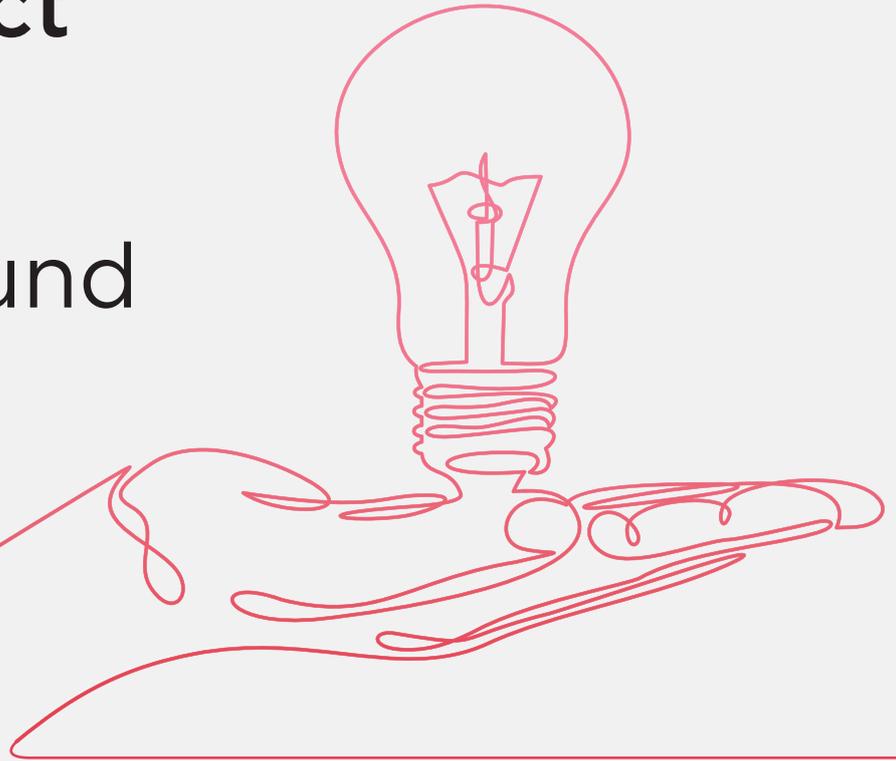


Prospectus

# AHAM Select Asia Pacific (ex Japan) Dividend Fund

*(Formerly known as Affin Hwang Select  
Asia Pacific (ex Japan) Dividend 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 Number: 200701005591 (763590-H)

This Prospectus is dated 30 December 2022.

The AHAM Select Asia Pacific (ex Japan) Dividend Fund was constituted on 8 December 2014\*.

\*The constitution date of this Fund is also the launch date of this 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 24 DECEMBER 2018 AND THE FIRST SUPPLEMENTAL PROSPECTUS DATED 24 FEBRUARY 2020. 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 BE AWARE THAT THE CAPITAL OF THE FUND WILL BE ERODED WHEN THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.**



**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

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# CORPORATE DIRECTORY

## **The Manager/AHAM**

**AHAM Asset Management Berhad**

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

### **Registered Office**

3<sup>rd</sup> Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

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>EPF</b>	Employees Provident Fund.
<b>EMIS</b>	EPF Members' Investment Scheme.
<b>EUR</b>	Euro.
<b>FiMM</b>	Federation of Investment Managers Malaysia.
<b>GBP</b>	British Pound Sterling.
<b>IUTA</b>	Institutional Unit Trust Scheme Advisers.
<b>RM</b>	Ringgit Malaysia.
<b>RMB</b>	Renminbi.
<b>PHS</b>	Product Highlights Sheet.
<b>SC</b>	Securities Commission Malaysia.
<b>SGD</b>	Singapore Dollar.
<b>USD</b>	United States Dollar.

## GLOSSARY

<b>the Act</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 operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>Business Day</b>	Means a day on which 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 1 July 2013, the supplemental deed dated 5 November 2014, the second supplemental deed dated 23 July 2018 and the third supplemental deed dated 21 September 2022, entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
<b>eligible market(s)</b>	Means an exchange, government securities market or an over-the-counter (OTC) market– <ul style="list-style-type: none"> <li>(a) that is regulated by a regulatory authority of that jurisdiction;</li> <li>(b) that is open to the public or to a substantial number of market participants; and</li> <li>(c) on which financial instruments are regularly traded.</li> </ul>
<b>Financial Institution(s)</b>	Means <ul style="list-style-type: none"> <li>(a) if the institution is in Malaysia– <ul style="list-style-type: none"> <li>(i) licensed bank;</li> <li>(ii) licensed investment bank; or</li> <li>(iii) licenced Islamic bank; or</li> </ul> </li> <li>(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.</li> </ul>
<b>Forward Pricing</b>	Means the method of determining the price of a Unit which is the NAV per Unit at the next valuation point after an application for purchase or repurchase request is received by the Manager.

<b>Fund</b>	Refers to AHAM Select Asia Pacific (ex Japan) Dividend Fund ( <i>formerly known as Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund</i> ).
<b>Guidelines</b>	Means the Guidelines on Unit Trust Funds issued by the SC and as may be amended, substituted or replaced from time to time.
<b>Hedged-class</b>	Means a Class which aims to reduce the effect of exchange rate fluctuations between the Base Currency and currency of the Class to which the Unit Holders are exposed to. <i>Please refer to write up on the "Currency Risk" under the "Specific Risk" section, for further details.</i>
<b>LPD</b>	Means 30 November 2022 and is the latest practicable date whereby the information disclosed in this Prospectus shall remain relevant and current as at the date of issue of this Prospectus.
<b>licensed bank</b>	Means a bank licensed under the Financial Services Act 2013.
<b>licensed investment bank</b>	Means an investment bank licensed under the Financial Services Act 2013.
<b>licensed Islamic bank</b>	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
<b>the 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 Net Asset Value per Unit for each Class; the Net Asset Value per Unit of a Class at a particular valuation point shall be the Net Asset Value 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>	Means this prospectus and includes any supplemental or replacement prospectus, as the case may be.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>Repurchase Price</b>	Means the price payable to you by us pursuant to a repurchase request of a Unit and it shall be exclusive of any Repurchase Charge.
<b>RM Class</b>	Represents a Class issued by the Fund which is denominated in RM.
<b>Sales Charge</b>	Means a charge imposed pursuant to a purchase request.
<b>Selling Price</b>	Means the price payable by you for us to create a Unit in the Fund and it shall be exclusive of any Sales Charge.
<b>Special Resolution</b>	Means a resolution passed by a majority of not less than three quarter ( $\frac{3}{4}$ ) of Unit Holders present and voting at a meeting of Unit Holders in person or by proxy. <i>For the purpose of terminating the Fund, a Special Resolution passed by a majority in number representing at least three quarter (<math>\frac{3}{4}</math>) of the value of Units held by the Unit Holders present and voting at the meeting in person or by proxy is required.</i> <i>For the purpose of terminating a Class, a Special Resolution passed by a majority in number representing at least three quarter (<math>\frac{3}{4}</math>) of the value of Units held by the Unit Holders of that particular Class present and voting at the meeting in person or by proxy is required.</i>
<b>transferable securities</b>	Refers to equities, debentures and warrants.
<b>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 and which have not been cancelled. It is also the total number of Units issued at a particular valuation point.
<b>Unit Holder(s), investor(s), you</b>	Means the person / corporation registered as the holder of a Unit or Units including persons jointly registered.

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 a unit trust fund and the specific risks associated with the securities/instruments 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/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 instances of this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.

### **Suspension of repurchase request risk**

Having considered the best interests of Unit Holders, the repurchase requests by the Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be determined. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.

## SPECIFIC RISKS

The specific risks associated with the securities/instruments in which the Fund will invest are as tabulated below:-

### **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.

### **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.

### **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 be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. You should also 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 Class (other than RM Class) 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 still be affected by the exchange rate movements and it may cause fluctuations of NAV of the respective Hedged-class. You should note, however, that if the exchange rate moves favourably, the Hedged-class will 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 the cost of hedging which may affect returns of the respective Hedged-class.

### **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 or prices of Units to fall.

### **Distribution out of capital risk**

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

## **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 (3) 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 respective portfolio's objective and strategy). For investments in fixed income securities, credit risks are evaluated by a credit committee. We also practise 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 also have in place a credit risk management process to reduce counterparty risk of derivatives whereby such risk arises when the counterparty is not able to meet its contractual obligations. Prior to entering into a contract with the counterparty, we will conduct an evaluation on the credit standing of the counterparty to ensure it is able to meet its contractual obligations. It is important to note that an event of downgrade does not constitute a default. If we are of the view that the downgrade in the rating of the counterparty may lead to high credit risk, we will not hesitate to take pre-emptive measures to unwind these positions.

To manage non-compliance risks, we use information technology system that is able to monitor the trading of investment 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 function 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 employ a performance attribution system that enables us to review the performance of the Fund to determine the key factors that have contributed 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 SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

<b>Fund Category</b>	: Equity
<b>Fund Type</b>	: Growth & Income
<b>Base Currency</b>	: RM
<b>Launch Date</b>	: 8 December 2014
<b>Financial Year End</b>	: 31 August
<b>Distribution Policy</b>	: The Fund will distribute income on a semi-annual basis (subject to income availability), after the end of its first financial year. At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above.
<b>Deed</b>	: Refers to the deed dated 1 July 2013, the supplemental deed dated 5 November 2014, the second supplemental deed dated 23 July 2018 and the third supplemental deed dated 21 September 2022.

## INVESTMENT OBJECTIVE

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

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

## BENCHMARK

MSCI AC Asia Pacific ex Japan High Dividend Yield Index

The performance of the Fund is measured against the benchmark that is calculated in the currencies of the respective Classes. For example, RM term for its RM Class and SGD term for its SGD Hedged-class.

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

Source: <http://www.msci.com>

*(Please note that you may obtain information on the benchmark from us upon request.)*

## ASSET ALLOCATION

Equities	70% to 100%
Fixed income instruments*	0% to 30%

\* As listed under bullet (3) to (6) of the permitted investments.

## INVESTMENT STRATEGY

To achieve its objective, the Fund will be investing a minimum of 70% of its NAV in equities, while the remaining balance may be invested in fixed income instruments. The Fund will invest primarily in Asia Pacific (ex Japan) companies. The Fund may also invest up to 30% of its NAV in other regions including Japan.

The Fund focuses on higher dividend-paying stocks and stocks with dividend-paying prospects. We adopt a bottom-up strategy where individual stock analysis forms the primary building blocks for portfolio construction.

The Fund holds the option to invest in fixed income instruments such as debentures, money market instruments and deposits. In the selection of fixed income instruments, the Fund emphasizes on issuers with high credit worthiness.

To achieve its objective, the Fund may invest in warrants as well as collective investment schemes that have similar investment objectives to the Fund.

### Temporary Defensive Position

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

### Derivative Investments for Hedging Purposes Only

Derivatives trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. Futures and forward contracts are generally contracts between two parties to trade an asset at an agreed price on a pre-determined future date whereas swaps is an agreement to swap or exchange two financial instruments between two parties.

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 the hedging transactions will assist with mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well.

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.

### 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 the compliance unit of AHAM, and reported to the AHAM's compliance and risk management committee, to avoid conflict of interests and manipulation that could have a negative impact on investors.

## PERMITTED INVESTMENTS

- 1) Listed securities
- 2) Unlisted securities including, without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation for such securities
- 3) Government bonds, treasury bills and other government approved or guaranteed bonds
- 4) Debentures
- 5) Money market instruments
- 6) Deposits with Financial Institutions
- 7) Embedded derivatives
- 8) Derivatives instruments, including but not limited to options, futures contracts, forward contracts and swaps
- 9) Warrants
- 10) Units or shares in local and foreign collective investment schemes which are in line with the objective of the Fund
- 11) 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

Subject to the Guidelines, the purchase of permitted investments stated above must not contravene the following limits, unless otherwise revised by the SC from to time:

- (a) The Fund's assets must be relevant and consistent with the investment objective of the Fund;
- (b) The aggregate value of the Fund's investments in transferable securities that are not traded or dealt in or on under the rules of an 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");
- (c) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- (h) The Fund's investments in debentures shall not exceed 20% of the debentures issued by any 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;
- (i) 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 Institution Limit").

The Single Financial Institution Limit does not apply to placements 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;
- (j) 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;
  - (k) For investment in derivatives, the exposure to the underlying assets of that derivatives must not exceed the investment restrictions or limitations applicable to such underlying assets and investments stipulated in the Guidelines and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counterparty must not exceed 10% of the Fund's NAV;
  - (l) 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;
  - (m) The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in the collective investment scheme;
  - (n) The value of the Fund's investments in units/shares of any 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;

- (o) The value of the Fund's investments in units/shares of a collective investment scheme that invests in real estate shall not exceed 15% of the Fund's NAV;
- (p) 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;
- (q) 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;
- (r) The Fund's global exposure from derivatives position shall not exceed the Fund's NAV at all times; and
- (s) Any other investment limits or restrictions imposed by the relevant regulatory authorities or pursuant to any laws and/ or regulations applicable to the Fund.

Please note that the above limits and restrictions, do 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 PERMITTED INVESTMENTS

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 as 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 fixed income instruments, valuation will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-RM unlisted fixed income instruments, valuation will be based on 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**

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 an average of quotations provided 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**

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 Bloomberg or Reuters. If the rates are not available on Bloomberg or Reuters, 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, valuation will be done in a similar manner used in the valuation of the 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 day"). All foreign assets are translated into the Base Currency based on the last available bid exchange rate quoted by Bloomberg or Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11.00 p.m. or 12.00 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 for bridging requirements. 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 one (1) 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 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 must read and understand the content of the Prospectus (and any supplemental prospectus) and PHS before investing.



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

## 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 Institutions 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. 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”), we will create your Units 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 Hedged-class	EUR Class	USD Class	AUD Class	RMB Class	SGD Class	GBP Class
Minimum Initial Investment*	RM 1,000	SGD 5,000	EUR 5,000	USD 5,000	AUD 5,000	RMB 5,000	SGD 5,000	GBP 5,000
Minimum Additional Investment*	RM 100	SGD 1,000	EUR 1,000	USD 1,000	AUD 1,000	RMB 1,000	SGD 1,000	GBP 1,000
Minimum Repurchase Amount*	2,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units
Minimum Holding of Units*	2,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 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 other than the RM Class.

For illustration purposes, please refer to the table below:-

Classes	RM Class	SGD Hedged-class
NAV per Unit	RM 0.7302	SGD 0.50
Currency exchange rate	RM 1 = RM 1	RM 1 = SGD 0.25
Invested amount	RM 50,000 x RM 1 = RM 50,000	RM 50,000 x SGD 0.25 = SGD 12,500
Units received	RM 50,000 ÷ RM 0.7302 = 68,474 Units	SGD12,500 ÷ SGD 0.50 = 25,000 Units

*Invested amount = RM 50,000 x currency exchange rate of the Class*

*Units received = Invested amount ÷ NAV per Unit of the Class*

By purchasing Units in the RM Class, you will receive more Units for every RM invested in the Fund (i.e. 68,474 Units) compared to purchasing Units in the SGD Hedged-class (i.e. 25,000 Units). 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 (except in situations where a show of hands is required to pass a resolution). However, you should also 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 ¾ of the value of the Units held by Unit Holders voting at the meeting, and not based on number of Units owned.

## HOW TO REPURCHASE UNITS?

- It is important to note that, you must meet the above minimum holding of Units 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 Units for that particular Class and we will 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.

- 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").
- 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, 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" section 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 are 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 that you 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:

SGD Hedged-class	RM Class	EUR Class	USD Class	AUD Class	RMB Class	SGD Class	GBP Class
10,000 Units	2,000 Units	10,000 Units					

At our discretion, we may reduce the transaction of 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 request 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 to 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 (or “T + 1 day”).

You should note that the pricing day of a fund (or its class) may not be on 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 Units held by you, whether fully or partially, to another person(s). You may transfer your ownerships of investments by completing the transfer application form and returning it to us on any Business Day. The transfer must be made in terms of Units and not in value.
- There are no minimum Units to effect a transfer except that the person(s) who receives the Units and the Unit Holder who transfers a partial number of Units must continue to hold the minimum holdings of Units to remain as a Unit Holder of a Class.
- It is important to note that we are at 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 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

The Fund will distribute income on a semi-annual basis (subject to income availability), after the end of its first financial year.

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

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

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

The Fund's income distributions are non-guaranteed.

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/EUR/USD/AUD/RMB/GBP 300.00 will be automatically reinvested on your behalf.

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

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 Classes other than RM Class are required to have a foreign currency account with any Financial Institution denominated in the respective currency Classes.

#### Reinvestment Process

We will create 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 for reinvestments of those 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.**

### **UNCLAIMED MONIES**

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 the 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 Monies 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 this Prospectus (including any supplemental prospectus) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of any applicable taxes. We (including the Trustee and other service providers of the Fund) 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.

*\* Investors may negotiate for a lower charge.*

Note: All Sales Charge will be rounded up to two (2) decimal places.

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.

### REPURCHASE CHARGE

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

### 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 RM 100 and assuming further the size of the SGD Hedged-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 Hedged-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 fees that you may **indirectly** incur when you invest in the Fund.

## ANNUAL MANAGEMENT FEE

The annual management fee is up to 1.85% per annum of the NAV of the Fund and is calculated using the Base Currency (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 purposes only:*

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

$$\frac{\text{RM } 130,000,000 \times 1.85\%}{365 \text{ days}} = \text{RM } 6,589.04 \text{ per day}$$

The management fee is payable monthly to the Manager and is apportioned to each Class based on the multi-class ratio.

## ANNUAL TRUSTEE FEE

The annual trustee fee is up to 0.06% per annum of the NAV of the Fund and is calculated using Base Currency (excluding foreign custodian fees and charges, if any) (before deducting the management fee and trustee fee). In addition to the 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 purposes only:*

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

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

The trustee fee is payable monthly to the Trustee and is apportioned to each Class based on the multi-class ratio.

## ADMINISTRATIVE FEES

Only fees and expenses that are directly related and necessary to the business of the Fund may be charged to the Fund. These include 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, charges and fees paid to sub-custodians taking into custody any foreign investments of the Fund;
- 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;
- 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 warrant or telegraphic transfer;
- Costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent; and
- Other fees/expenses related to the Fund.

All Fund expenses are apportioned to each Class based on the multi-class ratio.

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

## REBATES AND SOFT COMMISSIONS

We or any of our delegates 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 definitions:-

“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.

For illustration purposes, the following is the computation of NAV per Unit for a particular day for the Classes. The multi-class ratio will vary and be apportioned accordingly when further Class(es) are introduced by us:

	<b>Fund (RM)</b>	<b>RM Class (RM)</b>	<b>SGD Hedged-class (RM)</b>
Value of the Fund/ Class before Income & Expenses	154,200,000.00	54,200,000.00	100,000,000.00
<b>Multi-class ratio*</b>	<b>100.00%</b>	<b>35.15%</b>	<b>64.85%</b>
Add: Income	2,500,000.00	878,728.92	1,621,271.08
Gross asset value (GAV)	156,700,000.00	55,078,728.92	101,621,271.08
Less: Fund expenses	(80,000.00)	(28,119.33)	(51,880.67)
<b>SGD Hedged: Gain/loss from currency forwards ^</b>			1,000.00
Net Asset Value/ NAV (before deduction of Management and Trustee Fees)	156,620,000.00	55,050,609.59	101,569,390.41
Gross Asset Value/ GAV	156,621,000.00	55,050,609.60	101,570,390.40
Less:			
<u>Management fee (% p.a.)</u>	<u>1.85%</u>		
Management fee for the day	(7,938.32)	(2,790.25)	(5,148.07)
<u>Trustee fee (% p.a.)</u>	<u>0.06%</u>		
Trustee fee for the day	(257.46)	(90.49)	(166.96)
NAV	156,612,804.22	55,047,728.85	101,565,075.37
<b>Total of Units in Circulation</b>	<b>148,000,000</b>	<b>90,000,000</b>	<b>58,000,000</b>
<b>NAV per Unit of a Class in Base Currency **</b>		<b>0.6116</b>	<b>1.7511</b>
<b>Currency exchange rate</b>		RM 1 = RM 1	RM 1 = SGD 0.32
<b>NAV per Unit in currency Class ***</b>		<b>0.6116</b>	<b>0.5603</b>

Notes:

^ Any realised/unrealised gain/loss on SGD Hedged currency forwards will have an impact on the Fund.

\* 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 by dividing the NAV of a Class with 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 per 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 pricing 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 Class, 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	SGD Hedged-class	RM Class
Investment Amount	SGD 10,000	RM 10,000
Selling Price per Unit	SGD 0.50	RM 0.50
Number Of Units Received*	SGD 10,000 ÷ SGD 0.50 = 20,000 Units	RM 10,000 ÷ RM 0.50 = 20,000 Units
Sales Charge	5.50%	5.50%
Sales Charge Paid By Investor**	5.50% x SGD 0.50 x 20,000 Units = SGD 550	5.50% x RM 0.50 x 20,000 Units = RM 550
Total Amount Paid By Investor***	SGD 10,000 + SGD 550 = SGD 10,550	RM 10,000 + RM 550 = RM 10,550

Formula for calculating:-

$$* \text{ Number of Units received} = \frac{\text{Investment amount}}{\text{Selling Price Per Unit}}$$

$$** \text{ Sales Charge paid by investor} = \text{Sales Charge} \times \text{Selling Price per Unit} \times \text{Number of Units received}$$

$$*** \text{ Total amount paid by investor} = \text{Investment Amount} + \text{Sales Charge paid by investor}$$

### Calculation of Repurchase Price

For illustration purposes, let's assume the following:

Class	SGD Class	RM Class
Units Repurchased	20,000 Units	20,000 Units
Repurchase Price per Unit	SGD 0.50	RM 0.50
Repurchase Amount <sup>^</sup>	20,000 Units x SGD 0.50 = SGD 10,000	20,000 Units x RM 0.50 = RM 10,000
Repurchase Charge	0.00%	0.00%
Repurchase Charge Paid By Investor <sup>^^</sup>	0.00% x SGD 10,000 = SGD 0.00	0.00% x RM 10,000 = RM 0.00
Total Amount Received By investor <sup>^^^</sup>	SGD 10,000 - SGD 0.00 = USD 10,000	RM 10,000 - RM 0.00 = RM 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 an 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 followings:

- (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 under the Deed;
- (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.

However, a Unit Holder would not have the right to require the transfer to the Unit Holder of any of the investments of the Fund. Neither would a Unit Holder have the right 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 the investments of the Fund. 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 pursuant to 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, by:

- (a) sending by post least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the relevant 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 one national language newspaper published daily and in one other newspaper 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 such a meeting unless a 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 for any purpose whatsoever summon a meeting of the Unit Holders by sending by post at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the 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 meeting of the Unit Holders summoned by the Trustee shall be summoned by:

- (a) sending by post at least twenty-one (21) days 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.

The Trustee may also summon a Unit Holders' meeting 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 of the Fund;
- (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; or
- (e) deciding on the reasonableness of the annual management fee charged to the Fund,

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.

#### **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 as follows:-

- (a) The SC's authorization is withdrawn under Section 256(E) of the Act; or
- (b) A Special Resolution is passed at a Unit Holders' meeting to terminate the Fund.

Notwithstanding the aforesaid, the Manager may, in consultation with the Trustee, terminate the Fund 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 the termination of the Fund is in the best interests of the Unit Holders.

If the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

If the Fund has more than one Class, the Manager may terminate a particular Class in accordance with the relevant laws. The Manager may only terminate a particular Class if the termination of that Class does not prejudice the interests of Unit Holders of any other Class. For the avoidance of doubt, the termination of a Class shall not affect the continuity of any other Class.

Notwithstanding the aforesaid, the Manager may, in consultation with the Trustee, terminate a particular 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 a Class and the termination of a Class is in the best interests of the Unit Holders.

### **Procedure for the Termination of the Fund**

Upon the termination of the Fund, the Trustee shall:

- (a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and
- (b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them: (1) the net cash proceeds available for the purpose of such distribution and derived from the sale of the assets of the Fund less any payments for liabilities of the Fund; and (2) any available cash produce,

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of RM 0.50 (fifty sen or its foreign currency equivalent, if applicable) in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the termination of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event of the Fund is 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.

Where the termination of the Fund has been occasioned by any of the events set out herein:

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law,

the Trustee shall then arrange for a final review and audit of the final accounts of the Fund by the auditor. In all other cases of termination of the Fund, such final review and audit by the auditor shall be arranged by the Manager.

### Procedure for the Termination of a Class

If at a meeting of Unit Holders to terminate a Class, a Special Resolution to terminate the Class is passed by the Unit Holders:-

- (a) the Trustee shall cease to create and cancel Units of that Class;
- (b) the Manager shall cease to deal in the Units of that Class;
- (c) the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the Special Resolution; and
- (d) the Trustee or the Manager shall as soon as practicable inform all Unit Holders of the Fund of the termination of that Class.

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that Class by the auditor. Upon the completion of the termination of that Class, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that Class.

### 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 of a Class
<b>Repurchase Charge</b>	3.00% of the NAV per Unit of a Class
<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 and payable monthly (excluding foreign custodian fees and charges) and is calculated using the Base Currency.

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

#### Sales Charge

A higher Sales Charge than that disclosed in this Prospectus may only be imposed if:-

- (a) the Manager has notified the Trustee in writing of the higher charge and the effective date for the higher charge;
- (b) a supplemental/replacement prospectus in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental/replacement prospectus.

#### Repurchase Charge

A higher Repurchase Charge than that disclosed in this Prospectus may only be imposed if:-

- (a) the Manager has notified the Trustee in writing of the higher charge and the effective date of the charge;
- (b) a supplemental/ replacement prospectus in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- (c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental/ replacement prospectus.

#### Annual Management Fee

The Manager may not charge an annual management fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental/ replacement prospectus stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental/ replacement prospectus.

## **Annual Trustee Fee**

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental/ replacement prospectus stating the higher rate is registered, lodged and issued; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the date of the supplemental/ replacement prospectus.

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

Any increase of any such fees and/or charges from the maximum amount stipulated in the Deed shall require Unit Holder's approval and will be in accordance to the procedure stipulated in 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 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 appointed for the Fund;
- (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) 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 warrant or telegraphic transfer;
- (n) 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;
- (o) (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; 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, or such lesser time as the Manager and the Trustee may agree upon, 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 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; and
- (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.

### **Powers of the Trustee to Remove the Manager**

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

- (a) a Special Resolution to that effect has been passed by the Unit Holders at a meeting called for that purpose;
- (b) 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 reason 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 Unit Holders by way of a Special Resolution;
- (c) 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
- (d) 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.

In any of the above said grounds, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund. The Trustee shall, at the same time, by writing appoint some other corporation 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 being necessary or desirable to secure the due performance of its duties as management company for the Fund.

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

The Trustee may retire upon giving twelve (12) months' (or such other period as the Manager and the Trustee may agree upon) notice to the Manager of its desire to do so, and may by deed appoint in its stead a new trustee approved by the relevant authorities and under any relevant law.

### **Powers of the Manager to Remove the Trustee**

The Trustee may be removed and another Trustee may be appointed by a Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deed.

The Manager shall take all reasonable steps to replace the 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 to be 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 & CUTA (Corporate Unit Trust Scheme Advisers); and
- Unit trust consultants.

AHAM's head office is located in Kuala Lumpur and has a total of 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.

### Roles, Duties and Responsibilities of AHAM

AHAM 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 and 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 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. DTMB 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, 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 Act and all relevant laws.

### **Trustee’s Disclosure of Material Litigation and Arbitration**

As at the LPD, neither the Trustee nor its delegate is (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 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.

**Disclosure on Related Party Transactions/ Conflict of Interest**

As the Trustee for the Fund and the Manager's delegate for the fund accounting and valuation services (where applicable), 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 DBMB 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 the Manager is 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 person(s) or members of a committee undertaking the oversight function's interests may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staff of AHAM are required to seek prior approval from the executive director or the managing director of AHAM before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are no less favourable to the Fund than an arm's length transaction between independent parties.

# TAX ADVISER'S LETTER

Taxation adviser's letter in respect of the taxation  
of the unit trust and the unit holders  
(prepared for inclusion in this Prospectus)

Ernst & Young Tax Consultants Sdn Bhd  
Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur

17 November 2022

The Board of Directors  
AHAM Asset Management Berhad  
(FKA: Affin Hwang Asset Management Berhad)  
Ground Floor, Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur

Dear Sirs

## **Taxation of the unit trust fund and unit holders**

This letter has been prepared for inclusion in this Replacement Prospectus in connection with the offer of units in the unit trust known as AHAM Select Asia Pacific (ex Japan) Dividend Fund (formerly known as Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund) (hereinafter referred to as "the Fund").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

## **Taxation of the Fund**

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

"Permitted expenses" refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
  - B is gross income consisting of dividend<sup>1</sup>, interest and rent chargeable to tax for that basis period; and
  - C is the aggregate of the gross income consisting of dividend<sup>1</sup> and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

### Exempt income

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013<sup>2</sup>;
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002<sup>2</sup>;
- (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)<sup>3</sup>; and
- (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

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<sup>1</sup> Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

<sup>2</sup> Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the MITA shall not apply to a wholesale fund which is a money market fund.

<sup>3</sup> Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

## Foreign-sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 define the term “received in Malaysia” to mean transferred or brought into Malaysia, either by way of cash<sup>4</sup> or electronic funds transfer<sup>5</sup>.

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a “qualifying person”<sup>6</sup> from the payment of income tax in respect of dividend income, which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of “qualifying person” does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

## Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.

## Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

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<sup>4</sup> “Cash” in this context is defined as banknotes, coins and cheques.

<sup>5</sup> “Electronic funds transfer” means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

<sup>6</sup> “Qualifying person” in this context means a person resident in Malaysia who is:

- (a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;
- (b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or
- (c) A company which is incorporated or registered under the Companies Act 2016.

## **Taxation of unit holders**

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

### **1. Taxable distributions**

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

### **2. Non-taxable and exempt distributions**

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the ITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

## Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders (such as associations and societies)</li> <li>• Co-operatives<sup>7</sup></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 (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment<sup>8 9</sup></li> <li>(ii) Companies other than (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>• First RM600,000 of chargeable income @ 17%</li> <li>• Chargeable income in excess of RM600,000 @ 24%</li> <li>• 24%</li> </ul>
<p>Non-Malaysian tax resident (Note 1):</p> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders</li> <li>• Corporate unit holders and trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>• 30%</li> <li>• 24%</li> </ul>

### Note 1:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

<sup>7</sup> Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—

- (a) in respect of a period of five years commencing from the date of registration of such co-operative society; and
  - (b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit,
- is exempt from tax.

<sup>8</sup> A company would not be eligible for the 17% tax rate on the first RM600,000 of chargeable income if:-

- (a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- (b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- (c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

<sup>9</sup> The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

### **Gains from sale of units**

Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

### **Unit splits and reinvestment of distributions**

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully

**Ernst & Young Tax Consultants Sdn Bhd**

Koh Leh Kien  
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Replacement Prospectus and has not withdrawn such consent before the date of issue of this Replacement Prospectus.

# 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.**

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

# DOCUMENTS AVAILABLE FOR INSPECTION

Unit Holders may inspect without charge, at the business address of the Manager, 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 current material litigation and arbitration disclosed in the Prospectus; and
- Any consent given by experts disclosed the Prospectus.

# DIRECTORY OF SALES OFFICES

## AHAM ASSET MANAGEMENT BERHAD

**(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD):**

<b>HEAD OFFICE</b> Ground Floor, Menara Boustead 69 Jalan Raja Chulan 50200 Kuala Lumpur Tel : 03 – 2116 6000 Fax : 03 – 2116 6100 Toll Free No : 1-800-88-7080 Email: <a href="mailto:customercare@aham.com.my">customercare@aham.com.my</a> Website: <a href="http://www.aham.com.my">www.aham.com.my</a>	<b>JOHOR</b> Unit 22-05, Level 22 Menara Landmark No. 12, Jalan Ngee Heng 80000 Johor Bahru Johor Tel : 07 – 227 8999 Fax : 07 – 223 8998	<b>SARAWAK</b> Ground Floor, No. 69 Block 10, Jalan Laksamana Cheng Ho 93200 Kuching, Sarawak Tel : 082 – 233 320 Fax : 082 – 233 663  1 <sup>st</sup> Floor, Lot 1291 Jalan Melayu, MCLD 98000 Miri, Sarawak Tel : 085 - 418 403 Fax : 085 – 418 372
<b>PENANG</b> B-16-2, Lorong Bayan Indah 3 11900 Bayan Lepas Pulau Pinang Toll Free No : 1800-888-377	<b>MELAKA</b> Ground Floor No. 584 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06 -281 2890 Fax: 06 -281 2937	
<b>PERAK</b> 1 Persiaran Greentown 6 Greentown Business Centre 30450 Ipoh, Perak Tel: 05 - 241 0668 Fax: 05 – 255 9696	<b>SABAH</b> Unit 1.09(a), Level 1, Plaza Shell 29, Jalan Tunku Abdul Rahman 88000 Kota Kinabalu, Sabah Tel : 088 - 252 881 Fax : 088 - 288 803	

## AUTHORISED DISTRIBUTORS:

For more information about our authorised distributors, kindly contact 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 e-mail us at [customercare@aham.com.my](mailto:customercare@aham.com.my).

***PROSPECTIVE UNIT HOLDERS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS AND, IF NECESSARY, SHOULD CONSULT THEIR ADVISER(S).***

**AHAM Asset Management Berhad**

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

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