

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Tactical 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 Tactical 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 TACTICAL FUND
BRIEF INFORMATION ON THE PRODUCT
1. What is this product about?

Affin Hwang Tactical Fund is an open ended mixed asset fund, issued and managed in-house by the Manager.

The Fund's investment objective is to seek a stable return and generate capital growth over medium to long term period in a diversified mix of assets.

PRODUCT SUITABILITY
2. Who is this product suitable for?

The Fund is designed for retail investors who wish to capture returns from directional trends of both asset classes, wish to take advantage of short-term market events and seek potentially medium to long term capital appreciation.

KEY PRODUCT FEATURES
3. What am I investing in?

Launch date	10 August 2010
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	50% FTSE-Bursa Malaysia KLCI (for equities and equity linked instruments) + 50% RAM Quantshop MGS All Index (for fixed income investments) <i>The risk profile of this Fund is different from the risk profile of the benchmark</i>
Investment strategy	<p>The Fund is designed to deliver medium to long term capital appreciation and protection against adverse markets by enabling investors to participate in the growth prospect of the Malaysian market by tactically allocating its' assets. Exposure will be tactically allocated into the equity market and lower risk assets to maintain potential for growth opportunities within the domestic market at the prevailing market environment.</p> <p>The Fund shall invest in a broadly diversified portfolio of equities and equity-linked instruments, and fixed income instruments. The Fund's investments into the various asset classes may range between 10% to 90% of the Fund's NAV.</p> <p>Through the use of tactical strategies and frequent portfolio reallocation reviews between equities and equity linked instruments, and fixed income instruments, the asset allocation can vary between defensive or aggressive at any given time. This will be dependent on the current market environment and/or based on the Manager's view in order to take advantage of short-term market inefficiencies in both asset classes as well as to navigate changing markets with the objective of achieving sustainable, long term positive return.</p> <p>The Manager may invest in collective investment schemes that hold similar investment objectives to the Fund's investment objective.</p> <p>To meet its objective, the Fund will also look at investing into equity linked instruments such as rights and warrants, as well as unlisted securities such as unlisted bonds, and Initial Public Offerings (IPOs). The Fund may invest up to 20% of its NAV in countries where the regulatory</p>

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	<p>authorities are the ordinary or associate members of the International Organisation of Securities Commission (IOSCO).</p> <p>Temporary Defensive Measures</p> <p>The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by raising cash levels or increasing the Fund's asset allocation weighting in fixed income instruments, in attempting to respond to adverse conditions that may impact the financial markets.</p> <p>Policy on Active and Frequent Trading of Securities</p> <p>For the Fund's trading policy, the Manager will maintain a core holding for the Fund, which it intends to hold over a medium to long-term investment horizon bias, which is similar to a buy and hold philosophy. At the same time, the Manager may also take advantage of prevailing market conditions to trade securities when opportunity arises to assist the Fund in meeting its objective.</p>						
Asset allocation	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Equities and equity linked instruments</td> <td>10% to 90%</td> </tr> <tr> <td>Fixed income instruments</td> <td>10% to 90%</td> </tr> </tbody> </table>	Asset Class	% of the Fund's NAV	Equities and equity linked instruments	10% to 90%	Fixed income instruments	10% to 90%
Asset Class	% of the Fund's NAV						
Equities and equity linked instruments	10% to 90%						
Fixed income instruments	10% to 90%						
Distribution policy	Distribution (if any) is incidental and will be subject to the availability of income.						
Minimum initial investment*	MYR200						
Minimum additional investment*	MYR100						
Minimum units held*	400 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)	Deutsche Bank (Malaysia) Berhad
The Trustee	AmanahRaya Trustees Berhad

5. What are the possible outcomes of my investment?

The Fund is designed to deliver medium to long term capital appreciation and protection against adverse markets by enabling investors to participate in the growth prospect of the Malaysian market by tactically allocating its assets. Exposure will be allocated into the equity market and lower risk assets to maintain potential for growth opportunities within the domestic market at the prevailing market environment.

The performance of the Fund would be dependent on the fixed income instrument and equities markets that are investable by the Fund. This means that if the fixed income instrument and equities that are investable by the Fund performs well, the Fund may reflect similar performance. However, should the fixed income instrument and equity markets that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively. The Fund is not expected to make any income distribution. However incidental distribution may be declared whenever appropriate.

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

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

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KEY RISKS

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

General risks

- **Affected by variable factors and not guaranteed** - The performance of a unit trust fund is affected by many variable factors and is not guaranteed. These include overall economic and financial market conditions such as interest rate fluctuation and stability of local currency. While a track record may provide some insight on future performance, it is by no means guaranteed. The prices of Units may go down as well as up. Likewise, distribution may vary from year to year depending on the performance of the unit trust fund.
- **Issuer risk** - The value of each individual securities that a unit trust fund invests in may decline for a number of reasons which is directly related to the issuer, such as but not limited to, the management performance, financial leverage, changing industry conditions and changes in consumer tastes and demand.
- **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.
- **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.
- **Country risk** - The prices of securities may also be affected by the political and economic conditions of the country in which the securities are issued.

Specific risks

- **Equity and equity linked instruments investment risk** - The buying and selling of equities and equity linked instruments (the word "equities" hereinafter is referring to the equity and equity linked instruments) carry a number of risks. The most important being the volatility of the capital markets (of those tradable equities), the general insolvency risk associated with the issuers of equities, and/or the performance of the underlying equity that the equity linked instrument is linked to.
- **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.
- **Specific stock 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 fixed income instruments such as debentures or money market instruments investment (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 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 the fixed income instruments such as 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.
- **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.
- **Tactical asset allocation fund risk** - A tactical asset allocation fund is where the strategies employed to shift the asset mix between equities and fixed income instruments depending on the prevailing market outlook. The Manager's investment decision pertaining to the asset allocation may adversely affect the Fund's performance if the assessment concluded by the Manager is not consistent with the market outlook.

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- **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 be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. 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.
- **Country risk** - The foreign investment of the Fund may be affected by risks specific to the country which it invests in. Such risks, which include changes in a country's economic fundamentals, social and political stability, currency movements and foreign investment policies, may have an impact on the prices of the Fund's investment in that country. Consequently, it may also affect the Fund's NAV.

Note: Please refer to the Fund's Prospectus for further details 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 (1/3/19 – 29/2/20)	3 Years (1/3/17 – 29/2/20)	5 Years (1/3/15 – 29/2/20)	Since Commencement (10/8/10 – 29/2/20)
Fund	-0.98%	2.05%	1.59%	3.12%
Benchmark	-1.33%	1.25%	2.68%	5.18%

Source: Bloomberg/Lipper

Annual Total Return

FYE	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fund	-0.98%	-4.56%	12.46%	8.22%	-3.42%	-3.41%	7.32%	8.99%	3.45%	3.28%
Benchmark	-1.33%	-1.62%	6.94%	2.96%	8.18%	8.12%	8.00%	8.02%	7.94%	2.97%

Source: Bloomberg/Lipper

For the period under review i.e. 1 March 2019 to 29 February 2020, the Fund registered a return of -0.98% against the benchmark return of -1.33%. Since commencement, the Fund registered an average return of 3.12% as compared to the benchmark average return of 5.18%.

The benchmark was changed from previously 5.0% per annum growth in NAV per Unit + the prevailing Overnight Policy Rate to currently 50% FTSE-Bursa Malaysia KLCI + 50% RAM Quantshop MGS All Index.

The composite benchmark has been selected as there is no direct performance benchmark to the Fund's investment strategy. We believe the composite benchmark that comprises 50% FTSE Bursa Malaysia KLCI + 50% RAM Quantshop MGS All Index will be a reflective performance benchmark for the Fund as the Fund holds a strategy that enables it to include exposure into both equities, and fixed income instruments depending on the current market environment.

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

FYE	2020	2019	2018
Gross distribution per Unit (sen)	1.50	1.00	Nil
Net distribution per Unit (sen)	1.50	1.00	Nil

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

Portfolio Turnover Ratio (PTR)

FYE	2020	2019	2018
PTR (times)	1.26	0.84	0.85

The Fund recorded a higher PTR as the Manager had increased its 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 5.50% of the NAV per Unit of the Fund. <i>Investors may negotiate for a lower charge.</i> <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.</i>
Repurchase charge	There will be no Repurchase Charge for this Fund.
Switching fee	There will be no switching fee for this Fund.
Transfer fee	RM5.00 per transfer

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 0.08% per annum of the NAV of the Fund, subject to a minimum of RM18,000 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.

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.

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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

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 8 April 2010, first supplemental deed dated 22 July 2014 and second supplemental deed dated 6 August 2015 entered into between the Manager and the Trustee.
Fund	Refer to the Affin Hwang Tactical Fund.
EPF	Means Employees Provident Fund.
EMIS	EPF Members' Investment Scheme.
long term	Means a period of 5 years and above.
Manager/AHAM	Refers to Affin Hwang Asset Management Berhad.
medium term	Means a period between 3 years to 5 years.
MYR	Ringgit Malaysia.
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. <i>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 trustee fee for the relevant day.</i>
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the total number of Units in Circulation of the Fund in circulation at that valuation point.
Prospectus	Means the prospectus of the Fund including any supplementary thereof, as the case may be.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Sales Charge	Means a fee imposed pursuant to a purchase request.
short-term	Means a period of 3 years or less.
SC	Securities Commission Malaysia.
Trustee	Refers to AmanahRaya Trustees Berhad.
Unit or Units	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, you	Means the person for the time being who, in full compliance to the relevant laws and under the Deed, is registered pursuant to the Deed as a holder of Units of the Fund, including jointholder.

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.