

FIRST SUPPLEMENTAL PROSPECTUS FOR AFFIN HWANG SELECT SGD INCOME FUND

Manager : **Affin Hwang Asset Management Berhad**
Registration Number: 199701014290 (429786-T)

Trustee : **Deutsche Trustees Malaysia Berhad**
(Registration Number: 200701005591 (763590-H))

This First Supplemental Prospectus is dated 8 October 2021.

The Affin Hwang Select SGD Income Fund was constituted on 1 August 2012.
The constitution date for the Fund is also the launch date of the Fund.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTAL PROSPECTUS WHICH IS TO BE READ TOGETHER WITH THE PROSPECTUS DATED 26 SEPTEMBER 2018. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 4 OF THE PROSPECTUS DATED 26 SEPTEMBER 2018.



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

Responsibility Statements

This First Supplemental Prospectus has been reviewed and approved by the directors of Affin Hwang Asset Management Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this First Supplemental Prospectus false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorised the Fund and a copy of this First Supplemental Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and registration of this First Supplemental Prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the said Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Prospectus dated 26 September 2018 or this First Supplemental Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Affin Hwang Asset Management Berhad, the management company responsible for the said Fund and takes no responsibility for the contents in this First Supplemental Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplemental Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

Additional Statements

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 First Supplemental Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplemental Prospectus or the conduct of any other person in relation to the Fund.

This First Supplemental Prospectus is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no issue or sale of Units to which this First Supplemental Prospectus relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.



INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

**THIS IS A FIRST SUPPLEMENTAL PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION
WITH THE PROSPECTUS DATED 26 SEPTEMBER 2018**

Unless otherwise provided in this First Supplemental Prospectus, all the capitalised terms used herein shall have the same meanings as ascribed to them in the Prospectus dated 26 September 2018 ("Prospectus").

EXPLANATORY NOTES

This First Supplemental Prospectus is issued to inform investors of the updates to the information relating to switching, changes in the board of directors of the Manager, removal of goods and services tax and other updates which are general in nature.

A. CORPORATE DIRECTORY

Page 1 of the Prospectus

The information on the "Board of Directors of AHAM" is hereby deleted in its entirety and replaced with the following:

Board of Directors of the Manager/AHAM

- "Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)
- Dato' Teng Chee Wai (Non-independent Director)
- Ms Eleanor Seet Oon Hui (Non-independent Director)
- Puan Mona Suraya binti Kamaruddin (Non-independent Director)
- Encik Faizal Sham bin Abu Mansor (Independent Director)
- Maj. Gen. Dato' Zulkiflee bin Mazlan (R) (Independent Director)"

B. ABBREVIATION

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The abbreviation of "GST" is hereby deleted in its entirety.

C. GLOSSARY

Page 2 of the Prospectus

The definition of "Deed" is hereby deleted in its entirety and replaced with the following:

Deed	Refers to the deed dated 31 May 2012 as modified by the supplemental deed dated 21 June 2013, the second supplemental deed dated 27 June 2014, the third supplemental deed dated 1 July 2015, the fourth supplemental deed dated 25 April 2016 and the fifth supplemental deed dated 5 October 2018 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
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D. ABOUT AFFIN HWANG SELECT SGD INCOME FUND

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The information on the "Deed(s)" is hereby deleted in its entirety and replaced with the following:

Deed	:	Deed dated 31 May 2012 as modified by the supplemental deed dated 21 June 2013, the second supplemental deed dated 27 June 2014, the third supplemental deed dated 1 July 2015, the fourth supplemental deed dated 25 April 2016 and the fifth supplemental deed dated 5 October 2018.
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VALUATION OF THE FUND

- (i) The information on the “Bonds” is hereby deleted in its entirety and replaced with the following:
- “For unlisted RM denominated bonds, valuation will be done using the price quoted by a bond pricing agency (“BPA”) registered with the SC. If the Manager is of the view that the price quoted by BPA differs from the market price quoted by at least 3 independent dealers by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains the necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield. For unlisted foreign bonds, they will be valued using the average indicative yield quoted by 3 independent and reputable institutions.
- For listed bonds, the valuations shall be done in the same manner as other listed equities described above.”
- (ii) The information on the “Money market instruments” is hereby deleted in its entirety and replaced with the following:
- “The valuation of RM denominated money market instruments will be done using the price quoted by a BPA registered with the SC. For foreign money market instruments, valuation will be done using the indicative yield quoted by independent and reputable institutions.”
- (iii) The information on the “Derivatives” is hereby deleted in its entirety and replaced with the following:
- “The valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts (“FX Forwards”), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by Bloomberg or Reuters. If the rates are not available on Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where we are unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance with fair value as determined by us in good faith, on methods or bases which are verified by the auditor of the Fund and approved by the Trustee.”

E. DEALING INFORMATION

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

The information in this section is hereby deleted in its entirety and replaced with the following:

“	SGD Class	RM Class
Minimum Initial Investment*	SGD 5,000	RM 1,000
Minimum Additional Investment*	SGD 1,000	RM 100
Minimum Units of Repurchase*	10,000 Units	2,000 Units
Minimum Holding of Units*	10,000 Units	2,000 Units

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

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WHAT IS THE DIFFERENCE BETWEEN PURCHASING SGD CLASS AND OTHER CLASSES?

The third paragraph of this section is hereby deleted in its entirety and replaced with the following:

“However, you should note that upon a poll, the votes by every Unit Holder present in person or by proxy is proportionate to the value of Units held by him or her. Hence, holding more number of Units may not give you an advantage when voting at Unit Holders’ meetings. You should also note that in a Unit Holders’ meeting to terminate the Fund, a Special Resolution may only be passed by a majority in number representing at least ¾ of the value of the Units held by Unit Holders voting at the meeting, and not based on number of Units owned.”

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SWITCHING FACILITY

(i) The second paragraph of this section is hereby deleted in its entirety and replaced with the following:

“However, you must meet the minimum holding of Units requirements of the Class switched out from and the minimum investment amount of the fund (or its class) that you intend to switch into. The minimum holding of Units for the respective Classes is as follows:

SGD Class	RM Class
10,000 Units	2,000 Units

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

(ii) The second bullet point of the fourth paragraph and the fifth paragraph of this section are hereby deleted in their entirety and replaced with the following:

➤ **“Switching from the Classes of the Fund into other funds (or its class) managed by AHAM**

You must complete a switching transaction form and submit it to us at or before the cut-off time of 3.30 p.m. on a Business Day (or “T day”) together with relevant supporting documents, if any. If we receive your switching request after 3.30 p.m., we will process your request on the next Business Day.

You should note that the pricing day of a fund (or its class) may not be on the same day as when we receive your switching application. Please see below the pricing policy of switching for all our funds:

Switching Out Fund	Switching In Fund	Pricing Day	
		Switching Out Fund	Switching In Fund
Money market fund	Non-money market fund	T Day	T Day
Non-money market fund	Non-money market fund		
Money market fund	Money market fund	T Day	T + 1 Day
Non-money market fund	Money market fund	T Day	At the next valuation point, subject to clearance of payment and money received by the intended fund

If you invest through the EMIS, you are allowed to switch to any other EPF approved funds managed by us (subject to the availability of units and terms of the intended fund to be switched into).”

F. FEES, CHARGES AND EXPENSES

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The first and second paragraphs of this section are hereby deleted in their entirety and replaced with the following:

“There are fees and charges involved and investors are advised to consider them before investing in the Fund.

You should be aware that all fees, charges and expenses referred to or quoted in this Prospectus (including any supplemental prospectus) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of any other applicable tax. We (including the Trustee and other service providers of the Fund) will charge any other applicable taxes on the fees, charges and expenses in accordance with any other relevant or applicable laws.”

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CHARGES

The information on the "Switching Fee" is hereby deleted in its entirety and replaced with the following:

"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."

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The information in the box which appears at the end of the "Fees, Charges and Expenses" section is hereby deleted in its entirety and replaced with the following:

"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."

G. PRICING

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COMPUTATION OF NAV AND NAV PER UNIT

The information after the second paragraph of this section is hereby deleted in its entirety and replaced with the following:

"Please refer to "Valuation Point For The Fund" section of this Prospectus for an explanation of the valuation point.

Illustration on computation of NAV and NAV per Unit for a particular day:-

	Fund (SGD)	SGD Class (SGD)	RM Class (RM)
Value of the Fund / Class before Income & Expenses	430,000,000.00	172,000,000.00	258,000,000
Multi-class ratio *	100.00%	40%	60%
Add: Income	2,700,000.00	1,080,000.00	1,620,000.00
Gross asset value / GAV	432,700,000.00	173,080,000.00	259,620,000.00
Less: Fund expenses	(150,000.00)	(60,000.00)	(90,000.00)
NAV of the Fund (before deduction of management and trustee fees)	432,550,000.00	173,020,000.00	259,530,000.00
Less: Management fee for the day (1.50% p.a.)	(17,776.02)	(7,110.41)	(10,665.61)
Less: Trustee fee for the day (0.08% p.a.)	(948.05)	(379.22)	(568.83)
NAV of the Fund (after deduction of management fee and trustee fee)	432,531,275.93	173,012,510.37	259,518,765.56
Total Units in Circulation	435,000,000	174,000,000	261,000,000
NAV per Unit of a Class in Base Currency **		0.9943	0.9943
Currency exchange rate		SGD 1 = SGD 1	SGD 1 = RM 4
NAV per Unit in currency Class ***		0.9943	3.9772

Notes:

* Multi-class ratio is apportioned based on the size of the Class relative to the whole Fund. This means the multi-class ratio is calculated by taking the *Value of a Class before Income & Expenses* for a particular day and dividing it with the *Value of the Fund before Income & Expenses* for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

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** NAV per Unit of a Class is derived by dividing the NAV of a Class with Units in Circulation for the particular Class.

The rounding policy is four (4) decimal points for the purposes of publication of the NAV per Unit of each Class. However, the rounding policy will not apply when calculating the Sales Charge and Repurchase Charge (where applicable).

*** NAV per Unit in currency Class is derived from the NAV per Unit of a Class in the Base Currency multiplied by the currency exchange rate for the particular Class."

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COMPUTATION OF SELLING PRICE AND REPURCHASE PRICE

The information on the "Calculation of Repurchase Price" is hereby deleted in its entirety and replaced with the following:

"Calculation of Repurchase Price

For illustration purposes, let's assume the following:

Class	SGD Class	RM Class
Units Repurchased	20,000 Units	20,000 Units
Repurchase Price	SGD 0.50	RM 0.50
Repurchased Amount [^]	20,000 Units x SGD 0.50 = SGD 10,000	20,000 Units x RM 0.50 = RM 10,000
Repurchase Charge	0.00%	0.00%
Repurchase Charge Paid By Investor ^{^^}	0.00% x SGD 10,000 = SGD 0.00	0.00% x RM 10,000 = RM 0.00
Total Amount Received By Investor ^{^^^}	SGD 10,000 – SGD 0.00 = SGD 10,000	RM 10,000 - RM 0.00 = RM 10,000

Formula for calculating:-

[^] Repurchase amount	=	Unit repurchased x Repurchase Price
^{^^} Repurchase Charge paid by investor	=	Repurchase Charge x Repurchase amount
^{^^^} Total amount received by investor	=	Repurchased amount - Repurchase Charge paid by investor"

H. THE MANAGER

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ABOUT AHAM

The first paragraph of this section is hereby deleted in its entirety and replaced with the following:

"AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang-DBS Capital Berhad in 2001. In early 2014, AHAM was acquired by the Affin Banking Group ("Affin") and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, AHAM has more than 18 years' experience in the fund management industry. Additionally, AHAM is also 27% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd., an Asian investment management franchise."

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Board of Directors

The information in this section is hereby deleted in its entirety and replaced with the following:

“Raja Tan Sri Dato’ Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)
Dato’ Teng Chee Wai (Non-independent Director)
Ms Eleanor Seet Oon Hui (Non-independent Director)
Puan Mona Suraya binti Kamaruddin (Non-independent Director)
Encik Faizal Sham bin Abu Mansor (Independent Director)
Maj. Gen. Dato’ Zulkiflee bin Mazlan (R) (Independent Director)”

I. THE TRUSTEE

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DEUTSCHE TRUSTEES MALAYSIA BERHAD

The first paragraph of this section is hereby deleted in its entirety and replaced with the following:

“Deutsche Trustees Malaysia Berhad (“DTMB”) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.”

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Experience in Trustee Business

The first paragraph of this section is hereby deleted in its entirety and replaced with the following:

“DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at 31 July 2021, DTMB is the trustee for 197 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.”

J. RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST

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Related Party Transactions

The information in this section is hereby deleted in its entirety and replaced with the following:

“Name of Party Involved in the Transaction	Nature of Transaction	Name of Related Party	Nature of Relationship
AHAM	Placement of deposits, investments in money market instruments and derivatives	Affin Hwang Investment Bank Berhad (“Affin Hwang IB”)	Affin Hwang IB holds 63% equity interest in AHAM.”

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The following information is hereby inserted after the “Details of the Substantial Shareholders of AHAM’s Direct and Indirect Interest in other Corporation Carrying on a Similar Business” section:

“Details of the Directors of AHAM’s Direct and Indirect Interest in other Corporation Carrying on a Similar Business

Name of Director	Name of Corporation or Business	Nature of Interest in Shareholding (Direct/Indirect)	Nature of Interest in Directorship
Dato’ Teng Chee Wai	AIIMAN Asset Management Sdn. Bhd. (“AIIMAN”) AIIMAN is wholly-owned by the Manager	Indirect interest	Non-independent Director
Puan Mona Suraya binti Kamaruddin	AIIMAN	-	Non-independent Director”

K. CONSENTS Section 244(1)(b) of the Capital Markets and Services Act 2007

This is a new section and the following statement is hereby inserted after the “RELEVANT INFORMATION” section:

- “The Trustee has given its consent to the inclusion of its name in the form and context in which such name appears in this Prospectus and has not subsequently withdrawn such consent before the issuance of this Prospectus; and
- The tax adviser has given its consent to the inclusion of its name and the tax adviser’s letter in the form and context in which such name and tax adviser’s letter appear in this Prospectus and has not subsequently withdrawn such consent before the issuance of this Prospectus.”

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L. DIRECTORY OF SALES OFFICE

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The information on the sales offices of Affin Hwang Asset Management Berhad is hereby deleted in its entirety and replaced with the following:

“AFFIN HWANG ASSET MANAGEMENT BERHAD:

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
Website: www.affinhwangam.com

PENANG

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

PERAK

1 Persiaran Greentown 6
Greentown Business Centre
30450 Ipoh, Perak
Tel: 05 - 241 0668
Fax: 05 – 255 9696

JOHOR

Unit 22-05, Level 22
Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru
Johor
Tel: 07 – 227 8999
Fax: 07 – 223 8998

MELAKA

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

SABAH

Unit 1.09(a), Level 1, Plaza Shell
29, Jalan Tunku Abdul Rahman
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

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