

PRODUCT HIGHLIGHTS SHEET

for

AHAM Wholesale Equity Fund *(Formerly known as Affin Hwang Wholesale Equity Fund)*

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, there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

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The Securities Commission Malaysia has not authorised or recognised AHAM Wholesale Equity Fund (“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 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 WHOLESALE EQUITY FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

The Fund is an open-ended wholesale equity fund which aims to provide investors with steady income and capital growth over the medium to long-term period.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is designed for Sophisticated Investors who have a medium to long-term investment horizon, have a high risk tolerance and want exposure to Malaysian equities.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	10 March 2017
Tenure	This 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.
Base Currency	MYR
Asset Allocation	<ul style="list-style-type: none"> ➢ A minimum of 65% of the Fund's NAV to be invested in equities; ➢ A maximum of 15% of the Fund's NAV to be invested in REITs; and ➢ A maximum of 20% of the Fund's NAV to be invested in money market instruments and deposits.
Benchmark	10% per annum
Investment Strategy	<p>The Fund will focus on achieving its objective by investing a minimum of 65% of the Fund's NAV in a portfolio of equities listed and traded on the main market of Bursa Malaysia and a maximum of 15% of the Fund's NAV in REITs. The Fund may also invest a maximum of 20% of the Fund's NAV in MYR denominated money market instruments and deposits.</p> <p>To achieve its objective of providing steady income and capital growth, the Fund will be investing a minimum of 50% of its NAV in companies that have a minimum 3 years profitability and dividend track record with the anticipation to gain income from dividends. Apart from the dividend track record, the Fund will invest in equities of corporations that practice good corporate governance. Some of the criteria that will be taken into account in the selection process are transparency, accountability, and integrity of the management of these corporations. They include practices of having independent directors on the board, transparent business procedures and financial information, accessible management team to investors and protecting minority shareholders' rights. However, the practice of good corporate governance in isolation does not necessarily lead to investment outperformance. Hence, in order to enhance returns for Unit Holders, we will also conduct fundamental analysis to determine the appropriateness of the investment. As such, we will also consider the following:</p> <ul style="list-style-type: none"> • Industry and business medium to long-term outlook; • Management track record or quality; • Financial strength and gearing levels; • Earnings and cash flow volatility; • Expected future earnings growth; and • Share price valuation.

	<p>In addition to the above selection process, we will also focus on companies that operate on environmentally friendly businesses. Therefore, we will avoid sectors such as landmine, tobacco and palm-oil companies. The Fund will also have the flexibility to invest in equity-linked instruments such as warrants, as well as collective investment schemes that have similar objective with the Fund.</p> <p>Temporary Defensive Position</p> <p>We believe opportunities to maximize returns will exist, irrespective of bull or bear market conditions. We would have the flexibility to remain invested in the market during periods of market upturn, or liquidate investments and hold liquid assets before values are eroded during market downturns. We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by holding up to all of the Fund's NAV in deposits and money market instruments in attempting to respond to adverse market conditions that may impact the financial markets.</p>
Distribution Policy	The Fund endeavours to distribute income, if any, on an annual basis. However, the amount of income available for distribution may fluctuate from year to year.
Minimum Initial Investment*	MYR 100,000
Minimum additional Investment*	MYR 50,000
Minimum Repurchase Amount*	Not applicable

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	TMF Trustees Malaysia Berhad

5. What are the possible outcomes of my investment?

This Fund is a wholesale equity fund that invests on dividend focused equity investments primarily within the Malaysian market. The performance of the Fund would be dependent on the Malaysian market that is investable by the Fund. The Fund's performance will be reliant on the Manager's expertise in managing the Fund to meet its objective.

The Fund investment into equities would, to a great extent, be linked to the price movement of the equity markets. If the equities that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the equities that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively.

The Fund will distribute income (subject to income availability), on an annual basis. Please note that the capital and income distribution of the Fund are not guaranteed.

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, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

* At our discretion, we may reduce the minimum initial investment and minimum additional investment.

- **Liquidity risk** – Liquidity risk arises in 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 and subsequently the value of Unit Holders' investments in the Fund. Upon such event and in the best interest of the Unit Holders, the Manager may suspend the repurchase of Units requests. Please refer to "Suspension of Dealing in Units" section of the Information Memorandum for more details.
- **Performance risk** - The performance of the Fund depends on the financial instruments that the Fund purchases. If the instruments do not perform within expectation or if there is a default, then, the performance of the Fund will be impacted negatively. 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 fund managers are important and the risk on the lack of experience and expertise of the fund managers has been highlighted above. On that basis, there is never a guarantee that investing in the Fund will produce the desired investment returns or 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.
- **Loan / financing risk** - This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed/financed money includes you being unable to service the loan/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/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 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.
- **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.
- **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.

Specific risks

- **Equity investment risk** – The buying and selling of equity carry a number of risks, the more important being the volatility of the capital markets on which those securities are traded and the general insolvency risk associated with the issuers of equities. The value of an equity investment depends on the companies' growth and earnings potential, sound management, treatment of minority shareholders, as well as a myriad of other factors. Failure to achieve the expected earnings would result in declining investment value which in turn affects the performance of the Fund. To mitigate the negative impact on the performance of the Fund, the Manager will employ stringent equity selection criteria which would effectively filter the stock components to equities which can provide capital gains to the Fund.
- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the money market instruments and the Financial Institutions where the deposits are placed (hereinafter referred to as "investment") 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 investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or a Financial Institution of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.
- **Warrant investment risk** - The value of the warrants will depend on the pricing of the underlying security whereby the growth and performance prospect of the underlying security would consequentially affect the value of the warrants. In addition, the value of the warrants may decrease exponentially as the warrants approach its maturity date and the potential gains from a favourable price movement of the underlying may be offset by aggressive time decay. We may consider unwinding these warrants if there are material adverse changes to its value with the aim to mitigate the risk.
- **Risk associated with investment in REITs** - As the Fund is allowed to invest in the real estate sector, it is exposed to unexpected declines in real estate's value, unexpected introduction and implementation of local property taxation law. In addition, increase in interest rates and real estate borrowing costs, as well as changes in property taxes and a decline in rental demand can negatively impact the income gained from the properties which is unfavorable to the Fund's performance.

- **Collective investment schemes risk** - As the Fund is allowed to invest in collective investment schemes, any adverse effect on the respective collective investment schemes will impact the NAV of the Fund. For example, the respective collective investment schemes may under-perform their respective benchmarks due to poor market conditions and as a result, the NAV of the Fund will be adversely affected as the performance of the Fund is dependent on the performance of the respective collective investment schemes.

Note: Please refer to the 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 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	Up to 2.00% of the NAV per Unit.
Repurchase charge	Nil.
Transfer fee	Not applicable as transfer facility is not available for this Fund.
Switching fee	Not applicable as switching facility is not available for this Fund.

What are the key ongoing fees charged to the Fund?

Management fee	The annual management fee is calculated using the Fund's base currency (before deducting the management fee and trustee fee). <ul style="list-style-type: none"> • Up to 0.40% of the NAV of the Fund per annum for NAV ≤ RM 100 million • Up to 0.35% of the NAV of the Fund per annum for NAV > RM 100 million to ≤ RM 200 million • Up to 0.325% of the NAV of the Fund per annum for NAV > RM 200 million
Trustee fee	Up to 0.07% 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).
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 the higher of 10% or the prevailing FBMKLCI Total Return, in which the Fund's performance has to surpass before the Manager is eligible for a performance fee. The performance fee is calculated and readjusted on daily basis.

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 your investments in the Fund at any point in time by completing the repurchase application form and returning it to us on any Business Day between 8.45 a.m. to 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
- (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 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 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 22 February 2017, the supplemental deed dated 5 October 2018 and the second supplemental deed dated 24 August 2023 all entered into between the Manager and the Trustee, which may be modified or varied by further supplemental deeds from time to time.
Deposit(s)	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.
Development Financial Institutions	Means a development financial institution under the Development Financial Institutions Act 2002.
Financial Institution(s)	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institutions (DFIs); 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.
FBM KLCI	Means FTSE Bursa Malaysia Kuala Lumpur Composite Index. This index comprises the 30 largest companies on Bursa Malaysia by market capitalisation.
FBM Top 100	Means FTSE Bursa Malaysia Top 100 Index. This index comprises the constituents of the FBM KLCI and the FTSE Bursa Malaysia Mid 70 Index.
FBMKLCI Total Return	Represents the actual rate of return of the FBM KLCI over a given period and serves as a comparison of growth/decline in the index for the stipulated Performance Period.
Fund	Refers to AHAM Wholesale Equity Fund (<i>formerly known as Affin Hwang Wholesale Equity Fund</i>).
Guidelines	<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.
High Water Mark or HWM	Means the NAV per Unit that forms the basis of calculating and determining the Hurdle Value for a Performance Period. The HWM will be the closing NAV per Unit on the last Business Day of the preceding Performance Period or the HWM of the preceding Performance Period, whichever is higher.
Hurdle Value	Means the minimum value that needs to be achieved before the Manager is eligible for a performance fee. The Hurdle Value is calculated by adding the higher of 10% or the prevailing FBMKLCI Total Return to the HWM and is determined at the beginning of each Performance Period.
Information Memorandum	Means the 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.
Manager / AHAM / we / us / our	Refers to AHAM Asset Management Berhad (<i>formerly known as Affin Hwang Asset Management Berhad</i>).
medium to long-term	Means a period of three (3) years and above.
MYR	Means the Malaysian Ringgit, the lawful currency of Malaysia.
NAV	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a 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.
REITs	Means real estate investment trusts.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Sales Charge	Means a charge imposed pursuant to a purchase request.
SC	Means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993.

Sophisticated Investors	<p>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.</p> <p>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.</p>
Trustee	Refers to TMF 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.
Units in Circulation	<p>Means Units created and fully paid for and which has not been cancelled.</p> <p><i>It is also the total number of Units issued at a particular valuation point.</i></p>
Unit Holder(s) or you	Refers to the person/corporation for the time being who, in full compliance with the relevant laws, is a Sophisticated Investor pursuant to the Guidelines, including a jointholder.