

# ANNOUNCEMENT

## NOTICE

To all Unit Holders of AmChina A-Shares

**RE: Issuance of the Fourth Supplementary Information Memorandum in respect of AmChina A-Shares dated 18 January 2024**

Dear Valued Unit Holders,

We wish to inform you that we have lodged the Fourth Supplementary Information Memorandum in respect of AmChina A-Shares dated and effective 18 January 2024 (the "Fourth Supplementary Information Memorandum") with Securities Commission Malaysia. The Fourth Supplementary Information Memorandum 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, the Second Supplementary Information Memorandum dated 22 June 2021 and the Third Supplementary Information Memorandum dated 16 May 2023 for AmChina A-Shares.

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

- the update made to the disclosure in "Definitions";
- the update made to the disclosure in "Trustee's Delegate (Custodian)";
- the update made to the disclosure in "Investment Strategy and Asset Allocation";
- the update made to the Target Fund's Information;
- the update made to the sections in Risk Factors, Fees, Charges and Expenses, Transaction Information and Related Party Transactions or Conflict of Interest;
- and
- other updates which are general in nature.

For further details, kindly refer to the summary list of key 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](mailto:enquiries@aminvest.com)

**AmFunds Management Berhad**

18 January 2024

Summary List of Key Amendments for the Fourth Supplementary Information Memorandum in respect of AmChina A-Shares dated 18 January 2024 (the “Fourth Supplementary Information Memorandum”). This Fourth Supplementary Information Memorandum dated 18 January 2024 has to be read in conjunction with the Second Replacement Information Memorandum dated 5 May 2020, the First Supplementary Information Memorandum dated 8 April 2021, the Second Supplementary Information Memorandum dated 22 June 2021 and the Third Supplementary Information Memorandum dated 16 May 2023 for AmChina A-Shares.

| Details    | Prior disclosure in the Information Memorandums | Revised disclosure in the Fourth Supplementary Information Memorandum |   |
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| Definition | -   | <b>VAG Investment Restriction</b>                                     | “Versicherungsaufsichtsgesetz” (VAG) Investment Restriction - as an underlying fund to the extent it invests – irrespective of its specific asset class principles, its individual investment objective and its individual investment restrictions which fully continue to apply – in (1) ABS/MBS may only invest in ABS/MBS which at the time of acquisition have a rating of at least BBB- (Standard & Poor’s and Fitch) or of at least Baa3 (Moody’s) or the equivalent by another Rating Agency or, if unrated, as determined by the investment manager to be of comparable quality, and which are admitted to or included in an official market or if the issuer has its registered offices in a contracting state to the agreement on the EEA or a full member State to the OECD and to the extent it invests in (2) Debt Securities (excluding ABS/MBS) may only invest in |

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|  |  | <p>Debt Securities which at the time of acquisition have a rating of at least B- (Standard &amp; Poor's and Fitch) or of at least B3 (Moody's) or the equivalent by another Rating Agency or, if unrated, as determined by the investment manager to be of comparable quality. In addition, VAG Investment Restriction means that for the case that two different ratings exist the lower rating will be relevant. If three or more different ratings exist the second-highest rating will be relevant. An internal rating by the investment manager can only be taken into account if such internal rating complies with requirements as set out in the BaFin circular 11/2017 (VA). Assets as mentioned in sentence 1 which have been downgraded below the minimum rating as mentioned in sentence 1, must not exceed 3% of underlying fund assets. If assets as described in the aforementioned sentence exceed 3% of the underlying fund assets they must be sold within six months from the day on which the exceeding of the 3% threshold took place, but only to the extent such assets exceed 3% of underlying fund assets. Investment restrictions which are related to a specific VAG investor are not covered by the VAG Investment Restriction.</p> |
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| <p>Corporate Directory –<br/>Trustee and Trustee’s<br/>Delegate (Custodian)</p>               | <p><b><u>TRUSTEE’S DELEGATE (CUSTODIAN)</u></b></p> <p><b>Deutsche Bank (Malaysia) Berhad</b><br/><b>Company number: 312552-W</b></p> <p><b>Registered office</b><br/>Level 18-20, Menara IMC<br/>No. 8, Jalan Sultan Ismail,<br/>50250 Kuala Lumpur<br/>Tel: (03) 2053 6788 Fax: (03) 2031 8710</p>  |   | <p><b><u>TRUSTEE’S DELEGATE (CUSTODIAN)</u></b></p> <p><b>Deutsche Bank (Malaysia) Berhad</b><br/><b>Registration number: 199401026871 (312552-W)</b></p> <p><b>Registered office / Business office</b><br/>Level 19 - 20, Menara IMC,<br/>No. 8 Jalan Sultan Ismail,<br/>50250 Kuala Lumpur</p> |  |
| <p>The Fund’s Detailed<br/>Information –<br/>Investment Strategy<br/>and Asset Allocation</p> | <p><b>Investment Strategy</b></p> <p>A minimum of 95% of the Fund’s NAV will be invested in the Allianz China A-Shares (the “Target Fund”).</p> <p>However, the Manager may adopt temporary defensive strategy by maintaining 100% in liquid assets or cash that may be inconsistent with the Fund’s principal investment and asset allocation strategy. This will be done with consent of the investment committee. In addition, we may choose to replace the Target Fund with another fund with a similar objective, if in our view, the Target Fund no longer meets the Fund’s investment objective, or when acting in the interest of the Unit Holders.</p> <p><i>Note: A replacement of this Target Fund would require Unit Holder’s approval.</i></p> | <p><b>Investment Strategy</b></p> <p>A minimum of 85% of the Fund’s NAV will be invested in the Allianz China A-Shares (the “Target Fund”).</p> <p>However, the Manager may adopt temporary defensive strategy by maintaining 100% in liquid assets or cash that may be inconsistent with the Fund’s principal investment and asset allocation strategy. This will be done with consent of the investment committee. In addition, we may choose to replace the Target Fund with another fund with a similar objective, if in our view, the Target Fund no longer meets the Fund’s investment objective, or when acting in the interest of the Unit Holders.</p> <p><i>Note: A replacement of this Target Fund would require Unit Holder’s approval.</i></p> |  |  |

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|  | <p><b>Asset Allocation</b></p> <p>A minimum of 95% of the Fund's NAV will be invested in the Target Fund while maintaining up to a maximum of 5% of the Fund's NAV in liquid assets.</p> <p><i>Note: The limits on the asset allocation of the Fund may be temporarily exceeded as a result of price movements or due to reasons beyond the control of the Manager. The Manager will rectify such situation within seven (7) business days, taking due account of the interest of its Unit Holders.</i></p>  | <p><b>Asset Allocation</b></p> <p>A minimum of 85% of the Fund's NAV will be invested in the Target Fund while maintaining up to a maximum of 15% of the Fund's NAV in liquid assets.</p> <p><i>Note: The limits on the asset allocation of the Fund may be temporarily exceeded as a result of price movements or due to reasons beyond the control of the Manager. The Manager will rectify such situation within seven (7) business days, taking due account of the interest of its Unit Holders.</i></p>   |
| <p>Risk Factors - Specific risks uniquely associated with the investment portfolio of the fund</p> | <p><b>1. Liquidity Risk</b></p> <p>The Fund will be investing a minimum of 95% of its NAV in the Target Fund. In the event that the Target Fund is forced to dispose its illiquid stocks at a discount to the fair value of the security due to several factors such as large redemptions, the net asset value of the Target Fund would be adversely affected, hence, the NAV of the Fund would also be similarly impacted.</p> <p>There may be exceptional circumstances under which the liquidity of securities held by the Target Fund cannot be guaranteed and this will in turn cause delays in the redemption of units in the Target Fund and the Fund. The exceptional circumstances are as follows:</p> <p>a) the Target Fund may experience redemption applications and conversion applications (with</p> | <p><b>1. Liquidity Risk</b></p> <p>The Fund will be investing a minimum of 85% of its NAV in the Target Fund. In the event that the Target Fund is forced to dispose its illiquid stocks at a discount to the fair value of the security due to several factors such as large redemptions, the net asset value of the Target Fund would be adversely affected, hence, the NAV of the Fund would also be similarly impacted.</p> <p>There may be exceptional circumstances under which the liquidity of securities held by the Target Fund cannot be guaranteed and this will in turn cause delays in the redemption of units in the Target Fund and the Fund. The exceptional circumstances are as follows:</p> <p>a) the Target Fund may experience redemption applications and conversion applications (with</p> |

reference to their redemption portion) exceed 10% of the shares in circulation of the Target Fund on a dealing day, the Company may also decide to suspend redemption applications in excess of 10% of the shares in circulation for a period of time that the Company considers to be in the best interest of the Target Fund, such suspension should not exceed three dealing days; and

- b) the existence of specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Target Fund manager's control which will make it impossible to transfer the redemption proceeds as requested by the Fund.

In any of the above circumstances, the determination of the Fund's NAV may be suspended and redemption requests may be deferred or partially deferred, until after the exceptional circumstances have passed and normal conditions have resumed.

**2. Risk of a Passive Strategy**

As the Fund adopts a passive strategy of investing a minimum of 95% of its NAV into the Target Fund at all times, this strategy would result in the Fund being exposed to the risk of its NAV declining when the Target Fund's NAV declines. This is because the Fund is closely mirroring the performance of the Target Fund and will not be adopting any temporary defensive strategies in response to such declines. All investment decisions are left with the fund manager of the Target Fund.

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**2. Risk of a Passive Strategy**

As the Fund adopts a passive strategy of investing a minimum of 85% of its NAV into the Target Fund at all times, this strategy would result in the Fund being exposed to the risk of its NAV declining when the Target Fund's NAV declines. This is because the Fund is closely mirroring the performance of the Target Fund and will not be adopting any temporary defensive strategies in response to such declines. All investment decisions are left with the fund manager of the Target Fund.

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| <p>Information on Allianz Global Investors fund – Allianz China A-Shares (The Target Fund) - Investment Objective and Restrictions</p> | <p>The investment strategy and principles of the Target Fund are as follows:</p> <ul style="list-style-type: none"> <li>a) The Target Fund assets may be invested in emerging markets.</li> <li>b) Maximum 69% of the Target Fund assets may be invested via Renminbi Qualified Foreign Institutional Investors (RQFII).</li> <li>c) Maximum 20% of the Target Fund assets may be invested in equities of the People’s Republic of China (PRC) markets other than the China A-Shares market such as China B-Shares and China H-Shares.</li> <li>d) Maximum 10% of the Target Fund assets may be invested in equities outside the PRC.</li> <li>e) The Target Fund assets may not be invested in convertible debt securities including contingent convertible bonds.</li> <li>f) 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.</li> <li>g) Maximum 10% of the Target Fund assets may be invested in close ended funds listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange.</li> <li>h) Climate Engagement Strategy (including exclusion criteria) applies*.</li> <li>i) Hong Kong Restriction applies.</li> <li>j) VAG Investment Restriction applies.</li> <li>k) 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</li> </ul> | <p>The investment policy is geared towards capital growth over the long term. The Target Fund will seek to achieve its investment objective primarily through investment in the A-Share equity markets of the People’s Republic of China (“PRC”) in accordance with the environmental, social and governance (“ESG”) score strategy. In this context, the aim is to outperform the Target Fund’s weighted average ESG score compared to weighted average ESG score of Target Fund’s benchmark to achieve the investment objective of the Target Fund.</p> <p>Detailed below are excerpts of the investment principles applicable to Allianz China A-Shares set out in the Company’s prospectus dated 30 May 2023, which may be amended from time to time. If you need more information, kindly visit their website at <a href="http://www.allianzgi.sg">http://www.allianzgi.sg</a></p> <p>The investment strategy and principles of the Target Fund are as follows: -</p> <ul style="list-style-type: none"> <li>a) The Target Fund’s assets may be invested in emerging markets.</li> <li>b) Maximum 69% of the Target Fund’s assets may be invested via Renminbi Qualified Foreign Institutional Investors (RQFII).</li> <li>c) Maximum 20% of the Target Fund’s assets may be invested in equities of the People’s Republic of China (PRC) markets other than the China A-Shares market such as China B-Shares and China H-Shares.</li> <li>d) Maximum 10% of the Target Fund’s assets may be invested in equities outside the PRC.</li> </ul> |
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*\* 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.*

*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.*

*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.*

*Governance characteristics are assessed based on the issuer's system of rules, practices, and processes by which it is directed and controlled.*

*In addition, Climate Engagement Strategy applies minimum exclusion criteria for:-*

- e) The Target Fund's assets may not be invested in convertible debt securities including contingent convertible bonds.
- f) Maximum of 25% of the Target Fund's assets may be held directly in time deposits and/or (up to 20% of the Target Fund's assets) in deposits at sight and/or invested in money market instruments and/or (up to 10% of Target Fund's assets) in money market funds for liquidity management.
- g) Maximum 10% of the Target Fund's assets may be invested in close ended funds listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange.
- h) ESG Score Strategy (including exclusion criteria) applies.
- i) Minimum 80% of the Target Fund's portfolio shall be evaluated by ESG Scores. Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g., cash and deposits).
- j) The Target Fund's investment objective shall be achieved by an outperformance of the Target Fund's weighted average ESG score compared to weighted average ESG Score of the Target Fund's Benchmark.
- k) Hong Kong restriction applies.
- l) VAG investment restriction applies.
- m) German investment tax act ("GITA") restriction (alternative 1) applies, however at least 70% of the Target Fund's assets are invested in equity participation according to article 2, section 8 GITA.



- (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*

*For sovereign issuers, an insufficient Freedom House Index score is considered.*

*The Target Fund might invest in securities baskets such as indices which can contain securities falling under aforementioned exclusion criteria.*

*The Target Fund's investment manager that applies the Climate Engagement Strategy intends to:-*

- engage with the top ten (10) carbon emitting issuers of securities included in the Target Fund;*
- engage on climate transition with objective targets*

*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 Sustainable and Responsible Investment (SRI) rating approach. The percentage of investment into sovereign issuers might vary from fund to fund. Some*

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|   | <p><i>investments cannot be engaged with or rated according to the SRI rating methodology.</i></p> <p><i>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.</i></p>  |  |
| Fees, Charges and Expenses                        | -  | Revision of calculation of "Annual Management Fee" under Section "Ongoing Fees and Expenses".  |
| Transaction Information                           | -  | Revision of illustration of the computation of the NAV per unit under "NAV per Unit of the Class(es)".   |
| Related Party Transaction or Conflict of Interest | <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 AmIslamic 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>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 AmIslamic 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> |

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|  | <p>The directors of AFM may have direct or indirect interest through their directorship in AIFM. Following are details of the directors:</p> <ul style="list-style-type: none"> <li>• Sum Leng Kuang is the independent director of AIFM.</li> <li>• Tai Terk Lin is the independent director of AIFM.</li> <li>• Goh Wee Peng is the non-independent director of AIFM.</li> </ul> <p>For further details of the director’s profile, please refer to our website (<a href="http://www.aminvest.com">www.aminvest.com</a>).</p> <p>To the best of the 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> | <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> |
| <p>Additional Information<br/>– Keeping you informed</p> | <p><b><u>Internet</u></b></p> <p>We publish updated information on our website <a href="http://www.ambankgroup.com">www.ambankgroup.com</a> or <a href="http://www.aminvest.com">www.aminvest.com</a>.</p>   | <p><b><u>Internet</u></b></p> <p>We publish updated information on our website <a href="http://www.aminvest.com">www.aminvest.com</a>.</p>  |