

# PRODUCT HIGHLIGHTS SHEET

for

## AHAM Income Fund 3

**Date of issuance: 15 November 2024**

### 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 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 Income Fund 3 (“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 INCOME FUND 3**

**BRIEF INFORMATION ON THE PRODUCT**

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

The Fund is an open-ended wholesale fixed income fund which seeks to provide investors with a steady income over the medium to long-term investment horizon.

**PRODUCT SUITABILITY**

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

The Fund is designed for Sophisticated Investors who seek regular income distribution, have a medium to long-term investment horizon, and have a low risk tolerance.

**KEY PRODUCT FEATURES**

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

<b>Launch Date</b>	1 August 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>	MYR
<b>Investment Objective</b>	The Fund aims to provide investors with a steady income over the medium to long term investment horizon. <i>Any material change to the Fund's investment objective would require Unit Holders' approval.</i>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>A minimum of 50% of the Fund's NAV to be invested in debentures; and</li> <li>A maximum of 50% of the Fund's NAV to be invested in money market instruments, deposits and/or cash.</li> </ul>
<b>Investment Strategy</b>	<p>The Fund aims to achieve its investment objective by investing a minimum of 50% of its NAV in debentures and a maximum of 50% of its NAV in money market instruments and deposits with a remaining maturity period of not more than three hundred and ninety-seven (397) days and/or cash.</p> <p>We will combine a top-down and bottom-up approach to identify investment opportunities. Macroeconomic trends and market analysis are the important considerations in deriving the top-down perspective on interest rate outlook, fixed income markets, and currency movements. For bottom-up approach, we would conduct analysis on the issuers to assess their ability to service their debt obligation.</p> <p>The Fund's investment will consist of a majority of MYR-denominated government and corporate bonds. The Fund will invest in corporate bonds that meet the following credit rating requirements:</p> <ul style="list-style-type: none"> <li>a minimum credit rating of A3 by RAM, A- by MARC or equivalent rating by any other similar rating agencies at the point of purchase. However, the Fund has the flexibility to hold up to 5% of its NAV in corporate bonds rated below the minimum credit rating of A3 by RAM, A- by MARC or equivalent rating by any other similar rating agencies in the event of a downgrade; and</li> <li>a minimum average credit rating of AA3 by RAM, AA- by MARC or equivalent rating by any other similar rating agencies.</li> </ul> <p>The asset allocation for corporate bonds is as follows:</p>

	<ul style="list-style-type: none"> <li>• a maximum of 80% of the Fund's NAV in corporate bonds rated either AA1, AA2 or AA3 by RAM, AA+, AA or AA- by MARC or equivalent rating by any other similar rating agencies; and</li> <li>• a maximum of 25% of the Fund's NAV in corporate bonds rated either A1, A2 or A3 by RAM, A+, A or A- by MARC or equivalent rating by any other similar rating agencies.</li> </ul> <p>The above credit rating limits do not apply to (i) securities or instruments issued by Government of Malaysia, Bank Negara Malaysia or state authorities, (ii) issuances guaranteed by any of the abovementioned institutions, or (iii) government-backed issuances.</p> <p>The selection of debentures will depend largely on its credit quality where the respective issuers will have strong ability to meet their financial obligations, healthy cash-flow, the collateral type, value, claims priority as well as offer highest safety for timely payment of interest and principal. In addition, the portfolio duration shall not exceed five (5) years. Individual bonds' maturity should be less than or equal to ten and a half (10.5) years at the point of purchase. The Fund should not utilize leveraged investment.</p> <p>We will carry out a stringent credit selection process when identifying issuances to be included into the portfolio. This is done with the aim of ensuring that the underlying investments are of high credit quality and are able to provide relative certainty of principal repayment while maintaining overall total return stability.</p> <p>Additionally, the Fund will also have the flexibility to maintain a maximum of 50% of its NAV in (i) money market instruments with a minimum credit rating of A3/P1 by RAM, A-/MARC-1 by MARC or equivalent rating by any other similar rating agencies at the point of purchase, (ii) deposits placed with financial institutions with a minimum credit rating of either A3 by RAM, A- by MARC or equivalent rating by any other similar rating agencies at the point of placement and/or (iii) cash. The Fund's investment in money market instruments and/or deposits shall have a remaining maturity period of not more than three hundred and ninety-seven (397) days.</p> <p>In the unlikely event of a credit rating downgrade, we reserve the right to deal with the said investment(s) in the best interest of the investors including to dispose of the said investment(s) within a reasonable time frame.</p> <p>Our trading strategy when managing the portfolio of investments may vary depending on the prevailing market environment, and interest rate outlook. We will largely maintain a buy and hold strategy for the Fund's investments, although the Manager can sell holding issues based on their credit analysis, macroeconomic view etc.</p> <p><b>Temporary Defensive Measure</b></p> <p>We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation to protect the Fund against adverse market conditions that may impact financial markets. To manage the risk of the Fund, we may shift the Fund's focus and exposure into lower risk investments such as money market instruments, deposits and/or cash.</p> <p>We may hold more than 50% of the Fund's NAV in money market instruments, deposits and/or cash under circumstances such as:</p> <ul style="list-style-type: none"> <li>(i) large injection of cash by investors into the Fund;</li> <li>(ii) sale of investment holdings of the Fund; and</li> <li>(iii) any other circumstances that are in line with the Fund's objective.</li> </ul> <p>In the event the Fund's investments in money market instruments, deposits and/or cash level exceeds 50% of the Fund's NAV due to the above circumstances, we will, on best effort basis, ensure that the money market instruments, deposits and/or cash level is reduced to 50% of the Fund's NAV.</p>
<b>Benchmark</b>	<p>40% FTSE BPAM Corporates 3Y-7Y All Bond Index +          20% FTSE BPAM Corporates 1Y-3Y All Bond Index +          20% FTSE BPAM Government 3Y-7Y All Bond Index +          20% FTSE BPAM Government 1Y-3Y All Bond Index</p> <p><i>The risk profile of this Fund is different from the risk profile of the benchmark.</i></p>
<b>Distribution Policy</b>	<p>Subject to the availability of income, the Fund will provide distribution on a quarterly basis.</p>

	<p>However, the amount of income available for distribution may fluctuate.</p> <p>We have the discretion to distribute income on a more frequent basis, after taking into account the suitability of the distribution and the performance of the Fund.</p> <p>At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital or (6) a combination of any of the above.</p>
<b>Minimum Initial Investment*</b>	MYR10,000
<b>Minimum Additional Investment*</b>	MYR5,000
<b>Minimum Repurchase Amount</b>	5,000 Units
<b>Minimum Holding of Units*</b>	10,000 Units

\* At our discretion, we may reduce the minimum initial investment amount, minimum additional investment amount, minimum repurchase amount and minimum holdings of units.

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

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

Relevant parties' information:

<b>The Manager</b>	AHAM Asset Management Berhad
<b>The Trustee</b>	HSBC (Malaysia) Trustee Berhad

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

This Fund is a wholesale fixed income fund that will focus on building a Malaysia-focused fixed income portfolio which will consist of debentures, money market instruments, deposits and/or cash. The performance of the Fund would be dependent on the fixed income securities that the Fund invests in.

Unlike fixed deposits which generally provide a guarantee on capital invested and carry specific rate of return, the Fund's investments in debentures 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 a quarterly basis. However, the amount of income available for distribution may fluctuate. We have the discretion to distribute income on a more frequent basis, after taking into account the suitability of the distribution and the performance of the Fund. At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital or (6) a combination of any of the above.

### KEY RISKS

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

##### General risks

- **Affected by variable factors and not guaranteed** – The performance of the Fund is affected by many variable factors and is not guaranteed. These include overall economic and financial market conditions such as interest rate fluctuation and stability of local currency.
- **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.
- **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 may be 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.
- **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.
- **Loan financing risk** – 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.

- **Risk of non-compliance** – This risk refers to the possibility that the rules governing the Fund which is set out in the Deed or the Guidelines may not be observed by the Manager, whether intentionally or otherwise.
- **Liquidity risk** – Liquidity risk refers to two scenarios. The first scenario 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.
- **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.  
*\* For further information on repurchase process during suspension period, please refer to “What is the Repurchase Proceeds Payout Period” section of the Information Memorandum.*
- **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**

- **Interest rate risk** – This risk refers to the impact of interest rate changes on the valuation of debentures or 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 debentures and money markets instruments and the Financial Institutions where the deposits are placed (hereinafter referred as “investment”) and their expected ability to make timely payment of interest and/or principal.
- **Distribution out of capital risk** - The Fund may distribute income out of capital. Such capital distributions represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per Unit of the Fund and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained.

**Note: Please refer to “Understanding the Risks of the Fund” in Information Memorandum on further detail of 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 to 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>	Nil
<b>Repurchase charge</b>	
<b>Switching fee</b>	The Manager does not impose any switching fee. However, if the amount of sales charge of the fund (or class) that the Unit Holder intends to switch into is higher than the sales charge imposed by the fund (or class) being switched from, then the difference in the sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.

<b>Transfer fee</b>	Not applicable as transfer facility is not available for this Fund.
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**What are the key ongoing fees charged to the Fund?**

<b>Management fee</b>	Up to 0.20% per annum of the NAV of the Fund
<b>Trustee fee</b>	Up to 0.04% per annum of the NAV of the Fund

**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](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 any Business Day between 8.45 a.m. and 3.30 p.m. Payments will be made to you within 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 toll free no. : 1-800-88-7080
  - (c) via email to : [customercare@aham.com.my](mailto:customercare@aham.com.my)
  - (d) via online complaint form available at : [www.aham.com.my](http://www.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](mailto:info@sidrec.com.my)
- (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Level 25, Menara Takaful Malaysia,  
No. 4, Jalan Sultan Sulaiman,  
50000 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](mailto:aduan@seccom.com.my)

- (d) via online complaint form available at [www.sc.com.my](http://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](mailto:complaints@fimm.com.my)  
 (d) via online complaint form available at : [www.fimm.com.my](http://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>Act</b>	Means the Capital Markets and Services Act 2007 as may be amended from time to time.
<b>Base Currency</b>	Means the currency in which the Fund is denominated i.e. MYR
<b>Bursa Malaysia</b>	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be changed from time to time.
<b>Business Day</b>	Means a day on which Bursa Malaysia is open for business/trading.
<b>Deed</b>	Refers to the deed dated 3 July 2019, the first supplemental deed dated 21 September 2023 and the second supplemental deed dated 6 November 2024 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
<b>Forward Pricing</b>	Means the method of determining the price of a Unit which is the NAV per Unit at the next valuation point after an application for purchase or repurchase request is received by the Manager.
<b>Fund</b>	Refers to AHAM Income Fund 3
<b>Guidelines</b>	Refers to <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC and 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>long term</b>	Means a period of five (5) years and above.
<b>Manager or AHAM</b>	Refers to AHAM Asset Management Berhad
<b>medium term</b>	Means a period of between three (3) to five (5) years.
<b>MYR</b>	Means the Malaysian Ringgit, the lawful currency of Malaysia.
<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 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 the Unit Holder's purchase request.
<b>Selling Price</b>	Means the price payable by the Unit Holder for the Manager to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
<b>Sophisticated Investor</b>	Refers to any person who (a) is determined to be a sophisticated investor under the Guidelines on Categories of Sophisticated Investors, as amended from time to time; or (b) acquires any capital market product specified under the Guidelines where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; and/or (c) any other person as categorised by the SC from time to time to be a sophisticated investor. Note: For more information and updates on the definition of "Sophisticated Investor", please refer to our website at <a href="http://www.aham.com.my">www.aham.com.my</a> .
<b>Unit Holder, 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>	Means Units created and fully paid for and which have not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>