

# **PRODUCT HIGHLIGHTS SHEET**

**for**

## **Affin Hwang Select SGD Income Fund**

**Date of issuance: 18 December 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 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 SGD 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.**

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 SGD INCOME FUND**
**BRIEF INFORMATION ON THE PRODUCT**
**1. What is this product about?**

Affin Hwang Select SGD Income Fund is an open-ended mixed asset fund, issued and managed in-house by the Manager. The Fund endeavours to provide steady income distribution through investments primarily in SGD-denominated assets.

**PRODUCT SUITABILITY**
**2. Who is this product suitable for?**

This Fund is designed for retail investors who want exposure primarily to SGD-denominated assets, expect to receive steady income distribution, have a moderate risk appetite and expect incidental growth in capital.

The Fund offers investors 2 different Classes of Units, known respectively as the RM Class and SGD Class.

**KEY PRODUCT FEATURES**
**3. What am I investing in?**

	RM Class	SGD Class
<b>Launch date</b>	1 August 2012	
<b>Tenure</b>	The Fund is an open-ended fund where it does not have fixed maturity date and may only be terminated in accordance with the terms of the Prospectus and the provisions of the Deed.	
<b>Base currency</b>	SGD	
<b>Investment strategy</b>	<p>The Fund will focus on achieving its objective by investing in a diversified portfolio consisting a minimum 60% of its NAV in fixed income instruments such as bonds, money market instruments and/or fixed deposits, and a maximum 40% of its NAV in equities. As the Fund holds a Singapore Dollar focus, we will maintain a minimum of 75% of the NAV of the Fund in SGD-denominated assets, and have the flexibility to invest the remaining in non SGD-denominated assets.</p> <p>The Fund also may invest into foreign markets where the regulatory authorities are the ordinary or associate members of the International Organization of Securities Commissions.</p> <p><b>Derivatives</b> Derivative trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. The intention of hedging is to protect the value of the asset from any adverse price movements.</p> <p><b>Temporary Defensive Positions</b> We hold the option to take temporary defensive measures that may be inconsistent with the Fund's principal strategy and asset allocation to protect the Fund against adverse market conditions. To manage the risk of the Fund, we may shift the Fund's focus into lower risk investments such as deposits with financial institutions or money market instruments.</p>	

## Asset Management

	RM Class	SGD Class
<b>Asset allocation</b>	<b>Asset Class</b>	
	<b>% of the Fund's NAV</b>	
	Bonds, money market instruments and/or fixed deposits	Minimum 60%
	Equities	Maximum 40%
	Please note that we will maintain a minimum of 75% of the NAV of the Fund in SGD-denominated assets and the remaining shall be invested in non SGD-denominated assets. We will also maintain a sufficient level of cash or cash equivalent for liquidity purposes.	
<b>Distribution policy</b>	The Fund will distribute income (subject to income availability) on a semi-annual basis after the end of the first financial year.	
<b>Minimum initial investment*</b>	RM 1,000	SGD 5,000
<b>Minimum additional investment*</b>	RM 100	SGD 1,000
<b>Minimum repurchase amount*</b>	2,000 Units	10,000 Units
<b>Minimum holding of units*</b>	2,000 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:

<b>The Manager</b>	Affin Hwang Asset Management Berhad
<b>Manager's Delegate (Fund Accounting and Valuation Agent)</b>	Deutsche Bank (Malaysia) Berhad
<b>The Trustee</b>	Deutsche Trustees Malaysia Berhad
<b>Trustee's Delegate (Local &amp; Foreign Custodian)</b>	Deutsche Bank (Malaysia) Berhad

#### 5. What are the possible outcomes of my investment?

The Fund is a mixed asset fund that invests in a diversified portfolio consisting primarily of SGD-denominated fixed income instruments, money market instruments, deposits and equities. The Fund's returns would, to a great extent, be linked to performances of the SGD fixed income market and the Singapore stock market. If both markets perform well, the Fund may reflect similar performance. As opposed to the SGD Class where performance is from an SGD investor's perspective, Unit Holders of the RM Class will have to consider SGD/RM currency movements as it has a great deal of influence on final returns.

Investments in fixed income and money market instruments are expected to generate consistent and regular income. Due to investment in equities, the Manager expects the Fund to also yield incidental growth in capital.

The asset allocation decision between fixed income instruments and equities is decided after considering the fixed income and equity market outlook over the medium to long-term horizon.

Please note that the capital and returns of the Fund are not guaranteed.

### KEY RISKS

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

##### General risks

- **Manager 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

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

## Asset Management

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.

- **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.
- **Loan financing risk** – This risk occurs when you take a loan/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 Net Asset Value per Unit as compared to the Net Asset Value per Unit at the point of purchase towards settling the loan.
- **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.

### **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 bonds and money markets 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 investments, 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 bonds 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.
- **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. In addition, the value of the warrants may decrease exponentially as the warrants approach its maturity date and the potential gains from a favourable price movement of the underlying may be offset by aggressive time decay.
- **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 and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the Base Currency.

#### Currency risk at the Class level

The impact of the exchange rate movement between the Base Currency and the currency of the RM Class may result in a depreciation of your holdings as expressed in the Base Currency.

- **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.
- **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.
- **Regulatory risk** - The investments of the Fund would be exposed to changes in the laws and regulations in the countries that 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 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.**

## Asset Management

**PERFORMANCE**
**Average Total Return (RM Class)**

	1 Year (1/4/19 – 31/3/20)	3 Year (1/4/17 – 31/3/20)	5 Year (1/4/15 – 31/3/20)	Since Commencement (20/8/12 – 31/3/20)
<b>Fund</b>	-5.24%	-0.60%	3.59%	5.05%
<b>Benchmark</b>	-6.22%	-3.34%	0.91%	2.17%

Source: Bloomberg/Lipper

**Average Total Return (SGD Class)**

	1 Year (1/4/19 – 31/3/20)	3 Year (1/4/17 – 31/3/20)	5 Year (1/4/15 – 31/3/20)	Since Commencement (20/8/12 – 31/3/20)
<b>Fund</b>	-5.58%	1.16%	1.37%	2.57%
<b>Benchmark</b>	-6.69%	-1.91%	-1.47%	-0.40%

Source: Bloomberg/Lipper

**Annual Total Return (RM Class)**

Financial Year End	2020	2019	2018	2017	2016	2015	2014	2013
<b>Fund</b>	-5.24%	2.11%	1.50%	16.01%	4.74%	9.71%	5.34%	5.56%
<b>Benchmark</b>	-6.22%	0.62%	-4.30%	13.50%	2.08%	6.80%	3.00%	2.30%

Source: Bloomberg/Lipper

**Annual Total Return (SGD Class)**

Financial Year End	2020	2019	2018	2017	2016	2015	2014	2013
<b>Fund</b>	-5.58%	-0.05%	9.69%	6.12%	-2.53%	5.51%	1.51%	5.82%
<b>Benchmark</b>	-6.69%	-1.49%	2.67%	3.77%	-5.17%	2.67%	-0.76%	2.53%

Source: Bloomberg/Lipper

**RM Class**

For the period under review i.e. from 1 April 2019 to 31 March 2020, the RM Class of the Fund registered a return of -5.24% compared to the benchmark return of -6.22%. Since commencement, the Fund RM Class registered a total return of 45.59%, outperforming the benchmark return of 17.74%.

**SGD Class**

For the period under review i.e. from 1 April 2019 to 31 March 2020, the SGD Class of the Fund registered a return of -5.58% compared to the benchmark return of -6.69%. Since commencement, the Fund SGD Class registered a total return of 21.35%, outperforming the benchmark total return of -2.99%.

**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.

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	2020		2019		2018	
	RM Class	SGD Class	RM Class	SGD Class	RM Class	SGD Class
Gross distribution per Unit (sen)	2.00	1.75	2.00	1.75	2.00	1.75
Net distribution per Unit (sen)	2.00	1.75	2.00	1.75	2.00	1.75

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	2020	2019	2018
PTR (times)	0.93	1.21	1.07

The Fund recorded a lower PTR as the Manager had decreased its trading activities during the period under review.

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

## Asset Management

**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?**

<b>Sales charge</b>	Up to 3.00% of the NAV per Unit of a Class. <i>Investors may negotiate for a lower charge subject to our discretion.</i> 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.
<b>Repurchase charge</b>	There will be no Repurchase Charge levied on the repurchase of Units.
<b>Switching fee</b>	There will be no switching fee imposed on the switching facility.
<b>Transfer fee</b>	There will be no transfer fee imposed on the transfer facility.

**What are the key ongoing fees charged to the Fund?**

<b>Management fee</b>	Up to 1.50% per annum of the NAV of the Fund calculated and accrued daily using the Fund's Base Currency.
<b>Trustee fee</b>	Up to 0.08% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges) using the Fund's Base Currency.

**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](http://www.affinhwangam.com), our customer service via our toll free number 1-800-88-7080 or email to [customercare@affinhwangam.com](mailto:customercare@affinhwangam.com).

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

You may request to redeem investments in the Fund at any point in time by simply completing the repurchase application form and returning it to us on any Business Day from 8.45 a.m. to 3.30 p.m. Payments will be made to you within 14 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?**

- For internal dispute resolution, you may contact our customer service personnel:
  - via phone to : 03 – 2116 6000
  - via fax to : 03 – 2116 6100
  - via toll free no. : 1-800-88-7080
  - via email to : [customercare@affinhwangam.com](mailto:customercare@affinhwangam.com)
  - via letter : Affin Hwang Asset Management Berhad  
Ground Floor, Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur

## Asset Management

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](mailto: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](mailto:aduan@seccom.com.my)
  - (d) via online complaint form available at [www.sc.com.my](http://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](mailto:complaints@fimm.com.my)
  - (d) via online complaint form available at : [www.fimm.com.my](http://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

<b>Base Currency</b>	Means the currency in which the Fund is denominated i.e. Singapore Dollar.
<b>Bursa Malaysia</b>	Means the stock exchange managed and operated by the Bursa Malaysia Securities Berhad.
<b>Business Day</b>	Means a day on which the Bursa Malaysia is open for trading.
<b>Class(es)</b>	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.
<b>Deed</b>	Refers to the deed dated 31 May 2012 as modified by the supplemental deed dated 21 June 2013, the second supplemental deed dated 27 June 2014, the third supplemental deed dated 1 July 2015 and the fourth supplemental deed dated 25 April 2016 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
<b>EPF</b>	Means Employees Provident Fund.
<b>EMIS</b>	Means EPF Members' Investment Scheme.
<b>Fund</b>	Refers to the Affin Hwang Select SGD Income Fund.
<b>investor(s)</b>	Means the beneficial owner(s) of the Units. It is sometimes used interchangeably with the term Unit Holder(s). An investor is also a registered Unit Holder if that investor's name appears in the Manager's register of Unit Holders. If the investor invests using a nominee, then that investor's name will not appear in the Manager's register as a Unit Holder of this Fund.
<b>long-term</b>	Means a period of five (5) years or more.
<b>the Manager / AHAM / we / us / our</b>	Refers to Affin Hwang Asset Management Berhad.
<b>Net Asset Value (NAV) of the Fund</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point; the Net Asset Value of the Fund attributable to a Class at a particular valuation point shall be the Net Asset Value of the Fund multiplied by the proportion that the number of Units in Circulation of that Class bears to the number of Units in Circulation of the Fund at the same valuation point.

## Asset Management

<b>Net Asset Value (NAV) per Unit</b>	Means the Net Asset Value of the Fund at a particular valuation point divided by the number of Units in Circulation at the same 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.
<b>Prospectus</b>	Refers to the prospectus of the Fund and includes any supplementary or replacement prospectus, as the case may be.
<b>Repurchase Charge(s)</b>	Means a fee imposed pursuant to a repurchase request.
<b>RM</b>	Means Ringgit Malaysia.
<b>RM Class</b>	Represents a Class issued by the Fund which is denominated in RM.
<b>Sales Charge(s)</b>	Means a fee imposed pursuant to a purchase request.
<b>SGD</b>	Means Singapore Dollar.
<b>SGD Class</b>	Represents a Class issued by the Fund which is denominated in SGD.
<b>the Trustee</b>	Refers to Deutsche Trustees Malaysia Berhad.
<b>Unit(s)</b>	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, it means a unit issued for each Class.
<b>Units in Circulation</b>	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>
<b>Unit Holder(s) / you</b>	Means the person for the time being who is registered pursuant to the Deed as a holder of Units of the Fund and a holder of Units of a Class, including a jointholder.

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