

14 February 2023

Dear Valued Investor,

Affin Hwang Flexible Maturity Income Fund 15 - Supplemental Deed

Greetings from AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) ("AHAM Capital").

Thank you for investing in the Affin Hwang Flexible Maturity Income Fund 15 ("the Fund").

We are pleased to inform you that a Supplemental Deed and this notice shall be in place to reflect the various changes made to the Fund. This includes a change in the name of the Fund and updates to the investment restrictions and limits to be in line with the Securities Commission Malaysia's ("SC") Guidelines on Unit Trust Funds. Changes made are listed in Appendix 1.

A full list of changes made to the Supplemental Deed of the Fund may be obtained online via the link and QR code provided together with this notice will be made available on 28 February 2023 ("Effective Date").

With the changes made to the Fund, we believe that the Fund would continue to meet its investment objectives for unit holders. Nevertheless, should you be uncomfortable with the changes, you are provided with an option to exercise a switching request or a redemption request.


We would like to take this opportunity to thank you for your support. Please contact your sales representative should you require further clarification on the above. The link and QR code for the Replacement Prospectus can be found below.

Thank you.

Yours faithfully,

AHAM Asset Management Berhad

(Formerly known as Affin Hwang Asset Management Berhad)

Name of Fund	Scan QR Code to view
Affin Hwang Flexible Maturity Income Fund 15 - Online Notice (includes a link to the list of changes made to the Deed) Download Link: http://aham.com.my/FundAnn-FXM15HCF	

In general, the amendments made to the Prospectus are to reflect the following:

1. Requirements of Guidelines on Unit Trust Funds (Revised: 28 November 2022) and Prospectus Guidelines for Collective Investment Schemes (Revised; 1 September 2022);
2. Change in the shareholding of AHAM which took effect on 29 July 2022, whereby AHAM Asset Management Berhad ("AHAM") ceased to be a subsidiary of Affin Hwang Investment Bank and the Affin Banking Group. AHAM's ultimate major shareholders now, is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners;
3. Amendments made to the Principal Deed which was registered and lodged with the SC on 16 January 2023 ("Supplemental Deed").

1. Change of Name of the Fund

Existing	Proposed
Affin Hwang Flexible Maturity Income Fund 15	<u>AHAM</u> Flexible Maturity Income Fund 15

2. Change in Definition of Business Days

Existing	Proposed
A day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.	A day on which Bursa Malaysia <u>and/or one or more of the foreign markets in which the Fund is invested in</u> are open for <u>business/trading</u> . The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.

3. Change in Investment Restrictions and Limits

Existing	Proposed
<p>a) The aggregate value of the Fund's investments in debentures, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single issuer or institution shall not exceed 25% of the Fund's NAV;</p> <p>b) The value of the Fund's investments in debentures issued by any single issuer shall not exceed 20% of the Fund's NAV;</p> <p>c) The single issuer limit in (b) may be increased to 30% if the debentures are rated by RAM, MARC, Standard & Poor's, Moody's or Fitch to be of the best quality and offer highest safety for timely payment of interest and principal (i.e. AAA by RAM or its equivalent rated by other rating agencies);</p> <p>d) For the purpose of (a), where the single issuer limit is increased to 30% pursuant to item (c), the aggregate value of the Fund's investments shall not exceed 30% of the Fund's NAV;</p> <p>e) The value of the Fund's investments in debentures issued by any one group of companies shall not exceed 30% of the Fund's NAV;</p> <p>f) The aggregate value of the Fund's investments in debentures which are rated below investment grade i.e. lower than BBB3 rating by RAM or below investment grade rating by other rating agencies, must not exceed 40% of the Fund's NAV;</p>	<p>(a) <u>The Fund's assets must be relevant and consistent with the investment objective of the Fund;</u></p> <p>(b) <u>The aggregate value of the Fund's investments in bonds that are not traded or dealt in or under the rules of an eligible market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer ("Exposure Limit").</u></p> <p>(c) The value of the Fund's placements in deposits with any single financial institution shall not exceed 20% of the Fund's NAV (<u>"Single Financial Institution Limit"</u>);</p> <p>(d) <u>The Single Financial Institution Limit does not apply to placements of deposits arising from:</u></p> <p>(i) <u>Subscription monies received prior to the commencement of investment by the Fund;</u></p> <p>(ii) <u>Liquidation of investments prior to the termination of the fund, where the placement of deposits with various financial institutions would not be in the best interests of unit holders; or</u></p> <p>(iii) <u>Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of unit holders.</u></p>

Existing	Proposed
<p>g) The value of the Fund's placements in deposits with any single institution shall not exceed 20% of the Fund's NAV;</p> <p>h) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times;</p> <p>i) For investments in derivatives:-</p> <ul style="list-style-type: none"> The exposure to the underlying assets must not exceed the investment spread limits stipulated in the Schedule B of the Guidelines; and The value of the Fund's OTC derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV; <p>j) The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV. However, this exposure limit does not apply to:-</p> <ul style="list-style-type: none"> Debentures traded on an OTC market; and Structured products; <p>k) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;</p> <p>l) The Fund's investments in debentures shall not exceed 20% of that issued by any single issuer;</p> <p>m) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer – This limit does not apply to money market instruments that do not have a predetermined issue size;</p> <p>n) The limits and restrictions on the permitted investments set out in above does not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia as stipulated in Schedule A of the Guidelines;</p> <p>o) The issuers of the OTC derivatives must be licensed financial institutions with a minimum long term rating of AA by RAM or its equivalent rated by other rating agencies; and</p> <p>p) Any other investment limits or restrictions imposed by the Guidelines applicable to the Fund.</p> <p>The abovementioned restrictions and limits will be complied with at all times based on the up-to-date value of the Fund, and the value of its investments and instruments. However, a 5% allowance in excess of any limit or restriction imposed under the Guidelines is permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of Units or payment made from the Fund).</p> <p>We will not make any further acquisitions to which the relevant limit is breached and within a reasonable period of not more than three (3) months from the date of the breach, we will take all necessary steps and actions to rectify the breach.</p>	<p>(e) For investments in derivatives/<u>embedded derivatives</u>, the exposure to the underlying assets of that derivative/<u>embedded derivative</u> must not exceed the investment <u>restrictions or limitations applicable to such underlying assets and investments</u> stipulated in the Guidelines and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party shall not exceed 10% of the Fund's NAV;</p> <p>(f) The Fund's <u>global</u> exposure from derivatives position shall not exceed the Fund's NAV at all times;</p> <p>(g) The aggregate value of the Fund's investments in <u>or exposure to, a single issuer through bonds, money market instruments, deposits, underlying assets of derivatives and counterparty exposure arising from the use of OTC derivatives</u> shall not exceed 25% of the Fund's NAV ("<u>Single Issuer Aggregate Limit</u>"). In determining the Single Issuer Aggregate Limit, <u>the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;</u></p> <p>(h) The value of the Fund's investments in <u>bonds and money market instruments</u> issued by any single issuer must not exceed 20% of the Fund's NAV ("<u>Single Issuer Limit</u>"). <u>In determining the Single Issuer Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the same issuer must be included in the calculation;</u></p> <p>(i) The Single Issuer Limit above may be increased to 30% if the bonds are rated by any <u>Malaysian or global</u> rating agency to <u>have the highest long-term credit rating;</u></p> <p>(j) <u>Where the Single Issuer Limit is increased to 30% pursuant to above, the Single Issuer Aggregate Limit may be raised to exceed 30% of the Fund's NAV;</u></p> <p>(k) The value of the Fund's investments in <u>bonds and money market instruments</u> issued by any group of companies must not exceed 30% of the Fund's NAV ("<u>Group Limit</u>"). <u>In determining the Group Limit, the value of the Fund's investments in instruments in Exposure Limit above issued by the issuers within the same group of companies must be included in the calculation;</u></p> <p>(l) <u>The Single Issue Limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency;</u></p> <p>(m) <u>Where the Single Issuer Limit is increased to 35% of the Fund's NAV the Single Issuer Aggregate Limit may be raised, subject to the Group Limit not exceeding 35% of the Fund's NAV;</u></p>

Existing	Proposed
	<p>(n) The Fund's investments in transferable securities (other than bonds) must not exceed 10% of the securities issued by any single issuer;</p> <p>(o) The Fund's investments in bonds must not exceed 20% of the bonds issued by any single issuer. <u>This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of bonds in issue cannot be determined;</u></p> <p>(p) The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. <i>This does not apply to money market instruments that do not have a pre-determined issue size;</i></p> <p>(q) Any other investment limits or restrictions imposed by the relevant regulatory authorities or pursuant to any laws and regulations applicable to the Fund.</p> <p><u>Please note that the above restrictions and limits do not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</u></p> <p><u>In respect of the above investment restrictions and limits, any breach as a result of any (a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of Units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, must be rectified as soon as practicable within three months from the date of the breach unless otherwise specified in the Guidelines. Nevertheless, the three-month period may be extended if it is in the best interests of Unit Holders and the Trustee's consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.</u></p>

4. Change in the Repurchase Proceeds Payout Period

Existing	Proposed
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.	You will be paid within <u>seven (7) Business Days</u> from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

5. Inserted Liquidity Risk Management

Existing	Proposed
Nil.	<p><u>We have established liquidity risk management policies to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the repurchase requests from the Unit Holders with minimal impact to the Fund as well as safeguarding the interests of the remaining Unit Holders. Such policies take into account, amongst others, the asset class of the Fund and the redemption policy of the Fund. To manage the liquidity risk, we have put in place the following procedures:</u></p> <p>a) <u>Regular review by the designated fund manager on the Fund's investment portfolio including its liquidity profile;</u></p> <p>b) <u>Daily monitoring of the Fund's net flows and periodic liquidity stress testing of the Fund's assets against repurchase requests during normal and adverse market conditions are performed as pre-emptive measures in tracking the Fund's liquidity status. This will ensure that we are prepared and able to take the necessary action proactively to address any liquidity concerns, which would mitigate the potential risks in meeting Unit Holders' repurchase requests; and</u></p> <p>c) <u>Suspension of repurchase requests from the Unit Holders under exceptional circumstances where the market value or fair value of a material portion of the Fund's assets cannot be determined. During the suspension period, the repurchase requests from the Unit Holders will be accepted but will not be processed. Such repurchase requests will only be processed on the next Business Day once the suspension is lifted. That said, the action to suspend repurchase requests from the Unit Holders shall be exercised only as a last resort by the Manager having considered the best interests of Unit Holders.</u></p>

6. Inserted Suspension of Dealing in Units

Existing	Proposed
Nil.	<p>The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units* due to exceptional circumstances, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.</p> <p>The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.</p> <p>The Trustee may suspend the dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.</p> <p>* The action to impose suspension shall only be exercised as a last resort by the Manager, as disclosed in the section on "Liquidity Risk Management".</p>