

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Select Asia Pacific (ex Japan) REITs Fund *(formerly known as Affin Hwang Select Asia Pacific (ex Japan) REITs and Infrastructure Fund)*

Date of issuance: 16 March 2020

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 199701014290 (429786-T) 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 Asia Pacific (ex Japan) REITs 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.

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 ASIA PACIFIC (EX JAPAN) REITs FUND *(formerly known as Affin Hwang Select Asia Pacific (ex Japan) REITs and Infrastructure Fund)*

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

The Fund is an open-ended fund-of-funds, issued and managed in-house by the Manager. The Fund is an income and growth based fund that seeks to provide both income and capital appreciation over the medium to long-term by investing in real estate investment trusts (REITs) in the Asia Pacific (ex Japan).

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is designed for retail investors who have medium risk tolerance and are seeking potential long-term income and capital growth over a medium to long-term investment horizon.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	25 April 2007
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.
Base Currency	MYR
Benchmark	FTSE EPRA Nareit Asia ex Japan REITs Index <i>Source: FTSE EPRA Nareit Asia ex Japan REITs Index at http://www.ftse.com The risk profile of this Fund is different from the risk profile of the benchmark.</i>
Investment Strategy	<p>The Fund aims to achieve its objective by investing a minimum of 90% of its NAV in at least five (5) collective investment schemes, with at least 80% of the Fund's NAV in real estate investment trusts (REITs) listed on and/or traded in Bursa Malaysia and any other markets where the regulatory authority is an ordinary or associate member of the IOSCO, where the focus will be in Asia Pacific (ex Japan) countries, and a maximum of 10% of the Fund's NAV in money market instruments and/or fixed deposits.</p> <p>The Fund's exposure in REITs will provide a steady stream of dividend yield and income. Accordingly, we will take into consideration dividend yield, quality of income flow, liquidity, quality of management and its strategy, and the property portfolio characteristics when selecting the REITs.</p> <p>We typically take an active trading policy where we look to maintain some core holdings that are held over the medium to long term which is similar to a buy and hold strategy. We will also maintain a trading portion for the portfolio, which we use to take advantage by participating in investment opportunities that are set to benefit from prevailing market conditions, with the aim of boosting the Fund's performance.</p> <p>To achieve its objective, the Fund will also have the flexibility of investing up to 10% of its NAV in other collective investment schemes that are relevant and consistent with the objective of the Fund.</p> <p>As the Fund was previously a mixed assets fund, the reallocation of the Fund's assets will be for a period of 3 months effective from the date of the Prospectus. During the said period, the</p>

Asset Management

	<p>Fund will gradually dispose its infrastructure-related equities holdings and invest the proceeds in REITs and/or REITs-related CIS and REITs exchange trade funds (ETFs).</p> <p>Derivatives</p> <p>Derivative trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts. Forward contracts are generally a customised contract between two parties who agree to trade an asset at an agreed price on a pre-determined future date.</p> <p>The intention for hedging trade is to protect the value of the portfolio, as such, these contracts are entered into to transfer the risk associated to the underlying assets to its counterparty. The financial derivative transaction carried out will allow the Fund to mitigate foreign currency exchange risk by removing the uncertainty of foreign currency movement by determining an agreed rate for an agreed tenure with its counterparty. While these hedging transactions would protect the Fund against potential losses, trades for hedging purposes would also limit the returns that the Fund may have potentially received from foreign exchange gains would the Fund not have hedged its foreign currency exposure.</p> <p>Temporary Defensive Position</p> <p>We will 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 impact financial markets. To manage the risk of the Fund, we may shift the Fund's focus and exposure into risk investments such as money market instruments and/or deposits.</p>						
Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Collective investment schemes</td> <td>Minimum 90%</td> </tr> <tr> <td>Money market instruments and/or deposits</td> <td>Maximum 10%</td> </tr> </tbody> </table>	Asset Class	% of the Fund's NAV	Collective investment schemes	Minimum 90%	Money market instruments and/or deposits	Maximum 10%
Asset Class	% of the Fund's NAV						
Collective investment schemes	Minimum 90%						
Money market instruments and/or deposits	Maximum 10%						
Distribution Policy	Subject to the availability of income, the Fund will distribute income on an annual basis. However, the amount available for distribution may fluctuate from time to time.						
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 Custodian)	<p>The Hong Kong and Shanghai Banking Corporation Limited (as custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd & HSBC Bank Malaysia Berhad (<i>Local Custodian</i>)</p> <p>HSBC Institutional Trust Services (Asia) Limited (<i>Foreign Custodian</i>)</p>

* At our discretion, we may reduce the minimum initial investment amount, minimum additional investment amount and minimum holding of Units.

Asset Management

5. What are the possible outcomes of my investment?

The Fund's investment into REITs could potentially provide you with dividend yield which generate income. However, the Fund's investment into REITs does not provide a guarantee on capital contributed nor does it guarantee a fixed rate of return.

Subject to the availability of income, the Fund will distribute income on an annual basis. However, the amount available for distribution may fluctuate from time to time.

Please note that the Fund does not guarantee your investment capital nor the returns from the Fund.

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, fraud, 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

- **Risk associated with investment in Real Estate Investment Trusts (REITs)** – As the Fund's investment are primarily in the real estate sector, it is exposed to unexpected declines in real estate's value, unexpected introduction and implementation of local property taxation law. In addition, increase in interest rates and real estate borrowing costs, as well as charges in property taxes and a decline rental demand can negatively impact the income gained from the properties which is unfavourable to the Fund's performance.
- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the money market instruments (hereinafter referred to 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 money market instruments (hereinafter referred to 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.
- **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.

Asset Management

- **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 on further detail of each risk.

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 (1/5/18 - 30/4/19)	3 Years (1/5/16 - 30/4/19)	5 Years (1/5/14 - 30/4/19)	10 Years (1/5/09 - 30/4/19)	Since Commencement (16/5/07 - 30/4/19)
Fund	-4.13%	3.23%	5.12%	7.87%	2.27%
Benchmark	6.52%	3.56%	6.58%	6.95%	2.67%

Source: Bloomberg/Lipper

Annual Total Return

Financial Year End ("FYE")	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fund	-4.13%	0.95%	13.66%	-0.29%	17.01%	0.45%	29.82%	-3.81%	8.77%	21.91%
Benchmark	6.52%	-5.63%	10.50%	-1.49%	25.69%	-3.10%	26.09%	-2.49%	7.28%	11.38%

Source: Bloomberg/Lipper

For the period under review i.e. 1 May 2018 to 30 April 2019, the Fund registered a return of -4.13% as compared to the benchmark return of 6.52%.

The above returns reflect the Fund's former mandate as a mixed asset fund investing in REITs and infrastructure-related companies with a composite benchmark of 75% MSCI All Country Asia ex Japan Infrastructure Index and 25% Bloomberg Asia Real Estate Investment Trust Index.

Effective 16 March 2020, the composite benchmark is changed from 75% MSCI All Country Asia ex Japan Infrastructure Index and 25% Bloomberg Asia Real Estate Investment Trust Index to FTSE EPRA Nareit Asia ex Japan REITs Index which is reflective of the revised asset allocation and revised 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 = Capital return * income return -1

Income Distribution

FYE	2019	2018	2017
Gross distribution per Unit (sen)	-	2.50	2.15
Net distribution per Unit (sen)	-	2.50	2.15

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

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Portfolio Turnover Ratio (PTR)

FYE	2019	2018	2017
PTR (times)	2.12	2.07	1.80

The Fund's PTR was higher than previous year given the higher average sum of acquisition and disposal 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 5.50% of the NAV per Unit of the Fund <i>Investors may negotiate for a lower charge.</i> <i>Note: The Sales Charge for investors purchasing Units through the EMIS shall be limited to a maximum charge of 3% of the NAV per Unit or as determined by the EPF.</i>
Repurchase charge	There will be no Repurchase Charge levied on any repurchase of Units of the Fund.
Switching fee	There will be no switching fee for this Fund.
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 1.80% per annum of the NAV of the Fund.
Trustee fee	Up to 0.07% per annum of the NAV of the Fund (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.

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.

If you invest through the EMIS, we will remit the repurchase proceeds to EPF by crediting back into your EPF account. If you are above the age of fifty five (55) years old and invest through the EMIS, we will remit the repurchase proceeds to you directly.

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
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 15 March 2007, first supplemental deed dated 18 June 2007, second supplemental deed dated 15 October 2008, third supplemental deed dated 18 January 2012, fourth supplemental deed dated 2 May 2012, fifth supplemental deed dated 8 May 2013, sixth supplemental master deed dated 27 June 2014, seventh supplemental master deed dated 28 April 2017, eighth supplemental deed dated 19 September 2017, ninth supplemental deed dated 5 October 2018 and tenth supplemental deed dated 9 October 2019 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.
EMIS	EPF Members' Investment Scheme.
EPF	Employees Provident Fund.
Fund	Refers to Affin Hwang Select Asia Pacific (ex Japan) REITs Fund.
IOSCO	International Organization of Securities Commissions.
long-term	Means a period of more than five (5) years.
the Manager, we, us, our	Refers to Affin Hwang Asset Management Berhad.
medium to long-term	Means a period between three (3) to five (5) years
MYR	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.
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 for 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	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.
Unit(s) 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.