixed income securities and money market instruments	Minimum of 70% – maximum of 100%	Cash or deposits	Remaining balance of the Fund's NAV
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Fixed income securities and money market instruments	Minimum of 70% – maximum of 100%							
Cash or deposits	Remaining balance of the Fund's NAV							
Benchmark	<p>12-month Malayan Banking Berhad fixed deposit rate.</p> <p>Investors are advised that the selection of the 12-month Malayan Banking Berhad fixed deposit rate as the benchmark does not imply that the risk profile of this Fund is the same as that of a depositor.</p>							
Investment Strategy	<p>To achieve its objective, the Fund intends to invest in a diversified portfolio of fixed income securities and money market instruments.</p> <p>The Manager seeks to invest in low risk money market instruments by taking into consideration the capital preservation* and liquidity of the Fund. The money market instruments will primarily consist of commercial papers and treasury bills. When selecting the issuers, the Manager will follow an internal credit rating model which provides an assessment on the credit quality, liquidity, and different market scenarios.</p> <p>To enhance the income for the Fund, the Manager will also invest in fixed income securities (i.e. bonds). The Manager intends to source for underpriced bonds in order to increase the overall portfolio returns of the Fund. In selecting individual bond, the Manager will consider the following:</p> <ul style="list-style-type: none"> • Issuer's and/or guarantor's industry and business medium to long term outlook; • Issuer's and/or guarantor's financial strength and gearing levels; • Issuer's and/or guarantor's cash flow quality and volatility; • Issuer's and/or guarantor's future cash flow and ability to pay interest and principal; 							

	<ul style="list-style-type: none"> • Local issuer’s and/or guarantor’s ratings by RAM Rating Services Berhad (“RAM”) or Malaysian Rating Corporation Berhad (“MARC”); • Foreign issuer’s and/or guarantor’s ratings by a recognised global rating agency such as Standard & Poor’s Ratings Service, Moody’s or Fitch; • Duration and interest rate sensitivity; • Collateral type and value, and claims priority; and • Price and yield-to-maturity. <p>The Manager also perform active duration management whereby the decision to increase or reduce the overall portfolio duration will be driven by the interest rate outlook for the market over the short to medium horizon. This will enable the Manager to decide on the duration and tenure of the investments for the Fund. For example, in periods of rising interest rates, the Manager will likely move to shorten the overall portfolio duration in order to avoid potential capital losses due to holding on to long term investments. Conversely, in periods of declining interest rates, the Manager will likely move to lengthen the overall portfolio duration in order to extract gains from holding on to long term investments.</p> <p>For fixed income securities, the Manager will also seek opportunities to invest in foreign markets which are eligible markets.</p> <p>The Manager will continuously monitor the investments within the portfolio actively. In the best interest of the Unit Holders, in order to safeguard the assets and total returns for the Fund, the Manager will not hesitate to liquidate an investment if there are potential signs of credit deterioration and to replace it with another permitted investment which closely matches the Fund’s objective. This is done as part of the Manager’s risk management process and it is to note that such replacement is not expected to alter the overall risk profile of the Fund.</p> <p>Derivatives</p> <p>Derivatives 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 whereas swaps is an agreement to swap or exchange two financial instruments between two parties.</p> <p>The intention of hedging is to preserve the value of the assets from any adverse price movements. 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.</p> <p>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.</p> <p><i>* The Fund is not a capital guaranteed nor a capital protected fund.</i></p>
Distribution Policy	The Fund will declare distribution on a quarterly basis, subject to the availability of income.
Minimum Initial Investment*	RM1,000,000
Minimum Additional Investment*	MYR 500,000
Minimum Repurchase Amount*	100,000 Units
Minimum Holding of Units*	1,000,000 Units

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

**At our discretion, we may reduce the minimum initial investment, minimum additional investment, minimum repurchase amount and minimum holding of Units.*

4. Who am I investing with?

Relevant parties information:

The Manager	AHAM Asset Management Berhad
The Trustee	CIMB Commerce Trustee Berhad

5. What are the possible outcomes of my investment?

The Fund intends to invest mainly in money market instruments. To enhance the income for the Fund, the Manager will also invest in fixed income securities (i.e. bonds).

Due to the nature of the Fund’s investments, the performance of this Fund would to a certain extent be linked to the price movements of fixed income securities. If the fixed income securities that are invested by the Fund perform well, the Fund may reflect similar performance and likewise. In addition, the Fund’s performance will rely on the Manager’s expertise in managing the Fund.

However, the Fund does not provide a guarantee on capital contributed nor does it guarantee a fixed rate of return.

KEY RISKS

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

General Risks

- **Market risk** - Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
- **Fund management risk** – This risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. For example, investment decisions undertaken by us as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraud, 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 scenario is where an investment cannot be sold due to the unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the Fund and subsequently the value of Unit Holders’ investments in the Fund. Upon such event and in the best interest of the Unit Holders, the Manager may suspend the repurchase of Units requests. Please refer to “Suspension of Dealing in Units” section of this Information Memorandum for more details.
- **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 NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan/financing.
- **Risk of non-compliance** – This risk refers to the possibility that the rules governing the Fund which is set out in the Deed and the Guidelines may not be observed by the Manager, whether intentionally or otherwise. Whilst not every non-observance to the rules governing the Fund will necessarily result in some losses to the Fund, investors are advised that the potential for the Fund to suffer losses may be heightened if the non-observation of the rules governing the Fund is due to the fraud or dishonest acts on the part of the Manager.
- **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 instances of this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.
- **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 or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. 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.

- **Related party transaction risk** – The Fund may also have dealings with parties related to AHAM. Nevertheless, it is our policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arm’s length transaction between independent parties.

Specific Risks

- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the fixed income securities and money market instruments and the Financial Institutions where the deposits are placed (hereinafter referred to as “investment”) and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer and/or Financial Institution may impact the value as well as liquidity of the investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or a Financial Institution of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.
- **Interest rate risk** – This risk refers to the impact of interest rate changes on the valuation of the fixed income securities and money market instruments (hereinafter referred to as “investment”). Generally, movement in interest rates affects the prices of investment inversely. For example, when interest rates rise, prices of investment will fall. The fluctuations of the prices of investment will also have an impact on the NAV of the Fund. This risk can largely be eliminated by holding the investment until their maturity. We also manage interest rate risk by considering each investment’s sensitivity to interest rate changes. When interest rates are expected to increase, the Fund would then likely seek to switch to investment that are less sensitive to interest rate changes. For investments in 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.
- **Country risk** – Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of Units to fall.
- **Currency risk** – As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency of the Fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
- **Legal and regulatory risk** - The Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objective followed by the Fund. Furthermore, such changes in the laws may have an impact on the market sentiment which may in turn affect the performance of the Fund. It is impossible to predict whether such impact caused by any change in the law will be positive or negative for the Fund. In the worst case scenario, a Unit Holder may lose all his investments in the Fund.

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

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

FEES & CHARGES

7. What are the fees and charges involved?

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

What will I be charged by the Manager?

Sales charge	Up to 1.00% of the NAV per Unit * * Investors may negotiate for a lower Sales Charge.
Repurchase charge	Nil
Switching fee	Not applicable as switching facility is not available for this Fund.
Transfer fee	Not applicable as transfer facility is not available for this Fund.

What are the key ongoing fees charged to the Fund?

Management Fee	Up to 0.25% per annum of the NAV of the Fund (before deducting the management fee and trustee fee).
Trustee Fee	Up to 0.02% per annum of the NAV of the Fund (excluding foreign custodian fees and charges) (before deducting the management fee and trustee fee).

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

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

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VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

The Fund will be valued on every Business Day and you may obtain the NAV and NAV per Unit of the Fund from our website at www.aham.com.my, our customer service via our toll free number 1-800-88-7080 or email to customercare@aham.com.my.

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

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

CONTACT INFORMATION

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

1. For internal dispute resolution, you may contact our customer service personnel:
 - (a) via phone to : 03 – 2116 6000
 - (b) via fax to : 03 – 2116 6100
 - (c) via toll free no. : 1-800-88-7080
 - (d) via email to : customercare@aham.com.my
 - (e) via letter : AHAM Asset Management Berhad
Ground Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

Complaints should be made in writing with the following information:

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

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Centre (SIDREC):
 - (a) via phone to : 03 - 2282 2280
 - (b) via fax to : 03 - 2282 3855
 - (c) via email to : info@sidrec.com.my
 - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1 Level 9, Tower A, Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:
- (a) via phone to the Aduan Hotline at : 03 – 6204 8999
 - (b) via fax to : 03 – 6204 8991
 - (c) via e-mail to : aduan@seccom.com.my
 - (d) via online complaint form available at www.sc.com.my
 - (e) via letter to : Consumer & Investor Office
Securities Commission Malaysia,
No 3 Persiaran Bukit Kiara, Bukit Kiara,
50490 Kuala Lumpur
4. Federal of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
- (a) via phone to : 03 – 20923800
 - (b) via fax to : 03 – 20932700
 - (c) via e-mail to : complaints@fimm.com.my
 - (d) via online complaint form available at : www.fimm.com.my
 - (e) via letter to : Legal, Secretarial & Regulatory Affairs
Federal of Investment Managers Malaysia
19-06-1, 6th Floor Wisma Tune,
No. 19, Lorong Dungun Damansara Heights,
50490 Kuala Lumpur

APPENDIX : GLOSSARY

Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
Business Day	Means a day on which Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading.
Deed	Refers to the deed dated 10 December 2012, the supplemental deed dated 1 July 2014 and the second supplemental deed dated 26 October 2023 all entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
deposit(s)	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.
eligible market(s)	Means an exchange, government securities market or an over-the-counter ("OTC") market– that is regulated by a regulatory authority of that jurisdiction; that is open to the public or to a substantial number of market participants; and on which financial instruments are regularly traded.
Fitch	Means Fitch Ratings.
Financial Institutions	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank; or (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Fund	Refers to AHAM Enhanced Income Fund (<i>formerly known as Affin Hwang Enhanced Income Fund</i>).
Guidelines	Means Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework issued by the SC and as amended from time to time.
Information Memorandum	Means the offer document in respect of the Fund as may be replaced or amended from time to time.
Manager / AHAM / we / us / our	Refers to AHAM Asset Management Berhad (<i>formerly known as Affin Hwang Asset Management Berhad</i>).
Moody's	Means Moody's Investors Service.
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.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Sales Charge	Means a charge imposed pursuant to a purchase request.
SC	Means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.

Sophisticated Investors	<p>Refers to any person (a) who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act; (b) who acquires unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or (c) any other person as may be determined by the SC from time to time under the Guidelines.</p> <p>Note: For more information, please refer to our website at www.aham.com.my for the current excerpts of Part 1, Schedules 6 and 7 of the Act and the list of other Sophisticated Investors as permitted by the SC under the Guidelines.</p>
Trustee	Refers to CIMB Commerce Trustee Berhad.
Unit or Units	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.
Unit Holder(s), you	Refers to the person/corporation for the time being who, in full compliance to the relevant laws is a Sophisticated Investor pursuant to the Guidelines including a jointholder.
Units in Circulation	<p>Means Units created and fully paid for and which have not been cancelled.</p> <p><i>It is also the total number of Units issued at a particular valuation point.</i></p>