

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Select Income Fund

Date of issuance: 17 September 2021

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors and/or authorized committee and/or persons approved by the Board of Affin Hwang Asset Management Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of the Affin Hwang Select Income Fund ("the Fund") and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission of Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Affin Hwang Asset Management Berhad responsible for the Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.



YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

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This Product Highlights Sheet only highlights the key features and risks of this Fund. Investors are advised to request, read and understand the Prospectus of the Fund before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

AFFIN HWANG SELECT INCOME FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

Affin Hwang Select Income Fund is an open-ended fixed income fund, issued and managed in-house by the Manager.

The Fund's investment objective is to provide investors with a steady and regular income stream in the form of distributions over the medium to longer term.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is designed for retail investors who are relatively conservative with a bias towards receiving regular income and want a meaningful medium to long-term capital growth.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch date	6 January 2005
Tenure	This Fund is an open-ended fund where it does not have a fixed maturity date and may only be terminated in accordance with the terms of the Prospectus and the provisions of the Deed.
Benchmark	70% Maybank 12-month fixed deposit rate (for fixed income investment) and 30% Dow Jones/Asia Pacific Select Dividend 30 Index (for equities investment)*. * The risk profile of this Fund is different from the risk profile of the benchmark
Investment strategy	The Fund will focus on achieving its objective by investing in a diversified portfolio consisting a minimum of 70% of its NAV in debentures, money market instruments and/or deposits, and a maximum of 30% of its NAV in equities. The portfolio composition is aimed at providing investors with a regular income, as well as potential capital growth through price appreciation of its investments. Foreign investments For the Fund's exposure into debentures, the Fund will hold the ability to access investment opportunities through issuances made in global markets. While the Fund's exposure into equities will have a similar flexibility, we will look towards a minimum of 80% of the Fund's equity exposure into companies listed within the Asia Pacific ex Japan region, and have the flexibility to invest up to 20% of the Fund's equity exposure into companies listed on global markets outside the Asia Pacific ex Japan region. Nevertheless, the Fund will invest only into countries where the regulatory authorities are ordinary or associate members of the International Organization of Securities Commissions (IOSCO). Derivatives Derivative trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. Future and forward contracts are generally contracts between two parties to trade an asset at an agreed price on

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	a pre-determined future date. Swaps, whereas, is an agreement to swap or exchange two financial instruments between two parties. Structured Products We may also invest into structured products such as, but not limited to, equity linked notes, and credit linked notes. Investment into these structured products will provide the Fund with the exposure to the reference asset. 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 negatively impact the financial markets. To manage the risk of the Fund, we may shift the Fund's focus and exposure into lower risk investments such as money market instruments and/or deposits.	
Asset allocation	Asset Class	% of the Fund's NAV
	Debentures, money market instruments and/or deposits	Minimum of 70%
	Equities	Maximum of 30%
Distribution policy	Subject to the availability of income, the Fund will distribute income on a quarterly basis. However, the amount of income available for distribution may fluctuate from year to year.	
Minimum initial investment*	MYR 1,000	
Minimum additional investment*	MYR 100	
Minimum units held*	500 Units	

Note: Please refer to the Fund's Prospectus for further details of the Fund.

4. Who am I investing with?

Relevant parties' information:

The Manager	Affin Hwang Asset Management Berhad
Manager's Delegate (Fund Accounting and Valuation Agent)	HSBC (Malaysia) Trustee Berhad
The Trustee	HSBC (Malaysia) Trustee Berhad
The Trustee's Delegate (Local & Foreign Asset)	The Hong Kong and Shanghai Banking Corporation Limited (as custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (<i>Local Asset</i>) The Hong Kong and Shanghai Banking Corporation Limited (<i>Foreign Asset</i>)

5. What are the possible outcomes of my investment?

This is a mixed asset fund that invests in a diversified portfolio of debentures and equities within the domestic and investable foreign markets.

The performance of the Fund would be dependent on the debentures and equity markets that are investable by the Fund. The Fund's performance is reliant on the Manager's expertise in managing the Fund to meet its objective.

* At our discretion, we may reduce the transaction value and Units, including for transactions made via digital channels, subject to the terms and conditions disclosed in the respective channels.

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Unlike fixed deposits which generally provide a guarantee on capital invested and carry specific rate of return, the Fund's investments into debentures do not provide a guarantee on capital contributed nor does it guarantee a fixed rate of return.

The Fund's investment into equities would to a great extent, be linked to the price movements of the equity markets. If the equities that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the equities that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively.

The Fund endeavours to distribute income, if any, on a quarterly basis. However, the amount of income available for distribution may fluctuate from year to year.

KEY RISKS

6. What are the key risks associated with this product?

General risks

- **Market risk** - Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.
- **Fund management risk** - This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraudulent, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
- **Performance risk** - There is no guarantee in relation to the investment returns or on the distribution to Unit Holders.
- **Inflation risk** - This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
- **Liquidity risk** - 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.
- **Operational risk** - This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or may be fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to you.
- **Loan financing risk** - This risk occurs when you take a loan or financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan.

Specific risks

- **Stock specific risk** - Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV
- **Credit and default risk** - Credit risk relates to the creditworthiness of the issuers of the debentures or money market instruments (hereinafter referred as "investment") and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.
- **Interest rate risk** - This risk refers to the impact of interest rate changes on the valuation of debentures or money market instruments (hereinafter referred as "investment"). When interest rates rise, the investment prices generally decline and this may lower the market value of the investment. The reverse may apply when interest rates fall.
- **Structured products risk** - The NAV of the Fund will be impacted by the valuation of the structured product. Factors that may impact the valuation of the structured products will include, but not be limited to movement of the

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underlying asset, volatility of the underlying assets, interest rate levels, the correlation of the underlying assets and other such factors. Any change in the aforesaid factors would either positively or negatively impact the valuation of the structured products hence impacting the NAV of the Fund. As such, the Fund's NAV will be exposed to potential price volatility, which will be dependent on the valuation of the structured products that the Fund invested in.

- **Warrants investment risk** - The value of the warrants will depend on the pricing of the underlying security whereby the growth and performance prospect of the underlying security would consequentially affect the value of the warrants.
- **Country risk** - Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests.
- **Currency risk** - As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
- **Regulatory risk** - The investments of the Fund would be exposed to changes in the laws and regulations in the countries the Fund is invested in. These regulatory changes pose a risk to the Fund as it may materially impact the investments of the Fund.

Note: Please refer to the Fund's Prospectus for further details on the general and specific risks.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not possible to protect investments against all risks. You are recommended to read the whole Prospectus to assess the risks associated with the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

PERFORMANCE

Average Total Return

	1 Year (1/3/20 – 28/2/21)	3 Year (1/3/18 – 28/2/21)	5 Year (1/3/16 – 28/2/21)	10 Year (1/3/11 – 28/2/21)	Since Commencement (27/1/05 – 28/2/21)
Fund	4.75%	3.71%	5.44%	6.25%	6.94%
Benchmark	3.52%	1.19%	2.86%	4.46%	4.49%

Source: Bloomberg/Lipper

Annual Total Return

Financial Year End	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund	4.75%	6.82%	-0.29%	6.70%	9.51%	3.47%	9.42%	1.72%	13.07%	7.98%
Benchmark	3.52%	-0.72%	0.82%	-1.43%	12.76%	0.31%	15.35%	8.62%	3.22%	3.79%

Source: Bloomberg/Lipper

For the period under review i.e. 1 March 2020 to 28 February 2021, the Fund registered a return of 4.75% compared to the benchmark return of 3.52% .

Since commencement, the Fund registered a total return of 194.39%, outperforming the benchmark total return of 102.78%.

Effective 18 July 2015, the benchmark of the Fund have been changed from JP Morgan Asia Credit Investment Grade Index, weighting at 70% for the fixed income investments and Dow Jones/Asia Pacific Select Dividend 30 Index, weighting at 30% for the equities investment to Maybank 12- month fixed deposit rate, weighting at 70% for the fixed income investments and Dow Jones/Asia Pacific Select Dividend 30 Index, weighting at 30% for the equities investment which is reflective of the asset allocation and investment strategy of the Fund. The Maybank 12-month fixed deposit rate has been selected as it aims to reflect the performance of the investment opportunities related to investments into fixed income instruments. The Maybank 12-month fixed deposit rate represents the performance benchmark relating to interest bearing instruments.

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Please note that the change in the benchmark will not impact nor change the asset allocation or investment strategy of the Fund.

Basic of calculation and assumption made in calculating the returns

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

Capital return = NAV per Unit end / NAV per Unit begin – 1

Income return = Income distribution per Unit / NAV per Unit ex-date

Total return = (1+Capital return) x (1+Income return) – 1

Income Distribution

Financial Year End	2021	2020	2019
Gross distribution per Unit (sen)	2.75	2.50	2.50
Net distribution per Unit (sen)	2.75	2.50	2.50

Distribution will be made in the form of cash as well as Units in lieu of cash, if any.

Portfolio Turnover Ratio (PTR)

Financial Year End	2021	2020	2019
PTR (times)	0.98	1.88	1.46

The Fund has recorded a lower PTR due to lesser trading activities during the period under review.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

FEES & CHARGES

7. What are the fees and charges involved?

There are fees and charges involved and you are advised to consider them before contributing to the Fund.

What will I be charged by the Manager?

Sales charge	Up to 3.00% of the NAV per Unit of the Fund. <i>Investors may negotiate for a lower charge.</i>
Repurchase charge	There will be no Repurchase Charge for this Fund.
Switching fee	The Manager does not impose any switching fee. However, if the amount of sales charge of the fund (or class) that the Unit Holder intends to switch into is higher than the sales charge imposed by the fund (or class) being switched from, then the difference in the sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.
Transfer fee	There will be no transfer fee imposed on the transfer facility.

What are the key ongoing fees charged to the Fund?

Management fee	Up to 1.50% of the NAV of the Fund per annum.
Trustee fee	Up to 0.07% per annum of the NAV of the Fund, subject to a minimum of MYR18,000 per annum (excluding foreign custodian fees and charges)

Note: Please refer to the Prospectus for further explanation and illustration on the Fund's fees, charges and expenses.

ALL FEES AND CHARGES PAYABLE BY YOU ARE SUBJECT TO ALL APPLICABLE TAXES AND / OR DUTIES AS MAY BE IMPOSED BY THE GOVERNMENT AND / OR THE RELEVANT AUTHORITIES FROM TIME TO TIME.

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VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

The Fund will be valued on every Business Day and you may obtain the NAV and NAV per Unit of the Fund from our website at www.affinhwangam.com, our customer service via our toll free number 1-800-88-7080 or email to customercare@affinhwangam.com.

9. How can I exit from this investment and what are the risks and costs involved?

You may request to redeem your investments in the Fund at any point in time by completing the repurchase application form and returning it to us on any Business Day between 8.45 a.m. and 3.30 p.m. Payments will be made to you within 10 days from the day the repurchase request is received by us and provided that all documentations are completed and verifiable.

CONTACT INFORMATION

10. Who should I contact for further information or to lodge a complaint?

1. For internal dispute resolution, you may contact our customer service personnel:

- | | | |
|-----------------------|---|---|
| (a) via phone to | : | 03 – 2116 6000 |
| (b) via fax to | : | 03 – 2116 6100 |
| (c) via toll free no. | : | 1-800-88-7080 |
| (d) via email to | : | customercare@affinhwangam.com |
| (e) via letter | : | Affin Hwang Asset Management Berhad
Ground Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur |

Complaints should be made in writing with the following information:

- (a) particulars of the complainant which include name, correspondence address, contact number, e-mail address (if any) and other relevant information;
- (b) circumstances of the non-compliance or improper conduct;
- (c) parties alleged to be involved in the improper conduct; and
- (d) other supporting documentary evidence (if any).

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Centre (SIDREC):

- | | | |
|-------------------|---|---|
| (a) via phone to | : | 03-2282 2280 |
| (b) via fax to | : | 03-2282-3855 |
| (c) via email to | : | info@sidrec.com.my |
| (d) via letter to | : | Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1 Level 9, Tower A, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur |

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

- | | | |
|---|---|--|
| (a) via phone to the Aduan Hotline at | : | 03 – 6204 8999 |
| (b) via fax to | : | 03 – 6204 8991 |
| (c) via e-mail to | : | aduan@seccom.com.my |
| (d) via online complaint form available at www.sc.com.my | : | |
| (e) via letter to | : | Investor Affairs & Complaints Department
Securities Commission Malaysia, No 3 Persiaran Bukit
Kiara, Bukit Kiara, 50490 Kuala Lumpur |

4. Federal of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- | | | |
|--|---|--|
| (a) via phone to | : | 03 – 20923800 |
| (b) via fax to | : | 03 – 20932700 |
| (c) via e-mail to | : | complaints@fimm.com.my |
| (d) via online complaint form available at | : | www.fimm.com.my |
| (e) via letter to | : | Legal, Secretarial & Regulatory Affairs |

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Federal of Investment Managers Malaysia
 19-06-1, 6th Floor Wisma Tune, No. 19, Lorong Dungun
 Damansara Heights, 50490 Kuala Lumpur

APPENDIX : GLOSSARY

Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
Business Day	Means a day on which Bursa Malaysia is open for trading.
Deed	Refers to the deed dated 9 December 2004, first supplemental deed dated 16 November 2005, second supplemental deed dated 18 June 2007, third supplemental deed dated 15 October 2008, fourth supplemental deed dated 18 January 2012, fifth supplemental deed dated 27 June 2014, sixth supplemental deed dated 22 July 2015, seventh supplemental deed dated 28 April 2017 and eighth supplemental deed dated 5 October 2018 entered into between the Manager and the Trustee.
deposit(s)	Has the same meaning as the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
Fund	Refers to the Affin Hwang Select Income Fund.
long-term	Means a period of more than five (5) years.
the Manager/AHAM	Refers to Affin Hwang Asset Management Berhad.
medium to long-term	Means a period between three (3) to five (5) years.
MYR	Means Ringgit Malaysia.
Net Asset Value or NAV	Means the value of the Fund's assets less the value of the Fund's liabilities at a particular valuation point except that, for the purpose of computing the annual management fee and the annual trustee fee, the NAV of the Fund should be inclusive (that is, before any deduction) of the management fee and the trustee fee for the relevant day.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
Prospectus	Means the prospectus of the Fund and includes any supplementary or replacement prospectus, as the case may be.
Repurchase Charge	Means a fee imposed pursuant to a repurchase request.
Sales Charge	Means a fee imposed pursuant to a purchase request.
SC	Means Securities Commission Malaysia.
Trustee	Refers to HSBC (Malaysia) Trustee Berhad.
Unit(s)	Means a measurement of the right or interest of a Unit Holder in the Fund.
Units in Circulation	Means Units created and fully paid and which have not been cancelled. It is also the total number of Units issued at a particular valuation point.
Unit Holder(s), investor(s), you	Means the person / corporation registered as the holder of a Unit or Units including persons jointly registered.

Note:

Reference to "day(s)" in the Prospectus will be taken to mean calendar day(s) unless otherwise stated.

Reference to first person pronouns such as "we", "us" or "our" in the Prospectus means the Manager/AHAM.