

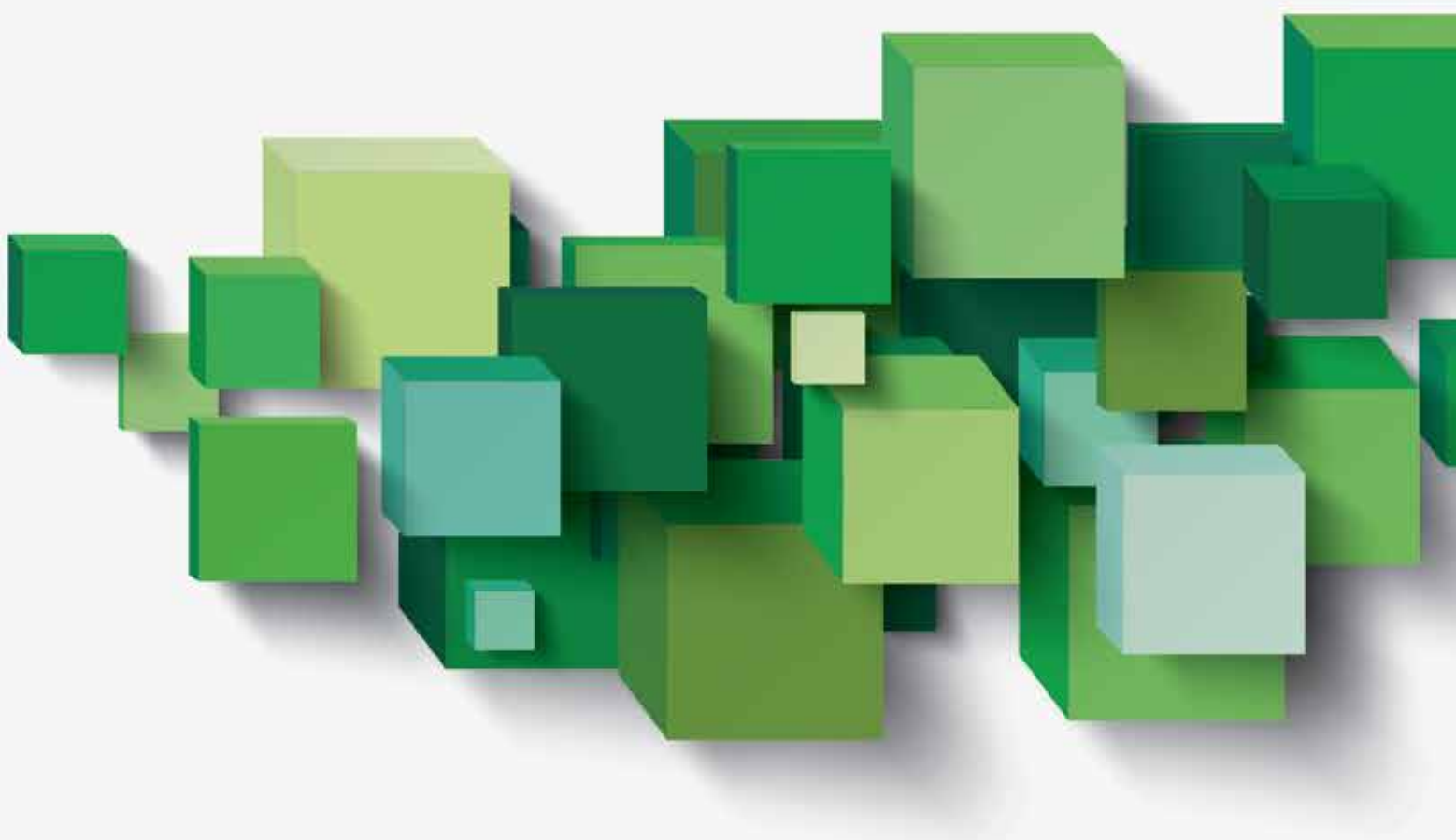
Out **think**. Out **perform**.



AFFIN HWANG
CAPITAL

Prospectus

Affin Hwang Aiiman Income Plus Fund



MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
HSBC (Malaysia) Trustee Berhad (1281-T)

This Prospectus is dated 22 September 2017.

The Affin Hwang Aiiman Income Plus Fund was constituted on 28 June 2004*.

**The constitution date of this Fund is also the launch date of the Fund.*

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE THE "RISK FACTORS" COMMENCING ON PAGE 5.

Responsibility Statements

This Prospectus has been reviewed and approved by the directors of Affin Hwang Asset Management Berhad 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 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 Affin Hwang Asset Management Berhad, 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.

The Affin Hwang Aiiman Income Plus Fund has been certified as Shariah compliant by the Shariah Adviser appointed for the Fund.



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

Affin Hwang Asset Management Berhad (429786-T)

Registered Office

27th Floor, Menara Boustead

69 Jalan Raja Chulan

50200 Kuala Lumpur

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@affinhwangam.com

Website : www.affinhwangam.com

Board of Directors of the Manager

- Tan Sri Dato' Seri Che Lodin bin Wok Kamaruddin (Non-independent Director)
- Datuk Maimoonah Binti Mohamed Hussain (Non-independent Director)
- Mr Teng Chee Wai (Non-independent Director)
- Mr David Jonathan Semaya (Non-independent Director)
- En. Abd Malik bin A Rahman (Independent Director)
- YBhg Mej Jen Dato' Hj Latip bin Ismail (Independent Director)

The Trustee

HSBC (Malaysia) Trustee Berhad (1281-T)

Registered & Business Address

13th Floor,

Bangunan HSBC, South Tower

No 2, Leboh Ampang

50100 Kuala Lumpur

Tel No. : (603) 2075 7800

Fax No. : (603) 2179 6511

Trustee's Delegate (Local Custodian)

The Hongkong and Shanghai Banking Corporation Limited

(as Custodian) and assets held through:-

HSBC Nominees (Tempatan) Sdn. Bhd. (258854-D)

Registered Address

Bangunan HSBC

No.2, Leboh Ampang

50100 Kuala Lumpur

Tel No. : (603) 2075 3000

Fax No. : (603) 2179 6488

Trustee's Delegate (Foreign Custodian)

The Hongkong and Shanghai Banking Corporation Limited

6/F, Tower 1

HSBC Centre

No 1 Sham Mong Road

Hong Kong

Tel No. : (852)2288 6111

External Fund Manager

AIIMAN Asset Management Sdn. Bhd. (256674-T)

(AIIMAN) (formerly known as Asian Islamic

Investment Management Sdn. Bhd.)

Registered Address

27th Floor, Menara Boustead

69 Jalan Raja Chulan

50200 Kuala Lumpur

Business Address

14th Floor, Menara Boustead

69 Jalan Raja Chulan

50200 Kuala Lumpur

Tel No. : 1300 88 8830

Fax No. : (603)-2116 6150

The Shariah Adviser

Amanie Advisors Sdn Bhd (684050-H)

Level 33, Menara Binjai

No. 2, Jalan Binjai

Off Jalan Ampang

50450 Kuala Lumpur

Tel No. : (603) 2181 8228

Fax No. : (603) 2181 8219

Email : info@amanieadvisors.com

ABBREVIATION

EPF	Employees Provident Fund.
EMIS	EPF Members' Investment Scheme.
FIMM	Federation of Investment Managers Malaysia.
GST	Goods and Services Tax.
IUTA	Institutional Unit Trust Advisers.
MARC	Refers to the Malaysian Rating Corporation Berhad.
MYR	Ringgit Malaysia.
PHS	Product Highlights Sheet.
RAM	Refers to RAM Rating Services Berhad.
SAC of the SC	Shariah Advisory Council of the Securities Commission Malaysia.
SC	Securities Commission Malaysia.

GLOSSARY

the Board	Means the board of directors of Affin Hwang Asset Management Berhad.
Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
Business Day	Means a day on which Bursa Malaysia is open for trading.
CMSA or the Act	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
deposit(s)	Means fixed deposit.
Deed	Means the Deed dated 5 May 2004 as modified by the First Supplemental Deed dated 29 December 2005, the Second Supplemental Deed dated 18 June 2007, the Third Supplemental Deed dated 23 September 2008, the Fourth Supplemental Deed dated 20 November 2008, the Fifth Supplemental Deed dated 26 March 2010, the Sixth Supplemental Deed dated 18 January 2012 and the Seventh Supplemental Deed dated 27 June 2014 entered into between the Manager and the Trustee.
External Fund Manager	AiIMAN Asset Management Sdn Bhd (formerly known as Asian Islamic Investment Management Sdn. Bhd.) (AiIMAN).
financial institution	Means (a) if the institution is in Malaysia: (i) a licensed bank; (ii) a licensed investment bank; or (iii) a licensed Islamic bank; (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.
Forward Pricing	Means the method of determining the price of a Unit which is the NAV per Unit calculated at the next valuation point after an application for purchase or repurchase request is received by the Manager.
the Fund	Refers to the Affin Hwang Aiiman Income Plus Fund.

Guidelines	Means the <i>Guidelines on Unit Trust Funds</i> issued by the SC and as may be amended from time to time.
Latest Practicable Date (LPD)	Means 1 July 2017 and is the latest practicable date for the purposes of ascertaining certain information in this Prospectus.
Manager/AHAM	Refers to Affin Hwang Asset Management Berhad.
Prospectus	Means this prospectus for the Affin Hwang Aiiman Income Plus Fund.
medium to long-term	Means a period between three (3) years to more than five (5) years.
Net Asset Value or NAV	Means the value of all the Fund's assets less the value of all the Fund's liabilities at the valuation point. <i>For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant day.</i>
NAV per Unit	Means the Net Asset Value of the Fund at a particular valuation point divided by the total number of Units in Circulation at that point.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Repurchase Price	Means the price payable to a Unit Holder by the Manager for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.
Sales Charge	Means a fee imposed pursuant to a purchase request.
Selling Price	Means the NAV per Unit. Any Sales Charge applicable is computed separately based on the purchase amount.
Shariah	Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from the primary and secondary sources of the Shariah. The primary sources are the Quran, the Sunnah, Ijma' and Qiyas while the secondary ones are those established sources such as Maslahah, Istihsan, Istishab, 'Uruf and Sadd Zara'ie.
Shariah Adviser or Amanie	Refers to Amanie Advisors Sdn Bhd.
Shariah requirements	Means a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions as required by the Shariah for that element.
short-term	Means a period of less than three (3) years.
Special Resolution	Means a resolution passed by a majority of not less than three quarter ($\frac{3}{4}$) of Unit Holders voting at a meeting of Unit Holders. <i>For the purpose of terminating the Fund, a special resolution is passed by a majority in number representing at least three quarter ($\frac{3}{4}$) of the value of Units held by Unit Holders voting at the meeting.</i>
Sukuk	Means a document or certificate, documenting the undivided pro-rated ownership of underlying assets.

the Trustee	Refers to HSBC (Malaysia) Trustee Berhad.
Unit or Units	Means a measurement of the right or interest of a Unit Holder in the Fund.
Units in Circulation	Means Units created and fully paid for and which has not been cancelled. It is the total number of Units issued at a particular valuation point.
Unit Holders, you	Means the person for the time being who, in full compliance to the relevant laws and under the Deed, is registered pursuant to the Deed as a holder of Units of the Fund, including a jointholder.

Note:

Reference to “day(s)” in this Prospectus will be taken to mean calendar day(s) unless otherwise stated.

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

RISK FACTORS

GENERAL RISKS

Just like any other form of investment, unit trust funds also carry risks. Risk is the uncertainty to which any form of investment may fluctuate in value. One should consider, amongst others, the following when investing in a unit trust fund:

Market risk

Market risk arises because of factors that affect the entire marketplace. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. Market risk cannot be eliminated by diversification. It stems from the fact that there are economy-wide perils which threaten all businesses. Hence, you will be exposed to market uncertainties and no matter how many Shariah-compliant securities are held, fluctuations in the economic, political and social environment will affect the market price of the Shariah-compliant investments either in a positive or negative way.

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

Performance risk

There is no guarantee in relation to the investment returns or on the distribution of income to Unit Holders.

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 arises in two scenarios. The first is where the Fund's investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the Fund's investment, by its nature, is thinly traded. This will have the effect of causing the Fund's investment to be sold below its fair value which would adversely affect the NAV of the Fund.

Financing risk

This risk occurs when you take a financing to finance your investment. The inherent risk of investing with financed money includes you being unable to service the 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 net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing.

Credit and Default risk

Credit risk relates to the creditworthiness of the issuers of the investment (Sukuk and Islamic money market instruments) and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the investment. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.

Interest rate risk

The level of interest rates has an impact on the value of investments and economic growth of a country. High interest rates dampen investments and aggregate demand leading to an economic slowdown. The value of Sukuk

move in the opposite direction of interest rates, any increase in rates will lead to a reduction in the value of Sukuk, thus affecting the NAV of the Fund.

The interest rate is a general economic indicator that will have an impact to the management of the Fund, regardless of whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments.

SPECIFIC RISKS

Credit and Default risk

Credit risk relates to the creditworthiness of the issuers of Sukuk and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the Sukuk. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the Sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Sukuk. This could adversely affect the value of the Fund.

Counterparty risk

This is a risk that the other party in an agreement will default on the terms of the agreement. Generally, counterparty risk can be reduced by emphasis on credit analysis of the counterparty. The Manager will ensure that trades are done with organisations that can make timely payment of profit and principal.

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, we will need to manage the debt portfolio taking into account the coupon rate and time to maturity of the Sukuk.

(Note: Interest rate risk is a general indicator that will have an impact on the management of the Fund regardless of whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments).

RISK MANAGEMENT

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

In managing portfolio risks, we engage a stringent screening process by conducting fundamental analysis of economic, political and social factors to evaluate their likely effects on the performance of the markets and sectors. Regular meetings are held to discuss investment themes and portfolio decisions taken at the meetings are then implemented according to the investment guidelines which also take into account requirements for minimum portfolio diversification across individual investment holdings, sectors, geographies and asset classes (based on the respective portfolio's objective and strategy). 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 have in place a system that is able to monitor the transactions to ensure compliance with the Fund's investment limits and restrictions. These limits are system-controlled and not manually tracked, thus reducing the probability of human error occurring in ensuring the Fund's limits and restrictions are adhered to. We also undertake stringent evaluation of movements in market prices and regularly monitor, review and report to the investment committee 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.

! 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 AFFIN HWANG AIIMAN INCOME PLUS FUND

Fund Category	: Sukuk
Fund Type	: Income
Base Currency	: MYR
Launch Date	: 28 June 2004
Financial Year End	: 31 August
Distribution Policy	: The Fund will distribute income, if any, on a quarterly basis. However, the amount of income available for distribution may fluctuate from year to year.
Deed	: Deed dated 5 May 2004 as modified by the First Supplemental Deed dated 29 December 2005, the Second Supplemental Deed dated 18 June 2007, the Third Supplemental Deed dated 23 September 2008, the Fourth Supplemental Deed dated 20 November 2008, the Fifth Supplemental Deed dated 26 March 2010, the Sixth Supplemental Deed dated 18 January 2012 and the Seventh Supplemental Deed dated 27 June 2014.

INVESTMENT OBJECTIVE

To provide steady income stream over the medium to long-term period through investments primarily in Sukuk.

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

INVESTORS' PROFILE

This Fund is suitable for you if you are:-

- seek regular income distribution;
- have a medium to long-term investment horizon ; and
- have a low risk tolerance.

BENCHMARK

The performance benchmark to be used by the Manager in measuring the performance of the Fund will be 12-month Maybank General Investment Account rate (GIA) which is readily available at any Maybank's branches.

As the Fund is an income fund, the Manager uses the 12-month Maybank GIA rate as a benchmark to enable Unit Holders to evaluate the performance of the Fund against what Unit Holders would have earned if they placed their moneys in an Islamic fixed deposit (at a rate equivalent to the 12-month Maybank GIA). Unit Holders should be aware that investing in the Fund is not the same as placing moneys in an Islamic fixed deposit. The capital and returns of the Fund are not guaranteed and there are risks involved. Hence, the risk profile of the Fund is different from the risk profile of the benchmark. The Fund has a higher risk profile than the benchmark and it expects to potentially generate higher or lower returns than an Islamic fixed deposit (at a rate equivalent to the 12-month Maybank GIA).

ASSET ALLOCATION

Malaysian-issued Sukuk whether issued by the Malaysian government or private companies	Minimum 80%
Cash and Islamic money market instruments	Maximum 20%

INVESTMENT STRATEGY

To achieve the objective of the Fund, the Fund intends to invest in a multitude of Malaysian-issued Sukuk whether issued by the Malaysian government or private companies.

These Sukuk are expected to provide profit at intervals which are predetermined. These profits will then be distributed to Unit Holders in the form of income.

The strategy for Shariah-compliant investments in local Sukuk would be driven by the interest rate outlook for the market over the medium to long-term horizon. This will enable the Manager to decide on the maturity structure for the Fund. Relative return analysis will also be conducted between Shariah-compliant securities with the same credit ratings to determine if yields can be enhanced by switching investments. Additionally, the Manager will constantly seek potential credit upgrade issues and avoid potential downgrade issues to maximise returns to Unit Holders.

In selecting individual Sukuk, the following are the important considerations:-

- Issuer's and/or guarantor's industry and business medium to long-term outlook;
- Issuer's and/or guarantor's financial strength and gearing levels;
- Issuer's and/or guarantor's cash flow quality and volatility;
- Issuer's and/or guarantor's expected future cash flow and ability to pay profit and principal;
- Issuer's and/or guarantor's ratings of AA3 by RAM or AA- by MARC or equivalent rating by other recognized credit rating agency;
- Issuer's and/or guarantor's duration and interest rate sensitivity;
- Collateral type and value and claims priority; and
- Price and yield-to-maturity.

While the investment process will be driven by the above considerations, the guiding principle for the selection of investments will be premised on compliance with Shariah requirements.

The Fund is structured to be actively managed. However, the trading strategy, in terms of its frequency would depend on market conditions and will be driven by market outlook.

The Manager may take temporary defensive positions which may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economics, political or any other conditions. In this regard, the Fund may hold up to all of its NAV in cash and money market instruments.

PERMITTED INVESTMENTS

- Shariah-compliant securities of companies listed on the recognised Malaysian stock exchange or any other exchanges where the regulatory authority is a member of the International Organisation of Securities Commissions (IOSCO);
- Unlisted Shariah-compliant securities;
- Shariah-compliant warrants;
- Government Investment Issues (GII), Islamic accepted bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt certificate (NIDC), Islamic negotiable instrument of deposit (INID), Cagamas mudharabah bonds and any other government Islamic papers;
- Other Shariah-compliant obligations issued or guaranteed by the Malaysian government, Bank Negara Malaysia, state governments and government-related agencies;
- Sukuk;
- Shariah-based deposits with financial institutions, Bank Islam Malaysia Berhad and placements of money with investment banks;
- Islamic money market instruments;

- Shariah-compliant collective investment schemes; and
- Any other form of Shariah-compliant investments as may be permitted by SC and/or Shariah Adviser from time to time that is in line with the Fund's objectives.

INVESTMENT RESTRICTIONS AND LIMITS

- (a) The value of the Fund's Shariah-compliant investment in unlisted securities shall not exceed 10% of the Fund's NAV unless the investments are in:-
 - equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing and quotation, and are offered directly to the fund by the issuer;
 - Sukuk traded on an organised over-the-counter (OTC) market; and
 - structured products.
- (b) The value of the Fund's Shariah-compliant investment in Shariah-compliant structured products issued by a single counter-party shall not exceed 15% of the Fund's NAV;
- (c) The value of the Fund's Shariah investments in ordinary share issued by any single issuer shall not exceed 10% of the Fund's NAV;
- (d) The value of the Fund's placements in Shariah-based deposits with any single Islamic financial institution shall not exceed 20% of the Fund's NAV;
- (e) The value of the Fund's investments in Shariah-compliant transferable securities (equity, Sukuk, warrant) and Islamic money market instruments issued by any single issuer shall not exceed 15% of the Fund's NAV;
- (f) The aggregate value of the Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, OTC Shariah-compliant derivatives, Islamic structured products and Shariah-based deposits issued or placed with (as the case may be) any single issuer/institution shall not exceed 25% of the Fund's NAV;
- (g) The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies shall not exceed 20% of the Fund's NAV;
- (h) The value of the Fund's investments in units/shares of any Shariah-compliant collective investment scheme shall not exceed 20% of the Fund's NAV;
- (i) The Fund's investments in Shariah-compliant equities and Shariah-compliant warrants shall not exceed 10% of the securities issued by any single issuer;
- (j) The Fund's investment in Sukuk shall not exceed 20% of the Sukuk issued by any single issuer;
- (k) The Fund's investment in Islamic money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size;
- (l) The Fund's investments in Shariah-compliant collective investment schemes shall not exceed 25% of the units/shares in any one Shariah-compliant collective investment schemes; and
- (m) Any other Shariah-compliant investments or restrictions imposed by the relevant regulatory authorities or pursuant to the Guidelines, any laws and/ or regulations applicable to the Fund.

The following shall apply in relation to the Fund in addition to the investment restrictions and limits set out above:-

- (i) The single issuer limit set out in item (e) and group limit set out in item (g) do not apply to Sukuk and/or Shariah-compliant fixed income fund;
- (ii) The value of Sukuk and/or Shariah-compliant fixed income fund's investments in Sukuk issued by any single issuer shall not exceed 20% of the Fund's NAV;
- (iii) The single issuer limit set out in item (b) may be increased to 30% if the Sukuk are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;
- (iv) For the purpose of item (f) above, where the single issuer limit is increased to 30% pursuant to item (c), the aggregate value of the Fund's investment shall not exceed 30%; and

- (v) The value of Sukuk and/or the Fund's investments in Sukuk issued by any one group of companies shall not exceed 30% of the Fund's NAV.

The limits and restrictions on the permitted investments set out above do not apply to securities/instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia as stipulated in Schedule B of the Guidelines.

The above limits and restrictions shall be complied with at all times based on the most up-to-date value of the investments of the Fund. However, a 5% allowance in excess of any limit or restriction imposed above is permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Funds (whether as a result of an appreciation or depreciation in value of the investments of the Funds, or as a result of repurchase of Units or payment made from the Funds). The Manager will not make any further acquisitions to which the relevant limit or restriction is breached and the Manager will within a reasonable period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach.

Please note that the Fund will invest in securities that are classified as Shariah-compliant based on the list of Shariah-compliant securities issued by the SAC of the SC and, where applicable by the Shariah Advisory Council of Bank Negara Malaysia ("BNM"). For securities which are not endorsed and certified by the SAC of the SC and, where applicable by the Shariah Advisory Council of BNM, the securities will be determined in accordance with the ruling by the Shariah Adviser.

SHARIAH INVESTMENT GUIDELINES

Screening Process

The Shariah investment guidelines have been prepared by the Shariah Adviser to serve as guiding principles to be observed by the Manager in the investment activities of the Fund.

- 1) The Fund shall invest in local Sukuk where the domestic Sukuk must be approved by the SAC of the SC.
- 2) Any securities which are not listed under the list of Shariah-compliant securities issued by SAC of the SC in reference to the securities above shall follow the following guidelines:

2.1 **Companies with permissible and non-permissible activities:** For investment in companies with mixed contributions from permissible and non-permissible activities, the following benchmarks will be used to determine the tolerable level of mixed contributions from permissible and non-permissible activities towards revenue or profit before tax of a company. If the contributions from non-permissible activities exceed the benchmark, the company will be classified as Shariah non-compliant. The benchmarks are as follows:

(a) The 5-percent benchmark

The 5-per cent benchmark is applicable to the following businesses/activities:

- conventional banking;
- conventional insurance;
- gambling;
- liquor and liquor-related activities;
- pork and pork-related activities;
- non-halal food and beverages;
- Shariah non-compliant entertainment;
- tobacco and tobacco-related activities;
- interest income from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator and dividends from Shariah non-compliant investments); and
- other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the company's revenue or company's profit before taxation of the company must be less than 5 per cent.

(b) The 20-percent benchmark

The 20-per cent benchmark is applicable to the following businesses/activities:

- share trading;
- stockbroking business;
- rental received from Shariah non-compliant activities; and
- other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the company's revenue or company's profit before taxation of the company must be less than 20 per cent.

- 2.2 The Fund is also prohibited from investing in interest-bearing deposits and recognising any interest income.

Rules on divestment of Shariah non-compliant securities

In the event the following investment instances occur in the Fund, the rules below shall be executed by the Manager:

1. "Shariah-compliant securities" which are subsequently considered "Shariah non-compliant".

This refers to those securities which were earlier classified as Shariah-compliant but due to certain reasons, such as changes in the companies' operations, are subsequently considered Shariah non-compliant. In this regard, if on the date the securities turned Shariah non-compliant, the value of these securities held exceeds the original investment cost; the Fund that hold such Shariah non-compliant securities must liquidate them. Any capital gains arising from the disposal of the Shariah non-compliant securities can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day should be channeled to baitulmal and/or charitable bodies approved by the Shariah Adviser.

On the other hand, the Fund is allowed to hold their investment in the Shariah non-compliant securities if the market price of the said securities is below the original investment costs. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the original investment cost. At this stage, they are advised to dispose of their holding.

In addition, during the holding period, the Fund is allowed to subscribe to:

- (a) any issue of new securities by a company whose Shariah non-compliant securities are held by the Fund, for example rights issues, bonus issues, special issues and warrants [excluding securities whose nature is Shariah non-compliant i.e. irredeemable convertible unsecured loan stock]; and
- (b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant securities are held by the Fund, on condition that they expedite the disposal of the Shariah non-compliant securities.

2. Shariah non-compliant securities.

If the Manager mistakenly invests in Shariah non-compliant securities, the Manager needs to dispose of any Shariah non-compliant securities within a month of becoming aware of the status of the securities. Any gains made in the form of capital gain or dividend received during or after the disposal of these securities have to be channeled to baitulmal and/or charitable bodies, approved by the Shariah Adviser. The Fund may retain only the original investment cost, which may include brokerage fee and other transaction costs.

VALUATION OF THE FUND

We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Financial Reporting Standard 139 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 Sukuk

For listed Shariah-compliant securities, the valuation will be determined based on the market price (i.e. bid price) at the close of the exchange. Where a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions; or no market value is publicly available, including in the event of suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities shall be valued at fair value as determined in good faith by the Manager, verified by the auditors of the Fund and approved by the Trustee.

Unlisted Sukuk

Valuation of unlisted Sukuk denominated in Ringgit Malaysia will be done by using the fair value price quoted by a bond pricing agency (“BPA”) registered with the SC. If the Manager is of the view that the price quoted by BPA differs from the “market price” quoted by at least 3 independent dealers by more than 20 basis points and the Manager determines that the methodology used by the independent dealers to obtain the “market price” is more appropriate, the Manager may elect to use the price quoted by the independent dealers as the “market price”, provided that the Manager records its basis for using a non-BPA price, obtains the necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the “market yields”. Investments in other unlisted Sukuk will be valued using the average indicative price quoted by at least 3 independent dealers. Other unlisted Sukuk will be valued 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.

Islamic Money Market Instruments

For Islamic money market instruments with tenure of more than 1 year, the valuation is by reference to the value of such investments as provided by the financial institution that issues the investment. For Islamic money market instruments with tenure of less than 1 year, the valuation is based on amortization method, i.e. the purchased discount or premium will be amortized to the remaining period of maturity.

Shariah-based Deposit

Amounts held in Shariah-based deposits placed with financial institutions are valued by reference to the value of such investments and profit accrued thereon for the relevant period.

Unlisted Shariah-compliant Collective Investment Schemes

Shariah-compliant investments in unlisted Shariah-compliant collective investment schemes shall be valued based on the last published Repurchase Price.

Other Shariah-compliant Securities

Investments such as Islamic Accepted Bills, Government investment issues (GII), Bank Negara Negotiable Notes, Cagamas Mudharabah Bonds, Negotiable Islamic Debt Certificate (NIDC), Islamic Negotiable Instrument of Deposits (INID) and any other government Islamic papers and Shariah-based deposits placed with financial institutions are valued by reference to the value of such investments and the profits accrued thereon for the relevant period.

You are advised that certain types of Shariah-compliant securities are required to be held until such Shariah-compliant securities mature for the “actual value” to be realised. Any sale of such Shariah-compliant securities prior to its maturity may attract costs and penalties that would result in a value which is less than its “actual value”. As such, any valuation of such Shariah-compliant securities (prior to its maturity) are merely indicative of what the value might be and does not represent the “actual value” of such Shariah-compliant securities.

VALUATION POINT FOR THE FUND

The Fund will be valued at 6.00 p.m. on every Business Day (or “trading day” or “T” day). However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or “T + 1”). All foreign assets will be translated into the Fund’s base currency based on the latest available bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 p.m. midnight (Malaysia time) on the same day, or such time as stipulated in the investment management standards issued by the FIMM.

POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS

The Fund is not permitted to seek financing or other assets (including the financing of Shariah-compliant securities within the meaning of the Securities Borrowing and Lending Guidelines [SBL Guidelines]) in connection with its activities. However, the Fund may seek financing for the purpose of meeting repurchase requests for Units and such financings are subjected to the following:-

- the Fund cash financing is only on a temporary basis and that financings are not persistent;
- the financing period should not exceed one (1) month;
- the aggregate financings of the Fund should not exceed 10% of the Fund’s NAV at the time the financing is incurred; and
- the Fund may only obtain cash financing from financial institutions; and
- the instruments for such activity must comply with the Shariah requirements.

Except for securities lending as provided under the SBL Guidelines, none of the cash or investments of the Fund may be lent. Furthermore, 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.

In structuring the portfolio of the Fund, we will maintain sufficient liquid assets to ensure short-term liquidity in the Fund to meet operating expenses and possible repurchase of Units.

TERMINATION OF THE FUND

The Fund may be terminated in the following events:-

- (a) In accordance with the provision under the “Termination of the Fund” section of this Prospectus.
- (b) Where SC has withdrawn the authorization of the Fund under Section 256E of the Act; and
- (c) The effective date of an approved transfer scheme (if any) has resulted in the Fund being left with no asset/property.

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.

ZAKAT FOR THE FUND

The Fund does not pay zakat on behalf of Muslim individuals and Islamic legal entities, who are Unit Holders of the Fund. Such Unit Holders are thus required to pay zakat on their own behalf.

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?

- 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"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • A copy of identity card or passport or any other document of identification 	<ul style="list-style-type: none"> • Account opening form; • Suitability assessment form; • Personal data protection notice form; • Certified true copy of memorandum and articles of association*; • Certified true copy of certificate of incorporation*; • Certified true copy of form 24 and form 49*; • Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*; • Latest audited financial statement; • Board resolution relating to the investment; • A list of the authorised signatories; • Specimen signatures of the respective signatories. <p><i>* or any other equivalent documentation issued by the authorities.</i></p>

- For subsequent transaction, you simply need to complete a transaction form to request for an additional investment.
- If you invest through the EMIS, your Units will be created once we receive the application to invest. However, 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?

- Bank Transfer

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.affinhwangam.com.

- Cheque, Bank Draft or Money Order

Issuance of cheque, bank draft or money order should be made payable to “Affin Hwang Asset Management Berhad-CTA”, crossed and drawn on a local bank. You are to write your name, identity card number or business registration number at the back of the cheque, bank draft or money order.

- 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 3.30p.m. on a Business Day (“or T day”), we will create your Units based on the NAV per Unit for that Business Day. Any purchase request received or deemed to have been received by us after 3.30p.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, MINIMUM HOLDING OF UNITS AND MINIMUM SWITCHING AMOUNT?

Minimum Initial Investment	MYR 1,000
Minimum Additional Investment	MYR 100
Minimum Repurchase Amount	Not applicable
Minimum Holding of Units	500 Units
Minimum Switching of Units	1,000 Units

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

HOW TO REPURCHASE UNITS?

- It is important to note that, you must meet the above minimum holding of Units after a repurchase transaction.

If you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum holdings of Units, you may be required to make an application to repurchase all your Units. At our discretion, we may reduce the minimum Units of repurchase.

- 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.
- In the transaction form, you may choose to receive the repurchase proceeds in a manner of cheque or bank transfer. If cheque is your option, we will issue the cheque in your name. If bank transfer is your option, 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.
- Any incurred bank charges and other bank fees due to a withdrawal by way of cheque, bank transfer or other special arrangement method will be borne by you.
- If you invest through the EMIS, we will remit the repurchase proceeds to EPF for crediting back into your EPF account. If you are above the age of fifty five (55) years old 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 3.30p.m. on a Business Day (or “T day”), Units will be repurchased based on the NAV per Unit for that Business Day. Any repurchase request received after 3.30p.m. will be transacted on the next Business Day (or “T + 1 day”).
- Repurchase of Units must be made in terms of Units and not in terms of MYR value.

- 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 ten (10) 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.affinhwangam.com.

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 customercare@affinhwangam.com.

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 NAV per Unit and the Sales Charge, on the day those Units were first purchased and you will be refunded within ten (10) days from the receipt of the cooling-off application.

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

SWITCHING FACILITY

Switching facility enables you to switch into any of our funds (or its classes), provided that the fund (or its class) is denominated in MYR, and it is subject to the terms and conditions applicable for the respective funds. However, you must meet the minimum holding of 500 Units of the Fund and the minimum investment amount of the fund (or its class) that you intend to switch into.

The minimum amount per switch of the Fund is 1,000 Units (or such other amount as may be determined by us from time to time).

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

Switching from this Fund into other funds (or its classes) managed by us

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

You should note that the pricing day of a fund (or its class) may not be of the same day as 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	Money market fund	T Day	T Day
Money market fund	Non-money market fund		
Non-money market fund	Non-money market fund		
Money market fund	Money market fund (which adopts historical pricing policy)	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).

Switching from a Shariah-compliant fund to a conventional fund is discouraged for Muslim Unit Holders.

TRANSFER FACILITY

You are allowed to transfer your Units, whether fully or partially, to another person/corporation by completing a transaction form and returning it to us on a Business Day. However, such transfer application is subject to our internal policy and procedure. We may reject your request at our absolute discretion.

You must maintain at least 500 Units in the Fund (the minimum holdings requirement) after the transfer is effected to remain as a Unit Holder of the Fund.

The transfer facility is not applicable for EPF investors.

REGULAR SAVINGS PLAN

Unit Holders, who maintain a current or savings account with the banker may place a standing instruction to invest on a monthly, quarterly, half yearly or yearly basis in the Fund. Unit Holders wishing to participate in this plan can do so by investing from as little as Ringgit Malaysia One hundred (MYR 100) regularly.

DISTRIBUTION POLICY

The Fund will distribute income, if any, on a quarterly basis. However, the amount of income available for distribution may fluctuate from year to year.

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

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

Cash Payment Process*

If you elect to receive income distribution by way of cash payment, you shall be paid via cheque or telegraphic transfer.

For the cheque option, you will receive the cheque by mail within seven (7) Business Days after the distribution date, which will be sent to the last known address recorded in the Fund's register of Unit Holders. Where Units are held jointly, the cheque shall be issued in the name of the principal Unit Holder. The principal Unit Holder is the one who is first named in the Fund's register of Unit Holders.

For telegraphic transfer option, income will be transferred to your bank account within seven (7) Business Days after the distribution date.

Reinvestment Process*

If you elect to reinvest the distribution in additional Units, we will create such Units based on the NAV per Unit of the Class at the income payment date which is two (2) Business Days after the distribution date.

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

For EPF investors, any income distribution made by the Fund will be considered as EPF savings and automatically be reinvested in the form of additional Units for the investors.

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

UNCLAIMED MONEYS

Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be paid to the Registrar of Unclaimed Monies by the Manager 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 the Prospectus (including any supplemental prospectus) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of GST. We (including the Trustee and other service providers) will charge GST at the rate of 6% on the fees, charges and expenses in accordance with the Goods and Services Tax Act 2014.

CHARGES

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

SALES CHARGE

A Sales Charge will be imposed on you for your purchase of Units of the Fund. The Sales Charge is a percentage of the NAV per Unit of the Fund. The maximum Sales Charge that the distribution channels may impose is as stated below:

Distributors	Maximum Sales Charge as a percentage of the NAV per Unit of the Fund*
IUTA	2.00%
Internal distribution channel of AHAM	2.00%
Unit trust consultants	2.00%

** Investors may negotiate for a lower charge.*

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

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

REPURCHASE CHARGE

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

SWITCHING FEE

There will be no switching fee levied on any switching transactions.

TRANSFER FEE

A MYR 5.00 transfer fee will be levied for each transfer of Units.

FEES AND EXPENSES

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 1.00% of the NAV of the Fund per annum. This fee is calculated and accrued daily and payable monthly to us. For the avoidance of doubt, the fees payable to the External Fund Manager is fully borne by us.

Please note that the example below is for illustration only:

Assuming that the total NAV (before deducting the management fee and the trustee fee) in the Fund is MYR 130 million. The calculation of annual management fee based on the total NAV of the Fund is:

$$\frac{\text{MYR } 130,000,000 \times 1.00\%}{365 \text{ days}} = \text{MYR } 3,561.64 \text{ per day}$$

TRUSTEE FEE

The Trustee will be entitled to an annual trustee fee of up to 0.07% of the NAV of the Fund per annum, subject to a minimum fee of MYR 18,000 per annum (excluding foreign custody fees and charges). In addition to the annual Trustee Fee which includes the transaction fee i.e. the fee incurred for handling purchase/sale of local investments, 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 accrued on a daily basis and paid monthly to the Trustee.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is MYR130 million for the day, the accrued trustee fee for that day would be:

$$\frac{\text{MYR}130,000,000 \times 0.07\%}{365 \text{ days}} = \text{MYR } 249.32 \text{ per day}$$

ADMINISTRATIVE FEES

Only direct fees or costs incurred will be paid out of the Fund. These include but not limited to:

- Commissions/fees paid to brokers in effecting dealings in the investments of the Fund;
- Tax and other duties charged on the Fund by the government and other authorities;
- The fee and other expenses properly incurred by the auditor appointed for the Fund;
- Fees for the valuation of any investments of the Fund by independent valuers;
- Cost incurred for the modification of the Deed of the Fund other than those for the benefit of the Manager;
- Cost incurred for any meeting of the Unit Holders other than those convened by, or for the benefit of the Manager; and
- Other fees/expenses related to the Fund as may be permitted by the Deed.

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

GOODS AND SERVICES TAX

The Royal Malaysian Customs Department has announced the implementation of GST with effect from 1 April 2015 pursuant to the Goods and Services Tax Act 2014. Collective investment schemes are generally exempted from GST. However, some fees, charges and expenses of the Fund is subject to GST which includes:

- Sales Charge;
- Repurchase Charge (if any);
- Switching fee;
- Transfer fee;
- Management fee;
- Trustee fee; and
- Any other expenses of the Fund that may be subject to GST.

REBATES AND SOFT COMMISSIONS

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

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

- the goods and services are of demonstrable benefit to the Unit Holder in the form of research and advisory services that assist in the decision-making process relating to Unit Holders' investments; and
- any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund.

All fees and charges payable by you are subject to all applicable taxes (including but not limited to goods and services 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

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 is the NAV of the Fund divided by the number of Units in Circulation, at the same valuation point.

Please refer to the "Valuation Point Of The Fund" section of this Prospectus for an explanation of the valuation point.

Illustration on computation of NAV and NAV per Unit for a particular day:-

Units in Circulation	200,000,000.00
	MYR
Investments	110,000,000.00
Add other assets	50,000,000.00
Gross assets value	160,000,000.00
Less: liabilities	30,000,000.00
NAV (before deduction of the management fee and trustee fee for the day)	130,000,000.00
Less: Management fee for the day	5,342.46
Less: Trustee fee for the day	249.32
NAV (before GST)	129,994,408.22
Less: GST of 6% on the management fee for the day	320.55
Less: GST of 6% on the trustee fee for the day	14.96
NAV (after GST)	129,994,072.71
NAV per Unit*	0.6500

For the purpose of the illustration above, the computation of NAV and NAV per Unit are based on the assumption that the expenses are inclusive of GST.

* NAV per Unit is derived from the following formula:-

$$\frac{\text{NAV (after GST)}}{\text{Units in Circulation}}$$

The rounding policy is four (4) decimal points for the purposes of publication of the NAV per Unit. 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 MYR 10.00 or its foreign currency equivalent, if applicable. 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

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 per Unit and the Repurchase Price per Unit of the Fund, which are the NAV per Unit for the Fund as at the next valuation point after we receive the purchase request or repurchase request.

The Selling Price for Units of the Fund created under the 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

Units will be sold at the NAV per Unit of the Fund. Any Sales Charge payable by the Unit Holder would be calculated as a percentage of the NAV per Unit of the Fund.

For illustration purposes, let's assume the following:

Investment Amount	MYR 10,000.00
Selling Price per Unit	MYR 0.50
Number Of Units Received*	MYR 10,000 ÷ MYR 0.50 = 20,000 Units
Sales Charge	5.50%
Sales Charge Paid By Investor**	5.50% x MYR 0.50 x 20,000 Units = MYR 550
GST of 6%***	MYR 550 x 6% = MYR 33
Total Amount Paid By Investor****	MYR 10,000 + MYR 550 + MYR 33 = MYR 10,583

Formula for calculating:-

* Number of Units received	=	$\frac{\text{Amount invested}}{\text{Selling Price}}$
** Sales Charge paid by investor	=	Sales Charge x Selling Price per Unit x Number of Units received
*** GST of 6%	=	Sales Charge paid by investor x 6%
*** Total amount paid by investor	=	Amount invested + Sales Charge paid by investor + GST

Calculation of Repurchase Price

The Repurchase Price is the NAV per Unit of the Fund. Any Repurchase Charge payable by the Unit Holder would be calculated as a percentage of the Repurchase Price of the Fund.

For illustration purposes, let's assume the following:-

Units Repurchased	20,000 Units
Repurchase Price	MYR 0.50
Repurchased Amount [^]	20,000 Units x MYR 0.50 = MYR 10,000
Repurchase Charge	0.00%
Repurchase Charge Paid By Investor ^{^^}	0.00% x MYR 10,000 = MYR 0.00
GST of 6% ^{^^^}	MYR 0.00 x 6% = MYR 0.00
Total Amount Received By investor ^{^^^^}	MYR 10,000 + MYR 0.00 + MYR 0.00 = MYR 10,000

Formula for calculating:-

[^] Repurchase amount	=	Unit repurchased x Repurchase Price
^{^^} Repurchase Charge paid by investor	=	Repurchase Charge x Repurchase amount
^{^^^} GST of 6%	=	Repurchase Charge paid by investor x 6%
^{^^^^} Total amount received by investor	=	Repurchased amount + Repurchase Charge paid by investor + GST

SALIENT TERMS OF DEED

Rights and Liabilities of Unit Holders

Unit Holders' Rights

A Unit Holder is a person registered in the register as a holder of Units or fractions of Units in the Fund that automatically accords him/her rights and interests in the Fund.

For new investors, the date of his first investment with the Fund is the date on which he is recognised as a Unit Holder, and in the case of EPF sales, the date of submission of application forms to the Manager, subject to acceptance of the application request by the Manager.

Unit Holders shall be entitled to receive the distributions of the Fund, participate in any increase in the capital value of the Units, and to other rights and privileges as are provided for in the Deed.

Unit Holders are vested with the powers to call for a Unit Holders' meeting, and to vote for the removal of the Trustee or the Manager through a Special Resolution.

Unit Holders' Liabilities

No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed(s) at the time the Units were purchased.

Provisions Regarding Unit Holders Meetings

Quorum required for convening a Unit Holders' Meeting

- (a) The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy. If the Fund have five (5) or fewer Unit Holders, then the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy.
- (b) If a meeting of the Unit Holders requires a Special Resolution, then the quorum in relation to the Special Resolution shall be five (5) Unit Holders (or two (2) Unit Holders where the Fund have five (5) or fewer Unit Holders), whether present in person or by proxy, holding an aggregate of at least 25% of the Units in Circulation at the time of the meeting.

Unit Holders' Meeting convened by the Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving an application from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a Unit Holders' meeting:-

- (a) by sending out notice of the proposed meeting by post to all the Unit Holders at least seven (7) days in advance prior to the date of the proposed meeting day; and
- (b) by advertising in a national language newspaper published daily and another newspaper approved by the relevant authorities the notice of the proposed meeting at least fourteen (14) days in advance before the date of the proposed meeting.

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

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

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

Unit Holders' Meeting convened by the Manager or Trustee

Unless otherwise required or allowed by the relevant laws, the Manager or Trustee may convene a Unit Holders' meeting by giving the Unit Holders' a fourteen (14) days specifying the place, time and terms of the resolutions to be proposed.

Termination of the Fund

Circumstances that may lead to the termination of the Fund

The Fund may be terminated or wound up upon the occurrence of any of the following events:-

- (a) The Manager notifies the Trustee that the Fund are to terminate and specifies the date of termination under the Deed; and
- (b) Where the Manager is in liquidation, or where the Trustee is of the opinion that the Manager has ceased to carry on business or the Manager has to the prejudice of the Unit Holders failed to comply with any provisions or covenant of the deed or contravene any provisions of the Act, the Trustee shall summon a Unit Holders meeting and a Special Resolution may be passed at a Unit Holders' meeting to terminate or wind up the Fund.

Procedure for the termination of the Fund

Upon the termination of the Fund, the Trustee shall:-

- (a) to 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 respectively:-
 - (1) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and

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 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 winding-up 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 being terminated, 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 these Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of these Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by these Deed and all relevant laws.

The Trustee shall, as soon as it becomes aware that the Fund is to be terminated and wound-up, inform the relevant authorities of the same.

Fees And Charges

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

Sales Charge	Up to 10.0% NAV per Unit
Repurchase Charge	There will be no Repurchase Charge levied on the repurchase of Units of the Fund.
Annual management fee	Up to 3% per annum calculated daily on the NAV of the Fund.

Annual trustee fee	Up to 0.30% per annum calculated daily on the NAV of the Fund but subject to a minimum fee of MYR 18,000.00 per annum (excluding foreign custodian fees and charges)
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Increase In Fees And Charges

A lower fee and/or charges than what is stated in the Deed may be charged, and all current fees and/or charges are disclosed in the Prospectus.

Any increase of the fees and/or charges above that stated in the current Prospectus may be made provided that a supplemental prospectus is issued and the Manager has to notify the Unit Holders of the higher rate and the effective date (where necessary or required to do so by the Deed) provided always that the maximum stated in the Deed shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the Deed shall require Unit Holders' approval in accordance with the Deed, Guidelines and/or as prescribed by the relevant law.

Other Expenses Permitted under the Deed

Only the expenses (or part thereof), which are directly related and necessary to the business of the Fund are payable or reimbursable out of the Assets of the Fund. These would include (but 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 other authorities and bank fees;
- (c) fees and other expenses properly incurred by the auditor appointed for the Fund;
- (d) fees for the valuation of any investment of the Fund by independent valuers;
- (e) costs incurred for the modification of these Deed otherwise than for the benefit of the Manager;
- (f) costs incurred for any meeting of the Unit Holders other than those convened by or for the benefit of the Manager;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing with the Assets of the Fund;
- (h) costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses relating to the engagement of valuers, advisers and contractors of all kinds for the benefit of the Fund;
- (j) all costs, fees and expenses connected with the preparation and audit of the taxation returns and accounts of the Fund;
- (k) all costs, fees and expenses in or in connection with the termination of the Fund and the retirement or removal of the Trustee or Manager and the appointment of a new trustee or manager;
- (l) all costs, fees and expenses in relation to any arbitration or other dispute concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other of them for the benefit of the Fund (except to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed out of the Fund);
- (m) expenses incurred by the Trustee in the performance of its duties and responsibilities under the Deed;
- (n) remuneration and out of pocket expenses of the independent members of the Investment Committee of the Fund, unless the Manager decides otherwise;
- (o) all fees and expenses incurred in convening and holding meetings of the Unit Holders; and
- (p) all fees and expenses deemed by the Manager to have been incurred in connection with any change or compliance 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.

The Trustee must ensure that all expenses charged to the Fund are legitimate and that the quantum of the expense charged is not excessive or beyond standard commercial rates.

Retirement, Removal Or Replacement Of The Manager

Subject to the approval of the relevant authorities, the Manager may retire upon giving twelve (12) months' notice (or such shorter period as the Manager and the Trustee may agree) to the Trustee of its desire to do so, and may by the Deed, appoint in its stead a new management company and assign to such corporation all its rights and duties as the management company of the Fund.

The Manager shall be removed or replaced, if so required by the Trustee, on the grounds that:-

- (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 it 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;
- (c) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business;

and the Manager shall not accept any extra payment or benefit in relation to such retirement. In any of the events set out in Clause 10.4(a) of the Deed, the Manager shall upon receipt of a written notice from the Trustee *ipso facto* cease to be the Manager.

Retirement, Removal Or Replacement Of The Trustee

The Trustee may retire upon giving twelve (12) months' notice to the Manager of its desire to do so, or such shorter period as the Manager and the Trustee may agree, and may by the Deed, appoint in its stead a new Trustee approved by the SC.

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 Trustee covenants that it will retire as trustee of the Fund if and when requested to do so by the Manager if:

- (a) The Trustee shall go into liquidation (except for the purpose of amalgamation or reconstruction or some similar purpose) or if a receiver or receiver and manager shall be appointed of the undertaking of the Trustee or any part thereof;
- (b) If the Trustee ceases to carry on business;
- (c) The Trustee ceases to be approved by the SC to be a trustee for a unit trusts or the Fund; or
- (d) The Manager is required to replace the Trustee in compliance with its obligation pursuant to the SC requirements.

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 is not eligible to be appointed or to act as Trustee under Section 290 of the Act;
- (d) The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or the provisions of the Act;
- (e) A receiver is appointed over the whole or a substantial part of the assets or undertaking of the existing Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the existing Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the existing Trustee becomes or is declared to be insolvent); or
- (f) The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any securities law.

THE MANAGER

ABOUT AHAM

The Manager was incorporated in Malaysia on 2 May 1997 under the Companies Act 1965 and began its operations under the name Hwang-DBS Capital Berhad in 2001. In early 2014, the Manager was acquired by the Affin Banking Group (“Affin”) and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, the Manager has more than 15 years’ experience in the fund management industry. Additionally, the Manager is also 30% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd, an Asian investment management franchise.

The Manager distributes its funds through the following various channels:

- (i) In-house/internal sales team;
- (ii) IUTA & CUTA (Corporate Unit Trust Advisers); and
- (iii) Unit trust consultants.

The Manager’s head office is located in Kuala Lumpur and has a total of 8 main sales offices located in Peninsular and East Malaysia. The sales offices are in Penang, Ipoh, Johor Bharu, Melaka, Selangor, 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; ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

Board of Directors

Tan Sri Dato’ Seri Che Lodin bin Wok Kamaruddin (Non-independent Director)

Datuk Maimoonah Binti Mohamed Hussain (Non-independent Director)

Mr Teng Chee Wai (Non-independent Director)

Mr David Jonathan Semaya (Non-independent Director)

Encik Abd Malik bin A Rahman (Independent Director)

YBhg Mej Jen Dato’ Hj Latip bin Ismail (Independent Director)

Key Personnel

Mr Teng Chee Wai – Managing Director

Mr Teng is the founder of AHAM. Over the past 15 years, he has built the company to its current position with an excess of MYR 35 billion in assets under management. In his capacity as the managing director and executive director of AHAM, Mr 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. Mr 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. Mr 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. Mr 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 40 strong group 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.

DESIGNATED FUND MANAGER

Ms Esther Teo Keet Ying - Head, Fixed Income Investment

Ms Esther Teo is the Head of Fixed Income Investment. Prior to joining the Manager, Esther Teo was a portfolio manager with HwangDBS Asset Management and was responsible for managing fixed income investment of corporate clients and unit trust funds. Prior to this, she was attached with the fixed income division of RHB Asset Management Sdn. Bhd. covering both institutional and unit trust mandates for three (3) years. She began her career in KPMG Malaysia in 1999 as a consultant in financial advisory services specializing in corporate debt restructuring and recovery. Esther graduated from the University of Melbourne, Australia with a Bachelor of Commerce majoring in Accounting and Finance. She has also obtained her licence from the SC on 29 April 2004 to act as a fund manager.

INVESTMENT COMMITTEE

The investment committee ("committee") formulates, establishes and implements investment strategies and policies. The committee will continually review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The committee will also ensure investment guidelines and regulations are complied with. The committee will meet at least once every quarterly or more should the need arise.

MATERIAL LITIGATION

As at LPD, AHAM is not engaged in any material litigation and arbitration, including those pending or threatened, and AHAM is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of AHAM.

For further information on AHAM, the investment committee and/or AHAM's delegate, you may obtain the details from our website at www.affinhwangam.com.

THE TRUSTEE

HSBC (MALAYSIA) TRUSTEE BERHAD

The Trustee is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No 2, Leboh Ampang, 50100 Kuala Lumpur.

Experience in Trustee Business

Since 1993, the Trustee has acquired experience in the administration of trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

Duties and Responsibilities of the Trustee

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, CMSA and the Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that AHAM performs its duties and obligations in accordance with the provisions of the Deed, CMSA and the Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of repurchase request, the Trustee's responsibility is discharged once it has paid the repurchase amount to AHAM.

Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed of the Fund, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under the Deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

Trustee's Disclosure of Material Litigation

As at LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

Trustee's Delegate

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

Particulars of the Trustee's Delegate

For foreign asset:

The Hongkong And Shanghai Banking Corporation Limited
6/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Hong Kong.
Telephone No: (852) 2288 6111

For local asset:

The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)
No 2 Leboh Ampang, 50100 Kuala Lumpur
Telephone No: (603) 2075 3000 Fax No: (603) 2179 6488

Policy on Dealing with Related-Party Transactions/Conflict of Interest

As Trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events:-

- 1) Where the Fund invests in instruments offered by the related party of the Trustee (e.g placement of monies, structured products, etc);
- 2) Where the Fund is being distributed by the related party of the Trustee as IUTA;
- 3) Where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) Where the Fund obtains financing as permitted under the Guidelines from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

Anti-money Laundering and Anti-Terrorism Financing Provisions

The Trustee has in place policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of the Trustee.

Statement of Disclaimer

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

Consent to Disclosure

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit Holders for purposes of performing its duties and obligations in accordance to the Deed, the CMSA, Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

EXTERNAL FUND MANAGER

ABOUT AIIMAN

AIIMAN is an Islamic investment management company managing assets for pension funds, institutions, corporates, high net worth and mass affluent individuals. Headquartered in the world's Islamic financial hub Kuala Lumpur, Malaysia, AIIMAN is focused on providing clients exceptional and innovative Shariah investment solutions that focus on Asian equities and global Sukuk. AIIMAN was licensed by the SC to undertake the regulated activity of Islamic fund management on 17 November 2008 and is a wholly owned subsidiary of Affin Hwang Asset Management Berhad and a member of the Affin Hwang Investment Banking Group. As at LPD, AIIMAN has more than seven (7) years' experience in fund management industry.

Duties and Responsibilities of AIIMAN

AHAM has delegated the investment management function of the Fund to AIIMAN. Some of the main duties of AIIMAN for this delegated role are as follows:-

- to comply with the operations procedures and invest the Fund in accordance with the objectives of the Fund, the Permitted Investments and Investment Restrictions described herein and the Guidelines;
- to exercise due care and vigilance in carrying out its function and duties and comply with the relevant laws, directives and guidelines issued by the relevant authorities from time to time;
- to employ an appropriate investment process for the Fund;
- to seek to invest in assets which are in the External Fund Manager's opinion, the most appropriate assets in relation to the Fund's objectives; and
- to report to the Manager on a periodic basis for oversight and monitoring purposes, including to discuss and review the performance of the Fund and its strategies.

Key Personnel of the Management Team

Mohd Shahir Bin Seberi – Portfolio Manager

Prior to joining AIIMAN, Shahir worked with Bank Muamalat Malaysia Berhad, under treasury & capital markets division. His initial position was a credit analyst before leaving as the Head of Investments with primary responsibility of managing the bank's fixed income investment portfolio. He began his career as an executive in corporate banking department (subsequently under special recovery department) of Bank Islam Malaysia Berhad where he received his early exposure on corporate credit analysis and corporate debt restructuring. Shahir then gained his economics and financial markets research experience through his stint with Malaysian Rating Corporation Berhad (MARC) and Employee Provident Fund (EPF). Shahir is a certified credit professional (CCP) and a holder of Persatuan Kewangan Malaysia certificate. He graduated with a Bachelor of Accounting from International Islamic University Malaysia and completed his Master's Degree (majoring in Finance) from the same institution. **He is the designated fund manager for the Affin Hwang Aiiman Income Plus Fund.**

Material Litigation

As at the LPD, AIIMAN is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings, which might materially affect the business/financial position of AIIMAN.

For further information on External Fund Manager, you may obtain the details from our website at www.affinhwangam.com.

SHARIAH ADVISER

ABOUT AMANIE

Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah advisory company for Islamic unit trust with the SC. It has been established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah Principles. Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services. The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently the team comprises of 5 full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. Amanie meets the Manager every quarter to address Shariah advisory matters pertaining to the Fund. Amanie also review the Fund's investment on a monthly basis to ensure compliance with Shariah principles or any other relevant principles at all times. Since 2005, Amanie has acquired 12 years of experience in the advisory role of unit trusts and as at LPD there are 150 funds which Amanie acts as Shariah adviser.

Roles and Responsibilities of Amanie

- (1) To ensure that the Fund is managed and administered in accordance with Shariah principles.
- (2) To provide expertise and guidance in all matters relating to Shariah principles, including on the Fund's Deed and Prospectus, its structure and investment process, and other operational and administrative matters.
- (3) To consult with SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process.
- (4) To act with due care, skill and diligence in carrying out its duties and responsibilities.
- (5) Responsible for scrutinizing the Fund's compliance report as provided by the compliance officer, and investment transaction reports provided by, or duly approved by, the Trustee to ensure that the Fund's investments are in line with Shariah principles.
- (6) To prepare a report to be included in the Fund's interim and annual reports certifying whether the Fund has been managed and administered in accordance with Shariah principles for the period concerned.

Designated Person Responsible for Shariah Matters of the Fund

Datuk Dr. Mohd Daud Bakar - Shariah Adviser

Datuk Dr. Mohd Daud Bakar is the founder and group chairman of Amanie Advisors, a global boutique Shariah advisory firm with offices located worldwide. He currently sits as a chairman of the Shariah Advisory Council at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Labuan Financial Services Authority and the International Islamic Liquidity Management Corporation (IILM). He is also a Shariah board member of various financial institutions, including the National Bank of Oman (Oman), Noor Islamic Bank (Dubai), Amundi Asset Management (France), Morgan Stanley (Dubai), Bank of London and Middle East (London), BNP Paribas (Bahrain), Dow Jones Islamic Market Index (New York), First Gulf Bank (UAE), amongst many others. Prior to this, he was the deputy vice-chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya. He has published a number of articles in various academic journals and has made many presentations in various conferences both local and overseas. On the recognition side, Datuk Dr. Mohd Daud has been honored with "The Asset Triple A Industry Leadership Award" at The Asset Triple A Islamic Finance Award 2014 and "Shariah Adviser Award" at The Asset Triple A Islamic Finance Award 2016 for the Best Securitisation Sukuk- Purple Boulevard 450 million ringgit Asset-Backed Ijara Sukuk by The Asset Magazine. He is also being named as the "Most Outstanding Individual", awarded by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday 2014. The recent recognition is the "Award of Excellence for Outstanding Contribution for Shariah Leadership & Advisory" at London Sukuk Summit Awards, May 2016. Datuk Dr. Mohd Daud is currently the 3rd professorial chairholder in Islamic Banking and Finance of Tun Ismail Foundation (YTI-PNB) by Islamic Science University of Malaysia (USIM) and also sits as a board director to Sime Darby Berhad.

For further information on Shariah Adviser, you may obtain the details from our website at www.affinhwangam.com.

RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST

Save for the transaction disclosed below, as at LPD the Manager is not aware of any existing and/or proposed related party transactions or conflict of interest situations or other subsisting contracts of arrangements involving the Fund.

Related Party Transactions

Name of Party Involved in the Transaction	Nature of Transaction	Name of Related Party	Nature of Relationship
AHAM	Placement of deposit and Islamic money market instruments	Affin Hwang Investment Bank Berhad (Affin Hwang IB)	Affin Hwang IB holds 70% equity interest in the Manager.

Conflict of Interest

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

Cross trades

AHAM may conduct cross trades between funds 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 are monitored by the Compliance Unit of the Manager, and reported to the AHAM's compliance & risk oversight committee, to avoid conflict of interests and manipulation that could have a negative impact on investors.

Policy on Dealing with Conflict of Interest

AHAM has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, AHAM will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where the interests of the directors or the committee member's interests may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staff of AHAM are required to seek prior approval from the executive director or the managing director before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

TAXATION 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
Pusat Bandar Damansara
50490 Kuala Lumpur

8 August 2017

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

Dear Sirs

Taxation of the unit trust and unit holders

This letter has been prepared for inclusion in this Prospectus in connection with the offer of units in the unit trusts known as Affin Hwang Aiiman Income Plus 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 year of assessment 2016.

Under Section 2(7) of the MITA, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Syariah.

The effect of this is that any gains or profits received (hereinafter referred to as "profits") and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Syariah, will be accorded the same tax treatment as if they were interest.

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 dividend¹, interest and rent chargeable to tax for that basis period; and
 - C is the aggregate of the gross income consisting of dividend¹ 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 (profits)**

- (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 or financial institutions licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²;
- (v) interest derived from Malaysia and paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (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 the Labuan Financial Services Authority (“LFSA”)³; 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.

¹ 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.

² Effective from the year of assessment 2017, in the case of a wholesale fund which is a money market fund, the exemption shall only apply to a wholesale fund which complies with the criteria as set out in the relevant guidelines of the Securities Commission Malaysia.

³ 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

Dividends, profits and other income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

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 sale of chargeable assets, as defined in the RPGT Act.

Goods and Services Tax ("GST")

On 1 April 2015, GST was implemented at the standard rate of 6% to replace the previous sales tax and service tax systems. Based on the Goods and Services Tax Act 2014 which was gazetted on 19 June 2014, the Fund, being a collective investment vehicle, will be making exempt supplies. Hence, the Fund is not required to be registered for GST purposes. The Fund will incur expenses such as management fees, trustee fees and other administrative charges which will be subject to 6% GST. The 6% input tax which may be incurred on such expenses will generally not be claimable by the Fund.

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 other exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

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"> • Individual and non-corporate unit holders (such as associations and societies) • Co-operatives⁴ • Trust bodies 	<ul style="list-style-type: none"> • Progressive tax rates ranging from 0% to 28% • Progressive tax rates ranging from 0% to 24% • 24% (Note 1)
<ul style="list-style-type: none"> • Corporate unit holders <ul style="list-style-type: none"> (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)⁵ (ii) Companies other than (i) above 	<ul style="list-style-type: none"> • For every first RM500,000 of chargeable income @ 19%⁶ • Chargeable income in excess of RM500,000 @ 24% (Note 1) • 24% (Note 1)
<p>Non-Malaysian tax resident (Note 2):</p> <ul style="list-style-type: none"> • Individual and non-corporate unit holders • Corporate unit holders and trust bodies 	<ul style="list-style-type: none"> • 28% • 24% (Note 1)

⁴ 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.

⁵ A company would not be eligible for the 19% tax rate on the first RM500,000 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.

⁶ Effective from the year of assessment 2017, the tax rate is reduced from 19% to 18%.

Note 1:

The Income Tax (Exemption) (No. 2) Order 2017 [P.U.(A) 117], gazetted on 10 April 2017, exempts a “qualifying person”⁷ from payment of income tax on an ascertained amount of chargeable income derived from the business source in the basis period for a year of assessment. This exemption is only applicable for the years of assessment 2017 and 2018.

Note 2:

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

⁷ In order to be a qualifying person, such person must be resident in Malaysia and:

- (a) a company incorporated under the Companies Act 2016;
- (b) a limited liability partnership registered under the Limited Liability Partnership Act 2012;
- (c) a trust body;
- (d) an executor of an estate of a deceased individual who was domiciled outside Malaysia at the time of his death; or
- (e) a receiver with respect to whom Section 68(4) of the MITA applies.

The exemption order only applies to a qualifying person:

- (a) whose business has been in operation for not less than twenty four months; and
- (b) who has chargeable income from a source consisting of a business in the basis period for a year of assessment and the year of assessment immediately preceding that year of assessment and has made up its account for a period of twelve months ending on the same date for each of those years of assessment.

The exemption order shall not apply to a qualifying person who in the basis period for a year of assessment;

- (a) has made a claim for reinvestment allowance under Schedule 7A to the MITA or investment allowance for service sector under Schedule 7B to the MITA;
- (b) has been granted any incentive under the Promotion of Investments Act 1986;
- (c) has been granted an exemption under section 127 of the MITA;
- (d) has made a claim for group relief under section 44A of the MITA;
- (e) is an investment holding company under section 60F or 60FA of the MITA;
- (f) is a unit trust which is defined under subsection 63C(5) of the MITA; or
- (g) has a debt that has been released under subsection 30(4) of the MITA.

Gains from sale of units

Gains arising from the realisation of investments will 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

Bernard Yap
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 Prospectus and has not withdrawn such consent before the date of issue of this Prospectus.

RELEVANT INFORMATION

INFORMATION AVENUES

How can I keep track of my contribution?

You may obtain the daily Fund price from our website at www.affinhwangam.com.

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

THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.

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

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

COMPLAINTS AVENUES

How do I make a complaint?

You may e-mail us at customercare@affinhwangam.com 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 Capital Market Intermediaries, 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.

DOCUMENTS AVAILABLE FOR INSPECTION

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

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

DIRECTORY OF SALES OFFICE

AFFIN HWANG ASSET MANAGEMENT BERHAD:

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SELANGOR A-7-G Jaya One No. 72A, Jalan Universiti 46200, Petaling Jaya, Selangor Tel: 03 - 7620 1290 Fax: 03 - 7620 1298	JOHOR 1 st Floor, No. 93, Jalan Molek 1/29 Taman Molek 81100 Johor Bahru, Johor Tel : 07 – 351 5677 / 5977 Fax : 07 – 351 5377	SARAWAK Ground Floor, No. 69 Block 10, Jalan Laksamana Cheng Ho 93200 Kuching, Sarawak Tel : 082 – 233 320 Fax : 082 – 233 663
PENANG No. 10-C-23 & 10-C-24, Precinct 10 Jalan Tanjung Tokong 10470 Penang Tel : 04 – 899 8022 Fax : 04 – 899 1916	MELAKA Ground Floor No. 584 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06 -281 2890 Fax: 06 -281 2937	1 st Floor, Lot 1291 Jalan Melayu, MCLD 98000 Miri, Sarawak Tel : 085 - 418 403 Fax : 085 – 418 372

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@affinhwangam.com.

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

Affin Hwang Asset Management Bhd (429786-T)

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