

# **PRODUCT HIGHLIGHTS SHEET**

**for**

## **Affin Hwang Principled Growth Fund**

**Date of issuance: 20 December 2019**

### **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 Principled 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.**

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 PRINCIPLED GROWTH FUND

#### BRIEF INFORMATION ON THE PRODUCT

##### 1. What is this product about?

Affin Hwang Principled Growth Fund is an open-ended equity fund.

The Fund's investment objective is to seek a stable return and generate capital growth over the medium to long term period in diversified portfolio of equities with stocks in gaming, liquor and tobacco to be avoided.

#### PRODUCT SUITABILITY

##### 2. Who is this product suitable for?

The Fund is designed for retail investors who seek potentially higher returns relative to benchmark and are tolerant to market volatility, have a medium to long-term investment horizon and have strong convictions against investing in stocks involved in gaming, liquor or tobacco.

#### KEY PRODUCT FEATURES

##### 3. What am I investing in?

<b>Launch date</b>	22 July 2009	
<b>Tenure</b>	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.	
<b>Asset allocation</b>	<b>Asset Class</b>	
	Equities and equity linked instruments	70% to 99.8%
	Fixed income instruments	Maximum 30%
<b>Benchmark</b>	FTSE Bursa Malaysia KLCI	
<b>Investment strategy</b>	<p>The Fund aims to provide investors with stable returns by enabling investors to participate in the growth prospect of the Malaysian equity market which is to generate long term capital growth and consistent income in a diversified portfolio of equities with stocks in gaming, liquor and tobacco to be avoided.</p> <p>To achieve the investment objective, the Manager's investment approach is to invest primarily in equities with a focus on those that exhibit above-average earnings growth, has a leading competitive position and show potential for delivering superior returns against its industry peers.</p> <p>The Fund is structured as an open-ended fund with equities and equity linked instruments investments as its focus. A minimum allocation of 70% of the Fund's NAV invested into companies listed on Bursa Malaysia. The balance of the Fund's NAV may be invested in fixed Income instruments which include money market instruments and fixed deposits while waiting for opportunities in the equity market. Investments made into fixed income instruments will be primarily made during adverse market conditions to reduce the risk of the Fund. The selection of these fixed income instruments will be dependent on an internal credit selection process. The process will focus on issuers' ability to meet their financial obligations, and offer highest safety for timely payment of interest and principal.</p>	

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	<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 authorities are the ordinary or associate members of the International Organisation of Securities Commission (IOSCO).</p> <p><b>Temporary Defensive Measures</b></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>
<b>Distribution policy</b>	Distribution (if any) is incidental and will be subject to the availability of income.
<b>Minimum initial investment *</b>	MYR 200
<b>Minimum additional investment *</b>	MYR 100
<b>Minimum units held *</b>	400 Units

**Note: Please refer to the 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>	AmanahRaya Trustees Berhad

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

The Fund aims to provide investors with stable returns by enabling investors to participate in the growth prospect of the Malaysian equity market which is to generate long term capital growth and consistent income in a diversified portfolio of equities with stocks in gaming, liquor and tobacco to be avoided.

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

Distribution of income is incidental. However, due to investments in equities, the Manager endeavors to yield incidental growth in capital.

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.
- **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 finance 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.
- **Liquidity risk** - Liquidity risk is defined as the ease with which a security can be sold at or near its fair value depending on the volume traded on the market. If the Fund has a large portfolio of stocks issued by smaller companies, the relatively lower level of liquidity of these stocks can adversely affect the value of the Fund. This is because there are generally less ready buyers of such stocks compared with the stocks of larger and more established companies.
- **Non-compliance risk** - As the Fund invests only in securities whose principal activities do not involve the promotion of gaming, tobacco and alcohol, the Fund shall at the initial selection of stocks will screen and filter out companies whose principal business do not conform to the Fund's objective. Notwithstanding the aforementioned, there is an inherent risk that security that was initially acceptable, may subsequently deviate from conforming to the Fund's objective. In such a case, any profit earned after such deviation will not be recognised as income of the Fund.
- **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.
- **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

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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.
- **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 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.

### FUND PERFORMANCE

#### Average Total Return

	1 Year (1/10/18 – 30/9/19)	3 Year (1/10/16 – 30/9/19)	5 Year (1/10/14 – 30/9/19)	10 Year (1/10/09 – 30/9/19)	Since Commencement (23/7/09 – 30/9/18)
<b>Fund</b>	-3.77%	4.17%	1.00%	4.77%	4.91%
<b>Benchmark</b>	-11.67%	-1.40%	-2.98%	2.90%	3.30%

Source: Bloomberg/Lipper

#### Annual Total Return

Financial Year End	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Fund</b>	-3.77%	1.45%	15.80%	6.68%	-12.84%	3.88%	8.57%	21.60%	-3.22%	12.79%
<b>Benchmark</b>	-11.67%	2.14%	6.23%	1.94%	-12.04%	4.98%	9.93%	16.64%	-3.46%	19.22%

Source: Bloomberg/Lipper

For the period under review i.e. 1 October 2018 to 30 September 2019, the Fund registered a return of -3.77% against its benchmark return of -11.67%. Since commencement, the Fund has registered a total return of 63.01%, outperforming the benchmark total return of 39.25%.

#### 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	2019	2018	2017
Gross distribution per Unit (sen)	0.70	0.70	-
Net distribution per Unit (sen)	0.70	0.70	-

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)

Financial Year End	2019	2018	2017
PTR (times)	0.89	0.91	0.66

The PTR of the Fund was lower than previous year given the 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?

<b>Sales charge</b>	Up to 5.50% of the NAV per Unit of the Fund. <i>Investors may negotiate for a lower charge.</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 for the Fund.
<b>Switching fee</b>	There will be no switching fee levied on any switching transactions.
<b>Transfer fee</b>	A MYR 5.00 transfer fee will be levied for each transfer of Units.

#### 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.
<b>Trustee fee</b>	Up to 0.08% per annum of the NAV of the Fund, subject to a minimum of MYR 18,000 per annum.

**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 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](mailto: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](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

## Asset Management

**APPENDIX : GLOSSARY**

<b>Board</b>	Means the board of directors of Affin Hwang Asset Management Berhad.
<b>Bursa Malaysia</b>	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>Business Day</b>	Means a day on which Bursa Malaysia is open for trading.
<b>Deed</b>	Refers to the deed dated 30 April 2009, first supplemental deed dated 22 July 2014 and second supplemental deed dated 6 August 2015 entered into between the Manager and the Trustee.
<b>EMIS</b>	Means EPF Members' Investment Scheme.
<b>EPF</b>	Means Employees Provident Fund.
<b>Fund</b>	Refers to the Affin Hwang Principled Growth Fund.
<b>long-term</b>	Means a period of 5 years and above.
<b>Manager or AHAM</b>	Refers to Affin Hwang Asset Management Berhad.
<b>medium term</b>	Means a period between 3 to 5 years.
<b>MYR</b>	Means Ringgit Malaysia.
<b>Net Asset Value or NAV</b>	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 trustee fee for the relevant day.
<b>NAV per Unit</b>	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.
<b>Prospectus</b>	Means the prospectus for the Fund.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>Sales Charge</b>	Means a fee imposed pursuant to a purchase request.
<b>SC</b>	Means Securities Commission Malaysia.
<b>Trustee</b>	Refers to AmanahRaya Trustees Berhad.
<b>Unit or Units</b>	Means a measurement of the right or interest of a Unit Holder in the Fund.
<b>Units in Circulation</b>	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.
<b>Unit Holder, you</b>	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.*