

# PRODUCT HIGHLIGHTS SHEET

for

## Affin Hwang Select Dividend 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 Select Dividend 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 DIVIDEND FUND

#### BRIEF INFORMATION ON THE PRODUCT

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

Affin Hwang Select Dividend Fund is an open-ended equity fund, issued and managed in-house by the Manager.

The Fund seeks to provide investors with a combination of regular income and capital growth over the medium to long term period.

#### PRODUCT SUITABILITY

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

The Fund is designed for retail investors who prefer stable and regular investment returns, have moderate risk tolerance, prefer receiving regular income distribution, and seek medium to long term capital growth for their investments.

#### KEY PRODUCT FEATURES

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

<b>Launch date</b>	28 March 2011							
<b>Tenure</b>	This Fund is an open-ended fund where there is no maturity date and the Fund may only be terminated in accordance with the terms of the Prospectus and the provisions of the Deed.							
<b>Investment strategy</b>	<p>The Fund will focus on achieving its objective by investing in a portfolio consisting a minimum of 70% of its NAV in equities, while the remaining balance may be invested into debentures, money market instruments and deposits with Financial Institutions.</p> <p>As the Fund holds a domestic focus, we will maintain a minimum of 70% of the Fund's investments into the domestic market and holds the flexibility to invest up to 30% of its NAV in investments listed / issued in the Asia-Pacific region.</p> <p>The Fund may employ derivative investments for hedging purposes by participating in instruments such as forward contracts and cross currency swaps.</p> <p>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>							
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>70% to 100%</td> </tr> <tr> <td>Fixed income instruments</td> <td>0% - 30%</td> </tr> </tbody> </table>		Asset Class	% of the Fund's NAV	Equities	70% to 100%	Fixed income instruments	0% - 30%
Asset Class	% of the Fund's NAV							
Equities	70% to 100%							
Fixed income instruments	0% - 30%							
<b>Benchmark</b>	70% FTSE Bursa Malaysia Top 100 Index; and 30% MSCI AC Asia Pacific ex Japan High Dividend Yield Index							
<b>Distribution policy</b>	The Fund will distribute income (subject to income availability), on a semi-annual basis after the end of its first financial year.							

## Asset Management

<b>Minimum initial investment*</b>	MYR 1,000
<b>Minimum additional investment*</b>	MYR 100
<b>Minimum repurchase amount*</b>	2,000 units
<b>Minimum units held*</b>	2,000 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>	CIMB Islamic Trustee Berhad
<b>The Trustee</b>	CIMB Islamic Trustee Berhad
<b>Trustee's Delegate (Custody Services)</b>	CIMB Bank Berhad

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

The Fund is an equity fund that invests mainly in the local equity market. The performance of the Fund would be dependent on the equity markets that are investable by the Fund. The Fund's performance is reliant on the Manager's expertise in managing the Fund to meet its objective.

The Fund's investment into equities would, to a great extent, be linked to the price movements of the local equity markets. If the equities that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the equities that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively. The Fund is not expected to make regular distribution. However, due to investments in equities, the Manager expects the Fund to yield incidental growth in capital.

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

- **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.
- **Manager's risk** - This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
- **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.

\*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

- **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 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. We will regularly review our internal policies and system capability to mitigate this risk. Additionally, we maintain a strict segregation of duties to mitigate instances of fraudulent practices amongst our employees.
- **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. Upon such event and in the best interest of the Unit Holders, the Trustee may suspend the repurchase of Units requests. Please refer to “What Is The Process of Repurchase Application” section of this Prospectus for more details.

### **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 debentures or money market instruments (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.
- **Interest rate risk** – This risk refers to the impact of interest rate changes on the valuation of 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.
- **Country risk** – Investments of the Fund in any countries may be affected by changes in the economic and political climate, restrictions on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in.
- **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 of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments.
- **Political risk** – Changes in political environment can directly or indirectly impact investments of the Fund. These scenarios include political instability that leads to social unrest, and change in government policies, which may cause the Fund to liquidate its investments at below market price.
- **Regulatory risk** – So long as the Fund continues to invest in a particular country, the Fund will be exposed to changes in the regulatory regime of that country. Changes in the national or economic policies or regulations of that country may have adverse effects on the capital market of that country.
- **Securities lending transaction risk** - As the Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines, the Fund may be exposed to additional risks. For example, the borrower may fail to return the securities in a timely manner or may encounter operational difficulty which may result in a delay or failure of settlement. And as a result, it may impact the Fund’s ability to meet payment obligations from repurchase requests. To mitigate this risk, we will take necessary steps to ensure that not all of the Fund’s assets are loaned out at any one point during the lifetime of the Fund. In addition, the Fund may also suffer a loss as a result of the delay in recovering the securities lent out. While, we will receive collateral for the loan where it seeks to replace the loaned securities in an occurrence of a default event by the borrower, there is no assurance that this risk could be mitigated all together.

**Note: Please refer to the Prospectus on further details on the general and specific risks.**

**Asset Management**

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 Years (1/10/16 –30/9/19)	5 Years (1/10/14 –30/9/19)	Since Commencement (18/4/11 – 30/9/19)
<b>Fund</b>	-0.80%	5.27%	4.86%	8.02%
<b>Benchmark</b>	-9.05%	-0.32%	-0.91%	1.69%

Source: Bloomberg/Lipper

**Annual Total Return**

Financial Year End	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Fund</b>	-0.80%	1.59%	15.75%	9.80%	-0.99%	11.95%	11.48%	30.97%	-7.32%
<b>Benchmark</b>	-9.05%	0.16%	8.71%	7.25%	-10.04%	1.90%	10.38%	16.48%	-7.95%

Source: Bloomberg/Lipper

For the period under review i.e. 1 October 2018 to 30 September 2019, the Fund registered a return of -0.80% as compared to the benchmark return of -9.05%. Since commencement, the Fund registered a total return of 92.12%, outperforming the benchmark total return of 15.24%.

**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)	2.00	3.00	2.00
Net distribution per Unit (sen)	2.00	3.00	2.00

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	2019	2018	2017
PTR (times)	1.04	1.33	1.19

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

**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.

## Asset Management

### 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 imposed on any 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.
<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 (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](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.

## 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>Board</b>	Means the board of directors of the Manager.
<b>Bursa Malaysia</b>	Means the stock exchange operated by Bursa Malaysia Securities Berhad.
<b>Business Day</b>	Means a day on which Bursa Malaysia is open for trading.
<b>Deed</b>	Refers to the deed dated 24 February 2011, as modified by the supplemental deed dated 18 January 2012, second supplemental deed dated 1 July 2014, third supplemental deed dated 7 January 2015 and fourth supplemental deed dated 19 December 2016 relating to the Fund entered into between the Manager and the Trustee including any supplemental and variation thereto.
<b>EMIS</b>	Means EPF Members' Investment Scheme.
<b>EPF</b>	Means Employees Provident Fund.
<b>Fund</b>	Refers to the Affin Hwang Select Dividend Fund.
<b>long term</b>	Means a period of 5 years and above.
<b>the Manager / 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.



## Asset Management

<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.
<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 of the Fund and includes any supplementary or replacement thereof, as the case may be.
<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 CIMB Islamic Trustee Berhad (167913-M).
<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. 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.*