

FIRST SUPPLEMENTAL PROSPECTUS FOR AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

Manager : **Affin Hwang Asset Management Berhad**
Registration Number: 199701014290 (429786-T)

Trustee : **Deutsche Trustees Malaysia Berhad**
Registration Number: 200701005591 (763590-H)

This First Supplemental Prospectus is dated 24 February 2020.

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

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

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTAL PROSPECTUS WHICH IS TO BE READ TOGETHER WITH THE PROSPECTUS DATED 24 DECEMBER 2018. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 5 OF THE PROSPECTUS DATED 24 DECEMBER 2018.

THIS IS A FIRST SUPPLEMENTAL PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 24 DECEMBER 2018

Responsibility Statements

This First Supplemental 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 this First Supplemental Prospectus false or misleading.

Statements of Disclaimer

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

The authorisation of the Fund, and registration of this First Supplemental 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 the Prospectus dated 24 December 2018 or this First Supplemental 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 First Supplemental Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplemental 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 this First Supplemental Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplemental Prospectus or the conduct of any other person in relation to the Fund.

This First Supplemental 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 First Supplemental Prospectus relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.



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

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Unless otherwise provided in this First Supplemental Prospectus, all the capitalised terms used herein shall have the same meanings as ascribed to them in the Prospectus dated 24 December 2018.

EXPLANATORY NOTES

1. This First Supplemental Prospectus is issued mainly to reflect the change in the investment strategy of the Fund.
2. In addition, other information in the Prospectus have been updated or deleted to reflect other changes, amongst others, the information on the board of directors of the Manager and other updates which are general in nature.

A. CORPORATE DIRECTORY

Page 1 of the Prospectus

- (i) The information on the "Board of Directors of the Manager/AHAM" is hereby deleted in its entirety and replaced with the following:
- Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)
 - Mr Teng Chee Wai (Non-independent Director)
 - Ms Eleanor Seet Oon Hui (Non-independent Director)
 - Mr Yip Kit Weng (Non-independent Director)
 - En. Faizal Sham bin Abu Mansor (Independent Director)
 - Maj. Gen. Dato' Zulkiflee bin Mazlan (R) (Independent Director)

B. RISK FACTORS

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GENERAL RISKS

The information on the "Liquidity risk" is hereby deleted in its entirety and replaced with the following:

Liquidity risk refers to two scenarios. The first is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the Fund. Upon such event and in the best interest of the Unit Holders, the Trustee may suspend the repurchase of Units requests. Please refer to "*Suspension of Dealing*" section for more details.

C. ABOUT AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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INVESTMENT STRATEGY

The information in this section is hereby deleted in its entirety and replaced with the following:

"To achieve its objective, the Fund will be investing a minimum of 70% of its NAV in equities, while the remaining balance may be invested in fixed income instruments. The Fund will invest primarily in Asia Pacific (ex Japan) companies. The Fund may also invest a smaller portion of its NAV in non-Asia Pacific (ex Japan) companies.

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

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

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

Temporary Defensive Position

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

Derivative Investments for Hedging Purposes Only

The Fund may employ derivative investments for hedging purposes only by participating in instruments such as forward contracts and cross currency swaps.

Foreign exchange contracts enable the Fund to trade currency at a specific exchange rate, specific time and specific amount as indicated in the contract. Cross currency swaps allow the Fund to convert foreign exchange rates and/or interest rate exposures between two currencies.

These derivatives may be used to hedge the principal and/or the returns of the foreign currency denominated investments back to RM. The employment of derivatives under these circumstances, is expected to reduce the impact of foreign currency movements on the Fund's NAV."

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VALUATION OF PERMITTED INVESTMENTS

The information on "Derivatives" is hereby deleted in its entirety and replaced with the following:

➤ **Derivatives**

The valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and other such factors). For foreign exchange forward contracts ("FX Forwards"), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Reuters. If the rates are not available on the Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance to a fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

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DENOMINATION OF THE FUND

The information in this section is hereby deleted in its entirety and replaced with the following:

"The Fund may create new classes of Units including but not limited to classes with different currency denominations, category of investors, fees and charges and/or minimum transaction amounts in the future. You will be notified of the issuance of the new classes of Units by way of a Communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement prospectus."

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D. DEALING INFORMATION

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PURCHASE AND REPURCHASE OF UNITS

The information on “WHAT IS THE PROCESS OF REPURCHASE APPLICATION?” is hereby deleted in its entirety and replaced with the following:

- 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 in the following manner:

RM Class and SGD Hedged-class	Based on the NAV per Unit of a Class for that Business Day.
EUR Class, USD Class, AUD Class, RMB Class, SGD Class, GBP Class	Based on the initial offer price of a Class during the initial offer period and thereafter, NAV per Unit of a Class for that Business Day.

Any repurchase request received after 3.30p.m. will be transacted on the next Business Day (or “T + 1 day”).

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

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SWITCHING FACILITY

- (i) The fourth paragraph in this section is hereby deleted in its entirety and replaced with the following:

“The process of the switching application is as below:

- *Switching between Classes of the Fund*

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

- *Switching from the Classes of this Fund to other funds (or its classes) managed by us*

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

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	Non-money market fund	T Day	T Day
Non-money market fund	Non-money market fund		
Money market fund	Money market fund	T Day	T + 1 Day
Non-money market fund	Money market fund	T Day	At the next valuation point, subject to clearance of payment and money received by the intended fund”

If you invest through the EMIS, you are allowed to switch to any other EPF approved funds managed by us (subject to the availability of units and terms of the intended fund to be switched into).

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SUSPENSION OF DEALING

This is a new section and the following statement is hereby inserted after “TRANSFER FACILITY”:

“The Trustee may suspend the dealing in Units:

- where the Trustee considers that it is not in the interests of the existing Unit Holders to permit the assets of the Fund to be sold or that the assets cannot be liquidated at an appropriate price or on adequate terms and immediately call a Unit Holders’ meeting to decide on the next course of action; or
- without the consent of the Unit Holders, due to exceptional circumstances when there is a good and sufficient reason to do so having regard to the interests of the Unit Holders. In such case, the period of the suspension shall not exceed twenty one (21) days of the commencement of the suspension.”

E. THE MANAGER

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ABOUT AHAM

- (i) The first paragraph of this section is hereby deleted in its entirety and replaced by the following:

“AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. In early 2014, AHAM 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, AHAM has more than 16 years’ experience in the fund management industry. Additionally, AHAM is also 27% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co., Ltd., an Asian investment management franchise.” 7.01 (b)

- (ii) The third paragraph of this section is hereby deleted in its entirety and replaced by the following:

“AHAM’s head office is located in Kuala Lumpur and has a total of 7 main sales offices located in Peninsular and East Malaysia. The sales offices are in Penang, Ipoh, Johor Bahru, Melaka, Kuching, Miri and Kota Kinabalu.”

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Board of Directors

The information on the Board of Directors has been deleted in its entirety and replaced by the following:

Raja Tan Sri Dato’ Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)
Mr Teng Chee Wai (Non-independent Director)
Ms Eleanor Seet Oon Hui (Non-independent Director)
Mr Yip Kit Weng (Non-independent Director)
En. Faizal Sham bin Abu Mansor (Independent Director)
Maj. Gen. Dato’ Zulkiflee bin Mazlan (R) (Independent Director)

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F. RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST

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Related Party Transaction

The information in this section is hereby deleted in its entirety and replaced with the following:

Name of Party Involved in the Transaction	Nature of Transaction	Name of Related Party	Nature of Relationship
AHAM	Placement of deposit and money market instruments	Affin Hwang Investment Bank Berhad (Affin Hwang IB)	Affin Hwang IB holds 63% equity interest in the Manager.

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Details of the Substantial Shareholders of AHAM's Direct and Indirect Interest in other Corporation Carrying on a Similar Business

The following information in this section is hereby deleted in its entirety and replaced with the following:

"Save as disclosed below, as at 15 November 2019, the substantial shareholders of AHAM, do not have any direct or indirect interest in other corporations carrying on similar business:

Nikko Asset Management International Limited, a substantial shareholder of AHAM, is wholly owned by Nikko Asset Management Co., Ltd. ("Nikko AM"). Nikko AM's office is situated in Japan where it provides investment management services, focused on sourcing, packaging and distributing retail investment fund products which are managed in-house or outsourced to third party sub-advisers."

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The following information is hereby inserted after the "Details of the Substantial Shareholders of AHAM's Direct and Indirect Interest in other Corporation Carrying on a Similar Business" in this section:

"Details of the Directors of AHAM's Direct and Indirect Interest in other Corporation Carrying on a Similar Business

Save as disclosed below, as at 15 November 2019, the directors of the Manager do not have any direct and indirect interest in other corporations carrying on a similar business:

Mr Teng Chee Wai, as a shareholder of the Manager, has an indirect interest in AIIMAN Asset Management Sdn Bhd. AIIMAN Asset Management Sdn Bhd is wholly-owned by the Manager."

G. CONSENTS

This is a new section and the following statement is hereby inserted after "RELEVANT INFORMATION":

- The written consents of Trustee and Trustee's delegate to the inclusion in this Prospectus of their names in the form and context in such names appear have been given before the issuance of this Prospectus and have not been subsequently withdrawn; and
- The written consent of Ernst & Young Tax Consultants Sdn Bhd to the inclusion in the Prospectus of its name and Tax Adviser's Letter in the form and context in which it is contained in this Prospectus has been given before the issuance of this Prospectus and has not been subsequently withdrawn.

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H. DIRECTORY OF SALES OFFICE

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The information on the sales offices of Affin Hwang Asset Management Berhad is hereby deleted in its entirety and replaced with the following:

“AFFIN HWANG ASSET MANAGEMENT BERHAD:

HEAD OFFICE

Ground Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03 – 2116 6000
Fax : 03 – 2116 6100
Toll Free No : 1-800-88-7080
Email: customercare@affinhwangam.com
Website: www.affinhwangam.com

PENANG

No. 10-C-23 & 10-C-24, Precinct 10
Jalan Tanjung Tokong
10470 Penang
Tel : 04 – 899 8022
Fax : 04 – 899 1916

PERAK

13A Persiaran Greentown 7
Greentown Business Centre
30450 Ipoh, Perak
Tel: 05 - 241 0668
Fax: 05 – 255 9696

JOHOR

Unit 22-05, Level 22
Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru
Johor
Tel : 07 – 227 8999
Fax : 07 – 223 8998

MELAKA

Ground Floor
No. 584 Jalan Merdeka
Taman Melaka Raya
75000 Melaka
Tel: 06 -281 2890
Fax: 06 -281 2937

SABAH

Unit 1.09(a), Level 1, Plaza Shell
29, Jalan Tunku Abdul Rahman
88000 Kota Kinabalu, Sabah
Tel : 088 - 252 881
Fax : 088 - 288 803

SARAWAK

Ground Floor, No. 69
Block 10, Jalan Laksamana Cheng Ho
93200 Kuching, Sarawak
Tel : 082 – 233 320
Fax : 082 – 233 663

1st 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).”