

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Aiiman Asia (ex Japan) Growth Fund

Date of issuance: 21 August 2020

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of Affin Hwang Asset Management Berhad (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 omission 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 Aiiman Asia (ex Japan) Growth 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 AIIAMAN ASIA (EX JAPAN) GROWTH FUND
BRIEF INFORMATION ON THE PRODUCT
1. What is this product about?

Affin Hwang Aiiaman Asia (ex Japan) Growth Fund is an open-ended Shariah-compliant equity fund which seeks to provide investors with capital appreciation by investing in Shariah-compliant investments.

PRODUCT SUITABILITY
2. Who is this product suitable for?

The Fund is designed for retail investors who seek Shariah-compliant investments, potential capital growth, have a medium to long term investment horizon and are risk tolerant.

KEY PRODUCT FEATURES
3. What am I investing in?

Classes	RM Class	AUD Class	GBP Class	SGD Class	USD Class
Launch Date	14 December 2015				
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	RM				
Investment Strategy	<p>The Fund will focus on achieving its objective by investing in a diversified portfolio consisting a minimum of 70% of the Fund's NAV in Shariah-compliant equities and a maximum 30% of the Fund's NAV in Islamic money market instruments and/or Islamic deposits.</p> <p>As the Fund focuses on participating in growth opportunities within the Asian (ex Japan) region, the Fund's investments will be primarily into equities listed or issued within the Asian (ex Japan) markets. Secondly, the Fund will also hold the flexibility to invest up to a maximum of 30% of the Fund's NAV into opportunities outside the Asian (ex Japan) markets to capitalise on sectors and/or markets that would benefit from the growth prospects of the Asian (ex Japan) region.</p> <p>While the Fund's core investments will remain in Shariah-compliant equities, the Fund holds the option to invest into Islamic money market instruments and Islamic deposits. The selection will depend largely on its credit quality where the respective issuers display strong ability to meet their financial obligations, healthy cash-flow, the collateral type, value, claims priority as well as offer highest safety for timely payment of interest and principal.</p> <p>To achieve its objective, the Fund will also have the flexibility to hold exposure in warrants, as well as collective investment schemes that have a similar investment objective to the Fund.</p> <p>The Fund will be actively managed and 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 will 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>Foreign investment</p> <p>To meet its objective, the Fund will maintain a minimum 70% of the Fund's NAV in investments listed or issued within the Asian (ex Japan) markets. The Fund will have a flexibility to invest up to 30% of its NAV in investments listed or issued in foreign markets outside the Asian (ex Japan) region. The decision to invest into foreign markets will be opportunistically driven where we would seek out investments that could provide a potential to enhance the returns of the Fund. The Fund will invest only into countries where the regulatory authorities are ordinary or associate members of the IOSCO.</p>				

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Classes	RM Class	AUD Class	GBP Class	SGD Class	USD Class						
	<p>Derivative Investments For Hedging Purposes Only</p> <p>The Fund may employ Shariah-compliant derivatives such as Islamic cross currency swaps and other Shariah-compliant derivatives that are approved by the Shariah Adviser for hedging purposes. These instruments may be used to hedge the principal and/or the returns of the foreign-currency denominated investments back to the Fund's Base Currency. While the hedging strategy will assist with mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well.</p> <p>The employment of Shariah-compliant derivatives under these circumstances is expected to reduce the impact of foreign currency movements on the Fund's NAV.</p> <p>Temporary Defensive Position</p> <p>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 impact financial markets. To manage the risk of the Fund, we may shift the Fund's focus and exposure into lower risk investments such as Islamic money market instruments, and/or Islamic deposits.</p>										
Asset Allocation	<p>The Fund 's asset allocation range are as follows:-</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>% NAV of the Fund</th> </tr> </thead> <tbody> <tr> <td>Shariah-compliant equities</td> <td>Minimum 70%</td> </tr> <tr> <td>Islamic liquid assets which may include Islamic money market instruments and Islamic deposits</td> <td>Maximum 30%</td> </tr> </tbody> </table>					Asset Class	% NAV of the Fund	Shariah-compliant equities	Minimum 70%	Islamic liquid assets which may include Islamic money market instruments and Islamic deposits	Maximum 30%
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Shariah-compliant equities	Minimum 70%										
Islamic liquid assets which may include Islamic money market instruments and Islamic deposits	Maximum 30%										
Benchmark	<p>Dow Jones Islamic Market Asia/Pacific ex Japan Index</p> <p><i>The risk profile of the Fund is not the same as the risk profile of the performance benchmark.</i></p>										
Distribution Policy	<p>Subject to the availability of income, the Fund will distribute income on an annual basis after the end of first the financial year of the Fund.</p>										
Minimum Initial Investment*	RM 1,000	AUD 5,000	GBP 5,000	SGD 5,000	USD 5,000						
Minimum additional Investment*	RM 100	AUD 1,000	GBP 1,000	SGD 1,000	USD 1,000						
Minimum Units Held*	2,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units						
Minimum Repurchase Amount*	2,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 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
External Fund Manager	AiIMAN Asset Management Sdn. Bhd.
Manager's Delegate (Fund Accounting and Valuation Agent)	Deutsche Trustees Malaysia Berhad
The Trustee	Deutsche Trustees Malaysia Berhad
Shariah Advisor	Amanie Advisors Sdn Bhd.

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

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5. What are the possible outcomes of my investment?

This is an equity fund that invests into Shariah-compliant equities within Asia (ex Japan) markets. The Fund's exposure into foreign equities will be focused within the Asia (ex Japan) markets. The performance of the Fund would be dependent on the Asia (ex Japan) equity markets that are investable by the Fund. The Fund's performance is also reliant on the Manager's expertise in managing the Fund to meet its objective.

The Fund's investment into Shariah-compliant equities would to a great extent, to be linked to the price movements of the global equity markets, and the underlying assets of the collective investment schemes. If the equities that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the local and foreign equities that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively.

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

The Fund is expected to distribute income on an annual basis, subject to income availability.

KEY RISKS

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

General risks

- **Fund management risk** - This risk refers to our day-to-day management of the Fund which will impact the performance of the Fund. For example, our investment decisions 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.
- **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.
- **Financing risk** – This risk occurs when you take a financing to finance your investment. The inherent risk of investing with financed money includes you being unable to service the financing 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 net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing.
- **Operational risk** – This risk refers to the possibility of a breakdown in our internal controls and policies. The breakdown may be a result of human error, system failure or fraud where our employees collude with one another. This risk may cause monetary loss and/or inconvenience to you.

Specific risks

- **Shariah-compliant Equity investment risk** – The buying and selling of Shariah-compliant equities carry a number of risks, the most important being the volatility of the capital markets on which those securities are traded and the general insolvency risk associated with the issuers of Shariah-compliant equities.

The value of the Shariah-compliant equities depends on its growth and earning potential, sound management, treatment of minority shareholders, as well as a myriad of other factors. Failure to achieve the expected earnings would result in declining investment value which in turn affects the performance of the Fund. This risk can be mitigated by diversifying the Fund's portfolio. The Manager will employ stringent stock selection criteria which would effectively filter its stock components to Shariah-compliant equities which can provide returns to the Fund in the form of capital gains and income.

- **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.

Currency risk at the Fund level

The impact of the exchange rate movement between the Base Currency of the Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the Base Currency of the Fund.

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Currency risk at the Class Level

The impact of the exchange rate movement between the Base Currency of the Fund and the currency of the respective class (other than RM Class) may result in a depreciation of your holdings as expressed in the Base Currency of the Fund.

- **Shariah-compliant warrants investment risk** – The value of the Shariah-compliant 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 Shariah-compliant warrants. In addition, the value of the Shariah-compliant warrants may decrease exponentially as the Shariah-compliant warrants approach its maturity date and the potential gains from a favourable price movement of the underlying may be offset by aggressive time decay. We may consider unwinding these Shariah-compliant warrants if there are material adverse changes to its value with the aim to mitigate the risk.
- **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 in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of Units to fall.
- **Derivative risk** – Valuation of Shariah-compliant derivatives takes into account a multitude of factors such as movement of the underlying asset, volatility of underlying assets, the correlation of the underlying assets with the Fund, the implied future direction of the underlying assets and other factors. Any adverse changes of the factors mentioned above may result in a lower NAV price.
- **Reclassification of Shariah-status risk** – This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified to be Shariah non-compliant in the periodic review of the equities by the Shariah Advisory Council (“SAC”) of the SC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, we will take the necessary steps to dispose of such equities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. We will be required to dispose of these equities immediately if the prices are above the purchase price. Should the prices be below the purchase price, we may choose to hold on to these holdings until the prices meet the purchase price. Nevertheless, should we decide to dispose of these equities below the purchase price, the Fund will be faced with the risk of realising its losses, thus negatively impacting the NAV 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.

FUND PERFORMANCE

Average Total return

	1 Year (1/11/18 – 31/10/19)	3 Years (1/11/16 -31/10/19)	Since Commencement (30/12/15 - 31/10/19)
Fund	3.34%	5.74%	6.42%
Benchmark	12.50%	7.08%	7.01%

Source of benchmark: Bloombe

Annual Total Returns

Financial Year End ("FYE")	2019	2018	2017	2016
Fund	3.34%	(9.32%)	26.14%	7.42 %
Benchmark	12.50%	(14.48%)	27.60%	5.66 %

Source of benchmark: Bloomberg

For the period 1 November 2018 to 31 October 2019, the Fund registered a return of 3.34%. The Net Asset Value (NAV) per unit of the Fund as at 31 October 2019 was RM 0.6154 while the NAV at 31 November 2018 was RM 0.5955. The Benchmark for the period registered a return of 12.50%. The Fund underperformed the Benchmark by 9.16 percentage points.

During the period under review, the Fund recorded a positive return based on the change in its NAV per unit. As such, we believe that the Fund has met its objective of providing investors with capital appreciation by investing in Shariah-compliant investments.

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Basis 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.

An illustration of the above would be as follow:-

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

	FYE 2019	FYE 2018	FYE 2017
Gross distribution per Unit (sen)	Nil	2.00	Nil
Net distribution per Unit (sen)	Nil	2.00	Nil

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

Portfolio Turnover Ratio (PTR)

	FYE 2019	FYE 2018	FYE 2017
PTR (times)	1.30	1.57	0.96

The PTR of the Fund was lower than previous year due to lower average sum of total acquisition and disposal for the financial year.

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 6.50% of the Initial Offer Price of a Class during the Initial Offer Period and thereafter, the NAV per Unit of a Class <i>You may negotiate for a lower Sales Charge.</i>
Repurchase charge	Not applicable.

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 0.06% 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 of 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.

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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 (for RM Class Unit Holders) and 14 days (for Unit Holders of a Class other than RM Class) 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
Federal of Investment Managers Malaysia
19-06-1, 6th Floor Wisma Tune
No. 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

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APPENDIX : GLOSSARY

AUD	Australian Dollar
AUD Class	Represents a Class issued by the Fund which is denominated in AUD.
Base Currency	Means the currency in which the Fund is denominated i.e. Ringgit Malaysia (RM).
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.
Class(es)	Means any class of Units representing similar interests in the assets of the Fund although a Class of Units of the Fund may have different features from another Class of Units of the same Fund.
days	In respect of this Fund, a reference to "day" means calendar day unless otherwise stated.
Deed	Refers to the deed dated 6 February 2015 and the supplemental deed dated 5 October 2018 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
Financial Institution	Means (a) if the institution is in Malaysia– (i) licensed bank; (ii) licensed investment bank; or (iii) licenced Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Fund	Refers to Affin Hwang Aiiman Asia (ex Japan) Growth Fund.
GBP	British Pound Sterling.
GBP Class	Represents a Class issued by the Fund which is denominated in GBP.
Guidelines	Means the Guidelines on Unit Trust Funds issued by the SC and as may be amended, substituted or replaced from time to time.
IOSCO	International Organization of Securities Commissions.
Islamic deposits	Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
the Manager / AHAM / we / us / our	Refers to Affin Hwang Asset Management Berhad.
medium to long term	Means a period between three (3) years and above.
Net Asset Value or NAV	Means the value of the Fund which is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant day. Where the Fund has more than one class of Units, there shall be Net asset Value of the Fund attributable to each of Units.
NAV per Unit	Means the Net Asset Value of the Fund at a particular valuation point divided by the total number of Units in Circulation at that valuation point; where the Fund has more than one Class, there shall be a Net Asset Value per Unit for each Class; the Net Asset Value per Unit of a Class at a particular valuation point shall be the Net Asset Value of the Fund attributable to that Class divided by the number of Units in circulation of that Class at the same valuation point.
Prospectus	Means the prospectus of the Fund and includes any supplementary or replacement prospectus, as the case may be.
RM	Ringgit Malaysia.
RM Class	Represents a Class issued by the Fund which is denominated in RM.
SC	Securities Commission Malaysia.
SGD	Singapore Dollar.
SGD Class	Represents a Class issued by the Fund which is denominated in SGD.
Trustee	Refers to Deutsche Trustees Malaysia Berhad.
Unit(s)	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund and if the Fund has more than one class of Units, it means a Unit issued for each class of Units.

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Units in Circulation	Means Units created and fully paid for and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
Unit Holder(s) or you	Means the person / corporation registered as the holder of a Unit or Units including persons jointly registered.
USD	United States Dollar.
USD Class	Represents a Class issued by the Fund which is denominated in USD.