

ANNOUNCEMENT

NOTICE

To all Unit Holders of AmChina A-Shares

RE: Issuance of the Second Supplementary Information Memorandum in respect of AmChina A-Shares dated 22 June 2021

Dear Valued Unit Holders,

We wish to inform you that we have lodged the **Second Supplementary Information Memorandum** in respect of **AmChina A-Shares** dated **22 June 2021** (the “Second Supplementary Information Memorandum”) with Securities Commission Malaysia and is to be read in conjunction with the Second Replacement Information Memorandum dated 5 May 2020 and the First Supplementary Information Memorandum dated 8 April 2021 for AmChina A-Shares.

The Second Supplementary Information Memorandum is issued to include the following, but not limited to:-

- the update on the definitions of “Stock Connect” and “Target Fund’s Dealing Day”;
- the revision on the investment strategy and principles of the target fund;
- the revision on the definition of dealing day / valuation day of the target fund;
- the revision on the risk management process of the target fund; and
- the revision made to the section on Related Party Transactions or Conflict of Interest

For further details, kindly refer to the summary of list of amendments below.

Should you require further information and clarification, please do not hesitate to contact us at:

Tel: +603-2032 2888

Fax: +602-2031 5210

Email: enquiries@aminvest.com

AmFunds Management Berhad

22 June 2021

Summary List of Amendments for the Second Supplementary Information Memorandum in respect of AmChina A-Shares dated 22 June 2021 (the “Second Supplementary Information Memorandum”) in relation to the Second Replacement Information Memorandum dated 5 May 2020 (the “Second Replacement Information Memorandum”) and the First Supplementary Information Memorandum dated 8 April 2021 (the “First Supplementary Information Memorandum”) for AmChina A-Shares (collectively, the “Information Memorandums”)

Details	Prior disclosure in the Information Memorandums	Revised disclosure in the Second Supplementary Information Memorandum			
<p>Definitions – Stock Connect and Target Fund’s Dealing Day</p>	<p>-</p> <table border="1" data-bbox="431 422 889 642"> <tr> <td data-bbox="431 422 553 642">Target Fund’s Dealing Day</td> <td data-bbox="553 422 889 642">A day on which banks and exchanges in Luxembourg, Hong Kong as well as China in which at least 70% of the investments of the Target Fund are quoted, listed or dealt in, are all open for business, or any other day determined by the board of directors of the Target Fund.</td> </tr> </table>	Target Fund’s Dealing Day	A day on which banks and exchanges in Luxembourg, Hong Kong as well as China in which at least 70% of the investments of the Target Fund are quoted, listed or dealt in, are all open for business, or any other day determined by the board of directors of the Target Fund.	<p>Stock Connect</p>	The program which aims to achieve mutual stock market access between China and Hong Kong.
Target Fund’s Dealing Day	A day on which banks and exchanges in Luxembourg, Hong Kong as well as China in which at least 70% of the investments of the Target Fund are quoted, listed or dealt in, are all open for business, or any other day determined by the board of directors of the Target Fund.				
		<p>Target Fund’s Dealing Day</p>	A day on which banks and exchanges in Luxembourg, Hong Kong as well as China (including Stock Connect northbound trading days) in which at least 70% of the investments of the Target Fund are quoted, listed or dealt in, are all open for business, or any other day determined by the board of directors of the Target Fund.		
<p>Information on Allianz Global Investors Fund – Allianz China A-Shares (the “Target Fund”) - Revision on the investment strategy and principles of the Target Fund.</p>	<p>The investment strategy and principles of the Target Fund are as follows:</p> <ol style="list-style-type: none"> The Target Fund assets may be invested in emerging markets. Maximum 69% of the Target Fund assets may be invested via RQFII. Maximum 20% of the Target Fund assets may be invested in equities of the PRC markets other than the China A-Shares market such as China B-Shares and China H-Shares. Maximum 10% of the Target Fund assets may be invested in equities outside the PRC. The Target Fund assets may not be invested in convertible debt securities including contingent convertible bonds. Maximum 10% of the Target Fund assets may be held directly in deposits and/or invested in money market instruments and/or in debt securities and/or in money market funds for liquidity management Maximum 10% of the Target Fund assets may be invested in close ended funds listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange. Hong Kong Restriction applies. VAG Investment Restriction applies. GITA Restriction (Alternative 1) applies, however at least 70% of the Target Fund assets are invested in equity participation according to article 2, section 8 GITA 	<p>The investment strategy and principles of the Target Fund are as follows:</p> <ol style="list-style-type: none"> The Target Fund assets may be invested in emerging markets. Maximum 69% of the Target Fund assets may be invested via RQFII. Maximum 20% of the Target Fund assets may be invested in equities of the PRC markets other than the China A-Shares market such as China B-Shares and China H-Shares. Maximum 10% of the Target Fund assets may be invested in equities outside the PRC. The Target Fund assets may not be invested in convertible debt securities including contingent convertible bonds. Maximum 10% of the Target Fund assets may be held directly in deposits and/or invested in money market instruments and/or in debt securities and/or in money market funds for liquidity management. Maximum 10% of the Target Fund assets may be invested in close ended funds listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange. Climate Engagement Strategy (including exclusion criteria) applies*. Hong Kong Restriction applies. VAG Investment Restriction applies. GITA Restriction (Alternative 1) applies, however at least 70% of the Target Fund assets are invested in equity participation according to article 2, section 8 GITA <p><i>* Note:- This Target Fund that is managed according to the Climate Engagement Strategy promotes responsible investment by including environmental factors and climate engagement with outcome and proxy voting in the analysis of investments.</i></p> <p><i>It also promotes an environmental characteristic through the engagement with the top ten (10) carbon emitting issuers of the Target Fund to encourage its transition pathway to a low carbon economy by setting objectives targets which are sector specific. Top ten (10) carbon emitting issuers of the portfolio are ranked based upon the carbon emissions of the issuers in the</i></p>			

		<p>portfolio for their Scope 1 and Scope 2 emissions data. Scope 1 aims to measure all direct emissions from the activities of a corporate or under their control. Scope 2 aims to measure all indirect emissions from electricity purchased and used by the corporate based upon the Greenhouse Gas Protocol definition.</p> <p>The Target Fund's investment manager will ensure through the exercise of voting rights to promote good governance and advances environmental issues. The Target Fund's investment manager will engage with issuers regarding their target settings with respect to a climate transition pathway.</p> <p>Governance characteristics are assessed based on the issuer's system of rules, practices, and processes by which it is directed and controlled.</p> <p>In addition, Climate Engagement Strategy applies minimum exclusion criteria for:-</p> <ul style="list-style-type: none"> (i) severe violations of United Nations Global Compact Violators (Divestment of issuers that are unwilling to change after engagement); (ii) issuers involved in the production of controversial weapons or issuers that derive more than a 10% of their revenues from weapons; (iii) issuers that derive more than 10% of their revenue from thermal coal extraction and utility issuers that generate more than 20% of their revenues from coal; and (iv) issuers involved in the production of tobacco, and issuers involved in the distribution of tobacco in excess of 5% of their revenues <p>For sovereign issuers, an insufficient Freedom House Index score is considered.</p> <p>The Target Fund might invest in securities baskets such as indices which can contain securities falling under aforementioned exclusion criteria.</p> <p>The Target Fund's investment manager that applies the Climate Engagement Strategy intends to:-</p> <ul style="list-style-type: none"> - engage with the top ten (10) carbon emitting issuers of securities included in the Target Fund; - engage on climate transition with objective targets <p>Sovereign issuers included in the Target Fund assets will not be engaged with but issued securities to be acquired by the Target Fund will be subject to an SRI rating approach. The percentage of investment into sovereign issuers might vary from fund to fund. Some investments cannot be engaged with or rated according to the SRI rating methodology.</p> <p>The Target Fund's investment manager will, if possible, give preference to transactions with derivatives that serve to fulfil the advertised environmental or social characteristics of this Target Fund that is managed in accordance with the Climate Engagement Strategy.</p>
<p>Information on Allianz Global Investors Fund – Allianz</p>	<p>Dealing Day / Valuation Day Luxembourg / Hong Kong / PRC</p>	<p>Dealing Day / Valuation Day Luxembourg / Hong Kong / PRC (including Stock Connect northbound trading days)</p>

<p>China A-Shares (the "Target Fund") - Revision on the definition of dealing day / valuation day of the Target Fund.</p>		
<p>Information on Allianz Global Investors Fund – Allianz China A-Shares (the "Target Fund") - Revision on the risk management process of the Target Fund.</p>	<p>The Management Company will calculate the global exposure of each Sub-Fund. The Management Company will use for each Sub-Fund either the commitment approach, the relative Value-at-Risk approach or the absolute Value-at-Risk approach. The Management Company is adopting the commitment approach for the Target Fund.</p> <p>The Management Company adopt the commitment approach to limit market risk in respect of the Target Fund. The commitment approach measures the global exposure related solely to positions on financial derivative instruments which are converted into equivalent positions on the underlying assets with the Management Company's total commitment to financial derivative instruments being limited to 100% of the portfolio's total net value after taking into account the possible effects of netting and coverage.</p>	<p>The Management Company will calculate the global exposure of each Sub-Fund. The Management Company will use for each Sub-Fund either the commitment approach, the relative Value-at-Risk approach or the absolute Value-at-Risk approach. The Management Company is adopting the relative Value-at-Risk approach for the Target Fund.</p> <p>The Management Company adopts the relative Value-at Risk approach, whereby the reference portfolio corresponds to the composition of the MSCI China A Onshore Index.</p> <p>The expected level of leverage in terms of gross derivative exposure of the Target Fund's NAV is 0 – 2.</p> <p>The expected level of leverage of derivatives of the Target Fund is expressed as a ratio between the aggregate of the notional values of all derivatives (excluding non-derivative investments) entered into by the Target Fund and the NAV calculated based on the fair market value of all investments (including derivatives). The actual level of leverage of the Target Fund might change over time and might temporarily exceed the expected level of leverage of derivatives of the Target Fund. Derivatives might be used for different purposes including hedging and/or investment purposes. The calculation of the expected level of leverage does not distinguish between the different purposes of a derivative. Therefore, this figure delivers no indication regarding the true riskiness of the Target Fund.</p>
<p>Related Party Transactions or Conflict of Interest</p>	<p>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 arm's length transaction between independent parties. The Fund may have dealings with parties related to the Manager. The related parties defined are Amlslamic Funds Management Sdn Bhd ("AIFM"), AmInvestment Bank Berhad, AmInvestment Group Berhad, AmBank (M) Berhad and AmBank Islamic Berhad.</p> <p>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 employees are required to disclose their portfolio holdings and dealing transactions as required under the Conflict of Interest Policy. Further, the abovementioned shall make disclosure of their holding of directorship and interest in any company.</p> <p>The directors of AFM may have direct or indirect interest through their directorship in AIFM. Following are the details of the directors:</p>	<p>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 arm's length transaction between independent parties. The Fund may have dealings with parties related to the Manager. The related parties defined are Amlslamic Funds Management Sdn Bhd ("AIFM"), AmInvestment Bank Berhad, AmInvestment Group Berhad, AmBank (M) Berhad and AmBank Islamic Berhad.</p> <p>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 employees are required to disclose their portfolio holdings and dealing transactions as required under the Personal Account Dealing Policy and the Management of Conflict of Interest Policy. Further, the abovementioned shall make disclosure of their holding of directorship and interest in any company.</p> <p>The directors of AFM may have direct or indirect interest through their directorship in AIFM. Following are the details of the directors:</p>

	<ul style="list-style-type: none"> • Sum Leng Kuang is the independent director of AIFM. • Tai Terk Lin is the independent director of AIFM. • Goh Wee Peng is the non-independent director of AIFM. <p>For further details of the director's profile, please refer our website (www.aminvest.com).</p> <p>To the best of Trustee's knowledge, there has been no event of conflict of interest or related party transaction which exists between the Trustee and the Manager or any potential occurrence of it.</p>	<ul style="list-style-type: none"> • Sum Leng Kuang is the independent director of AIFM. • Tai Terk Lin is the independent director of AIFM. • Goh Wee Peng is the non-independent director of AIFM. <p>For further details of the directors' profiles, please refer our website (www.aminvest.com).</p> <p>To the best of Trustee's knowledge, there has been no event of conflict of interest or related party transaction which exists between the Trustee and the Manager or any potential occurrence of it.</p>
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