



**FIRST SUPPLEMENTARY
INFORMATION MEMORANDUM
DATED 9 JULY 2019 IN RESPECT OF
AMBOND SELECT 2**

The Manager
AmFunds Management Berhad
(Company number: 154432-A)

The Trustee
HSBC (Malaysia) Trustee Berhad
(Company number: 001281-T)

THIS FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 9 JULY 2019 IS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM FOR AMBOND SELECT 2 DATED 21 NOVEMBER 2017.

SOPHISTICATED INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF INFORMATION MEMORANDUM DATED 21 NOVEMBER 2017 AND THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 9 JULY 2019. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

RESPONSIBILITY STATEMENTS

This First Supplementary Information Memorandum dated 9 July 2019 in relation to the Information Memorandum for AmBond Select 2 dated 21 November 2017 (hereinafter known as "First Supplementary Information Memorandum") has been reviewed and approved by the directors of AmFunds Management Berhad and they collectively and individually accept full responsibility for the accuracy of all 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 Supplementary Information Memorandum false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised AmBond Select 2, the subject of this First Supplementary Information Memorandum, and that the authorisation shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of AmFunds Management Berhad and takes no responsibility for the contents of the Information Memorandum for AmBond Select 2 dated 21 November 2017 ("Information Memorandum") and this First Supplementary Information Memorandum, makes no representation on the accuracy or completeness of the Information Memorandum and this First Supplementary Information Memorandum, and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of its contents.

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

ADDITIONAL STATEMENTS

Sophisticated Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws and regulations including any statement in this First Supplementary Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplementary Information Memorandum or the conduct of any person in relation to the Fund.

This First Supplementary Information Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

An investment in the Fund carries with it a degree of risk. The value of units and the income from it, if any, may go down as well as up, and Sophisticated Investors may not get back the amount invested. Sophisticated Investors should consider the risk factors set out under the heading Risk Factors in the Information Memorandum for AmBond Select 2 dated 21 November 2017.

Statements made in this First Supplementary Information Memorandum are based on the law and practice currently in force in Malaysia and are subject to changes in such law.

Any reference to a time or day in this First Supplementary Information Memorandum shall be a reference to that time or day in Malaysia, unless otherwise stated.

No person has been authorized to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of units in the Fund other than those contained in the Information Memorandum and this First Supplementary Information Memorandum or any supplemental therein and, if issued, given or made, such advertisement, information or representations must not be relied upon by an investor. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations in the Information Memorandum and this First Supplementary Information Memorandum will be solely at the risk of the Sophisticated Investor. Sophisticated Investors may wish to consult their independent professional adviser about the suitability of the Fund for their investment needs.

The Manager has the right to reject any application by a US Person. However, if you are investing through our appointed distributor who operates under a nominee system of ownership, kindly consult the respective distributor accordingly.

PERSONAL DATA

As part of our day to day business, we collect your personal information when you apply to open an account with us, subscribe to any of our products or services or communicate with us. In return, we may use this information to provide you with our products or services, maintain our records or send you relevant information. We may use your personal information which includes information on any transactions conducted with us, for one or more of the following purposes, whether in Malaysia or otherwise:

- a. Assess your eligibility or suitability for our products which you had applied for and to verify your identity or financial standing through credit reference checks;
- b. To notify you of more and up to-date information such as improvements and new features to the existing products and services, development of new products, services and promotions which may be of interest to you;
- c. Manage and maintain your account(s) through regular updates, consolidation and improving the accuracy of our records. In this manner we can respond to your enquiries, complaints and to generally resolve disputes quickly so that we can improve our business and your relationship with us;
- d. Conduct research for analytical purposes, data mining and analyse your transactions / use of products and services to better understand your current financial / investment position and future needs. We will also produce data, reports and statistics from time to time, however such information will be aggregated so that your identity will remain confidential;
- e. Comply with the requirements of any law and regulations binding on us such as conducting anti-money laundering checks, crime detection / prevention, prosecution, protection and security;
- f. Enforcement of our rights to recover any debt owing to us including transferring or assigning our rights, interests and obligations under any of your agreement with us;
- g. In the normal course of general business planning, oversight functions, strategy formulation and decision making within AmBank Group;
- h. To administer and develop the Manager's and/or the Manager's associated companies within the AmBank Group business relationship with you;
- i. Outsourcing of business and back-room operations within AmBank Group and/or other service providers; and
- j. Any other purpose(s) that is required or permitted by any law, regulations, standards, guidelines and/or relevant regulatory authorities including with the trustee of the Fund.

Sophisticated Investors are advised to read our latest or updated Privacy Notice (notice provided as required under the Personal Data Protection Act 2010) available on our website at www.aminvest.com. Our Privacy Notice may be revised from time to time and if there is or are any revision(s), it will be posted on our website and/or other means of communication deemed suitable by us. However any revision(s) will be in compliance with the Personal Data Protection Act 2010.

THE REMAINING PAGE IS INTENTIONALLY LEFT BLANK

Unless otherwise provided in this First Supplementary Information Memorandum, all the capitalized terms used herein shall have the same meanings ascribed to them in the Information Memorandum.

A. DEFINITIONS

Page 1 - 3 of the Information Memorandum – 1. DEFINITIONS

1. The definition of “GST”, “GST Law”, “MARC”, “Moody’s” and “S&P” under this section is hereby deleted.
2. The definition of “Sophisticated Investor” under this section is hereby deleted and replaced with the following respectively:-

Sophisticated Investor(s)

Means any person who comes within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA.

B. THE FUND'S DETAILED INFORMATION

Page 5 of the Information Memorandum – 3.1 Fund Information

The disclosure under **Investment strategy** is hereby revised and to be read as follow:-

Investment strategy

The Fund seeks to achieve its objective by investing in bonds with minimum credit rating of A1 by RAM or its equivalent as rated by a local or global rating agency. The Manager will be managing the Fund's bond portfolio by maintaining average duration of not exceeding 5 years and the maximum maturity tenure of the Fund's each bond not exceeding 10.5 years.

The Fund invests in RM-denominated bonds issued by issuers from ASEAN countries.

Page 7 of the Information Memorandum – 3.3 Other Information

The first, fourth and fifth pointer under **Investment Limits and Restrictions** are hereby revised and to be read as follow:-

- i. The Fund may invest in bonds with minimum credit rating of A1 by RAM or its equivalent as rated by a local or global rating agency.
- iv. The Fund's investment in cash, time deposits and money market instruments with maturity more than 12 months is restricted to counterparties that carry a minimum long-term credit rating of AA2 by RAM or its equivalent as rated by a local or global rating agency.
- v. The Fund's investment in cash, time deposits and money market instruments with maturity less than or equal to 12 months is restricted to counterparties that carry a minimum long-term credit rating of A1 by RAM or its equivalent as rated by a local or global rating agency, provided that there are also two short-term ratings of at least P1 by RAM or its equivalent as rated by a local or global rating agency.

C. FEES, CHARGES AND EXPENSES

Page 9 of the Information Memorandum – 4. FEES, CHARGES AND EXPENSES

The entire paragraph immediately after the header of Section 4 “**FEES, CHARGES AND EXPENSES**” is hereby deleted and replaced with the following:-

“Unless stated otherwise, all fees, charges and/or expenses disclosed in the Information Memorandum are exclusive by way of example and not limitation; goods and services tax, value added tax, consumption tax, levies, duties and other taxes as may be imposed by the Government of Malaysia from time to time (collectively known as “Taxes”). If

these fees, charges and/or expenses are subject to any Taxes, such Taxes shall be borne and payable by the Unit Holders and/or the Fund (as the case may be) at the prevailing rate, including any increase or decrease to the rate, in addition to the fees, charges and/or expenses stated herein.”

Page 9 - 10 of the Information Memorandum – 4.2 Ongoing Fees and Expenses

1. The illustration and write-up on **Annual Management Fee** and **Annual Trustee Fee** under Section 4.2 “Ongoing Fees and Expenses” is hereby deleted and replaced with the following:-

(a) Annual Management Fee

An annual management fee of up to 0.75% p.a. of the Fund’s NAV is charged to the Fund. The management fee is calculated on a daily basis and will be paid monthly.

An illustration of the calculation and apportionment of the daily management fee is as follows:-

| | |
|------------------------|----------------|
| | <u>RM</u> |
| Investments | 190,000,000.00 |
| Others (Liquid assets) | 10,000,000.00 |
| NAV (before fees) | 200,000,000.00 |

Management fee for the day:

| | |
|---|----------|
| [(Investments + Liquid assets) x Management fee] ÷ Number of days in a year | |
| = (RM200,000,000.00 x 0.75%) ÷ 365 | 4,109.59 |

(b) Annual Trustee Fee

The Trustee is entitled to an annual trustee fee for acting as trustee to safeguard the interest of Unit Holders and as custodian of the Fund’s asset. This fee is calculated daily and paid monthly. The Trustee fee is up to 0.05% p.a. of the Fund’s NAV.

Assuming the Fund’s NAV is RM200,000,000.00 and the trustee fee is 0.05% p.a. of the NAV of the Fund, then the daily accrued trustee fee would be:-

| | |
|--|-----------|
| | <u>RM</u> |
| Trustee’s fee for the day | |
| (NAV of the Fund x Trustee fee) ÷ Number of days in a year | |
| = (RM200,000,000.00 x 0.05%) ÷ 365 | 273.97 |

D. TRANSACTION INFORMATION

Page 13 of the Information Memorandum – 5.3 Making an Investment

The disclosure under **Step 2 Forms to be completed / Documents to be provided** is hereby revised and to be read as follow:-

**Step 2
Forms to be completed /
Documents required**

FOR INITIAL INVESTMENT

- (a) A full set of account opening form;
- (b) Proof of payment;
- (c) Suitability assessment form;
- (d) Wholesale fund declaration form;
- (e) Specimen signature form;
- (f) Personal Data Protection Act consent form (if applicable);
- (g) FATCA and CRS documentation:
 - Self-certification by individual / entity;
 - W-8BEN / W-8BEN-E Form (if applicable); and
 - W-9 Form (if applicable); and
- (h) Additional documents requested by the Manager (if applicable).

Individual or jointholder

For a single applicant, photocopy of National Registration Identity Card (NRIC) for Malaysian or passport for foreigner.

For joint applicant, photocopy of NRIC for Malaysian or passport for foreigner of first named joint applicant and the subsequent named joint applicant.

Corporate investors

- (a) copy of NRIC / passport of all authorised signatory(ies);
- (b) copy of NRIC / passport of directors / shareholders / partners;
- (c) a certified true copy of the Memorandum and Articles of Association, business registration documents, certificate of registration or its equivalent;
- (d) a certified true copy of Form 24 and 49 or its equivalent;
- (e) an original / extract copy of a board resolution approving investments in the Fund or its equivalent;
- (f) list of authorised personnel to effect any instructions pertaining to the Fund if the list of authorized personnel is not mentioned in the board resolution or its equivalent;
- (g) a copy of the latest audited financial statement of accounts;
- (h) any other approvals required from relevant authorities; and
- (i) any other documents requested by the Manager.

FOR ADDITIONAL INVESTMENT

- (a) Transaction form or letter of instruction (for non-individual or corporate investors only); and
- (b) Proof of payment.

Page 16 of the Information Memorandum – 5.7 Other Relevant Information when Making an Investment

The section on “**Cross Trade**” is hereby revised as follows:-

“Cross Trades

The Manager may conduct cross trades between funds and private mandates it currently manages provided that all criteria imposed by the regulators are met.

Notwithstanding, cross trades between the personal account of an employee of the Manager and the Fund’s account and between the Manager’s proprietary trading accounts and the Fund’s account are strictly prohibited. The execution of cross trade will be reported to the investment committee and disclosed in the Fund’s report accordingly.”

E. THE MANAGEMENT COMPANY

Page 18 of the Information Memorandum – 6. THE MANAGEMENT COMPANY

The information under Section 6.3 “**The Board of Directors**” and Section 6.4 “**Investment Committee**” are hereby deleted.

F. RELATED PARTY TRANSACTIONS OR CONFLICT OF INTEREST

Page 24 of the Information Memorandum – 9. RELATED PARTY TRANSACTIONS OR CONFLICT OF INTEREST

The second and third paragraph under Section 9 “**RELATED PARTY TRANSACTIONS OR CONFLICT OF INTEREST**” are hereby deleted and replaced with the following:-

“Trading in securities by an employee is allowed, provided that the policies and procedures in respect of the personal account dealing are observed and adhered to. The directors, investment committee members and staff shall disclose their portfolio holdings and dealing transactions as required under Conflict of Interest Policy. Further, the abovementioned shall also make disclosure of their holding of directorship and interest in any company.

The directors of AFM may have direct or indirect interest through their directorship in AIFM. Following are the details of the directors:

- Sum Leng Kuang is the independent director of AIFM.
- Tai Terk Lin is the independent director of AIFM.
- Seohan Soo is the non-independent director of AIFM.
- Goh Wee Peng is the non-independent director of AIFM.

For further details of the director’s profile, please refer to our website (www.aminvest.com).

G. ADDITIONAL INFORMATION

Page 25 of the Information Memorandum – 10.2 Keeping Us Informed

The sub-section “Investor feedback” under Section “Keeping Us Informed” is hereby deleted and replaced with the following:

“Investor feedback and complaints

We encourage feedback from you in order for us to upgrade our services to meet your needs. Additionally, if you have any complaints, you may direct your complaints to your personal adviser from our appointed distributor. You may also direct your feedback or complaints to us by contacting our customer service representative at (03) 2032 2888 or email enquiries@aminvest.com. If you wish to write to us, please address your letter to:

AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group,
No. 55, Jalan Raja Chulan,
50200 Kuala Lumpur.”

Page 25 – 26 of the Information Memorandum – 10.3 Other Additional Information

The new section “Anti-Money Laundering (“AML”)/ KYC Obligation on distributor” is inserted immediately after “Customer Identification Program” and to be read as follows:-

“Anti-Money Laundering (“AML”)/ KYC Obligation on distributor

If you have invested in the Fund via a distributor, there may be additional information that the distributor may need to provide to us, which may include information of the distributor’s AML policy, an AML undertaking/declaration by the distributor or its parent company, the release of your particulars and details of ultimate beneficiaries / ultimate beneficiary owners investing in the Fund to us. Without such information being provided, we may be required to reject your subscription or redemption request until such information is provided by the distributor to us.”

Page 26 of the Information Memorandum – 10.4 How Do You Make A Complaint?

The entire section “How Do You Make A Complaint?” is hereby deleted.

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