

# PRODUCT HIGHLIGHTS SHEET

for

## **AHAM Asia Bond Fund** ***(Formerly known as Affin Hwang Asia Bond Fund)***

Date of issuance: 30 October 2023

### RESPONSIBILITY STATEMENT

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

### STATEMENT OF DISCLAIMER

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

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

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

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

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

## PRODUCT HIGHLIGHTS SHEET

### AHAM ASIA BOND FUND

#### BRIEF INFORMATION ON THE PRODUCT

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

AHAM Asia Bond Fund is a wholesale open-ended fund which aims to provide investors with a steady income stream, in the form of distributions, through investments primarily in bonds and other fixed income instruments.

#### PRODUCT SUITABILITY

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

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

#### KEY PRODUCT FEATURES

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

<b>Launch Date</b>	28 October 2011
<b>Tenure</b>	The Fund is an open-ended fund. The Fund has no maturity date and may only be terminated in accordance with the terms of the Information Memorandum and the provisions of the Deed.
<b>Base Currency</b>	MYR
<b>Investment Strategy</b>	<p>To achieve its objective, the Fund will be investing into a portfolio of bonds. Concurrently, the Fund will also have the flexibility to seek exposure to fixed income instruments such as money market instruments and deposits.</p> <p>The Fund's investment in bonds would consist of both government and corporate bonds. The selection of bonds will not be constrained by credit ratings of issuances. However, the selection will depend largely on its quality where the respective issuers display strong ability to meet their financial obligations, healthy cash-flow, the collateral type, value, claims, priority as well as offer highest safety for timely payment of interest and principal. We will combine a top-down and bottom-up investment approach to identify investment opportunities.</p> <p>The Fund will be actively managed and positioned dependent on the interest rate outlook for the market. Depending on the prevailing economic landscape, we may look to shorten the portfolio duration during a rising interest rate environment to mitigate interest rate risks. Conversely, we would take advantage of the opportunity to lengthen the portfolio duration in a falling interest rate environment. The Fund will also have the flexibility to invest in collective investment schemes that have a similar investment objective to the Fund.</p> <p><b>Derivatives</b></p> <p>Derivatives trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. Futures and forward contracts are generally contracts between two parties to trade an asset at an agreed price on a pre-determined future date whereas swaps is an agreement to swap or exchange two financial instruments between two parties.</p> <p>The intention of hedging is to preserve the value of the assets from any adverse price movements. For example, to hedge against foreign currency exchange risk, the Fund may enter into a currency forward contract to offset any adverse foreign currency movements by determining an agreed rate for an agreed tenure with its counterparty. While the hedging transactions will assist with mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well.</p> <p>The Fund adopts commitment approach to measure the Fund's global exposure to derivatives. The commitment approach is a methodology that aggregates the underlying market values or notional values of derivatives after taking into account the possible effects of netting and/or hedging arrangements. The Fund's global exposure from the derivatives position must not exceed 100% of NAV of the Fund at all times.</p>

	<b>Foreign Investments of the Fund</b> The Fund may invest in investments listed or issued in foreign markets. The decision to invest into foreign markets would be opportunistically driven where we would seek out investments that could provide a potential to enhance the returns of the Fund. The Fund will invest only into countries which are eligible markets.  <b>Temporary Defensive Positions</b> We hold the option to take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation to protect the Fund against adverse market conditions that may impact the financial markets. To manage the risk of the Fund, we may temporarily shift the Fund's assets to money market instruments and/or deposits.	
<b>Benchmark</b>	12-months Malayan Banking Berhad fixed deposit rate	
<b>Asset Allocation</b>	The Fund asset allocation range is as follows:-	
	<b>Asset Class</b>	<b>% of NAV</b>
	Bonds	Maximum of 95% of the Fund's NAV
	Money market instruments and deposits	Minimum of 5% of the Fund's NAV
<b>Distribution Policy</b>	Subject to the availability of income, distribution of income will be done semi-annually.	
<b>Minimum Initial Investment*</b>	MYR100,000	
<b>Minimum Additional Investment*</b>	MYR50,000	
<b>Minimum Units of Repurchase*</b>	50,000 Units	
<b>Minimum Units Held*</b>	100,000 Units	

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

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

#### 4. Who am I investing with

Relevant parties' information:

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

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

The Fund's investment is to invest primarily in a portfolio of local and foreign bonds (both sovereign and corporate) and other fixed income instruments such as money market instruments and deposits.

The performance of the Fund would to a great extent be linked to the price movements of local and foreign bonds. The Fund's performance will rely on the fund managers' expertise in managing the Fund to deliver superior performance to its benchmark. Unlike deposits which generally provide a guarantee on capital invested and carry specific rate of return, this Fund does not provide a guarantee on capital contributed nor does it guarantee a fixed rate of return.

### KEY RISKS

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

##### General risks

- Market risk** – Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that impact businesses, whether positive or negative. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.

**Fund management risk** – This risk refers to the day-to-day management of the Fund by the Manager. Investment decisions undertaken by the Manager as a result of an incorrect market view or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect performance.

- **Performance risk** - The performance of the Fund depends on the financial instruments that the Fund purchases. The performance of the Fund may also be impacted if the allocation of assets is not properly done. This is where the experience and expertise of the investment managers is important. There is never a guarantee that investing in the Fund will produce the desired investment returns or on the distribution of income.
- **Inflation risk** - This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
- **Risk of non-compliance** - This risk refers to the possibility that the rules governing the Fund as set out in the Deed or the Guidelines may not be observed by the Manager. Whilst not every non-observance will necessarily result in losses to the Fund, investors are advised that the potential for the Fund to suffer losses may be heightened if the non-observation is due to fraud or dishonest acts on the part of the Manager.
- **Operational risk** - This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or may be fraud. The Manager will review its internal policies and system capability to mitigate instances of this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.
- **Political risk** - Political instability that leads to social unrest could lead to disruption of economic activity which may impact the Fund's investment in that country. A change in government policies could also impact the Fund's investments. There is no requirement that a new government must be pro investment or that the existing government shall have the same investment policies in perpetuity.
- **Regulatory risk** - The investments of the Fund would be exposed to changes in the laws and regulations in the countries the Fund is invested in. These regulatory changes pose a risk to the Fund as it may materially impact the investments of the Fund. In an effort to manage and mitigate such risk, the Manager seeks to continuously keep abreast of regulatory developments in that country.
- **Related party transaction risk** - The Fund may have dealings with parties related to AHAM. It is our policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties.
- **Suspension of repurchase request risk** - Having considered the best interests of Unit Holders, repurchase requests by Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be determined, or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time.

### Specific risks

- **Credit risk** – Credit risk refers to the risk that the issuer of any bond that is held by the Fund defaults or is unable to make the principal or further coupon payments. The Fund is also exposed to the risk of credit downgrades which in turn would result in a loss and would adversely affect the NAV of the Fund. This risk is mitigated by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of the relevant issuers.
- **Liquidity risk** – Liquidity risk refers to two scenarios. The first scenario is where an investment cannot be sold due to the unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the Fund. Upon such event, the Manager may suspend the repurchase of Units requests.
- **Interest rate risk** – This risk refers to the impact of interest rate changes on the valuation of debentures or money market instruments (hereinafter referred to as "investment"). Generally, movement in interest rates affects the prices of investment inversely. The fluctuations of the prices of investment will also impact the NAV of the Fund. This can largely be eliminated by holding the investment until their maturity. We also manage interest rate risk by considering each investment's sensitivity to interest rate changes. For investments in deposits, the fluctuations in the interest rates will not affect the placement of deposits but will result in the opportunity loss by the Fund if the placement of deposits is made at lower interest rate.
- **Country risk** – Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests.
- **Currency risk** – As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. 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.
- **Prepayment and commitment risk** – Certain investments in this Fund may be intended to be held until maturity. However, the Manager may be required to liquidate such investments in order to meet repurchase request of Unit Holders. Any premature liquidation of the investments may cause the price of the investments to be lower compared to the price if the investments had been held until maturity.
- **Derivatives risk** – The Manager does not intend to use derivative transactions for speculation or leverage but may use them for hedging. The Manager may hedge the foreign currency exposure of the Fund by entering into one or more foreign exchange forward contracts and/or cross currency swap transactions. The Manager may also hedge the interest rate exposure of the Fund by entering into one or more interest rate swap contracts. Hedging using derivatives may be subject to risks, which in some cases, may be greater than the risks presented by more traditional instruments investments. Some of the risks associated with derivatives are, but not limited to, market risk, management risk, credit risk, liquidity risk,

operational risk and leverage risk. There can be no assurance that the hedging strategy will be possible to meet its intended objective which would have an adverse impact on the NAV of the Fund. Investments in derivatives may require the deposit of initial margin and additional margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. The Manager has the necessary controls for investments in derivatives and has in place systems to monitor the derivative positions for the Fund.

- **Counterparty risk** - The Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Trading in derivatives which have not been collateralised gives rise to direct counterparty exposure. The Fund mitigates much of its credit risk to its derivatives counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any derivative is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Fund. The Fund maintains an active oversight of counterparty exposure and the collateral management process.

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

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

## FEES & CHARGES

### 7. What are the fees and charges involved?

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

**What will I be charged by the Manager?**

<b>Sales charge</b>	Up to 2.00% of the NAV per Unit of the Fund.
<b>Repurchase charge</b>	Nil.

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

<b>Annual management fee</b>	Up to 1.00% per annum of the NAV of the Fund.
<b>Annual trustee fee</b>	Up to 0.06% per annum of the NAV of the Fund.

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

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

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## VALUATIONS AND EXITING FROM INVESTMENT

### 8. How often are valuations available?

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

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

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

**CONTACT INFORMATION**

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

1. For internal dispute resolution, you may contact our customer service personnel:

- (a) via phone to : 03 – 2116 6000
- (b) via fax to : 03 – 2116 6100
- (c) via toll free no. : 1-800-88-7080
- (d) via email to : [customercare@aham.com.my](mailto:customercare@aham.com.my)
- (e) via letter : AHAM Asset Management Berhad  
Ground Floor, Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur

Complaints should be made in writing with the following information:

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

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Centre (SIDREC):

- (a) via phone to : 03 - 2282 2280
- (b) via fax to : 03 - 2282 3855
- (c) via email to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1 Level 9, Tower A, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- (a) via phone to the Aduan Hotline at : 03 – 6204 8999
- (b) via fax to : 03 – 6204 8991
- (c) via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- (d) via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
- (e) via letter to : Consumer & Investor Office  
Securities Commission Malaysia,  
No 3 Persiaran Bukit Kiara, Bukit Kiara,  
50490 Kuala Lumpur

4. Federal of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- (a) via phone to : 03 – 20923800
- (b) via fax to : 03 – 20932700
- (c) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- (d) via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)
- (e) via letter to : Legal, Secretarial & Regulatory Affairs  
Federal of Investment Managers Malaysia  
19-06-1, 6th Floor Wisma Tune,  
No. 19, Lorong Dungun Damansara Heights,  
50490 Kuala Lumpur

**APPENDIX : GLOSSARY**

<b>Act</b>	Means the Capital Markets and Services Act 2007 as may be amended and modified from time to time.
<b>Bursa Malaysia</b>	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>Business Day</b>	A day on which the Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading.
<b>Deed</b>	Refers to the deed dated 19 October 2011 as amended and modified by the supplemental deed dated 18 January 2012, the second supplemental deed dated 23 April 2012, the third supplemental deed dated 1 July 2014 and the fourth supplemental deed dated 3 October 2023 all entered into between the Manager and the Trustee.
<b>deposits</b>	Has the same meaning as per the definition of “deposit” in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
<b>eligible market(s)</b>	Means an exchange, government securities market or an over-the-counter (“OTC”) market – (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded.
<b>Fund</b>	Refers to AHAM Asia Bond Fund ( <i>formerly known as Affin Hwang Asia Bond Fund</i> ).
<b>Guidelines</b>	Refers to the <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC as amended from time to time.
<b>Information Memorandum</b>	Means the offer document in respect of this Fund as may be replaced or amended from time to time.
<b>Manager / AHAM</b>	Refers to AHAM Asset Management Berhad ( <i>formerly known as Affin Hwang Asset Management Berhad</i> ).
<b>MYR</b>	Means the Malaysian Ringgit, the lawful currency of Malaysia.
<b>NAV</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
<b>SC</b>	Means Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
<b>Sophisticated Investors</b>	Refers to any person (a) who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act; (b) who acquires unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or (c) any other person as may be determined by the SC from time to time under the Guidelines.  Note: For more information, please refer to our website at <a href="http://www.aham.com.my">www.aham.com.my</a> for the current excerpts of Part 1, Schedules 6 and 7 of the Act and the list of other Sophisticated Investors as permitted by the SC under the Guidelines.
<b>Trustee</b>	Refers to CIMB Islamic Trustee Berhad.
<b>Unit or Units</b>	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a unit of the Fund.
<b>Units in Circulation</b>	Means Units created and fully paid and which have not been cancelled. It is the total number of Units issued at a particular valuation point.
<b>Unit Holder, You</b>	Means the person/corporation for the time being who, in full compliance to the relevant laws is a Sophisticated Investor pursuant to the Guidelines including a jointholder.