

# INFORMATION MEMORANDUM FOR AFFIN HWANG WORLD SERIES – ASIAN BOND FUND

**Manager : Affin Hwang Asset Management Berhad (429786-T)**

**Trustee : CIMB Commerce Trustee Berhad (313031-A)**

This Information Memorandum is dated 19<sup>th</sup> May 2017.

The Affin Hwang World Series – Asian Bond Fund was constituted on 19<sup>th</sup> May 2017\*.

*\* The constitution date of this Fund is also the launch date of this Fund.*

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.**

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# CORPORATE DIRECTORY

## **The Manager**

Affin Hwang Asset Management Berhad (429786-T)

### **Registered Office**

27<sup>th</sup> 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](mailto:customercare@affinhwangam.com)

Website: [www.affinhwangam.com](http://www.affinhwangam.com)

## **Board of Directors of the Manager**

- Tan Sri Dato' Seri Che Lodin Bin Wok Kamaruddin
- Datuk Maimoonah Binti Mohamed Hussain
- Mr Teng Chee Wai
- Mr David Semaya
- Encik Abd Malik Bin A Rahman (Independent Director)
- Dato' Hj Latip Bin Ismail (Independent Director)

## **Manager's Delegate**

(fund valuation & accounting function)

CIMB Commerce Trustee Berhad (313031-A)

### **Business Address**

Level 21, Menara CIMB Jalan Stesen Sentral 2  
Kuala Lumpur Sentral 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 9886

## **The Trustee**

CIMB Commerce Trustee Berhad (313031-A)

### **Registered Office**

Level 13, Menara CIMB, Jalan Stesen Sentral 2  
Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 0099

### **Business Address**

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Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 9889

## **Trustee's Delegate**

CIMB Bank Berhad (13491-P)

### **Business Address**

Level 21, Menara CIMB Jalan Stesen Sentral 2  
Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 9892

# GLOSSARY

<b>the Act</b>	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
<b>Base Currency</b>	Means the currency in which the Fund is denominated i.e. MYR.
<b>Bursa Malaysia</b>	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad and includes any changes to the name or the operator of the Malaysian stock exchange.
<b>Business Day</b>	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.
<b>Business Day of the Target Fund</b>	A day (other than a Saturday, Sunday or public holiday) on which commercial banks in Singapore and US are generally open for business, or any other day as the Target Fund Manager and the Target Fund Trustee may agree in writing.
<b>Commencement Date</b>	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.
<b>Dealing Day</b>	Means:  (i) the fifteenth (15 <sup>th</sup> ) calendar day of each month and if that day is not a Business Day of the Target Fund, the next Business Day of the Target Fund immediately following the fifteenth (15 <sup>th</sup> ) calendar day of that month; and  (ii) the last Business Day of the Target Fund of each month.  Provided that the Target Fund Manager may decide as they deem appropriate any particular Business Day of the Target Fund to be or not to be a Dealing Day or any other day or days to be a Dealing Day upon giving reasonable notice to the Target Fund Trustee.
<b>Deed(s)</b>	Refers to the deed dated 28 April 2017 entered into between the Manager and the Trustee, which may be modified or varied by further supplemental deeds from time to time.
<b>deposit</b>	Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
<b>Development Financial Institutions</b>	Means a development financial institution under the Development Financial Institutions Act 2002.
<b>FiMM</b>	Means the Federation of Investment Managers Malaysia.
<b>Financial Institution</b>	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institutions; 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>Forward Pricing</b>	Means the method of determining the price of a Unit which is the NAV per Unit calculated at the next valuation point after an application for purchase or repurchase request is received by the Manager.
<b>Fund</b>	Refers to Affin Hwang World Series – Asian Bond Fund.

<b>GST</b>	Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
<b>Guidelines</b>	<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 this offer document in respect of this Fund as may be, replaced or amended from time to time.
<b>Licensed Bank</b>	Means a bank licensed under the Financial Services Act 2013.
<b>Licensed Investment Bank</b>	Means an investment bank licensed under the Financial Services Act 2013.
<b>Licensed Islamic Bank</b>	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
<b>the Manager / AHAM</b>	Refers to Affin Hwang Asset Management Berhad.
<b>MYR</b>	Means the Malaysian Ringgit, the lawful currency of Malaysia.
<b>NAV</b>	Means by deducting the value of all the Fund's liabilities from the value of all the Fund's assets at the valuation point; where the Fund has more than one class of Units, there shall be a Net Asset Value of the Fund attributable to each class of Units.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular point divided by the number of Units in Circulation at the same valuation point; where the Fund has more than one class of Units, there shall be a NAV per Unit for each class of Units; the NAV per Unit of a class of Units at a particular valuation point shall be the NAV of the Fund attributable to that class of Units divided by the number of Units in Circulation of that class of Units at the same valuation point.
<b>PHS</b>	Means the product highlights sheet, a disclosure document that contains clear and concise information of the salient features of the Fund.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to Unit Holder's repurchase request.
<b>Repurchase Price</b>	Means the NAV per Unit payable to a Unit Holder pursuant to a repurchase of a Unit; for the avoidance of doubt, the repurchase price of Units does not include any repurchase charge which may be imposed.
<b>SC</b>	Means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
<b>Sales Charge</b>	Means a charge imposed pursuant to the Unit Holder's purchase request.
<b>Selling Price</b>	Means the NAV per Unit payable by an applicant for a Unit pursuant to a successful application for Units; for the avoidance of doubt, the selling price of Units does not include any sales charge which may be imposed.
<b>Sophisticated Investors</b>	Refers to – <ul style="list-style-type: none"> <li>(1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;</li> <li>(2) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(3) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(4) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(5) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(6) a unit trust scheme or prescribed investment scheme;</li> <li>(7) a private retirement scheme;</li> <li>(8) a closed-end fund approved by SC;</li> </ul>

- (9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies;
- (10) a corporation that is a public company under the Companies Act 1965 which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 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 institution 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]; and
- (21) such other investor(s) as may be permitted by the Securities Commission Malaysia from time to time and/or under the relevant guidelines for wholesale funds.

**Special Resolution**

Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of winding-up the Fund or a class of Units, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.

**Target Fund**

Means MSIG Asian Bond Fund.

**Target Fund Manager**

Refers to Nikko Asset Management Asia Limited (Company Registration No. 198202562H).

**Target Fund Trustee**

Refers to BNP Paribas Trust Services Singapore Limited (Company Registration No. 200800851W).

**Trustee**

Refers to CIMB Commerce Trustee Berhad.

**Unit(s)**

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 or the relevant class of Units (as the context so requires).

**Unit(s) in Circulation**

Means a Unit created and fully paid for. It is the total number of Units issued at a particular valuation point.

**Unit Holder(s) or You**

Refers to the person or persons for the time being who is in full compliance to the relevant law, is a sophisticated investor pursuant to the Guidelines and is registered pursuant to the Deed as a holder of Units of a class of Units, including a jointholder. In relation to the Fund, means all the unit holders of every class of Units in the Fund.

**USD**

Means United States Dollar, the lawful currency of United States of America.

**US**

Means United States of America.

**US Person**

Means a US citizen or US tax resident individual, (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), a US corporation, US partnership, US trust or US estate for US federal income tax purposes.

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

# ABOUT AFFIN HWANG WORLD SERIES - ASIAN BOND FUND

The Fund may create new classes of Units in respect of the Fund in the future. You will be notified of the issuance of the new classes of Units by way of communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement information memorandum.

<b>FUND CATEGORY</b>	: Fixed Income (wholesale-feeder fund)	<b>BASE CURRENCY</b>	: MYR
<b>FUND TYPE</b>	: Income	<b>LAUNCH DATE</b>	: 19 <sup>th</sup> May 2017
<b>FINANCIAL YEAR END</b>	: 31 December		

## INVESTORS' PROFILE

The Fund is suitable for you, if you:

- have a medium to long-term investment horizon;
- want exposure into Asian bonds;
- are looking for regular income stream;
- have a low risk tolerance.

## OFFER PERIOD & OFFER PRICE

The offer period will be for a period of not more than twenty one (21) calendar days from the Commencement Date of the Fund. The offer period may be shortened if we determine that it is in the best interest of the Unit Holders.

The offer price during the offer period is set at **MYR 1.00** only.

## INVESTMENT OBJECTIVE

The Fund aims to provide investors with regular income\* through investments in a collective investment scheme, namely MSIG Asian Bond Fund.

*\*All income distribution will either be made in the form of Units or cash.*

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

## PERFORMANCE BENCHMARK

12-month Malayan Banking Berhad Fixed Deposit Rate.

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

## ASSET ALLOCATION

- A minimum of 95% of the Fund's NAV to be invested in the Target Fund; and
- The remaining balance of the Fund's NAV to be invested in money market instruments, deposits and/or liquid assets.

## INVESTMENT STRATEGY

The Fund will be investing a minimum of 95% of the Fund's NAV into the Target Fund and the remaining balance of the Fund's NAV into money market instruments, deposit with Financial Institutions and/or liquid assets.

We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investment into the Target Fund and raise liquidity levels of the Fund during adverse market conditions to protect the Unit Holders' interest. In raising the Fund's liquidity levels, we may also invest into collective investment schemes that are able to meet this objective.

We may substitute the Target Fund with another fund that has a similar objective with the Fund, if, in our opinion, the Target Fund no longer meets the Fund's investment objective. However, this is subject to the Unit Holder's approval before any such changes are made.

We may use derivatives, such as foreign exchange forward contracts and cross currency swaps, for hedging purposes. Cross currency swaps and/or foreign exchange forward contracts may be used to hedge the principal and/or the returns of the



foreign currency exposure against the Base Currency of the Fund. The employment of derivatives under these circumstances is expected to reduce the impact of foreign currency movements on the Fund's NAV. While the hedging strategy will assist with mitigating the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well.

#### **PERMITTED INVESTMENT**

The Fund will invest in the following investments:

- Collective investment scheme;
- Money market instruments;
- Deposits;
- Derivatives; and
- Any other form of investments as may be determined by us from time to time that is in line with the Fund's objective.

#### **DISTRIBUTION POLICY**

Subject to the availability of income, the Fund endeavours to distribute income on semi-annual basis, after the end of its first financial year.

#### **VALUATION OF THE FUND**

The Fund will be valued at 6.00 p.m. on every Dealing 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 following the Dealing Day (or "T + 1"). All foreign assets are translated into the Base Currency based on the exchange rate quoted by Bloomberg or Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 a.m. midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by FiMM. If the foreign market in which the Fund is invested in is closed for business, we will value the underlying assets based on the latest available price as at the day the particular foreign market was last opened for business.

#### **VALUATION OF ASSETS**

In valuing the Fund's investments, we will ensure that all the assets of the Fund will be valued at fair value and in accordance to the Financial Reporting Standard 139 issued by the Malaysian Accounting Standards Board.

##### **Unlisted Collective Investment Schemes**

Valuation of unlisted collective investment schemes will be based on its last published repurchase price.

##### **Deposit**

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**

Valuation of money market instruments will be done by amortisation method.

##### **Derivatives**

The valuation of derivatives will be based on the rates provided by the respective issuers. 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. If the rates are not available on the Bloomberg, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where we are unable to obtain quotation from 3 independent dealers, the FX Forwards 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.

**Any Other Investment**

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.

*You are advised that certain types of investments are required to be held until such investments mature for the “actual value” to be realised. Any sale of such investments prior to its maturity would result in a value which is less than its “actual value”. As such, any valuation of such investments (prior to its maturity) is merely indicative of what the value might be and does not represent the “actual value” of such investments.*

# ABOUT THE TARGET FUND - MSIG ASIAN BOND FUND

<b>BASE CURRENCY</b>	: USD	<b>REGULATORY AUTHORITY</b>	: The Monetary Authority of Singapore
<b>TYPE OF CLASS</b>	: USD class	<b>COUNTRY OF ORIGIN</b>	: Singapore
<b>FUND TYPE</b>	: Income	<b>FUND CATEGORY</b>	: Fixed income

The Target Fund has been constituted as a standalone unit trust in Singapore pursuant to the trust deed dated 26 December 2013 entered into between Nikko Asset Management Asia Limited (being the Target Fund Manager) and BNP Paribas Trust Services Singapore Limited (being trustee of the Target Fund).

## ASSET ALLOCATION

- A minimum of 90% of the Fund's NAV to be invested in fixed income securities; and
- The remaining balance of the Fund's NAV to be invested in cash or cash equivalent.

## INVESTMENT OBJECTIVE

The investment objective of the Target Fund is to outperform the JPM JACI Investment Grade ex China 17% capped BBB Corporate ("Benchmark") over the mid to long term through investments in USD denominated fixed income securities issued by sovereigns, quasi-sovereigns and corporate entities from Asia.

## INVESTMENT APPROACH

To achieve its investment objective, the Target Fund will invest in USD denominated fixed income securities issued by sovereigns, quasi-sovereigns and corporate bonds issued by Hong Kong, Singapore, Malaysia, Thailand, Philippines, Indonesia, China, Korea, Taiwan and India entities. The Target Fund may also invest in USD denominated fixed income securities issued by sovereigns, quasi-sovereigns and corporate bonds issued by entities from other Asian countries if such countries are included in the Benchmark in the future. The Target Fund Manager currently do not intend to invest in bonds issued by corporate issuers from China but may do so in the future. For the avoidance of doubt, corporate bonds refer to non-sovereigns and non-quasi-sovereign bonds, based on the Benchmark classification, and issues that fulfil the classification criteria but have yet to be included in the Benchmark. The Target Fund may also invest in US government securities and hold cash and cash equivalents which include certificate of deposits, money market instruments and money market funds.

## INVESTMENT RESTRICTIONS

### (i) Allocation limit

- The Target Fund's investment in cash and cash equivalents shall be less than 10% of the net asset value of the Target Fund. For avoidance of doubt, unrealised gains from forward contracts and accrued coupons will not be considered cash and cash equivalent.
- The Target Fund's aggregate investment in corporate bonds shall be within +/- 20% of the Benchmark weight.

### (ii) Duration limit

- There is no duration limit on individual bonds.
- The weighted average modified duration of the Target Fund shall be within +1.5 and -2.0 years of the Benchmark duration. For bonds with call feature, modified duration shall refer to the modified duration-to-call.

### (iii) Credit Rating

- The Target Fund may only invest in investment grade bonds that satisfy the following criteria:
  - (a) For bonds rated by all 3 rating agencies (S&P Global Ratings ("S&P"), Fitch Ratings ("Fitch") and Moody's Investors Services ("Moody's")), the bond must be rated Investment Grade by at least 2 of the 3 rating agencies.
  - (b) For bonds rated by only 2 out of the 3 rating agencies, the lower rating of the two must be Investment Grade.

(c) For bonds rated by only 1 rating agency, the bond must be rated Investment Grade by that rating agency.

“Investment Grade” means a minimum rating of at least BBB- by S&P, BBB by Fitch or Baa3 by Moody’s.

- The Target Fund may only invest in money market instruments and certificate of deposits rated at least A1 by S&P or P1 by Moody’s.
- The Target Fund’s aggregate exposure to corporate bonds with a credit rating of BBB+, BBB and BBB- by S&P or Fitch, or Baa1, Baa2 and Baa3 by Moody’s, shall not exceed 20% of the net asset value of the Target Fund. The credit rating to be used for the purposes of this paragraph will follow the following criteria:
  - (a) For bonds rated by all 3 rating agencies (S&P, Fitch and Moody’s), the middle rating will apply or (where equivalent ratings are given by 2 or more rating agencies) the rating given by the majority will apply.
  - (b) For bonds rated by only 2 out of the 3 rating agencies, the lower rating will apply.
  - (c) For bonds rated by only 1 rating agency, the rating given by that rating agency will apply.

(iv) Single issuer limit

- There is no single issuer limit for sovereign bonds and US government securities.
- The Target Fund’s exposure to a single quasi-sovereign and corporate bond issuer shall not exceed 10% of the net asset value of the Target Fund.

(v) Use of financial derivative instruments

- The Target Fund may use currency derivatives for hedging only.
- The Target Fund may use US Treasury futures for hedging USD interest rates only.
- Use of credit derivatives and other derivatives are strictly prohibited.

(vi) Prohibited investments

- Non-USD denominated bonds.
- Convertible bonds and unrated bonds.

**DISTRIBUTION POLICY**

The Target Fund Manager intends to make semi-annual distributions in June and December (or such other frequency as the Target Fund Manager may determine from time to time). However, investors should note that such distributions (including their frequency and amount) are not guaranteed and are subject at all times to the discretion of the Target Fund Manager.

Source of income for distribution include coupons, interest income and/or capital gains derived from the investments of the Target Fund (collectively, the “Investment Income”). In the event that the Investment Income is insufficient to fund a distribution for the Target Fund, the Target Fund Manager may determine that such distributions should be paid from the capital of the Target Fund. Any distributions made will reduce the net asset value of the Target Fund.

# UNDERSTANDING THE RISKS OF THE FUND AND THE TARGET FUND

Below are the risks associated with the investments of the Fund and the Target Fund.

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 advised to read the whole Information Memorandum to assess the risks associated to the Fund and the Target Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks before making an investment decision.

<b>GENERAL RISKS OF THE FUND</b>	
<b>Market risk</b>	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.
<b>Management risk</b>	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.
<b>Performance risk</b>	This Fund is a feeder fund which invests in another collective investment scheme, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund. If the Target Fund does not perform in accordance with its objective, the performance of the Fund will also be impacted negatively. The performance of the Target Fund and consequently of this Fund may go down as well as up, depending on the circumstances prevailing at a particular given time. On that basis, there is never a guarantee that investing in the Fund will produce a positive investment return in accordance with its objective.
<b>Inflation risk</b>	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.
<b>Loan financing risk</b>	This risk occurs when you take a loan/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 net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.
<b>Operational risk</b>	Operational risk is the risk of loss due to the breakdown, deficiencies or weaknesses in our operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.

	<b>SPECIFIC RISKS OF THE FUND</b>
<b>Concentration risk</b>	The Fund is a feeder fund which invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as we are allowed to take temporary defensive positions in response to adverse market conditions. We are also able to substitute the Target Fund with another fund with a similar objective to the Fund if, in our opinion, the Target Fund no longer meets the Fund's objective subject to Unit Holders' approval with prior notification to SC.
<b>Liquidity risk</b>	This is the risk that the units of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of units of the Target Fund. The Target Fund Manager may suspend the realisation of units, or delay the payment of realisation proceeds in respect of any realisation request received, during any periods in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in a timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders. In managing liquidity risk, we will maintain a sufficient liquidity level for the purposes of meeting repurchase requests.
<b>Country risk</b>	Since the Fund invests in the Target Fund which is established in Singapore, which in turn invests in the Asian region, the Fund will be exposed to risks specific to the countries within the Asian region. The changes or developments in the regulations, political environment and the economy of the Asian countries may impact the Target Fund which will in turn affect the Fund.
<b>Currency risk</b>	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.
<b>Target Fund Manager risk</b>	As a feeder fund, the Fund invests into the Target Fund which is managed by the Target Fund Manager. We have no control over the investment technique and knowledge, operational controls and management of the Target Fund Manager. In the event of any mismanagement of the Target Fund, the NAV of the Fund, which invests substantially all of its assets into the Target Fund, would be affected adversely.

	<b>SPECIFIC RISKS OF THE TARGET FUND</b>
<b>Investment in the Target Fund is not guaranteed by any government or third party</b>	As the Target Fund is an investment product, subscription monies received from investors for investment into the Target Fund, investments made by the Target Fund in bonds issued by sovereigns or quasi-sovereigns or corporate borrowers, and any interest payable under the bonds, will <b>not be guaranteed</b> by any government or any third party.
<b>Market risk</b>	The price of the securities comprised in the portfolio of the Target Fund and the units, and the income from them, may be influenced by various factors, including political and economic conditions, changes in interest rates and the market's perception of the securities. These factors may cause the price of units in the Target Fund to go up or down as the price of units in the Target Fund is based on the value of the investments of the Target Fund.
<b>Emerging markets risk</b>	Investment in emerging markets securities are in general more volatile than those of developed countries, with the result that units may be subject to greater price volatility. Some emerging markets do not have well-developed or consolidated bodies of securities

	<b>SPECIFIC RISKS OF THE TARGET FUND</b>
	<p>laws and regulatory frameworks. The auditing and financial reporting methods used in some emerging markets may differ from international recognised standards, and information on the accounts of some issuers in such markets may not be an accurate reflection of their financial strength.</p> <p>Investments by the Target Fund in some emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element and lack of liquidity which are inherent characteristics of these emerging markets.</p>
<b>Interest rate risk and credit risk</b>	Investments in bonds and other debt securities are subject to interest rate fluctuations and credit risks, such as risk of default by the issuer, and are subject to adverse changes in general economic conditions, the financial condition of the issuer, or both, or a rise in interest rates, which may impair the issuer's ability to make payments of interest and principal, resulting in a possible default by the issuer.
<b>Concentration risk</b>	Prospective investors should be aware that the Target Fund is exposed to concentration risk as the investments of the Target Fund may potentially be made in a limited number of issuers and/or issuance and investors might be subject to potential significant losses or be otherwise adversely affected, in the event of default by any issuer. The value of the units is hence particularly heavily dependent on the performance of these investments.
<b>Liquidity risk</b>	The extent of market liquidity is dependent on the size and state of the market and therefore affects the Target Fund's ability to acquire or dispose of assets at the price and time it so desires. Trading of bonds on the secondary market is illiquid. There is a risk that the Target Fund might not be able to sell its bonds quickly due to a thin market with few buyers and sellers for the bond. In such instance, the Target Fund may be forced to accept a much lower price than expected to sell its position in a bond.
<b>Regulatory and tax risk</b>	There may be state regulations governing and taxes imposed on the outward remittance by foreign investors of their share of net profits and dividends and the repatriation of their investments in a foreign currency.
<b>Financial derivative risk</b>	<p>While the prudent and judicious use of derivatives by investment professionals can be beneficial, derivatives involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. The viability of exercising derivative instruments depends on the market price of the investments to which they relate, and accordingly, the Target Fund Manager may from time to time decide that it is not viable to exercise certain derivatives held by the Target Fund within the prescribed period, in which case, any costs incurred in obtaining the derivatives will not be recoverable. Additionally, the market price of the relevant investment may not exceed the exercise price attached to the derivative instrument at any time during the exercise period or at the time at which the warrants or options are exercised and in such an event, this may result in an immediate loss to the Target Fund. The Target Fund may invest into underlying funds which use or invest in financial derivatives, and there is a possibility that the Target Fund's net asset value may be subject to volatility due to usage or investment in financial derivatives.</p> <p>In the event that any investments of the Target Fund are denominated in currencies other than the currency in which the relevant class of the Target Fund is denominated, fluctuations in the exchange rates of the currency of the investment against the currency of denomination of the relevant class may affect the net asset value of the relevant class.</p>
<b>Counterparty risk</b>	The Target Fund will be exposed to credit risk on a limited number of counterparties with whom the Target Fund trades with and will also bear the risk of settlement default.

<b>SPECIFIC RISKS OF THE TARGET FUND</b>	
<b>Tracking error risk</b>	Factors such as fees and expenses of the Target Fund, liquidity of the market, imperfect correlation of the returns between the Target Fund's assets and the Benchmark, changes to the Benchmark and regulatory policies may affect the Target Fund Manager's ability to achieve close correlation with the performance of the Benchmark. The Target Fund's returns may therefore deviate from the Benchmark and there is no assurance that the Target Fund will be able to track and/or outperform the Benchmark.
<b>Risk of ratings downgrade</b>	Rating agencies such as S&P, Fitch and Moody's, among others, provide ratings for a wide array of fixed income securities (corporate, sovereign or supranational) which are based on their creditworthiness. The agencies may change their ratings from time to time due to financial, economic, political, or other factors, which if the change represents a downgrade, can adversely impact the value of the affected securities.
<b>Distribution risk</b>	<p>Investors should note that the income of the Target Fund (if any) may be distributed to unit holders at the absolute discretion of the Target Fund Manager. Sources of income for distribution include coupons, interest income and/or capital gains derived from the investments of the Target Fund. In addition to distributions to unit holders out of distributable income and/or capital gains, the Target Fund Manager may, in the event that income and/or capital gains are insufficient, make capital distributions to unit holders at such time as they deem fit in accordance with the provisions of the deed.</p> <p>Where distributions are paid out of the capital of the Target Fund, the capital of the Target Fund will be reduced and this will be reflected in the realisation price of the units. Unit holders redeeming their units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to unit holders.</p>
<b>Investor eligibility</b>	In addition, each investor should also consider factors such as his investor eligibility criteria, nationality and location of domicile before investing into the Target Fund, and to seek appropriate legal advice when in doubt. The onus is on each investor to ensure they comply and abide by the relevant laws and regulations applicable to them.



# 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 in order to invest in this Fund. Please refer to the “Glossary” chapter of this Information Memorandum for the details.

## HOW TO PURCHASE UNITS?

- 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
<ul style="list-style-type: none"> <li>• account opening form;</li> <li>• FiMM pre-investment form;</li> <li>• Suitability assessment form;</li> <li>• Personal data protection notice form;</li> <li>• A copy of identity card or passport or any other document of identification</li> </ul>	<ul style="list-style-type: none"> <li>• account opening form;</li> <li>• FiMM pre-investment form;</li> <li>• Suitability assessment form;</li> <li>• Personal data protection notice form;</li> <li>• Certified true copy of memorandum and articles of association;</li> <li>• Certified true copy of certificate of incorporation;</li> <li>• Certified true copy of form 24 and form 49;</li> <li>• Certified true copy of form 8, 9, 13, 20 and 44 (where applicable);</li> <li>• Latest audited financial statement;</li> <li>• Board resolution relating to the investment;</li> <li>• A list of the authorised signatories;</li> <li>• Specimen signatures of the respective signatories.</li> </ul>

- For subsequent transaction, you simply need to complete a transaction form to request for an additional investment.

## 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. Payment must be made in the currency of the class which you intend to invest into. You may obtain our bank account details from our online download center at [www.affinhwangam.com](http://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 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 offer period	After offer period
Creation of Units based on	:	offer price	NAV per Unit on a Dealing Day
Cut-off time	:	not applicable	3.30p.m. on a Business Day
Cut-off day	:	not applicable	3 Business Day prior to a Dealing Day

- Sale of Units will be honoured upon receipt of complete set of documents together with the proof of payments.
- 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 Funds; 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 AND MINIMUM HOLDING OF UNITS?

Minimum Initial Investment	Minimum Additional Investment	Minimum Holding of Units
MYR 1,000,000	MYR 500,000	1,000,000 Units

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

## HOW TO REPURCHASE UNITS?

- It is important to note that, 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, you may be required to make an application to repurchase all your Units.

We may, with the consent of the Trustee, reserve the right to defer your repurchase request if such transaction would adversely affect the Fund or the interest of the Unit Holders of the Fund.

- In the transaction form, you may choose to receive the repurchase proceeds in a manner of 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 of cheque, bank transfer or other special arrangement method will be borne by you.

## WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

		During offer period	After offer period
Creation of Units based on	:	offer price	NAV per Unit on a Dealing Day
Cut-off time	:	not applicable	3.30p.m. on a Business Day
Cut-off day	:	not applicable	3 Business Day prior to a Dealing Day

- Repurchase of Units must be made in terms of Units and not in terms of MYR value.
- Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

## WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- Once we receive a complete repurchase request, you will be paid within fourteen (14) days from the Dealing Day.

### **WHAT IS THE PRICING OF UNITS?**

- The Selling Price and the Repurchase Price are equivalent to the NAV per Unit. Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price. During offer period, the Selling Price and the Repurchase Price is equivalent to the offer price and thereafter, the NAV per Unit. Forward Pricing will be used to determine the Selling Price and the Repurchase Price after the offer period, i.e. the NAV per Unit as at the next valuation point after we receive the purchase request or repurchase request.

### **WHERE TO PURCHASE AND REPURCHASE UNITS?**

- Units can be purchased and repurchased at any of the location listed in “Directory of Sales Offices” 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](http://www.affinhwangam.com).

### **WHAT IS COOLING-OFF RIGHT?**

- You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application. You will be refunded for every Unit held based on the NAV per Unit and the Sales Charge (if any), on the day those Units were first purchased and you will be refunded within ten (10) days from the receipt of the cooling-off application.

Please note that the cooling-off right is applicable to you if you are an individual investor investing in any of our funds for the first time. However, if you are a staff of AHAM or person registered with a body approved by the SC to deal in unit trusts, you are not entitled to this right.

### **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. The transfer must be made in terms of Units and not in terms of MYR value. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holdings of Units to remain as a Unit Holder of a class.

Please note that the person who is in receipt of the Units must be a Sophisticated Investor as well.

### **HOW DO I RECEIVE THE INCOME DISTRIBUTION?**

- You have the option to receive the income distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. All distribution will be automatically reinvested into additional Units in the Fund if you do not select the mode of distribution in the application form.

#### *Cash Payment Process*

Income distribution by way of cash payment will be paid via telegraphic transfer. Income will be transferred to your bank account within seven (7) Business Days after the distribution date.

#### *Reinvestment Process*

We will create the Units based on the NAV per Unit at the next Dealing Day income payment date which is two (2) Business Days after the distribution date. There will not be any additional cost for reinvestments of those additional Units, i.e. no Sales Charge will be imposed on such transaction.

# 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.

The fees, charges and expenses quoted in this Information Memorandum are exclusive of GST. We (including the Trustee and other service providers of the Fund) will charge GST at the prevailing rate of 6% on the fees, charges and expenses in accordance with the Goods and Services Tax Act 2014.

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

## **SALES CHARGE**

There will be no Sales Charge imposed on the purchase of Units.

## **REPURCHASE CHARGE**

There will be no Repurchase Charge imposed on the redemption of Units.

## **TRANSFER FEE**

MYR 5.00 transfer fee will be levied for each transfer of Units.

## **SWITCHING FEE**

There will be no switching fee imposed on the switching transaction.

***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 0.30% of the NAV of the Fund per annum, and is calculated using the Fund's Base Currency (before deducting the management fee and trustee fee). The management fee is accrued daily and payable monthly.

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

$$\frac{\text{MYR 120 million} \times 0.30\%}{365 \text{ days}} = \text{MYR 986.30 per day}$$

The management fee is only charged at the Fund level. The management fee chargeable by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of the management fee.

## **ANNUAL TRUSTEE FEE**

The trustee fee is up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), and is calculated using the Fund's Base Currency (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly. In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

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

$$\frac{\text{MYR 120 million} \times 0.04\%}{365 \text{ days}} = \text{MYR 131.50 per day}$$

## **FUND EXPENSES**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund or each class of Units may be charged to the Fund or each class of Units respectively. These would include (but are not limited to) the following:

- (a) commissions or fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;

- (b) tax and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fee and other expenses properly incurred by the auditor;
- (d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or fund manager;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) costs and expenses incurred in relation to the distribution of income (if any);
- (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- (q) fees, charges, costs and expenses relating to the preparation, printing, posting, registration and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law; and
- (r) any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

**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 (please refer to page 24 for details) to increase the fees and charges.

<b>Sales Charge</b>	1.00% of the NAV per Unit
<b>Repurchase Charge</b>	1.00% of the NAV per Unit
<b>Annual Management Fee</b>	2.00% per annum of the NAV of the Fund calculated and accrued daily
<b>Annual Trustee Fee</b>	0.10% per annum of the NAV of the Fund or its equivalent in the Base Currency of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)

## FEES AND CHARGES OF THE TARGET FUND

<b>Initial Sales Charge</b>	Not applicable
<b>Realisation Charge</b>	Not applicable
<b>Management Fee</b>	<ul style="list-style-type: none"><li>For net asset value below USD 50 million, the management fee is 0.18% per annum on the entire net asset value of the Target Fund.</li><li>For net asset value of USD 50 million and above, the management fee is 0.16% per annum on the entire net asset value of the Target Fund.</li></ul> <p><b><i>Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of management fee.</i></b></p>
<b>Trustee's Fee</b>	0.0225% per annum of the net asset value of the Target Fund, subject to a minimum of SGD 4,500 per annum.
<b>Other Fees and Charges</b>	Other fees and charges include fund administration fees, custodian fees, registrar fees and index licensing fees. Such fees and charges are subject to agreement with the relevant parties and may amount to or exceed 0.10% per annum, depending on the proportion of each fee or charge bears to the net asset value of the Target Fund.

## REBATES AND SOFT COMMISSIONS

We, including our delegate (if any) will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker/dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebates or shared commissions will be directed to the account of the Fund.

The soft commission can be retained by us or any of our delegates, provided that the goods and services are of demonstrable benefit to the Unit Holders such as research materials, data and quotation services, financial wire services and investment related tools/publication which are incidental to the investment management activities of the Fund.

# RELATED PARTIES TO THE FUND

## ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 under the Companies Act, 1965 and began 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 15 years’ experience in the fund management industry. Additionally, AHAM is also 30% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd, an Asian investment management franchise. AHAM offers a wide range of products, comprising conventional equity, balanced, bond, money market, capital guaranteed, capital protected, global, structured and feeder funds, as well as Shariah-compliant equity, Islamic money market and Islamic fixed income funds.

### 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 unit trust 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:-

**Mr. David Ng Kong Cheong**  
*Chief Investment Officer*

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

## ABOUT THE TRUSTEE

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

### Duties and Responsibilities of the Trustee

The Trustee’s functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Trustee include, but are not limited to, the following:

- (a) Take into custody the investments of the Fund and hold the investments in trust for the Unit Holders;
- (b) Ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, SC guidelines and acceptable business practice within the fund management industry;

- (c) As soon as practicable notify the SC of any irregularity or breach of the provisions of the Deed, SC guidelines and any other matters which in the Trustee's opinions may indicate that the interests of Unit Holders are not served;
- (d) Exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operation and management of the Fund by the Manager to safeguard the interests of Unit Holders;
- (e) Maintain or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Fund to be formed and to ensure that the Fund is operated and managed in accordance with the Deed of the Fund, Information Memorandum, the SC guidelines and securities law; and
- (f) Require that the accounts be audited at least annually.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

#### **ABOUT THE TARGET FUND MANAGER**

Nikko Asset Management Asia Limited is incorporated in Singapore and their registered and business address is at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961. It has managed collective investment schemes or discretionary funds in Singapore since 1982. It is also a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd.

#### **ABOUT THE TARGET FUND TRUSTEE**

BNP Paribas Trust Services Singapore Limited is incorporated in Singapore and its registered address is at 20 Collyer Quay, #01-01, Singapore 049319.



# RELEVANT INFORMATION

## SALIENT TERM OF THE DEED

### Your Rights and Liabilities

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

- (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;
- (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 quarterly and annual reports.

However, you would not have the right to require the transfer to you of any of the 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 the registered owner of the assets of the Fund.

You are not liable to the following:-

- (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 and any charges payable in relation thereto;
- (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

#### *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 of the Fund at the time of the meeting.

#### *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 of the Fund or of that class of Units by:-

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders or Unit Holders of a particular class of Units, as the case may be; 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 direct 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 any such meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund or the Unit Holders of a particular class of Units.

#### *Unit Holders' Meeting summoned by the Manager or Trustee*

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.

Unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee pursuant to Clauses 17.2.1 and 17.2.2 of the Deed 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.

#### **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 at a rate higher than that disclosed in a prevailing information memorandum unless:-

- (a) we have notified the Trustee in writing of the effective date for the higher charge; and
- (b) a supplemental/replacement information memorandum in respect of the Fund setting out the higher charge is issued.

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 have 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.

#### **GOODS AND SERVICES TAX**

The Royal Malaysian Customs Department has announced the implementation of GST with effect from 1 April 2015 onwards pursuant to the Goods and Services Tax Act 2014. Collective investment schemes are generally exempted from GST. However, some fees, charges and expenses of the Fund are subject to GST which includes:

- Sales Charge;
- Repurchase Charge;
- Switching fee;
- Transfer fee;
- Management fee;
- Trustee fee; and
- Any other expenses of the Fund that may be subject to GST.

## 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 0.5% or more of the NAV per Unit unless the total impact on your account is less than MYR 10.00 or its foreign currency equivalent, 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 purchase and creation of Units.	Fund	Unit Holder
Over valuation and/or pricing in relation to the repurchase of Units.	AHAM	Fund
Under valuation and/or pricing in relation to the purchase and creation of Units	AHAM	Fund
Under valuation and/or pricing in relation to the repurchase of Units	Fund	Unit Holder or former Unit Holder

## 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 contribution?

You may obtain the daily Fund price from our website at [www.affinhwangam.com](http://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](mailto: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 SC’s Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries, it is our responsibility to prevent AHAM or the Fund 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 failed 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.

## DIRECTORY OF SALES OFFICES

### HEAD OFFICE

Ground Floor, Menara Boustead  
69 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel : 03 – 2116 6000  
Fax : 03 – 2116 6100  
Toll Free No : 1-800-88-7080  
Email: [customercare@affinhwangam.com](mailto:customercare@affinhwangam.com)  
Website: [www.affinhwangam.com](http://www.affinhwangam.com)

### SELANGOR

A-7-G Jaya One  
No. 72A, Jalan Universiti  
46200, Petaling Jaya, Selangor  
Tel: 03 - 7620 1290  
Fax: 03 - 7620 1298

### PENANG

No. 10-C-23 & 10-C-24, Precinct 10  
Jalan Tanjung Tokong  
10470 Penang  
Tel : 04 – 899 8022  
Fax : 04 – 899 1916

### PERAK

13A Persiaran Greentown 7  
Greentown Business Centre  
30450 Ipoh, Perak  
Tel: 05 - 241 0668  
Fax: 05 – 255 9696

### JOHOR

1<sup>st</sup> Floor, No. 93,  
Jalan Molek 1/29  
Taman Molek  
81100 Johor Bahru, Johor  
Tel : 07 – 351 5677 / 5977  
Fax : 07 – 351 5377

### MELAKA

Ground Floor  
No. 584 Jalan Merdeka  
Taman Melaka Raya  
75000 Melaka  
Tel: 06 -281 2890  
Fax: 06 -281 2937

### SABAH

Lot No. B-2-09, 2<sup>nd</sup> Floor  
Block B, Warisan Square  
Jalan Tun Fuad Stephens  
88000 Kota Kinabalu, Sabah  
Tel : 088 - 252 881  
Fax : 088 - 288 803

### SARAWAK

Ground Floor, No. 69  
Block 10, Jalan Laksamana Cheng Ho  
93200 Kuching, Sarawak  
Tel : 082 – 233 320  
Fax : 082 – 233 663

1<sup>st</sup> Floor, Lot 1291  
Jalan Melayu, MCLD  
98000 Miri, Sarawak  
Tel : 085 - 418 403  
Fax : 085 – 418 372