

FIRST SUPPLEMENTAL PROSPECTUS FOR AHAM ENHANCED DEPOSIT FUND

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

Trustee : **HSBC (Malaysia) Trustee Berhad**
Registration Number: 193701000084 (1281-T)

This First Supplemental Prospectus is dated 13 October 2023.

The AHAM Enhanced Deposit Fund was constituted on 18 April 2005.
The constitution date of the Fund is also the launch date of the Fund.

THE FUND IS OPEN TO INDIVIDUAL INVESTORS ONLY FOR SUBSCRIPTION.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTAL PROSPECTUS WHICH IS TO BE READ TOGETHER WITH THE PROSPECTUS DATED 30 DECEMBER 2022. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE THE "RISK FACTORS" COMMENCING ON PAGE 4 OF THE PROSPECTUS DATED 30 DECEMBER 2022 AND PAGE 2 OF THIS FIRST SUPPLEMENTAL PROSPECTUS.



**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 IS A FIRST SUPPLEMENTAL PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 30 DECEMBER 2022

Responsibility Statements

This First Supplemental Prospectus has been reviewed and approved by the directors of AHAM Asset Management Berhad (*formerly known as Affin Hwang Asset Management Berhad*) (“AHAM”) 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 the 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 30 December 2022 or this First Supplemental Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of AHAM, 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 BE AWARE THAT THE CAPITAL OF THE FUND WILL BE ERODED WHEN THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.



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.

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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 30 December 2022 (“Prospectus”).

EXPLANATORY NOTES

1. This First Supplemental Prospectus is issued mainly to reflect the change in the distribution policy of the Fund to allow the Fund to distribute out of its capital.
2. In addition, other information in the Prospectus have been updated or deleted to reflect other changes, amongst others, changes to the information on the Manager, related parties transaction and other updates which are general in nature.

A. GLOSSARY

Page 2 of the Prospectus

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

“Deed Deed dated 4 April 2005 as amended by the First Supplemental Deed dated 29 December 2005, the Second Supplemental Deed dated 20 February 2006, the Third Supplemental Deed dated 18 June 2007, the Fourth Supplemental Deed dated 15 October 2008, the Fifth Supplemental Deed dated 12 March 2009, the Sixth Supplemental Deed dated 19 March 2010, the Seventh Supplemental Deed dated 18 January 2012, the Eighth Supplemental Deed dated 27 June 2014, the Ninth Supplemental Deed dated 19 December 2016, the Tenth Supplemental Deed dated 25 January 2022, the Eleventh Supplemental Deed dated 6 October 2022 and the Twelfth Supplemental Deed dated 21 June 2023 entered into between the Manager and the Trustee including any supplemental and variation thereto.”

B. RISK FACTORS

Page 6 of the Prospectus

SPECIFIC RISKS

The following information is hereby inserted after “Risk associated with amortised cost accounting”:

“Distribution Out of Capital Risk

The Fund may distribute income out of capital. Such capital distributions represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per Unit of the Fund and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained.”

C. ABOUT AHAM ENHANCED DEPOSIT FUND

Page 8 of the Prospectus

- (i) The information on “Distribution Policy” is hereby deleted in its entirety and replaced with the following:

“Distribution Policy : The Fund endeavours to distribute income on a monthly basis. At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above.”

THIS IS A FIRST SUPPLEMENTAL PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 30 DECEMBER 2022

(ii) The information on “Deed” is hereby deleted in its entirety and replaced with the following:

"Deed : Deed dated 4 April 2005 as amended by the First Supplemental Deed dated 29 December 2005, the Second Supplemental Deed dated 20 February 2006, the Third Supplemental Deed dated 18 June 2007, the Fourth Supplemental Deed dated 15 October 2008, the Fifth Supplemental Deed dated 12 March 2009, the Sixth Supplemental Deed dated 19 March 2010, the Seventh Supplemental Deed dated 18 January 2012, the Eighth Supplemental Deed dated 27 June 2014, the Ninth Supplemental Deed dated 19 December 2016, the Tenth Supplemental Deed dated 25 January 2022, the Eleventh Supplemental Deed dated 6 October 2022 and the Twelfth Supplemental Deed dated 21 June 2023."

D. DEALING INFORMATION

Page 12 of the Prospectus

HOW TO PURCHASE UNITS?

The second bullet point in this section is hereby deleted in its entirety and replaced with the following:

- “You are required to provide us with the following completed forms and documents. However, we reserve the right to request for additional documents before we process the purchase application.

Individual or Jointholder
<ul style="list-style-type: none">• Account opening form;• Suitability assessment form;• Personal data protection notice form;• Client acknowledgement form;• A copy of identity card or passport or any other document of identification; and• Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (“CRS”) Self-certification Form.”

Page 13 of the Prospectus

HOW TO REPURCHASE UNITS?

The fourth bullet point in this section is hereby deleted in its entirety and replaced with the following:

- “Bank charges and other bank fees, if any, will be borne by us.”

Page 15 of the Prospectus

DISTRIBUTION POLICY

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

“The Fund endeavour to distribute income on a monthly basis.

All income distribution will be made in the form of cash or reinvestment as additional Units.

At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above. The rationale for distribution out of capital is to allow the Fund the ability to distribute income on a regular basis in accordance with the income distribution policy of the Fund.

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Having the option to tap into the additional sources of income from (3) unrealised income, (4) unrealised capital gains and/or (5) capital (collectively known as “distribution out of capital”) would give the Manager the flexibility to increase the amount of income distributable to Unit Holders after taking into consideration the distribution out of capital risk.

Distribution out of capital has a risk of eroding the capital of the Fund. Payment of distribution out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any distribution involving any payment out of capital of the Fund will result in an immediate reduction of the NAV per Unit. As a result, the value of future returns would be diminished.

You may elect the mode of distribution in cash payment or additional Units by way of reinvestment by ticking the appropriate column in the application form. You may also inform us, at any time before the income distribution date of your wish of receiving cash payment or additional Units via reinvestment. All distribution will be automatically reinvested into additional Units in the Fund if you do not elect the mode of distribution in the application form.

Any distribution payable which is less than or equal to the amount of MYR 300.00 will be automatically reinvested on your behalf.

Notwithstanding the above, we may also reinvest the distribution proceeds which remain unclaimed after twelve (12) months from the date of payment, provided that you still have an account with us.

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 such Units based on the NAV per Unit at the income payment date which is within two (2) Business Days after the distribution date.

There will not be any cost to Unit Holders for reinvestments of those additional Units i.e. no Sales Charge will be imposed on such reinvestment.

EPF Investment:

For Unit Holders who invest through the EMIS, any income distributions paid will be considered as EPF savings and automatically reinvested in the form of additional Units for the Unit Holders.

Unit prices and distributions payable, if any, may go down as well as up.”

E. THE MANAGER

Page 28 of the Prospectus

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. AHAM has more than 20 years’ experience in the fund management industry. In 2022, AHAM’s ultimate major shareholder is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners (“CVC”), which has approximately 68.35% controlling interest in AHAM. CVC is a global private equity and investment advisory firm with approximately USD125 billion of assets under its management. AHAM is also 20% owned by Nikko Asset Management Co., Ltd., a Tokyo-based asset management company, and 7% owned by Lembaga Tabung Angkatan Tentera.”

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F. RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST

Page 32 of the Prospectus

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

“AHAM has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, AHAM will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where the interests of the directors or the person(s) or members of a committee undertaking the oversight function’s interests may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staff of AHAM are required to seek prior approval from the executive director or the managing director of AHAM before dealing in any form of securities.

All transactions with related parties are to be executed on terms which are best available to the Fund and which are no less favourable to the Fund than an arm’s length transaction between independent parties. Such transactions may include dealings on sale and purchase of securities and instruments by the Fund and holding of units in the Fund by related parties.

The tax advisers and solicitors have confirmed that they do not have any existing or potential conflict of interest with AHAM and/or the Fund.”