

PRODUCT HIGHLIGHTS SHEET

for

AHAM Income Fund I

(Formerly known as Affin Hwang Income Fund I)

Date of issuance : 25 September 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 Securities Commission Malaysia has not authorised or recognised AHAM Income Fund I (“the Fund”).

A copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia and the lodgement of this Product Highlights Sheet should not be taken to indicate that the Securities Commission of 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 in 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 HIGHLIGHT SHEET

AHAM INCOME FUND I

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

AHAM Income Fund I is an open-ended fixed income fund, issued and managed in-house by the Manager. The Fund aims to provide investors with investment exposure through a portfolio of fixed income instruments.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is designed for Sophisticated Investors who want exposure to fixed income instruments, have a medium to long term investment horizon and have a low risk tolerance.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	1 August 2014
Tenure	The Fund is an open-ended fund where it does not have a fixed maturity date and may only be terminated in accordance with the terms of the Information Memorandum and the provisions of the Deed.
Benchmark	BPAM Corporates 3Y-7Y All Bond Index.
Investment Strategy	<p>To meet the Fund's objective, we will build a portfolio of fixed income securities focusing on investment opportunities through MYR denominated issuances.</p> <p>The portfolio will comprise of debentures issued by corporates, as well as Malaysian sovereign bonds and issuances backed by the Malaysian or by government-linked agencies. These instruments may include, but will not be limited to Malaysian government securities, government investment issues, treasury bills, and Bank Negara monetary notes.</p> <p>We will carry out a stringent credit selection process when identifying issuances to be included into the portfolio. This is done with the aim of ensuring that the underlying investments are of high credit quality and are able to provide relative certainty of principal repayment while maintaining overall total return stability. Concurrently, we will also look towards maintaining the average portfolio duration between 3 to 7 years.</p> <p>In constructing its portfolio, the Fund's investment into debentures will be subjected to a minimum credit rating of A3 (long-term) or P2 (short-term) by RAM, or its equivalent by MARC.</p> <p>The Fund will also have the flexibility to maintain the balance of its NAV into more liquid assets such as money market instruments, deposits and/or cash.</p> <p>To meet its objective, the Fund also have the flexibility to invest into collective investment schemes. However, these collective investment schemes will be restricted to those that are able to provide the Fund with exposure into money market instruments only.</p> <p>As a temporary defensive measure, we may take a position that may be inconsistent with the Fund's principal strategy by increasing the Fund's exposure into liquid assets to protect the Fund's capital.</p>

Asset Allocation	Asset Class	% of the Fund's NAV
	Fixed Income Instruments	Minimum 70%
	Liquid Assets	Remaining balance of the Fund's NAV
Distribution Policy	The Fund will declare distribution on a monthly basis, subject to the availability of income.	
Minimum Initial Investment*	MYR 1,000,000	
Minimum Additional Investment*	MYR 100,000	
Minimum Switching Amount*	100,000 Units	
Minimum Units Held*	1,000,000 Units	

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

4. Who am I investing with?

Relevant parties' information:

The Manager	AHAM Asset Management Berhad
The Trustee	Deutsche Trustees Malaysia Berhad

5. What are the possible outcomes of my investment?

The Fund will invest in fixed income instruments, which are all issued in Malaysia.

Please note that the risk factors associated with the Fund may cause you to lose some or all of your investment. Regardless, this Fund is suitable for low risk investors.

Unlike fixed deposited 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.

Please note that the Fund does not guarantee your investment capital nor the returns from the Fund.

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 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.
- **Fund management risk** – This risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. 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.
- **Liquidity risk** – Liquidity risk refers to two scenarios. The first is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. 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 and in the best interest of the Unit Holders, the Manager may suspend the repurchase of Units requests.

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

- **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.
- **Loan financing risk** – This risk occurs when you take a loan or financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan or financing repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan or financing.
- **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 fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to you. The Manager will regularly 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.
- **Risk of non-compliance** - This risk refers to the possibility that the rules governing the Fund which is set out in the Deed or the Guidelines may not be observed by the Manager, whether intentionally or otherwise. Whilst not every non-observance to the rules governing the Fund will necessarily result in some losses to the Fund, investors are advised that the potential for the Fund to suffer losses may be heightened if the non-observation of the rules governing the Fund is due to the fraud or dishonest acts on the part of the Manager.
- **Related party transaction risk** - The Fund may also have dealings with parties related to AHAM. Nevertheless, it is our policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties.
- **Suspension of repurchase request risk** - Having considered the best interests of Unit Holders, the repurchase requests by the Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be determined, or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.

Specific risks

- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the debentures and money markets instruments and the Financial Institutions where the deposits are placed (hereinafter referred to as "investments") and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer and/or Financial Institution may impact the value as well as liquidity of the investments. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or a Financial Institution of the investments either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the Fund.
- **Interest rate risk** - This risk refers to the impact of interest rate changes on the valuation of the fixed securities i.e., debentures or money market instruments (hereinafter referred to as "investments"). Generally, movement in interest rates affects the prices of investment inversely. For example, when interest rates rise, prices of investment will fall. The fluctuations of the prices of investment will also have an impact on the NAV of the Fund. This risk can largely be eliminated by holding the investment until their maturity. We also manage interest rate risk by considering each investment's sensitivity to interest rate changes. When interest rates are expected to increase, the Fund would then likely seek to switch to investment that are less sensitive to interest rate changes. For investments in deposits, the fluctuations in the interest rates will not affect the placement of deposits but will result in the opportunity loss by the Fund if the placement of deposits is made at lower interest rate.

Note: Please refer to "Understanding the Risks of the Fund" in Information Memorandum for further details on each risk.

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

FEES & CHARGES

7. What are the fees and charges involved?

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

What will I be charged by the Manager?

Sales charge	Nil.
Repurchase charge	Nil.
Switching fee	Not applicable as switching is not permitted.
Transfer fee	Nil.

What are the key ongoing fees charged to the Fund?

Management fee	Up to 0.20% of the NAV of the Fund per annum.
Trustee fee	Up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges).
Performance fee	The Manager will earn a 20% performance fee on the appreciation in the NAV per Unit over and above the Hurdle Value during a Performance Period. However, in the interest of investors, the Manager imposes a Hurdle Value, which is HWM plus 5.0%, in which the Fund's performance has to exceed before the Manager is eligible for a performance fee.

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, our customer service via our toll free number 1-800-88-7080 or email to 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 investments in the Fund at any point in time by simply completing the repurchase application form and returning it to us on any Business Day from 8.45 a.m. to 3.30 p.m. Payments will be made to you within 10 Business Days from the day the repurchase request is received by us and provided that all documentations are completed and verifiable.

CONTACT INFORMATION

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

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

- (a) via phone to : 03 – 2116 6000
- (b) via fax to : 03 – 2116 6100
- (c) via toll free no. : 1-800-88-7080
- (d) via email to : 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
- (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
- (d) via online complaint form available at 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
- (d) via online complaint form available at : 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

Bursa Malaysia	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
Business Day	Means a day on which the Bursa Malaysia is open for business/trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.
Deed	Refers to the deed dated 31 July 2014, first supplemental deed dated 25 March 2015, second supplemental deed dated 1 November 2018 and the third supplemental deed dated 25 August 2023 all entered into between the Manager and the Trustee and includes any subsequent amendments and variations thereto.
deposit(s)	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 deposits.

Development Financial Institution	Means a development financial institution under the Development Financial Institutions Act 2002.
FIMM	Means the Federation of Investment Managers Malaysia.
Financial Institution	Means: (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank; or (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.
Fund	Refers to AHAM Income Fund I (<i>formerly known as Affin Hwang Income Fund I</i>).
Guidelines	Refers to <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC as may be amended from time to time.
High Water Mark or HWM	Means the highest NAV per Unit that the Fund has achieved in a preceding Performance Period as determined by the Manager at the beginning of each Performance Period and it is used to determine the starting value for the purposes of ascertaining the Hurdle value for a current Performance Period.
Hurdle Value	The HWM plus 5.0% set at the beginning of each Performance Period.
Information Memorandum	Means this offer document in respect of this Fund as may be replaced or amended from time to time.
Licensed Bank.	Means a bank licensed under the Financial Services Act 2013
Licensed Investment Bank	Means an investment bank licensed under the Financial Services Act 2013.
Licensed Islamic Bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
The Manager / AHAM / us / we / our	Refers to AHAM Asset Management Berhad (<i>formerly known as Affin Hwang Asset Management Berhad</i>).
MYR	Means the Malaysian Ringgit, the lawful currency of Malaysia.
MARC	Means Malaysia Rating Corporation Berhad.
medium to long-term	Means a period of three (3) years or more.
NAV	Means the value of all the Fund's assets less the value of the Fund's liabilities at a particular valuation point.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
Performance Period	Means a period of 12 months beginning from 1 January to 31 December every year to coincide with the start and the end of the Fund's financial year. The Manager only calculates the performance fee on a Business Day.
PHS	Means the product highlights sheet, a disclosure document that contains clear and concise information of the salient features of the Fund.
RAM	Means RAM Rating Services Berhad.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
SC	Means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.
Sales Charge	Means a charge imposed pursuant to a purchase request.
Sophisticated Investor	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 www.aham.com.my 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.–
Trustee	Refers to Deutsche Trustees Malaysia 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.
Unit(s) in Circulation	Means Units created and fully paid for and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
Unit Holder(s) or You	Refers to the person/corporation for the time being who, is in full compliance with the relevant laws, and is a Sophisticated Investor pursuant to the Guidelines including a jointholder.