

## Prospectus

# AHAM Asean Flexi Fund

*(Formerly known as Affin Hwang ASEAN Flexi Fund)*



### MANAGER

#### **AHAM Asset Management Berhad**

(Formerly known as Affin Hwang Asset Management Berhad)  
Registration No.: 199701014290 (429786-T)

### TRUSTEE

#### **Deutsche Trustees Malaysia Berhad**

Registration No.: 200701005591 (763590-H)

This Prospectus is dated 7 April 2023.

The date of constitution of the AHAM ASEAN Flexi Fund is 8 September 2014.

*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 PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. THIS IS A REPLACEMENT PROSPECTUS THAT REPLACES AND SUPERCEDES THE PROSPECTUS DATED 26 SEPTEMBER 2018. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 4.



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 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 the Prospectus false or misleading.

### Statements of Disclaimer

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

The authorisation of the Fund, and registration of this 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 this 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 Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this 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 the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Fund.

This 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 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.**

# TABLE OF CONTENTS

|  |    |
|--|----|
| CORPORATE DIRECTORY                                  | 1  |
| ABBREVIATION   | 2  |
| GLOSSARY   | 2  |
| RISK FACTORS   | 4  |
| ABOUT AHAM ASEAN FLEXI FUND                          | 8  |
| DEALING INFORMATION                                  | 14 |
| FEES, CHARGES AND EXPENSES                           | 20 |
| PRICING  | 23 |
| SALIENT TERMS OF THE DEED                            | 26 |
| THE MANAGER  | 31 |
| THE TRUSTEE  | 32 |
| RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST | 34 |
| TAX ADVISERS' LETTER                                 | 35 |
| RELEVANT INFORMATION                                 | 42 |
| CONSENTS   | 43 |
| DOCUMENTS AVAILABLE FOR INSPECTION                   | 44 |
| DIRECTORY OF SALES OFFICES                           | 45 |

# CORPORATE DIRECTORY

## **The Manager / AHAM**

**AHAM Asset Management Berhad**

*(formerly known as Affin Hwang Asset Management Berhad)*

### **Registered Office**

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Tel No. : (603) 2142 3700

Fax No. : (603) 2140 3799

### **Business Address**

Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2116 6000

Fax No. : (603) 2116 6100

Toll free line : 1-800-88-7080

E-mail : [customercare@aham.com.my](mailto:customercare@aham.com.my)

Website : [www.aham.com.my](http://www.aham.com.my)

## **The Trustee**

**Deutsche Trustees Malaysia Berhad**

### **Registered Office & Business Address**

Level 20, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel No. : (603) 2053 7522

Fax No. : (603) 2053 7526

E-mail: [dtmb.rtm@db.com](mailto:dtmb.rtm@db.com)

# ABBREVIATION

|              |   |
|--------------|---|
| <b>AUD</b>   | Australian Dollar.                          |
| <b>ASEAN</b> | Association of Southeast Asian Nations.     |
| <b>EPF</b>   | Employees Provident Fund.                   |
| <b>EMIS</b>  | EPF Members' Investment Scheme.             |
| <b>FiMM</b>  | Federation of Investment Managers Malaysia. |
| <b>GBP</b>   | Great Britain Pounds.                       |
| <b>IUTA</b>  | Institutional Unit Trust Scheme Advisers.   |
| <b>OTC</b>   | Over-the-counter.                           |
| <b>PHS</b>   | Product Highlights Sheet.                   |
| <b>RM</b>    | Ringgit Malaysia.                           |
| <b>SC</b>    | Securities Commission Malaysia.             |
| <b>SGD</b>   | Singapore Dollar.                           |
| <b>USD</b>   | United States Dollar.                       |

# GLOSSARY

|   |  |
|---|--|
| <b>the Act or CMSA</b>                  | Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.   |
| <b>Base Currency</b>                    | Means the currency in which the Fund is denominated i.e. Ringgit Malaysia (RM).  |
| <b>the Board</b>                        | Means the board of directors of the Manager .  |
| <b>Bursa Malaysia</b>                   | Means the stock exchange managed or operated by Bursa Malaysia Securities Berhad and includes any changes to the name or the operator of the Malaysian stock exchange.   |
| <b>Business Day</b>                     | Means 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>Class(es)</b>                        | Means any class of Units representing similar interests in the assets of the Fund although a class of Units of the Fund may have different features from another class of Units of the same Fund.  |
| <b>CVC Capital Partners Asia Fund V</b> | Means collectively (1) CVC Capital Partners Asia V L.P.; (2) CVC Capital Partners Investment Asia V L.P.; and (3) CVC Capital Partners Asia V Associates L.P.  |
| <b>Deed</b>                             | Refers to the deed dated 12 November 2013, the supplemental deed dated 5 November 2014, the second supplemental deed dated 5 October 2018 and the third supplemental deed dated 10 January 2023, both entered into between the Manager and the Trustee.  |
| <b>eligible market</b>                  | Means an exchange, government securities market or an OTC market:-<br>(a) that is regulated by a regulatory authority of that jurisdiction;<br>(b) that is open to the public or to a substantial number of market participants; and<br>(c) on which financial instruments are regularly traded.                                   |
| <b>Financial Institution</b>            | Means<br>(a) if the institution is in Malaysia:<br>(i) licensed bank;<br>(ii) licensed investment bank; or<br>(iii) licensed Islamic bank; or<br>(b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services. |
| <b>Forward Pricing</b>                  | Means the method of determining the price of a Unit which is the NAV per Unit calculated at the next valuation point after an application for purchase or repurchase request is received by the Manager.   |

|                                |  |
|--------------------------------|--|
| <b>the Fund</b>                | Refers to AHAM ASEAN Flexi Fund <i>(formerly known as Affin Hwang Asean Flexi Fund)</i> .  |
| <b>Guidelines</b>              | Refers to the <i>Guidelines on Unit Trust Funds</i> issued by the SC and as may be amended from time to time.  |
| <b>Hedged-class</b>            | Means a particular Class issued by the Fund which aims to reduce the effect of exchange rate fluctuations between the Base Currency and the currency in which Unit Holders are exposed to having invested in that Class.   |
| <b>LPD</b>                     | Means 15 January 2023 and is the latest practicable date for the purposes of ascertaining certain information deemed relevant in this Prospectus.  |
| <b>Manager/AHAM</b>            | Refers to AHAM Asset Management Berhad <i>(formerly known as Affin Hwang Asset Management Berhad)</i> .  |
| <b>medium to long-term</b>     | Means a period of three (3) years and above.   |
| <b>Net Asset Value or 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; where the Fund has more than one Class, there shall be a net asset value of the Fund attributable to each Class.   |
| <b>NAV per Unit</b>            | Means the Net Asset Value of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point; where the Fund has more than one Class, there shall be a NAV per Unit for each Class; the NAV per Unit of a Class at a particular valuation point shall be the NAV of the Fund attributable to that Class divided by the number of Units in Circulation of that Class at the same valuation point.  |
| <b>Prospectus</b>              | Refers to this prospectus in respect of the Fund and includes any supplemental or replacement prospectus, as the case may be.  |
| <b>Repurchase Charge</b>       | Means a charge imposed pursuant to a request for repurchase of Units of the Fund.  |
| <b>Repurchase Price</b>        | Means the price of a Unit payable by the Manager to a Unit Holder for a Unit of the Fund pursuant to a repurchase request; for the avoidance of doubt, the Repurchase Price does not include any Repurchase Charge which may be imposed.   |
| <b>Sales Charge</b>            | Means a charge imposed pursuant to a purchase request of Units of the Fund.  |
| <b>Selling Price</b>           | Means the price of a Unit payable by an applicant for a Unit of the Fund pursuant to an application for Units; for the avoidance of doubt, the Selling Price does not include any Sales Charge which may be imposed.   |
| <b>Special Resolution</b>      | Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths of the Unit Holders present and voting" means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund or a Class, "Special Resolution" means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy. |
| <b>transferable securities</b> | Refers to equities, debentures and warrants.   |
| <b>the Trustee / DTMB</b>      | Refers to Deutsche Trustees Malaysia Berhad.   |
| <b>Unit(s)</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 and if the Fund has more than one Class, it means a Unit issued for each Class.  |
| <b>Units in Circulation</b>    | Means Units created and fully paid for, and which have not been cancelled.<br><i>It is also the total number of Units issued at a particular valuation point.</i>  |
| <b>Unit Holder(s)</b>          | Means the person / corporation for the time being who is registered pursuant to the Deed as a holder of Units, including a jointholder.  |

Note:

Reference to first person pronouns such as "we", "us" or "our" in this Prospectus means the Manager/AHAM.

# RISK FACTORS

This section of the Prospectus provides you with information on the general risks involved when investing in the Fund and the specific risks associated with the assets that the Fund will be investing in.

## GENERAL RISKS

### Fund management risk

This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager 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.

### 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.

### 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 and subsequently the value of Unit Holders' investments in the Fund.

### Loan/ financing risk

This risk occurs when you take a loan or 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 regularly review its internal policies and system capability to mitigate 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. 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 than original timeline. Hence, their investments will continue to be subject to the risks inherent to the Fund.

## SPECIFIC RISKS

You should take into consideration the following specific risks associated with the assets in which the Fund will invest in:

### Stock specific risk

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.

**Credit and default risk**

Credit risk relates to the creditworthiness of the issuers of debentures and money markets 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 the Financial Institution may impact the value as well as liquidity of the investment. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or the 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.

**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. 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 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 into 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.

**Warrants 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.

**Collective investment scheme risk**

Any adverse effect on the collective investment scheme which the Fund is investing in will impact the NAV of the Fund. For example, the respective collective investment schemes may underperform its 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. In addition, any mismanagement of the collective investment scheme or poor decisions taken on the collective investment scheme may adversely affect the NAV of the collective investment scheme and hence the Fund.

**Currency risk**

As the investments of the Fund may be denominated in currencies other than the Base Currency, 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.

**Currency risk at the Class level**

The impact of the exchange rate movement between the Base Currency and the currency of the respective Classes may result in a depreciation of your holdings as expressed in the Base Currency.

**Currency risk at the Hedged-class level**

Currency hedging reduces the effect of exchange rate movements for the Hedged-class, but it does not entirely eliminate currency risk between the Hedged-class and the Base Currency (not a perfect hedge). Hence, the unhedged portion of the respective Hedged-class will be affected by the exchange rate movements and it may cause fluctuation of NAV of the respective Hedged-class. You should note, however, that if the exchange rate moves favourably, the Fund would not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum investment size of entering into a forward contract and cost of hedging which may affect returns of the respective Hedged-class.

**Reinvestment risk**

This risk arises when coupons from fixed income investments are not reinvested at the prevailing interest rate when the investment was initially made. The risk is more likely to take place during a declining interest rate environment and may impact the yield-to-maturity of the investments which is calculated based on the assumption that all coupon payments made by the investments are reinvested at the same interest rate when the investments were first made.



The Manager will mitigate this risk by closely monitoring the interest rate movements and take measures which will not be limited to reduce the Fund's exposure into such investments.

#### **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 in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund to fall and prices of Units to fall.

#### **Tactical asset allocation fund risk**

This Fund is a tactical asset allocation fund where the strategies employed is to shift the asset mix between equities and fixed income instruments depending on the prevailing market outlook. The Manager's investment decision pertaining to the asset allocation may adversely affect the Fund's performance if the assessment concluded by the Manager is not consistent with the market outlook.

### **RISK MANAGEMENT**

In our day-to-day running of the business, we employ a proactive risk management approach to manage portfolio risks, operational risks and liquidity risks. The Board has established a board compliance & risk management committee to oversee AHAM's risk management activities both at operational level and at portfolio management level to ensure that the risk management process is in place and functioning. The board compliance & risk management committee comprises of at least three Board members and is chaired by an independent director. At the operational level, we have established a compliance & risk oversight committee with the primary function of identifying, evaluating and monitoring risks as well as to formulate internal control measures to manage and mitigate the exposure to risks that may affect the performance of the Fund, returns to the investors or Unit Holders' interest within a clearly defined framework and is primarily responsible for ensuring that the policies and procedures that have been implemented are reviewed on an on-going basis with periodic assessments. The compliance & risk oversight committee reports to the board compliance & risk management committee on a quarterly basis.

In managing portfolio risks, we engage a stringent screening process by conducting fundamental analysis of economic, political and social factors to evaluate their likely effects on the performance of the markets and sectors. Regular meetings are held to discuss investment themes and portfolio decisions taken at the meetings are then implemented according to the investment guidelines which also take into account requirements for minimum portfolio diversification across individual investment holdings, sectors, geographies and asset classes (based on the portfolio's objective and strategy). We also practice prudent liquidity management with the objective to ensure that the Fund is able to meet its short-term expenses including repurchase requests by the Unit Holders.

We have in place a system that is able to monitor the transactions to ensure compliance with the Fund's investment limits and restrictions. These limits are system-controlled and not manually tracked, thus reducing the probability of human error occurring in ensuring the Fund's limits and restrictions are adhered to. We also undertake stringent evaluation of movements in market prices and regularly monitor, review and report to the person(s) or members of a committee undertaking the oversight arrangement of the Fund to ensure that the Fund's investment objective is met. Regular portfolio reviews by senior members of the investment team further reduce the risk of implementation inconsistencies and violations of the Guidelines.

We also have in place a credit risk management process to reduce credit risk of derivatives counterparty. Prior to entering into a contract with the counterparty, we will conduct an evaluation on the credit of the counterparty to ensure they are able to meet their contractual obligations. It is important to note that an event of downgrade does not contribute a default. If we are of the view that the counterparty may have high credit risk, we will not hesitate to take pre-emptive measures to unwind these positions.

We also employ a performance attribution system that enables us to review the performance of the Fund to determine the key factors that have contributed to and detracted from the Fund's performance. This system

complements our overall risk management process as the system also provides standard risk analytics on the portfolio such as the Fund's standard deviation, tracking error and measures of excess return. The data produced by the performance attribution system is reviewed regularly and at least on a monthly basis in meetings chaired by the managing director and participated by the portfolio managers and the performance evaluation team.

### **Liquidity Risk Management**

We have established liquidity risk management policies to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the repurchase requests from the Unit Holders with minimal impact to the Fund as well as safeguarding the interests of the remaining Unit Holders. Such policies take into account, amongst others, the asset class of the Fund and the redemption policy of the Fund. To manage the liquidity risk, we have put in place the following procedures:

- a) The Fund may hold a maximum of 30 % of its NAV in money market instruments and/or deposits. This will allow the Fund to have sufficient buffer to meet the Unit Holders' repurchase request;
- b) Regular review by the designated fund manager on the Fund's investment portfolio including its liquidity profile;
- c) Daily monitoring of the Fund's net flows and periodic liquidity stress testing of the Fund's assets against repurchase requests during normal and adverse market conditions are performed as pre-emptive measures in tracking the Fund's liquidity status. This will ensure that we are prepared and able to take the necessary action proactively to address any liquidity concerns, which would mitigate the potential risks in meeting Unit Holders' repurchase requests; and
- d) Suspension of repurchase requests from the Unit Holders under exceptional circumstances where the market value or fair value of a material portion of the Fund's assets cannot be determined. During the suspension period, the repurchase requests from the Unit Holders will be accepted but will not be processed. Such repurchase requests will only be processed on the next Business Day once the suspension is lifted. That said, the action to suspend repurchase requests from the Unit Holders shall be exercised only as a last resort by the Manager having considered the best interests of Unit Holders.



**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 Prospectus to assess the risks associated with the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.**

# ABOUT AHAM ASEAN FLEXI FUND

|                            |   |
|----------------------------|---|
| <b>Fund Category</b>       | : Mixed Assets  |
| <b>Fund Type</b>           | : Income & Growth   |
| <b>Base Currency</b>       | : RM  |
| <b>Launch Date</b>         | : 8 September 2014  |
| <b>Financial Year End</b>  | : 30 November   |
| <b>Distribution Policy</b> | : Subject to the availability of income, the Fund will distribute income on an annual basis after the end of the first financial year of the Fund.                              |
| <b>Deed</b>                | : Deed dated 12 November 2013 , the supplemental deed dated 5 November 2014, the second supplemental deed dated 5 October 2018 and the third supplemental deed 10 January 2023. |

## INVESTMENT OBJECTIVE

The Fund aims to provide investors with capital appreciation and regular income over the medium to long-term period.

*Note : Any material change to the Fund's investment objective would require Unit Holders' approval.*

## BENCHMARK

50% FTSE/ASEAN 40 Index (for equity investments) + 50% RAM Quantshop MGS All Index (for fixed income instruments)

The composite benchmark has been selected as there is no direct performance benchmark to the Fund's investment strategy. The composite benchmark provides a balanced gauge on the performance of equities and equities linked instruments listed on the ASEAN stock exchange as measured by the FTSE/ASEAN 40 Index and the performance of Asian fixed income instruments as measured by the RAM Quantshop MGS All Index. The RAM Quantshop MGS All Index has been selected as it aims to reflect the performance of the investment opportunities related to investments into fixed income instruments. The index represents the performance benchmark relating to interest bearing instruments of similar risk profile.

The performance of the Fund is measured against the benchmark that is calculated in the currencies of the respective Classes. The information on the currency is provided by Bloomberg and in the event the currency is not available in Bloomberg, it will be obtained directly from the index provider.

The risk profile of the Fund is not the same as the risk profile of the performance benchmark.

*(The information on FTSE/ASEAN 40 Index may be obtained from <https://www.ftserussell.com> and the information on RAM Quantshop MGS All Index may be obtained from us. Alternatively, you may obtain information on the composite benchmark from us upon request.)*

## ASSET ALLOCATION

|                           |            |
|---------------------------|------------|
| Equities                  | 0% to 100% |
| Fixed income instruments* | 0% to 100% |

\* As listed under items (3) to (8) of the Permitted Investment.

*We will also maintain sufficient level of cash for liquidity purposes.*

## INVESTMENT STRATEGY

The Fund will focus on achieving its objective by having a flexible investment strategy that allows the Fund to invest in equities and fixed income instruments listed or issued in the ASEAN region. The Fund may invest in one or multiple asset classes at any one point in time. Through its tactical asset allocation strategy, the asset allocation will be dependent on prevailing market conditions. As such, the Fund would have a higher exposure into equities under normal market conditions, and have a higher exposure to defensive investments such as fixed income instruments during more adverse conditions.

We will combine a top-down and bottom-up investment approach to identify investment opportunities. When selecting its fixed income instruments such as debentures, money market instruments or deposits, macroeconomic trends and market analysis are the important considerations in deriving the top-down perspective on interest rate outlook, fixed income market and currency movement. For its bottom-up approach, we would conduct analysis on the issuers to assess its ability to service its debt obligations. The selection process would also include analysis on the respective issuer's ability to meet their financial obligations, cash-flow management, collateral type, value, claims priority, as well as ability to offer timely payment of interest and principal.

When investing into equities, we will focus on companies that are able to provide growth potential over the medium to long-term investment horizon. As such, we would adopt a top-down and bottom-up strategy investment approach to identify investment opportunities in the prevailing market. Fundamental analysis will also be carried out to determine the attractiveness of investment ideas. Key factors which are useful in identification of such companies would include sales and profits growth, financial strength and gearing levels, expected future earnings growth, share price valuation as well as management quality. The Fund's exposure into equities may include equity linked instruments such as warrants.

To achieve its objective, the Fund will also have the flexibility to hold collective investment schemes that have similar investment objectives to the Fund.

### **Foreign investments**

To meet its objective, the Fund will maintain a minimum 70% of the Fund's NAV in investments listed or issued within the ASEAN markets. The Fund will have a flexibility to invest up to 30% of its NAV in investments listed or issued in foreign markets outside the ASEAN region. The decision to invest into foreign markets will be opportunistically driven where we would seek investments that could provide a potential to enhance the returns of the Fund. The Fund will invest only into countries which are eligible markets.

### **Derivatives**

Derivative trades may be carried out for currency 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. Swaps, whereas, is an agreement to swap or exchange two financial instruments between two parties.

The intention of hedging is to preserve the value of the asset 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 these hedging would protect the Fund against potential losses, trades for hedging purposes would also limit the returns that the Fund may have potentially received from foreign exchange gains should the Fund have not hedged its foreign currency exposure.

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.

### **Temporary Defensive Position**

We hold the option to take temporary defensive measures that may be inconsistent with the Fund's principal strategy and asset allocation to protect the Fund against adverse market conditions. To manage the risk of the Fund, we may shift the Fund's focus into lower risk investments such as deposits and/or money market instruments.

## Cross Trades Policy

AHAM may conduct cross trades between funds which it is currently managing provided that all criteria imposed by the regulators are met. Notwithstanding the above, cross trades between the personal account of an employee of AHAM and the Fund's account(s) and between AHAM's proprietary trading accounts and the Fund's account(s) are strictly prohibited. Compliance with the criteria would be monitored by AHAM's compliance unit, and reported to AHAM's compliance and risk management committee, to avoid conflicts of interests and manipulation that could have a negative impact on investors.

## PERMITTED INVESTMENTS

- (1) Listed equities;
- (2) Unlisted equities;
- (3) Listed fixed income securities;
- (4) Unlisted fixed income securities;
- (5) Debt securities which are sovereign issued, sovereign backed or sovereign guaranteed;
- (6) Debentures;
- (7) Money market instruments;
- (8) Deposits;
- (9) Embedded derivatives;
- (10) Derivatives;
- (11) Real Estate Investment Trusts;
- (12) Warrants;
- (13) Units/ shares in local and foreign collective investment schemes which are in line with the objective of the Fund; and
- (14) Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund.

## INVESTMENT RESTRICTIONS AND LIMITS

- (1) The Fund's assets must be relevant and consistent with the investment objective of the Fund;
- (2) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (3) The aggregate value of the Fund's investments in transferable securities that are not traded or dealt in or under the rules of eligible market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer ("Exposure Limit").
- (4) The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("Single Issuer Limit"). In determining the Single Issuer Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;
- (5) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size;
- (6) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("Group Limit"). In determining the Group Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the issuers within the same group of companies must be included in the calculation;
- (7) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by a single issuer;

- (8) The Fund's investments in debentures shall not exceed 20% of the debentures issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of debentures in issue cannot be determined;
- (9) The value of the Fund's placements in deposits with any single Financial Institution must not exceed 20% of the Fund's NAV ("Single Financial Institutional Limit")  
The Single Financial Institutional Limit does not apply to placement of deposits arising from:
  - (i) Subscription monies received prior to the commencement of investment by the Fund;
  - (ii) Liquidation of investments prior to the termination of the Fund, where the placement of deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
  - (iii) Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various Financial Institutions would not be in the best interests of Unit Holders;
- (10) The aggregate value of the Fund's investments in, or exposure to, a single issuer through transferable securities, money market instruments, deposits, underlying assets of derivatives and counterparty exposure arising from the use of OTC derivatives must not exceed 25% of the Fund's NAV ("Single Issuer Aggregate Limit"). In determining the Single Issuer Aggregate Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;
- (11) The Single Issuer Limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency;
- (12) Where the Single Issuer Limit is increased to 35% of the Fund's NAV, the Single Issuer Aggregate Limit may be raised, subject to the Group Limit not exceeding 35% of the Fund's NAV;
- (13) For investment in derivatives-
  - (i) the exposure to the underlying assets must not exceed the investment restrictions or limitations applicable to such underlying assets and investments stipulated in the Guidelines; and
  - (ii) the value of each Fund's OTC derivative transaction with any single counterparty must not exceed 10% of the Fund's NAV;
- (14) The Fund's global exposure from the derivatives position should not exceed the Fund's NAV at all times;
- (15) The warrants that the Fund invests in must carry the right in respect of a security traded in or under the rules of an eligible market;
- (16) The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in the collective investment scheme;
- (17) The value of the Fund's investments in units/shares of a collective investment scheme must not exceed 20% of the Fund's NAV provided that the collective investment scheme complies with the requirements of the Guidelines;
- (18) The value of a Fund's investments in units or shares of a collective investment scheme that invests in real estate must not exceed 15% of the Fund's NAV; and
- (19) Any other investment restrictions or limits imposed by the relevant regulatory authorities, the Guidelines, the relevant laws and/ or regulations applicable to the Fund.

**Please note that the above restrictions and limits does not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.**

**In respect of the above investment restrictions and limits, any breach as a result of any (a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of Units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, must be rectified as soon as practicable within three months from the date of the breach unless otherwise specified in the Guidelines. Nevertheless, the three-month period may be extended if it is in the best interests of Unit Holders and the Trustee's consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.**

## VALUATION OF THE FUND

We will ensure that the valuation of the Fund is carried out in a fair manner in accordance to the relevant laws and Guidelines. We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Malaysian Financial Reporting Standard 9 issued by the Malaysian Accounting Standards Board. In the absence of daily price or value of the assets, we will use the latest available price or value of the assets respectively.

The valuation bases for the permitted investments of the Fund are as below:

### **Listed Securities**

Valuation of investments in listed securities shall be based on closing price or last known transacted price on the eligible market on which the investment is quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, the investments will be valued at fair value determined in good faith by the Manager or its delegate, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

### **Unlisted Securities**

For unlisted RM-denominated debt securities, valuation will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-RM denominated unlisted debt securities, valuation will be based on the average indicative price quoted by independent and reputable institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

For other unlisted securities, valuation will be based on fair value as determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

### **Deposits**

Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of such investments and the interests accrued thereon for the relevant period.

### **Money Market Instruments**

The valuation of RM denominated money market instruments will be done using the price quoted by a BPA registered with the SC. For non-RM denominated money market instruments, valuation will be done using the average of quotations by reputable financial institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.

### **Derivatives**

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"), interpolation formula is applied to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Refinitiv. If the rates are not available on the Bloomberg or Refinitiv, the FX Forwards will be valued based on fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

### **Collective Investment Schemes**

Unlisted collective investment schemes will be valued based on the last published repurchase price.

For listed collective investment schemes, the valuation will be done in a similar manner used in the valuation of listed securities as described above.

## VALUATION POINT FOR THE FUND

The Fund will be valued at 6.00 p.m. on every Business Day (or “trading day” or “T” day). However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or “T + 1”). All foreign assets are translated into the Base Currency based on the last available bid exchange rate quoted by Bloomberg/Refinitiv at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

## FINANCING AND SECURITIES LENDING

The Fund is not permitted to borrow or lend cash or other assets in connection with its activities.. However, the Fund may borrow cash for the purpose of meeting repurchase requests for Units and such borrowings are subjected to the following:

- the Fund’s borrowing is only on a temporary basis and that borrowings are not persistent;
- the borrowing period should not exceed a month;
- the aggregate borrowings of the Fund should not exceed 10% of the Fund’s NAV at the time the borrowing is incurred; and
- the Fund may only borrow from licensed Financial Institutions.

The Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

## EPF INVESTMENT

The Fund is approved under EMIS. However, the Fund is subject to the annual evaluation by the EPF. In the event the Fund is no longer offered under the EMIS after the annual evaluation process, the Unit Holders who have invested through the EMIS will remain invested in the Fund, but there will not be any sale of new Units to the Unit Holders/investors under the EMIS.

**The Fund may create new Classes without having to seek Unit Holders’ prior approval. You will be notified of the issuance of the new Classes by way of a communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement prospectus.**



# DEALING INFORMATION



**You are advised not to make payment in cash to any individual agent when purchasing Units of the Fund.**

You must read and understand the content of the Prospectus (and any supplemental prospectus) and PHS before investing.

## PURCHASE AND REPURCHASE OF UNITS

### WHO IS ELIGIBLE TO INVEST?

- An individual who is at least eighteen (18) years of age. In the case of joint application, the jointholder whose name appears first in the register of Unit Holders must be at least eighteen (18) years of age.
- A corporation such as registered businesses, co-operative, foundations and trusts.

### HOW TO PURCHASE UNITS?

- If you intend to invest in a Class other than RM Class, you are required to have a foreign currency account with any Financial Institution as all transactions relating to the particular foreign currency will ONLY be made via telegraphic transfers.
- If you invest through the EMIS, you are only allowed to invest in RM Class only.
- You may submit the purchase request by completing an application form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business Day.
- 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   | Corporation   |
|---|---|
| <ul style="list-style-type: none"><li>• Account opening form;</li><li>• Suitability assessment form;</li><li>• Personal data protection notice form;</li><li>• A copy of identity card or passport or any other document of identification; and</li><li>• Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Self-certification Form.</li></ul> | <ul style="list-style-type: none"><li>• Account opening form;</li><li>• Suitability assessment form;</li><li>• Personal data protection notice form;</li><li>• Certified true copy of memorandum and articles of association*;</li><li>• Certified true copy of certificate of incorporation*;</li><li>• Certified true copy of form 24 and form 49*;</li><li>• Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*;</li><li>• Latest audited financial statement;</li><li>• Board resolution relating to the investment;</li><li>• A list of the authorised signatories;</li><li>• Specimen signatures of the respective signatories; and</li><li>• Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Self-certification Form.</li></ul> <p><i>* or any other equivalent documentation issued by the authorities.</i></p> |

- If you invest through the EMIS, your Units will be created once we receive the application to invest. However, the sale of Units will only be honoured once we receive the payments from EPF or other official confirmations from EPF on the approval of such payment.

## HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

- You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer and include your name in the transaction description for our reference. Payment must be made in the currency of the Class which you intend to invest into. You may obtain our bank account details from our online download center at [www.aham.com.my](http://www.aham.com.my).
- Bank charges or other bank fees, if any, will be borne by you.

## WHAT IS THE PROCESS OF THE PURCHASE APPLICATION?

- If we receive your purchase application at or before 3.30 p.m. on a Business Day (or “T day”), the pricing of Units will be based on the NAV per Unit of a Class for that Business Day.

Any purchase request received or deemed to have been received by us after 3.30 p.m. will be transacted on the next Business Day (or “T + 1 day”), unless a prior arrangement is made to our satisfaction.

- Sale of Units will be honoured upon receipt of complete set of documents together with the proof of payments.

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

|                                | RM Class    | SGD Class   | SGD Hedged-class | AUD Class   | GBP Class   | USD Class   |
|--------------------------------|-------------|-------------|------------------|-------------|-------------|-------------|
| Minimum Initial Investment*    | RM 1,000    | SGD 1,000   | SGD 1,000        | AUD 1,000   | GBP 1,000   | USD 1,000   |
| Minimum Additional Investment* | RM 100      | SGD 100     | SGD 100          | AUD 100     | GBP 100     | USD 100     |
| Minimum Repurchase Amount*     | 2,000 Units | 2,000 Units | 2,000 Units      | 2,000 Units | 2,000 Units | 2,000 Units |
| Minimum Holding of Units*      | 2,000 Units | 2,000 Units | 2,000 Units      | 2,000 Units | 2,000 Units | 2,000 Units |

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

## WHAT IS THE DIFFERENCE BETWEEN PURCHASING RM CLASS AND OTHER CLASSES?

- You should note that there are differences when purchasing Units of a Class other than RM Class in the Fund.

For illustration purposes, assume that the exchange rate of a Class other than RM Class is 2.9 and you have RM 10,000 to invest. The Class other than RM Class are priced at SGD/AUD/GBP/USD 0.50, while the RM Class is priced at RM 0.50. By purchasing Units in the RM Class, you will receive more Units for every RM invested in the Fund (i.e. 20,000 Units) as compared to purchasing Units in the Class other than RM Class (i.e. 6,897 Units).

Although there is a difference in the number of units, such Classes would have the same voting rights as the investment value of each Class, converted to the Base Currency, is the same.

Higher investment value in the Base Currency (regardless of unit holdings) may give you an advantage when voting at Unit Holders’ meetings as you have more voting rights due to the larger investment value in the Base Currency owned (except in situations where a show of hands is required to pass a resolution).

However, you should 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 three-fourths ( $\frac{3}{4}$ ) of the value of the Units held by Unit Holders voting at the meeting, and not based on number of Units held.

## HOW TO REPURCHASE UNITS?

- It is important to note that, you must meet the minimum holding of Units for a particular Class after a repurchase transaction. If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units for that particular Class, we may withdraw all your holding of Units for that particular Class and pay the proceeds to you.

We may, with the consent of the Trustee, reserve the right to defer your repurchase request if such transaction would adversely affect the Fund or the interest of the Unit Holders of the Fund.

- You may submit the repurchase request by completing a transaction form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business Day.

- Payment of the repurchase proceeds will be made via bank transfer where proceeds will be transferred to your bank account. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders.
- Bank charges and other bank fees, if any, will be borne by you.
- If you invest through the EMIS, we will remit the repurchase proceeds to EPF for onward crediting to your EPF account. If you are above the age of fifty five (55) and invest through the EMIS, we will remit the repurchase proceeds to you directly.

#### **WHAT IS THE PROCESS OF REPURCHASE APPLICATION?**

- For a repurchase request received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”), Units will be repurchased based on the NAV per Unit of a Class for that Business Day.  
Any repurchase request received after 3.30 p.m. will be transacted on the next Business Day (or “T + 1 day”).
- Repurchase of Units must be made in terms of Units or value provided it meets the minimum repurchase amount of a Class.
- Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

#### **WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?**

- You will be paid within seven (7) Business Days from the day the repurchase request is received by us and provided that all documentations are completed and verifiable.

#### **WHERE TO PURCHASE AND REPURCHASE UNITS?**

- Units can be purchased and repurchased at any of the location listed in “Directory of Sales Offices” chapter or with our authorised distributors.
- You may obtain a copy of the Prospectus, PHS and application forms from the abovementioned locations. Alternatively, you may also visit our website at [www.aham.com.my](http://www.aham.com.my).

#### **WHO SHOULD I CONTACT IF I HAVE QUESTION OR NEED ADDITIONAL INFORMATION?**

- You can seek assistance from our customer service personnel at our toll free number 1-800-88-7080 between 8.45 a.m. to 5.30 p.m. on a Business Day. Alternatively, you can email us at [customer@aham.com.my](mailto:customer@aham.com.my).

### **COOLING-OFF PERIOD**

You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.

You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge imposed on the day those Units were purchased.

- If the price of a Unit on the day the Units were first purchased (“original price”) is higher than the price of a Unit at the point of exercise of the cooling-off right (“market price”), you will be refunded based on the market price at the point of cooling-off; or
- If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.

You will be refunded within seven (7) Business Days from our receipt of the cooling-off application.

Please note that the cooling-off right is applicable to you if you are an individual investor and investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trusts, you are not entitled to this right.

We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or “T + 1 day”).

Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

## SWITCHING FACILITY

Switching facility enables you to switch:

- between Classes of the Fund; or
- into any of our funds (or its classes), provided that the fund (or its class) is denominated in the same currency as the Class that you intend to switch out, and it is subject to the terms and conditions applicable for the respective funds.

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 below:

| RM Class    | SGD Hedged-class | AUD Class   | GBP Class   | SGD Class   | USD Class   |
|-------------|------------------|-------------|-------------|-------------|-------------|
| 2,000 Units | 2,000 Units      | 2,000 Units | 2,000 Units | 2,000 Units | 2,000 Units |

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

You are also to note that we reserve the right to reject any switching requests that are regarded as disruptive to efficient portfolio management, or requests that we deem to be contrary to the best interest of the Fund and/or the existing Unit Holders of a particular Class.

The process of the switching application is as below:

### ➤ Switching between Classes of the Fund

You must complete a switching transaction form and submit it to us together with relevant supporting documents, if any. If we receive your switching request at or before the cut-off time of 3.30 p.m. on a Business Day, we will process it using the NAV per Unit of a Class for that Business Day (or “T day”). If we receive your switching request after 3.30 p.m., we will process it using the NAV per Unit of a Class calculated at the end of the next Business Day (or “T + 1 day”).

### ➤ Switching from the Classes of this Fund into other funds (or its classes) managed by us

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 of 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).

## TRANSFER FACILITY

You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holdings of Units to remain as a Unit Holder of a Class.

It is important to note that we are at the liberty to disregard or refuse to process the transfer application if the processing of such instruction will be in contravention of any law or regulatory requirements, whether or not having the force of law and/or would expose us to any liability.

The transfer facility is not applicable for EPF investors.

## SUSPENSION OF DEALING IN UNITS

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units\* due to exceptional circumstances, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.

The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.

The Trustee may suspend the sale dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.

\* The action to impose suspension shall only be exercised as a last resort by the Manager, as disclosed in the section on "Liquidity Risk Management".

## DISTRIBUTION POLICY

Subject to the availability of income, the Fund will distribute income on an annual basis after the end of the first financial year of the Fund.

Income distribution, if any, will be paid out in the currencies in which the Classes are denominated. 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 RM/SGD/AUD/GBP/USD 300.00 will be automatically reinvested on behalf of the Unit Holders.

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.

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.

### 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.

To enable the cash payment process, Unit Holders investing in the Classes other than RM Class are required to have a foreign currency account with any Financial Institution denominated in the respective currency Classes of the Fund.

#### Reinvestment Process

If you elect to reinvest the distribution in additional Units, the Manager will create such Units based on the NAV per Unit of the Class 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 in new additional Units i.e. no Sales Charge will be imposed on such reinvestment.

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

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#### UNCLAIMED MONEYS

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Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be dealt as follows:-

- a) we may reinvest unclaimed distribution proceeds provided that you still have an account with us; or
- b) we will pay to the Registrar of Unclaimed Monies in accordance with the requirements of the Unclaimed Moneys Act 1965.

# FEES, CHARGES AND EXPENSES



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

## CHARGES

The following are the charges that you may **directly** incur when you buy or redeem Units of this Fund.

### SALES CHARGE

Up to 5.50%\* of the NAV per Unit of each Class.

*\* You may negotiate for a lower Sales Charge at our discretion.*

The Sales Charge for investors purchasing Units through the EMIS shall be limited to a maximum charge of 3% of the NAV per Unit or as determined by the EPF.

*Note: All Sales Charge will be rounded to two (2) decimal places and will be retained by us.*

### REPURCHASE CHARGE

There will be no Repurchase Charge levied on the repurchase of Units.

### TRANSFER FEE

There will be no transfer fee imposed on the transfer facility.

### SWITCHING FEE

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.

## FEES AND EXPENSES

With the issuance of multiple Classes in this Fund, the fees and expenses for the Fund are apportioned based on the size of the Class relative to the whole Fund, which is also known as multi-class ratio. This apportionment is expressed as a ratio and calculated as a percentage.

As an illustration, assuming there is an indirect fee chargeable to the Fund of SGD 100 and assuming further the size of the SGD Class over the size of the Fund is 60% whereas the size of the RM Class over the size of the Fund is 40%, the ratio of the apportionment based on the percentage will be 60:40, 60% being borne by the SGD Class and 40% being borne by the RM Class.

We may (in our sole and absolute discretion), waive or reduce the amount of any fees (except the trustee fee) and expenses of the Fund, either for all the investors or a particular investor.

The following are the charges that you may **indirectly** incur when you buy or redeem Units of this Fund.

## ANNUAL MANAGEMENT FEE

The annual management fee is up to 1.80% of the NAV of the Fund per annum (before deducting the management fee and trustee fee). This fee is calculated and accrued daily and payable monthly to the Manager.

*Please note that the example below is for illustration only:*

Assuming that the total NAV (before deducting the management fee and the trustee fee) of the Fund is RM 130 million, the calculation of annual management fee based on the total NAV of the Fund is:

$$\frac{\text{RM } 130,000,000 \times 1.80\%}{365 \text{ days}} = \text{RM } 6,410.96 \text{ per day}$$

## ANNUAL TRUSTEE FEE

The Fund pays an annual trustee fee of up to 0.06% per annum of the NAV of the Fund, subject to a minimum fee of RM12,000 per annum (excluding foreign custodian fees and charges) (before deducting the management fee and trustee fee). In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

The trustee fee is calculated and accrued daily and payable monthly to the Trustee.

*Please note that the example below is for illustration only:*

Assuming that the NAV of the Fund is RM 130 million for that day, the accrued trustee fee for that day would be:

$$\frac{\text{RM } 130,000,000 \times 0.06\%}{365 \text{ days}} = \text{RM } 213.70 \text{ per day}$$

## FUND EXPENSES

Only the expenses which are directly related and necessary in operating and administering the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- Commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Trustee) costs, fees and charges payable to a foreign custodian of the foreign investments of the Fund duly appointed by Trustee;
- Taxes and other duties charged on the Fund by the government and/or other authorities;
- Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- Cost, fees, and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- Costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- All costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or telegraphic transfer; and
- Any other expenses allowed under the Deed.

Expenses related to the issuance of this Prospectus will be borne by the Manager.



## REBATES AND SOFT COMMISSIONS

We or any of our delegates thereof will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission should be directed to the account of the Fund.

The soft commissions can be retained by us or our delegates provided that:-

- the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we or our delegates will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

**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.**

# PRICING

## COMPUTATION OF NAV AND NAV PER UNIT

In this section, you will be introduced to certain terms used to explain how the Fund arrives at its NAV and consequently, NAV per Unit for each Class of the Fund. Under this section, please note the following definition:-

|  |  |
|--|--|
| “Value of the Fund before Income & Expenses” | Refers to the current value of the Fund inclusive of purchases and/or repurchases before the next valuation point. |
| “Value of a Class before Income & Expenses”  | Refers to the current value of a Class inclusive of purchases and/or repurchases before the next valuation point.  |

You should also note that the NAV of the Fund is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at a particular valuation point. The NAV per Unit of a Class is the NAV of the Fund attributable to a Class divided by the number of Units in Circulation for that particular Class, at the same valuation point.

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<br>(RM)          | RM Class<br>(RM)      | SGD Hedged-<br>class<br>(RM) |
|--|-----------------------|-----------------------|------------------------------|
| Value of the Fund / Class before Income & Expenses                         | 430,000,000.00        | 172,000,000.00        | 258,000,000                  |
| <b>Multi-class ratio *</b>   | <b>100.00%</b>        | <b>40%</b>            | <b>60%</b>                   |
| 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)                  |
| <b>NAV of the Fund (before deduction of management and trustee fees)</b>   | <b>432,550,000.00</b> | <b>173,020,000.00</b> | <b>259,530,000.00</b>        |
| Less: Management fee for the day (1.80% p.a.)                              | (21,331.23)           | (8,532.49)            | (12,798.74)                  |
| Less: Trustee fee for the day (0.06% p.a.)                                 | (771.04)              | (284.42)              | (426.62)                     |
| <b>NAV of the Fund (after deduction of management fee and trustee fee)</b> | <b>432,527,897.73</b> | <b>173,011,183.09</b> | <b>259,516,774.64</b>        |
| Total Unit in Circulation  | 435,000,000           | 174,000,000           | 261,000,000                  |
| NAV per Unit of a Class in Base Currency **                                |                       | 0.9943                | 0.9943                       |
| <b>Currency exchange rate</b>  |                       | RM 1 = RM 1           | RM 1 = SGD 0.32              |
| <b>NAV per Unit in currency Class ***</b>                                  |                       | <b>0.9943</b>         | <b>0.3182</b>                |

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.

\*\* NAV per Unit of a Class is derived from the NAV divided by the Units in Circulation for the particular Class.

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

## INCORRECT PRICING

We will take immediate action to rectify any incorrect valuation and/or pricing of the Fund and/or the Units and to notify the Trustee and the SC of the same unless the Trustee considers the incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance.

The Trustee will not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on your account is less than RM 10.00 or in the case of a foreign currency Class, less than 10.00 denominated in the foreign currency denomination of the Class. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee will result in reimbursement of moneys in the following manner:

|  | Reimbursement by: | Receiving parties:                |
|--|-------------------|-----------------------------------|
| Over valuation and/or pricing in relation to the purchase and creation of Units  | Fund              | Unit Holder                       |
| Over valuation and/or pricing in relation to the repurchase of Units             | AHAM              | Fund                              |
| Under valuation and/or pricing in relation to the purchase and creation of Units | AHAM              | Fund                              |
| Under valuation and/or pricing in relation to the repurchase of Units            | Fund              | Unit Holder or former Unit Holder |

## COMPUTATION OF SELLING PRICE AND REPURCHASE PRICE

Under a single regime, the Selling Price and the Repurchase Price are equivalent to the NAV per Unit. Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price.

Forward Pricing will be used to determine the Selling Price and the Repurchase Price of the respective Classes, i.e. the NAV per Unit of each Class as at the next valuation point after we receive the purchase request or repurchase request.

The Selling Price and Repurchase Price for Units of the Fund created under EMIS will be based on the NAV per Unit at the end of the Business Day on which the purchase request or repurchase request is received by us.

### Calculation of Selling Price

For illustration purposes, let's assume the following:

| Class                            | RM Class                                | SGD Hedged-class                          |
|----------------------------------|---|---|
| Investment Amount                | RM 10,000                               | SGD 10,000                                |
| Selling Price per Unit           | RM 0.50                                 | SGD 0.50                                  |
| Number Of Units Received*        | RM 10,000 ÷ RM 0.50 = 20,000 Units      | SGD 10,000 ÷ SGD 0.50 = 20,000 Units      |
| Sales Charge                     | 5.50%                                   | 5.50%                                     |
| Sales Charge Paid By Investor**  | 5.50% x RM 0.50 x 20,000 Units = RM 550 | 5.50% x SGD 0.50 x 20,000 Units = SGD 550 |
| Total Amount Paid By Investor*** | RM 10,000 + RM 550 = RM 10,550          | SGD 10,000 + SGD 550 = SGD 10,550         |

Formula for calculating:-

- \* Number of Units received =  $\frac{\text{Investment Amount}}{\text{Selling Price per Unit}}$
- \*\* Sales Charge paid by investor = Sales Charge x Selling Price per Unit x Number of Units received
- \*\*\* Total amount paid by investor = Investment Amount + Sales Charge paid by investor

### Calculation of Repurchase Price

For illustration purposes, let's assume the following:

| Class  | RM Class                           | SGD Hedged-class                     |
|--|------------------------------------|--------------------------------------|
| Units Repurchased                                | 20,000 Units                       | 20,000 Units                         |
| Repurchase Price per Unit                        | RM 0.50                            | SGD 0.50                             |
| Repurchase Amount <sup>^</sup>                   | 20,000 Units x RM 0.50 = RM 10,000 | 20,000 Units x SGD 0.50 = SGD 10,000 |
| Repurchase Charge                                | 0.00%                              | 0.00%                                |
| Repurchase Charge Paid By Investor <sup>^^</sup> | 0.00% x RM 10,000 = RM 0.00        | 0.00% x SGD 10,000 = SGD 0.00        |
| Total Amount Received By Investor <sup>^^^</sup> | RM 10,000 - RM 0.00 = RM 10,000    | SGD 10,000 - SGD 0.00 = SGD 10,000   |

Formula for calculating:-

<sup>^</sup> Repurchase amount = Unit repurchased x Repurchase Price per Unit

<sup>^^</sup> Repurchase Charge paid by investor = Repurchase Charge x Repurchase amount

<sup>^^^</sup> Total amount received by investor = Repurchase amount - Repurchase Charge paid by investor

# SALIENT TERMS OF THE DEED

Generally, an investor would also be a registered Unit Holder unless the Units are purchased through an IUTA or using a nominee. In such instance, the Units may not be registered in the name of the investor and thus not a registered Unit Holder. Please be advised that the Manager only recognises the rights attached to a registered Unit Holder.

## Rights and Liabilities of Unit Holders

### Rights of Unit Holders

A Unit Holder has the right, among others, to the following:

- (a) To receive the distribution of income, participate in any increase in the value of the Units and to enjoy such other rights and privileges as set out in the Deed for the Fund;
- (b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a Special Resolution;
- (c) To exercise the cooling-off right (if applicable); and
- (d) To receive annual and semi-annual reports.

No Unit Holder shall be entitled to require the transfer to him of any of the investments or assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such investments and assets. In amplification and not in derogation of the aforesaid, Units held shall not confer on any Unit Holder any interest in any particular part or asset of the Fund but only in such interest in the Fund as a whole as may be conferred on Unit Holders by the provisions of the Deed.

### Liabilities of Unit Holders

- (a) No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto; and
- (b) Unit Holders shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

## Provisions regarding Unit Holders' Meetings

### Unit Holders' meeting convened by Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund or of a particular Class, as the case may be, at the registered office of the Manager, summon a meeting of the Unit Holders of the Fund or of that Class, as the case may be, by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders of the Fund or Unit Holders of a particular Class, as the case may be, at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper as may be approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed;

provided always that the Manager shall not be obliged to summon any such meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund or all the Unit Holders of a particular Class, whichever may be applicable.

### **Unit Holders' meeting convened by Manager**

The Manager may summon a meeting of the Unit Holders for any purpose whatsoever by giving at least fourteen (14) days written notice of the meeting to Unit Holders and specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

### **Unit Holders' meeting convened by Trustee**

The Trustee shall summon a Unit Holders' meeting in the event:

- (a) the Manager is in liquidation,
- (b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act.

The Trustee may also summon a Unit Holders' meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to Clause 6.10.3 of the Deed; and
- (e) deciding on the reasonableness of the annual management fee charged to the Fund.

The meeting of the Unit Holders summoned by the Trustee shall be summoned by:

- (a) sending by post at least twenty-one (21) days (or fourteen (14) days where applicable) before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and
- (b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities (if applicable).

### **Quorum Required for Convening a Unit Holders' Meeting**

The quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be five (5) Unit Holders (irrespective of the Class), whether present in person or by proxy; however, if the Fund or a Class, as the case may be, has five (5) or less Unit Holders (irrespective of the Class), the quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be two (2) Unit Holders (irrespective of the Class), whether present in person or by proxy.

If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in Circulation (irrespective of the Class) of the Fund or a particular Class, as the case may be, at the time of the meeting.

If the Fund or a Class, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a Class, as the case may be.

## **Termination of the Fund**

### **Circumstances that may lead to the termination of the Fund / or a Class**

The Fund or a Class may be terminated as provided for under the Deed and the Guidelines as follows:-

- (a) The SC has withdrawn the authorization of the Fund pursuant to Section 256E of the CMSA;
- (b) A Special Resolution is passed at a Unit Holders' meeting to terminate the Fund, following the occurrence of events stipulated under Section 301(1) of the CMSA and the court has confirmed the resolution, as required under Section 301(2) of the CMSA;
- (c) A Special Resolution is passed at a Unit Holders' meeting to terminate the Fund or to terminate a Class; or
- (d) The effective date of an approved transfer scheme has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

Notwithstanding the aforesaid, the Manager may, in consultation with the Trustee, determine the trust created and wind up the Fund and/or a Class without having to obtain the prior approval of the Unit Holders upon the occurrence of any of the following events:

- (a) if any new law shall be passed which renders it illegal; or
- (b) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund and/or a Class and the termination of the Fund and/or a Class is in the best interests of the Unit Holders.

If the Fund and/or a Class is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund and/or the Class.

In the event of the trust being terminated:

- (a) the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed;
- (b) the Manager and the Trustee shall notify the relevant authorities in such manner as may be prescribed by any relevant law; and
- (c) the Manager or the Trustee shall notify the Unit Holders in such manner as may be prescribed by any relevant law.

## Fees And Charges

Below are the maximum fees and charges permitted by the Deed:

|                              |  |
|------------------------------|--|
| <b>Sales Charge</b>          | 10.00% of the NAV per Unit   |
| <b>Repurchase Charge</b>     | 3.00% of the NAV per Unit  |
| <b>Annual management fee</b> | 5.00% per annum of the NAV of the Fund calculated and accrued daily and is calculated using the Base Currency.   |
| <b>Annual trustee fee</b>    | 0.10% per annum of the NAV of the Fund subject to a minimum fee of RM12,000 per annum calculated and accrued daily (excluding foreign custodian fees and charges) and is calculated using the Base Currency. |

### Increase Of Fees And Charges Stated In The Prospectus

The maximum Sales Charges and Repurchase Charge set out in this Prospectus can only be increased if the Trustee has been notified in writing by the Manager of the higher rate and the date on which such higher rate is to become effective. Thereafter, the supplemental/replacement prospectus proposing a modification to this Prospectus to increase the aforesaid maximum charges is required to be submitted for registration with the SC. An increase in the abovementioned charges is allowed if such time as may be prescribed by any relevant laws has elapsed since the effective date of the supplemental/replacement prospectus.

The maximum annual management fee and annual trustee fee set out in this Prospectus can only be increased if the Manager has come to an agreement with the Trustee on the higher rate. The Unit Holders have to be notified in writing by the Manager of the higher rate and the date on which such higher rate is to become effective. Thereafter, the supplemental/replacement prospectus proposing a modification to this Prospectus to increase the aforesaid maximum fees is required to be submitted for registration with the SC. An increase in the abovementioned fees is allowed if such time as may be prescribed by any relevant laws has elapsed since the effective date of the supplemental/replacement prospectus is issued.

### Increase Of Fees And Charges Stated In The Deed

The maximum Sales Charge, Repurchase Charge, annual management fee and annual trustee fee set out in the Deed can only be increased if a Unit Holders' meeting has been held in accordance with the Deed. Thereafter, a supplemental deed proposing a modification to the Deed to increase the aforesaid maximum charges and fees is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders at a Unit Holders' meeting duly convened and held according to the provisions of the Deed sanctioning the proposed modification to the Deed.

## **Other Expenses Permitted Under the Deed**

Only the expenses (or part thereof) which is directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- (a) commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the auditor;
- (d) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (e) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (f) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (g) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (h) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (i) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (j) costs, fees and expenses incurred in the termination of the Fund or a Class or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (k) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (l) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (m) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (n) (where the custodial function is delegated by the Trustee) costs, fees and charges payable to a foreign custodian of the foreign investments of the Fund duly appointed by Trustee;
- (o) all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or telegraphic transfer; and
- (p) costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent.

## **Retirement, Removal or Replacement of the Manager**

The Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee twelve (12) months' (or such other period as the Manager and the Trustee may agree upon) notice in writing of its desire so to do, and subject to the fulfilment of the following conditions:

- (a) the retiring Manager shall appoint such corporation by writing under the seal of the retiring Manager as the management company of the Fund in its stead and assign and transfer to such corporation all its rights and duties as management company of the Fund;
- (b) such corporation shall enter into such deed or deeds as are referred to in Clause 2.3.2 of the Deed;
- (c) upon the payment to the Trustee of all sums due from the retiring Manager to the Trustee under the Deed at the date of such retirement, the retiring Manager shall be absolved and released from all further obligations under the Deed but without prejudice to the rights of the Trustee or of any Unit Holder or other person in respect of any act or omission on the part of the retiring Manager prior to such retirement and the new management company may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Manager under the Deed as fully as though such new management company had been originally a party to the Deed;



Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:

- (a) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- (b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- (c) if the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business;

and the Manager shall not accept any extra payment or benefit in relation to such removal. For the avoidance of doubt, the Manager will continue to be paid up to the date of such removal.

In any of the events set out above, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, by writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund.

## **Retirement, Removal or Replacement of the Trustee**

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may retire upon the expiration of twelve (12) months' (or such other period as the Manager and the Trustee may agree upon) notice in writing to the Manager of its desire so to do.

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may be removed and such corporation may be appointed as trustee of the Fund by Special Resolution of the Unit Holders at a duly convened meeting.

The Manager shall take all reasonable steps to replace a Trustee as soon as practicable after becoming aware that:

- (a) the Trustee has ceased to exist;
- (b) the Trustee has not been validly appointed;
- (c) the Trustee was not eligible to be appointed or to act as trustee under any relevant law;
- (d) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- (e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under the appointment;
- (f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or
- (g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

# THE MANAGER

## ABOUT AHAM

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 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.

AHAM distributes its funds through the following various channels:

- In-house/internal sales team;
- IUTA & Corporate Unit Trust Advisers; and
- Unit trust consultants.

The Manager's head office is located in Kuala Lumpur and has seven (7) main sales offices located in Peninsular and East Malaysia. The sales offices are in Penang, Ipoh, Johor Bahru, Melaka, Kuching, Miri and Kota Kinabalu.

### Role of AHAM

The Manager is responsible for the investment management and marketing of the Fund, servicing Unit Holders' needs, keeping proper administrative records of Unit Holders and the Fund, ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

### Key Personnel

#### Dato' Teng Chee Wai – Managing Director

Dato' Teng is the founder of AHAM. In his capacity as the managing director and executive director of AHAM, Dato' Teng manages the overall business and strategic direction as well as the management of the investment team. His hands on approach sees him actively involved in investments, product development and marketing. Dato' Teng's critical leadership and regular participation in reviewing and assessing strategies and performance has been pivotal in allowing AHAM to successfully navigate the economically turbulent decade. Dato' Teng's investment management experience spans more than twenty five (25) years, and his key area of expertise is in managing absolute return mandates for insurance assets and investment-linked funds in both Singapore and Malaysia. Prior to his current appointments, he was the assistant general manager (investment) of Overseas Assurance Corporation (OAC) and was responsible for the investment function of the Group Overseas Assurance Corporation Ltd. Dato' Teng began his career in the financial industry as an investment manager with NTUC Income, Singapore. He is a Bachelor of Science graduate from the National University of Singapore and has a Post-Graduate Diploma in Actuarial Studies from City University in London.

#### Mr David Ng Kong Cheong – Chief Investment Officer

Mr David joined AHAM in 2002 as Head of Equities and assumed the role of Chief Investment Officer in September 2006. He has been responsible for successfully steering AHAM's investments through a tumultuous decade of multiple crisis. His astute and decisive guidance on broad investment strategies which includes interpreting market signals and making timely asset allocation calls has allowed AHAM to remain ahead of its peers. A decade later, he has built the investment team from just four (4) fund managers to a forty (40) strong group of fund managers featuring an impressive resume across different investment specialties, coverage and geographies. Under his foresight and vision, the team has evolved from being equity-heavy to encompass strong local and regional multi-asset and sector investment capabilities. His absolute return investment philosophy and bottom-up stock selection technique has garnered recognition for AHAM with its multiple award wins, having been voted "CIO of the Year" for Malaysia by Asia Asset Management 2013 awards. Mr David's philosophy of subscribing to the long-term, not taking excessive risk, and investing into quality throughout all the portfolios has set the blueprint for AHAM's investments in years to come. He is well-known in the industry for his discipline, prudence and reasonable attitude to investing. He graduated with a double degree in Bachelor of Commerce (Accounting) and Bachelor of Law from Monash University in Melbourne, Australia and is also a Chartered Financial Analyst (CFA) charterholder.

**For further information on AHAM including material litigation (if any), the Board, the designated fund manager of the Fund and/or AHAM's delegate, you may obtain the details from our website at [www.aham.com.my](http://www.aham.com.my).**

# THE TRUSTEE

## DEUTSCHE TRUSTEES MALAYSIA BERHAD

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.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

### Experience in Trustee Business

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 LPD, DTMB is the trustee for two hundred and twenty four (224) collective investment schemes including unit trust funds, wholesale funds and exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

### Roles, Duties and Responsibilities of the Trustee

DTMB’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA and all relevant laws.

### Trustee’s Delegate

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB’s roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

### Trustee’s Disclosure of Material Litigation

As at the LPD, the Trustee is neither (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee.

### Trustee’s Disclosure on Related-Party Transactions/Conflict of Interests

As the Trustee for the Fund and the Manager’s delegate for the fund accounting and valuation services, there may be related party transactions involving or in connection with the Fund in the following events:

- (1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC’s guidelines and other applicable laws;
- (3) Where the Manager appoints DTMB to perform its back office functions (e.g. fund accounting and valuation); and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB's commitment to act in the best interests of the Unit Holders does not preclude the possibility of related party transactions or conflicts.

# RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST

As at LPD, we are not aware of any existing and/or proposed related party transactions or potential conflict of interest situations or other subsisting contracts of arrangements involving the Fund.

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.

## **Policy on Dealing with Conflict of Interest**

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 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 not less favourable to the Fund than an arms-length transaction between independent parties.

# TAX ADVISERS' LETTER

19 January 2023

Deloitte Tax Services Sdn Bhd  
Level 16, Menara LGB  
1 Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur

The Board of Directors  
**AHAM Asset Management Berhad**  
**[Formerly known as ("f.k.a") Affin Hwang Asset Management Berhad]**  
Ground Floor, Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur

Dear Sirs

## **AHAM ASEAN Flexi Fund (f.k.a Affin Hwang ASEAN Flexi Fund)** **Taxation of the Fund and Unit Holders**

1. This letter has been prepared for inclusion in the Replacement Prospectus ("Replacement Prospectus") in connection with the offer for sales of units in the AHAM ASEAN Flexi Fund ("the Fund").

The following is general information based on Malaysian tax law in force at the time of lodging the Replacement Prospectus with the Securities Commission Malaysia ("SC") and investors should be aware that the tax law may be changed at any time. To an extent, the application of tax law depends upon an investor's individual circumstances. The information provided below does not constitute tax advice. The Manager therefore recommends that an investor consult his accountant or tax adviser on questions about his individual tax position.

## **2. Taxation of the Fund**

### **2.1 Income Tax**

As the Fund's Trustee is a resident in Malaysia, the Fund is regarded as a resident in Malaysia. The taxation of the Fund is governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 ("MITA").

Pursuant to the Section 2(7) of MITA, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah. The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia or received in Malaysia from outside Malaysia is liable to income tax. The Fund may be receiving income such as exit fee which will be subject to tax at the prevailing tax rate applicable on the Fund. Gains on disposal of investments by the Fund will not be subject to income tax.

The income tax rate applicable to the Fund is 24%.

Tax exempt interest as listed in the Appendix attached received by the Fund are not subject to income tax.

With effect from 1 January 2014, Malaysia has fully moved to a single-tier income tax system. The Fund is not liable to tax on any Malaysia sourced dividends paid, credited or distributed to the Fund under the single-tier tax system, where the company paying such dividend is not entitled to deduct tax under the MITA. The tax deductibility of other deductions by the Fund against such dividend income will be disregarded in ascertaining the chargeable income of the Fund.

In addition to the single-tier dividend that may be received by the Fund, the Fund may also receive Malaysian dividends which are tax exempt from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund is not subject to income tax on such tax exempt dividend income.

The Fund may also receive interest, dividends, profits and other income from investments derived from sources outside of Malaysia. Prior to 1 January 2022, income arising from sources outside Malaysia and received in Malaysia was exempted from Malaysian income tax pursuant to Paragraph 28 of Schedule 6 of the MITA. Effective from 1 January 2022, Paragraph 28 of Schedule 6 of the MITA was amended to only exempt a non-resident person from foreign sourced income received in Malaysia. Unit trusts funds with a trustee who is tax resident in Malaysia are considered tax residents of Malaysia and would not qualify for the exemption under the amended Paragraph 28 of Schedule 6 of the MITA.

The Ministry of Finance of Malaysia issued the gazette orders, Income Tax (Exemption) (No. 5) Order 2022 [P.U.(A) 234/2022] and Income Tax (Exemption) (No. 6) Order 2022 [P.U.(A) 235/2022] on 19 July 2022 which took effect from 1 January 2022. The orders grant exemption on foreign sourced income as follows:

- Dividend income received by companies and limited liability partnerships; and
- All types of foreign sourced income received by individuals, except for those carrying on a partnership business in Malaysia.

However, as the unit trust fund is not a “company”, “limited liability partnership” or “individual”, the above gazette orders do not apply to unit trust funds.

The income of the Fund which is received in Malaysia from outside Malaysia during the period from 1 January 2022 until 30 June 2022 is subject to the tax rate of 3% on gross foreign sourced income received in Malaysia. Foreign sourced income received in Malaysia from 1 July 2022 onwards will be taxed based on the prevailing income tax rate applicable to the Fund, i.e. 24%.

The foreign sourced income of the Fund may be subject to foreign tax in the country from which the income is derived. Pursuant to Schedule 7 of the MITA, where an income is chargeable to tax in Malaysia as well as in a foreign country, a relief shall be given by way of credit known as bilateral credit if the source country has a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 100% of foreign tax suffered and unilateral credit if the source country does not have a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 50% of foreign tax suffered.

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into. Generally, any gain or loss relating to the principal portion will be treated as capital gain or loss. Gains or losses relating to the income portion would normally be treated as revenue gains or losses. The gain or loss on revaluation will only be taxed or claimed upon realisation. Any gain or loss on foreign exchange is treated as capital gain or loss if it arises from the revaluation of the principal portion of the investment.

Generally, income from distribution by the Malaysia Real Estate Investment Trusts (“REITs”) will be received net of withholding tax of 10%. No further tax will be payable by the Fund on the distribution. Distribution from such income by the Fund will also not be subject to further tax in the hands of the Unit Holders.

Expenses being manager’s remuneration, maintenance of register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage, which are not allowed under the general deduction rules, qualify for a special deduction, subject to a minimum of 10% and a maximum of 25% of such expenses pursuant to Section 63B of the MITA.

## **2.2 Gains on Disposal of Investments**

Gains on disposal of investments by the Fund will not be subject to income tax but where the investments represent shares in real property companies, such gains may be subject to Real Property Gains Tax (“RPGT”) under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties or shares in real property companies with a market value of not less than 75% of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

## **2.3 Service Tax**

The issuance of units by the Fund to investors will not be subject to Service Tax. Any distributions made by the Fund to unitholders are also not subject to Service Tax. The Fund would not be required to pay Service Tax on the acquisition of fund management services from the Fund Manager.

To the extent that the Fund invests in any financial services products (e.g. securities, derivatives, units in a fund or unit trust), the acquisition of these interests will also not be subject to Service Tax.

If the Fund acquires any imported taxable services from a service provider outside of Malaysia, these services would be subject to 6% Service Tax. The Fund would be required to file an SST-02A return on an ad hoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department.

### 3. Taxation of Unit Holders

#### 3.1 Taxable Distribution

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent such income is distributed to them. Unit Holders are also liable to pay income tax on the taxable income distributions paid by the Fund. Taxable income distributions carry a tax credit in respect of the tax chargeable on that part of the Fund. Unit Holders will be subject to tax on an amount equal to the net taxable income distribution plus attributable underlying tax paid by the Fund. No withholding tax will be imposed on the income distribution of the Fund.

Income distributed to Unit Holders is generally taxable as follows in Malaysia:-

| Unit Holders   | Malaysian Tax Rates for Year of Assessment 2022   |
|--|---|
| <b>Malaysian tax residents:</b> <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> <li>▪ Trust bodies</li> <li>▪ Corporate Unit Holders <ul style="list-style-type: none"> <li>i. A company with paid up capital in respect of ordinary shares of not more than RM2.5 million where the paid up capital in respect of ordinary shares of other companies within the same group as such company is not more than RM2.5 million (at the beginning of the basis period for a year of assessment) and having gross income from source or sources consisting of a business of not more than RM50 million for the basis period of a year assessment</li> <li>ii. Companies other than those in (i) above</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 30%</li> <li>▪ Progressive tax rates ranging from 0% to 24%</li> <li>▪ 24%</li> <li>▪ 17% for every first RM600,000 of chargeable income</li> <li>▪ 24% for chargeable income in excess of RM600,000</li> <li>▪ 24%</li> <li>▪ 33% for chargeable income in excess of RM100,000,000 for the year of assessment 2022 only</li> </ul> |
| <b>Non-Malaysian tax residents:</b> <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> </ul>  | <ul style="list-style-type: none"> <li>▪ 30%</li> <li>▪ 24%</li> </ul>  |



The tax credit that is attributable to the income distributed to the Unit Holders will be available for set off against tax payable by the Unit Holders. There is no withholding tax on taxable distributions made to non-resident Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

### 3.2 Withholding Tax on Distribution from Retail Money Market Fund (“RMMF”) to Unit Holders

Distribution of income of a unit trust fund that is a RMMF to its Unit Holders (other than the distribution of interest income to non-individual Unit Holders) is exempted from tax in the hands of the Unit Holders. Non-individual Unit Holders will be chargeable to tax on the income distributed to the Unit Holder from the interest income of a RMMF exempted under Paragraph 35A of Schedule 6 of the MITA with effect from 1 January 2022 as follows:-

| Types of Unit Holders   | Malaysian Tax Rates for Year of Assessment 2022  |
|---|--|
| <b>Non-individual residents:</b> <ul style="list-style-type: none"> <li>Withholding tax rate</li> <li>Withholding tax mechanism</li> <li>Due date of payment</li> </ul>     | <ul style="list-style-type: none"> <li>24%</li> <li>Income distribution carries a tax credit, which can be utilised to set off against the tax payable by the Unit Holders</li> <li>The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul> |
| <b>Non-individual non-residents:</b> <ul style="list-style-type: none"> <li>Withholding tax rate</li> <li>Withholding tax mechanism</li> <li>Due date of payment</li> </ul> | <ul style="list-style-type: none"> <li>24%</li> <li>Withholding tax deducted will be regarded as a final tax</li> <li>The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>   |

As the Fund is not a RMMF, the above withholding tax on distribution of interest income that is exempted under Paragraph 35A of Schedule 6 of the MITA will not be applicable to the non-individual Unit Holders of the Fund.

### 3.3 Tax Exempt Distribution

Tax exempt distributions made out of gains from realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian tax in the hands of Unit Holders, whether individual or corporate, resident or non-resident. All Unit Holders do not pay tax on that portion of their income distribution from the Fund’s distribution equalisation account.

### 3.4 Distribution Voucher

To help complete a Unit Holder’s tax returns, the Manager will send to each Unit Holder a distribution voucher as and when distributions are made. This sets out the various components of the income distributed and the amount of attributable income tax already paid by the Fund.

### **3.5 Sale, Transfer or Redemption of Units**

Any gains realised by a Unit Holder on the sale, transfer or redemption of his units are generally tax-free capital gains unless the Unit Holder is an insurance company, a financial institution or a person trading or dealing in securities. Generally, the gains realised by these categories of Unit Holders constitute business income on which tax is chargeable.

### **3.6 Reinvestment of Distribution**

Unit Holders who receive their income distribution by way of investment in the form of the purchase of new units will be deemed to have received their income distribution after tax and reinvested that amount in the Fund.

### **3.7 Unit Splits**

Unit splits issued by the Fund are not taxable in the hands of the Unit Holders.

### **3.8 Service Tax**

Pursuant to the Lampiran A of the First Schedule of the Service Tax Regulations 2018 ("First Schedule"), only taxable services listed in the First Schedule are subject to service tax. This excludes any investment income or gains received by the Unit Holder as such income and gains are not prescribed taxable services.

The legal fees, consultant fees and management fees may be subject to service tax at 6% if the service providers are registered for Services Tax. Effective from 1 January 2019, the imposition and scope of service tax has been widened to include any imported taxable service.

We hereby confirm that the statements made in this tax adviser letter correctly reflect our understanding and the interpretation of the current Malaysian tax legislations and the related interpretation and practice thereof, all of which may subject to change. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully

**Tax Exempt Income of Unit Trusts**

1. Interest or discount paid or credited to any individual, unit trust and listed closed-end fund in respect of the following will be exempt from tax:-
  - Securities or bonds issued or guaranteed by the Government; or
  - Debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the SC; or
  - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.
2. Income of a unit trust in respect of interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 ("FSA") or the Islamic Financial Services Act 2013 ("IFSA") or any development financial institution regulated under the Development Financial Institutions Act 2002 ("DFIA").

Provided that the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.

3. Interest in respect of any savings certificates issued by the Government.
4. Interest paid or credited to any person in respect of Sukuk originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved or authorized by, or lodged with, the SC or approved by the Labuan Financial Services Authority.
5. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia.
6. Interest income derived from bonds (other than convertible loan stocks) paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad ("MESDAQ") (now known as Bursa Malaysia Securities Berhad ACE Market).
7. Income derived from the Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc.
8. Discount or profit received from the sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad within and outside Malaysia.
9. Income derived from the Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad.
10. Gain or profit received from the investment in Islamic securities, other than convertible loan stock, which are issued in accordance with the principles of *Mudharabah*, *Musyarakah*, *Ijarah*, *Istisna'* or any other principle approved by the Shariah Advisory Council established by the SC under the Capital Markets and Services Act 2007.
11. Gains or profits in lieu of interest, derived from the Sukuk Wakala in accordance with the principle of *Al-Wakala Bil Istithmar*, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad.
12. Income derived from Sukuk Kijang is exempted from the payment of income tax pursuant to Income Tax (Exemption) (No. 10) Order 2013. For the purpose of this order, "Sukuk Kijang" means the Islamic Securities of nominal value of up to two hundred and fifty million United States dollars (USD\$250,000,000) issued or to be issued in accordance with the Shariah principle of Ijarah by BNM Kijang Berhad.

13. Gains or profits derived, in lieu of interest, derived from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (USD1,500,000,000.00) in accordance with the principle of *Wakala Bil Istithmar*, other than a convertible loan stock, issued by the Malaysia Sovereign Sukuk Berhad.
14. Gains or profits derived, in lieu of interest from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (US\$1,500,000,000.00) in accordance with the principle of *Wakala*, other than a convertible loan stock, issued by the Malaysia Sukuk Global Berhad (formerly known as 1Malaysia Sukuk Global Berhad).
15. Income received by the Fund from Malaysia Building Society Berhad ("MBSB").

# RELEVANT INFORMATION

## INFORMATION AVENUES

### How can I keep track of my investment?

You may obtain the daily Fund price from our website at [www.aham.com.my](http://www.aham.com.my).

As the Fund has exposure to investments in foreign jurisdiction, these daily prices are based on information available two (2) Business Days prior to publication.

We will provide you with an annual report and a semi-annual report within two (2) months after the end of the financial period the report covers. In addition, we will also send you a monthly statement confirming the current Unit holdings and transactions relating to your Units in the Fund.

**THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.**

### Who should I contact if I need additional information of the Fund?

You can seek assistance from our customer service personnel at our toll free number 1-800-88-7080 between 8.45 a.m. to 5.30 p.m. on a Business Day. Alternatively, you can email us at [customercare@aham.com.my](mailto:customercare@aham.com.my).

## COMPLAINTS AVENUES

### How do I make a complaint?

You may e-mail us at [customercare@aham.com.my](mailto:customercare@aham.com.my) 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) any other supporting documentary evidence (if any).

## ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA") and the SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market, it is our responsibility to prevent AHAM from being used for money laundering and terrorism financing activities. To this end, we have established an Anti-Money Laundering/Counter-Financing of Terrorism Framework (AML/CFT Framework) and put in place anti-money laundering process and procedures to combat such activities. This includes a robust due diligence process and procedures for client on-boarding (such as know-your-client procedures and customer due diligence) as well as ongoing monitoring of clients' transactions to detect any suspicious transactions.

To meet our regulatory obligations to verify the identity of our clients and to verify the source of funds, we may request for additional information from you. Information requested may include, but not limited to, supporting documents, documentary evidence to support information given and could extend to documents regarding identity of beneficial owners (if applicable). We reserve the right to reject an application to invest in the Fund should clients fail to provide the information required. Furthermore, where a particular transaction is deemed suspicious, we have an obligation under the AMLATFPUAA to notify the relevant authority of the transaction.

# CONSENTS

- The Trustee has given its consent to the inclusion of its name in the form and context in which such name appears in the Prospectus and has not been subsequently withdrawn such consent before the issuance of the Prospectus; and
- The tax adviser has given its consent to the inclusion of its name and Tax Adviser's Letter in the form and context in which they appear in the Prospectus and has not subsequently withdrawn such consent before the issuance of the Prospectus.

## DOCUMENTS AVAILABLE FOR INSPECTION

Unit Holders may inspect without charge, at the business address of the Manager and/or the Trustee, the following documents or copies thereof, where applicable:

- The Deed and the supplemental deed (if any) of the Fund;
- The Prospectus and supplemental or replacement prospectus (if any) of the Fund;
- The latest annual and semi-annual reports of the Fund;
- Each material contract disclosed in the Prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
- The audited financial statements of AHAM and the Fund for the current financial year (where applicable) and the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Prospectus. Where a summary expert's report is included in the Prospectus, the corresponding full expert's report should be made available for inspection;
- Writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
- Any consent given by experts disclosed in this Prospectus.

# DIRECTORY OF SALES OFFICES

## AHAM ASSET MANAGEMENT BERHAD

(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD):

|   |  |  |
|---|--|--|
| <b>HEAD OFFICE</b><br>Ground Floor, Menara Boustead<br>69 Jalan Raja Chulan<br>50200 Kuala Lumpur<br>Tel : 03 – 2116 6000<br>Fax : 03 – 2116 6100<br>Toll Free No : 1-800-88-7080<br>Email: <a href="mailto:customercare@aham.com.my">customercare@aham.com.my</a><br>Website: <a href="http://www.aham.com.my">www.aham.com.my</a> | <b>JOHOR</b><br>Unit 22-05, Level 22<br>Menara Landmark<br>No. 12, Jalan Ngee Heng<br>80000 Johor Bahru<br>Johor<br>Tel : 07 – 227 8999<br>Fax : 07 – 223 8998 | <b>SARAWAK</b><br>Ground Floor, No. 69<br>Block 10, Jalan Laksamana Cheng Ho<br>93200 Kuching, Sarawak<br>Tel : 082 – 233 320<br>Fax : 082 – 233 663<br><br>1 <sup>st</sup> Floor, Lot 1291<br>Jalan Melayu, MCLD<br>98000 Miri, Sarawak<br>Tel : 085 - 418 403<br>Fax : 085 – 418 372 |
| <b>PENANG</b><br>B-16-2, Lorong Bayan Indah 3<br>11900 Bayan Lepas<br>Pulau Pinang<br>Toll Free No : 1800-888-377   | <b>MELAKA</b><br>Ground Floor<br>No. 584 Jalan Merdeka<br>Taman Melaka Raya<br>75000 Melaka<br>Tel: 06 -281 2890<br>Fax: 06 -281 2937                          |  |
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