

ANNOUNCEMENT

NOTICE

To all Unit Holders of AmChina A-Shares

RE: Issuance of the Third Supplementary Information Memorandum in respect of AmChina A-Shares dated 16 May 2023

Dear Valued Unit Holders,

We wish to inform you that we have lodged the **Third Supplementary Information Memorandum** in respect of **AmChina A-Shares** dated **16 May 2023** (the “Third Supplementary Information Memorandum”) with Securities Commission Malaysia and is to be read in conjunction with the Second Replacement Information Memorandum dated 5 May 2020, the First Supplementary Information Memorandum dated 8 April 2021 and the Second Supplementary Information Memorandum dated 22 June 2021 for AmChina A-Shares.

The Third Supplementary Information Memorandum is issued to include to the revision on the investment strategy and principles of the target fund.

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:

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AmFunds Management Berhad
16 May 2023

Summary List of Amendments for the Third Supplementary Information Memorandum in respect of AmChina A-Shares dated 16 May 2023 (the “Third 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”) and Second Supplementary Information Memorandum dated 22 June 2021 (the “Second Supplementary Information Memorandum”) for AmChina A-Shares (collectively, the “Information Memorandums”)

Details	Prior disclosure in the Information Memorandums	Revised disclosure in the Third Supplementary Information Memorandum
<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. 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 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.</i></p> <p><i>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.</i></p> <p><i>Governance characteristics are assessed based on the issuer’s system of rules, practices, and processes by which it is directed and controlled.</i></p> <p><i>In addition, Climate Engagement Strategy applies minimum exclusion criteria for:-</i></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 <u>Renminbi Qualified Foreign Institutional Investors (RQFII)</u>. Maximum 20% of the Target Fund assets may be invested in equities of <u>the People’s Republic of China (PRC)</u> 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. <u>Maximum of 25% of the Target Fund assets may be held directly in time deposits and/or (up to 20% of the Target Fund assets) in deposits at sight and/or invested in money market instruments and/or (up to 10% of Target Fund assets) in money market funds for liquidity management.</u> 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. German Investment Tax Act (“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 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.</i></p> <p><i>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.</i></p>

	<p>(i) severe violations of United Nations Global Compact Violators (Divestment of issuers that are unwilling to change after engagement);</p> <p>(ii) issuers involved in the production of controversial weapons or issuers that derive more than a 10% of their revenues from weapons;</p> <p>(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</p> <p>(iv) issuers involved in the production of tobacco, and issuers involved in the distribution of tobacco in excess of 5% of their revenues</p> <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>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> <p>(i) severe violations of United Nations Global Compact Violators (Divestment of issuers that are unwilling to change after engagement);</p> <p>(ii) issuers involved in the production of controversial weapons or issuers that derive more than a 10% of their revenues from weapons;</p> <p>(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</p> <p>(iv) issuers involved in the production of tobacco, and issuers involved in the distribution of tobacco in excess of 5% of their revenues</p> <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 <u>Sustainable and Responsible Investment</u> (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>
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