

# PRODUCT HIGHLIGHTS SHEET

for

## **AHAM Total Return Fund** *(Formerly known as Affin Hwang Total Return Fund)*

**Date of issuance: 10 November 2023**

### RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors and/or authorized committee and/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, that there are no false or misleading statements or omissions 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 Total Return 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 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, 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 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 TOTAL RETURN FUND

#### BRIEF INFORMATION ON THE PRODUCT

##### 1. What is this product about?

AHAM Total Return Fund is an open-ended wholesale derivatives fund which seeks to provide total return over the medium to long-term period investment horizon.

#### PRODUCT SUITABILITY

##### 2. Who is this product suitable for?

The Fund is designed for Sophisticated Investors who seek total return through exposure in fixed income instruments, have a medium to long term investment horizon and have a high risk tolerance.

#### KEY PRODUCT FEATURES

##### 3. What am I investing in?

<b>Launch Date</b>	25 November 2019
<b>Tenure</b>	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.
<b>Base Currency</b>	USD
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>A minimum of 50% of the Fund's NAV to be invested in derivatives; and</li> <li>Remaining balance of the Fund's NAV to be invested in money market instruments and/or deposits.</li> </ul>
<b>Benchmark</b>	<p>USD Libor 3 months + 1.5%</p> <p><i>The risk profile of the Fund is different from the risk profile of the benchmark.</i></p>
<b>Investment Strategy</b>	<p>The Fund will invest a minimum 50% of the Fund's NAV in derivatives issued by Financial Institution(s) i.e the structurer(s), while the remaining balance will be invested in money market instruments and/or deposits.</p> <p>The Fund's potential capital appreciation is expected to be derived from its investment in derivatives that provide exposure to the AHAM Hard Currencies Fixed Income Fund (<i>Formerly Known as Affin Hwang Hard Currencies Fixed Income Fund</i>) ("Reference Fund"). The Fund's strategy is to invest a minimum of 50% of the Fund's NAV in such derivatives, on a rolling basis.</p> <p>Derivatives includes but not limited to options and swaps where the values of such assets are derived from their underlying securities. Generally, derivatives would provide investors with an alternate means to gain exposure to various underlying as compared to direct investments. In the Fund's case, the derivatives would provide exposure to the Reference Fund. The returns from the derivatives would refer to the performance of its underlying over a set period. For example, a quarterly settled derivative on the Reference Fund may provide returns based on that quarter's performance of the Reference Fund.</p> <p>In addition, derivatives can provide an enhanced exposure to the Reference Fund. In the Fund's case, the derivatives targeted by the Fund would provide up to 200% of the Fund's exposure to the Reference Fund. This means that the 100% of the initial investment of the Fund into derivatives would provide the Fund with enhanced notional to the Reference Fund up to 200% of the Fund's notional size as compared to a direct investment into the Reference Fund.</p> <p>In terms of selection of the structurer of the derivatives, we will only consider the structurers which are licensed financial institutions or foreign incorporated institutions which are regulated</p>

	<p>by an equivalent authority abroad with a minimum long-term rating that indicates strong capacity for timely payment of financial obligations provided by any domestic or global rating agency.</p> <p>We will also ensure that derivatives selected would be able to meet the investment objective and strategy requirements of the Fund in terms of providing enhanced exposure to the Reference Fund.</p> <p><b>Temporary Defensive Position</b> We hold the option to take temporary defensive measures that may be inconsistent with the Fund's principal strategy and asset allocation to protect the Fund against adverse market conditions. To manage the risk of the Fund, we may shift the Fund's focus into lower risk investments such as deposits with Financial Institutions or money market instruments.</p> <p><b>Information of AHAM Hard Currencies Fixed Income Fund (Formerly Known as Affin Hwang Hard Currencies Fixed Income Fund) ("Reference Fund")</b> The investment objective of the Reference Fund is to provide investors with a steady income stream over the medium to long-term investment horizon through investments primarily in global fixed income instruments.</p> <p><i>For further information on the Reference Fund, kindly refer to the Information Memorandum.</i></p>
<b>Distribution Policy</b>	The Fund is expected to provide annual distribution subject to the availability of income.
<b>Minimum Initial Investment*</b>	USD 50,000
<b>Minimum Additional Investment*</b>	USD 1,000
<b>Minimum Repurchase Units*</b>	50,000 Units
<b>Minimum Units Held*</b>	50,000 Units
	If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, you will be required to make an additional investment in order to meet the required minimum balance of investment. Otherwise, we may withdraw all your holding of Units in the Fund and pay the proceeds to you.
<b>Minimum Switching of Units</b>	Not Applicable

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

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

#### 4. Who am I investing with?

Relevant parties' information:

<b>The Manager</b>	AHAM Asset Management Berhad
<b>The Trustee</b>	CIMB Commerce Trustee Berhad

#### 5. What are the possible outcomes of my investment?

This Fund is a wholesale derivatives fund that invests primarily in derivatives referencing to a Reference Fund. The performance of the Fund would be dependent on the Reference Fund that the Fund invests in through derivatives. The Fund's performance is reliant on the Manager's expertise in managing the Fund to meet its objective.

Unlike fixed deposits which generally provide a guarantee on capital invested and carry specific rate of return, the Fund's investment into derivatives does not provide a guarantee on capital contributed nor does it guarantee a fixed rate of return.

The Fund endeavours to distribute income, if any, on an annual basis. However, the amount of income available for distribution may fluctuate from year to year.

## 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. Market risk cannot be eliminated but may be reduced through diversification. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
- **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 laws 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 the Information Memorandum 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.
- **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.
- **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 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

- **Derivatives risk** – Swaps – in general, a swap transaction is one in which one party commits to payments based on an agreed rate (either fixed or variable), while the other party makes payments that are dependent on the return of an underlying referenced asset. A swap allows the party receiving the total return to gain exposure from a referenced asset without having to own it and only committing a minimal capital outlay on the onset of the agreement. 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.
- **Counterparty risk in relation to the Fund** – Counterparty risk concerns the Fund's investment in embedded

derivatives and derivatives (hereinafter referred to as “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 fulfil 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.

- **Liquidity risk in relation to the Fund** – Since the purchase of derivatives is made “off-market” i.e. not through an exchange but rather through negotiated terms with the structurer, the structurer is effectively the seller of the derivatives and also the only buyer of the derivatives when the Fund wishes to make partial or even a full unwinding of the derivatives. The liquidity risk in this context refers to the inability of the Fund to source for another buyer in order to take advantage of better pricing that would be available if there were multiple buyers when the Fund wishes to make a partial or even a full unwinding of the derivatives.
- **Embedded derivatives risk** – The NAV of the Fund will be impacted by the valuation of the embedded derivatives. Factors that may impact the valuation of the embedded derivatives will include, but not limited to movement of the underlying assets, 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 embedded derivatives 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 embedded derivatives that the Fund invested in.
- **Interest rate risk** – This risk refers to the impact of interest rate changes on the valuation of 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.
- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the money markets 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 investments, 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.
- **Currency risk** – As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
- **Country risk** – 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.
- **Concentration risk** - This risk arises because the Fund may have placement of deposits with a single Financial Institution, transaction on over-the-counter derivative with any single counterparty and/or investments in money market instruments with a single issuer. The Fund is subject to the risks linked to the particular Financial Institution, counterparty and/or issuer. The risk may be in the form of credit risk, for example, when the particular Financial Institution, counterparty and/or issuer is not able to repay the interest and/or principal possibly due to its poor financial position. Therefore, should such risk happen, the Fund’s concentrated portfolio will cause the Fund’s overall value to decline to a greater degree than if the Fund was exposed to a less concentrated portfolio.

**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?**

<b>Sales charge</b>	Up to 3.00% of the NAV per Unit.
<b>Repurchase charge</b>	Nil.
<b>Switching fee</b>	Not applicable as the switching facility is not available for the Fund.
<b>Transfer fee</b>	Nil.

**What are the key ongoing fees charged to the Fund?**

<b>Management fee</b>	Up to 1.00% per annum of the NAV of the Fund.
<b>Trustee fee</b>	Up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges)

**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.**

**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](http://www.aham.com.my), our customer service via our toll free number 1-800-88-7080 or email to [customercare@aham.com.my](mailto: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 your investments in the Fund at any point in time by completing the repurchase application form and returning it to us on every Thursday or the next Business Day if Thursday is a public holiday (or "T day") between 8.45 a.m. to 3.30 p.m. Payments will be made to you within ten (10) Business Days from the day the repurchase request is received by us 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](mailto: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

<b>Base Currency</b>	Means the currency in which the Fund is denominated i.e. USD.
<b>Bursa Malaysia</b>	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>Business Day</b>	Means a day on which Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading.
<b>Deed</b>	Refers to the deed dated 8 November 2019 and the first supplemental deed dated 20 October 2023 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
<b>Development Financial Institution</b>	Means a development financial institution under the Development Financial Institutions Act 2002.
<b>Financial Institution</b>	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank; (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
<b>Guidelines</b>	Refers to <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC as amended or modified from time to time.
<b>Information Memorandum</b>	Means the offer document in respect of this Fund as may be replaced or amended from time to time.
<b>Manager or AHAM</b>	Refers to AHAM Asset Management Berhad ( <i>formerly known as Affin Hwang Asset Management Berhad</i> ).
<b>medium term to long term</b>	Means a period of three (3) years and above.
<b>NAV</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point;

<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>Repurchase Price</b>	Means the price payable to the Unit Holder by the Manager for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.
<b>Sales Charge</b>	Means a charge imposed pursuant to a purchase request.
<b>SC</b>	Securities Commission Malaysia.
<b>Sophisticated Investor</b>	<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 <a href="http://www.aham.com.my">www.aham.com.my</a> 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>
<b>Unit or Units</b>	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a unit of the Fund.
<b>Unit Holder(s), you</b>	Means 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.
<b>Units in Circulation</b>	<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>