

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang World Series - Japan 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 Affin Hwang World Series - Japan Growth Fund ("the Fund") and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission 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 WORLD SERIES - JAPAN GROWTH FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

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

The Fund seeks to provide capital appreciation over the medium to long term period by focusing on investment in undervalued Japanese companies with growth potential.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is designed for retail investors who have a medium to long term investment horizon and are able to tolerate high risk.

The Fund offers the investors 2 different Classes of Units, known respectively as the MYR Class and MYR- Hedged Class.

KEY PRODUCT FEATURES

3. What am I investing in?

| | MYR-Hedged Class | MYR Class |
|----------------------------|---|-------------|
| Launch date | 3 March 2014 | 2 July 2018 |
| Tenure | This Fund is an open-ended fund where it does not have a fixed maturity date and may only be terminated in accordance with the terms of the Prospectus and the provisions of the Deed. | |
| Base currency | MYR | |
| Investment strategy | <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 liquid assets including money market instruments and deposits.</p> <p>The Fund's investment focus will be on Japanese companies that are undervalued, and are able to display growth potential. The Fund will utilise fundamental research to identify stocks that are undervalued due to mispricing, or going through changes in their business strategy. In the long term, we believe these undervalued companies hold the potential to rise to the price levels that reflect their fundamentals. Key factors which are useful to the identification of such companies would include sales and profit growth, financial strength and gearing levels, expected future earnings growth, share price valuation as well as management quality.</p> <p>The reference of "Japanese companies" in the above paragraph means companies which are domiciled in Japan or companies which derive its earnings from Japan.</p> <p>While we typically take an active trading policy, we look to maintain some core holdings that are held over the medium to long term which is similar to a buy and hold strategy. We will also maintain a trading portion for the portfolio, which we use to take advantage of beneficiaries during prevailing market conditions with the aim of boosting the Fund's performance.</p> | |

Asset Management

| | MYR-Hedged Class | MYR Class |
|---------------------------------------|--|-------------|
| | <p>To achieve its objective, the Fund will also have the flexibility to invest in collective investment schemes that have similar investment objectives to the Fund, as well as equity-linked instruments such as warrants. We expect to have a small portion of collective investment schemes and warrants investments relative to the size of the Fund.</p> <p>Usage of Derivative The Fund may employ derivative investments for hedging purposes by participating in instruments such as forward contracts and cross currency swaps.</p> <p>Forward exchange contracts enable the Fund to trade currency at a specific exchange rate, specific time and specific amount as indicated in the contract. Cross currency swaps allows the Fund to convert foreign exchange rates and/or interest rate exposures between two currencies.</p> <p>These derivatives may be used to hedge the principal and/or the returns of the foreign currency denominated investments back to MYR. The employment of derivatives under these circumstances, is expected to reduce the impact of foreign currency movements on the Fund's NAV. While the hedging strategy will assist with mitigating the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well.</p> | |
| Asset allocation | <ul style="list-style-type: none"> • A minimum of 70% of the Fund's NAV will be invested in equities; and • The remaining balance of the Fund's NAV will be placed in liquid assets including money market instruments and deposits. | |
| Benchmark | TOPIX (Tokyo Stock Price Index) Total Return Index <i>The risk profile of the Fund is different from the risk profile of the performance benchmark.</i> | |
| Distribution policy | The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate. | |
| Minimum initial investment* | MYR1,000 | MYR1,000 |
| Minimum additional investment* | MYR100 | MYR100 |
| Minimum units held* | 2,000 Units | 2,000 Units |

Note: Please refer to the Fund's Prospectus for further details of the Fund.

4. Who am I investing with?

Relevant parties' information:

| | |
|---|--|
| The Manager | Affin Hwang Asset Management Berhad |
| The External Manager | Nikko Asset Management Co., Ltd. [Director of Kanto Local Finance Bureau (Financial instruments firms) No.368] |
| Manager's Delegate (Fund Accounting and Valuation Agent) | Deutsche Bank (Malaysia) Berhad |
| The Trustee | Deutsche Trustees Malaysia Berhad |
| Trustee's Delegate | Deutsche Bank (Malaysia) Berhad (<i>local and foreign custodian</i>) |

5. What are the possible outcomes of my investment?

This is an equity fund that focuses on investment in Japanese equities. The performance of the Fund would be dependent on the Japan equity markets that are investable by the Fund. The Fund's performance is reliant on the External Fund Manager's expertise in managing the Fund to meet its objective.

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

Asset Management

The Fund's investment into equities would to a great extent, be linked to the price movements of the 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 distribution. However, incidental distribution may be declared whenever appropriate.

KEY RISKS

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

General risks

- **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, fraudulent, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
- **Inflation risk** – This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
- **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 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.
- **Warrants investment risk** – The value of 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 of the Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the Base Currency of the Fund.

Currency risk at the Hedged Class level

Currency hedging reduces the effect of exchange rate movements for the Hedged Class, but it does not entirely eliminate currency risk between the Hedged Class and the currency of the underlying investments (not a perfect hedge). Hence, the unhedged portion of the respective Hedged Class will be affected by the exchange rate movements and it may cause fluctuation of NAV of the respective Hedged Class. You should note however, that if the exchange rate moves favourably, the Fund would not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum investment size of entering into a forward contract and cost of hedging which may affect returns of the respective Hedged Class.

- **Single country risk** – The investment of the Fund in securities issued by companies which are domiciled in Japan or companies which derive its earnings from Japan may be affected by risks specific to Japan. Such risks, which include changes in economic fundamentals, social and political stability and sovereign policies, may have an impact on the prices of the Fund's investment in Japan. Consequently, it may also affect the Fund's NAV.

Asset Management

- **Regulatory risk** – The investments of the Fund are exposed to changes in the laws and regulations in the countries that the Fund invests 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.

PERFORMANCE

Average Total Return (MYR-Hedged Class)

| | 1 Year (1/3/18 – 28/2/19) | 3 Year (1/3/16 – 28/2/19) | Since Commencement (24/3/14 – 28/2/19) |
|------------------|------------------------------|------------------------------|---|
| Fund | (7.81%) | 10.03% | 8.39% |
| Benchmark | (7.66%) | 9.12% | 12.10% |

Source: Bloomberg/Lipper

Average Total Return (MYR Class)

| | Since Commencement (3/7/18 – 28/2/19) |
|------------------|--|
| Fund | (11.08%) |
| Benchmark | (5.92%) |

Source: Bloomberg/Lipper

Annual Total Return (MYR-Hedged Class)

| Financial Year End | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------|---------|--------|--------|----------|--------|
| Fund | (7.81%) | 17.76% | 22.71% | (11.31%) | 26.04% |
| Benchmark | (7.66%) | 8.97% | 29.11% | 6.77% | 26.72% |

Source: Bloomberg/Lipper

Annual Total Return (MYR Class)

| Financial Year End | 2019 |
|--------------------|---------|
| Fund | (7.46%) |
| Benchmark | (3.95%) |

Source: Bloomberg/Lipper

MYR Hedged-class

For the period under review i.e. 1 March 2018 to 28 February 2019, the Fund MYR Hedged-class registered a return of -7.81% compared to the benchmark return of -7.66%. Since commencement, the Fund MYR Hedged-class has registered a total return of 48.90% against the benchmark total return of 75.78%.

MYR Class

Since commencement, the Fund MYR class has registered a total return of -7.46% against the benchmark total return of -3.95%.

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

The Fund did not declare any income distribution during the period 1 March 2018 to 28 February 2019.

Asset Management

Portfolio Turnover Ratio (PTR)

| Financial Year End | 2019 | 2018 | 2017 |
|--------------------|------|------|------|
| PTR (times) | 0.44 | 0.86 | 0.70 |

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?

| | MYR-Hedged Class | MYR Class |
|--------------------------|--|-----------|
| Sales Charge | Up to 5.50% of the NAV per Unit of a Class. | |
| Repurchase Charge | There will be no Repurchase Charge imposed on the repurchase of Units. | |
| Switching Fee | There will be no switching fee imposed on the switching facility. | |
| Transfer Fee | There will be no transfer fee imposed on the transfer facility | |

What are the key ongoing fees charged to the Fund?

| | |
|-----------------------|--|
| Management Fee | Up to 1.80% per annum of the NAV of the Fund. |
| Trustee Fee | Up to 0.06% per annum of the NAV of the Fund (excluding foreign custodian fees and charges). |

Note: Please refer to the Prospectus for further explanation and illustration 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 the Manager and provided that all documentations are completed and verifiable.

Asset Management

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

APPENDIX : GLOSSARY

| | |
|-----------------------|--|
| Base Currency | Means the currency in which the Fund is denominated i.e. MYR |
| 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 the Bursa Malaysia and Tokyo Stock Exchange are open for trading. This information can be obtained from the Bursa Malaysia's website at www.bursamalaysia.com and Tokyo Stock Exchange's website at www.tse.or.jp/english/ . |
| Class(es) | Means any class of Units representing similar interests in the assets of the Fund although a Class of Units of the Fund may have different features from another Class of Units of the same Fund. |

Asset Management

| | |
|---|--|
| Deed(s) | Refers to the Deed dated 26 November 2013, the supplemental deed dated 27 June 2014, second supplemental deed dated 19 December 2016, third supplemental deed dated 23 January 2017 and fourth supplemental deed dated 20 July 2017 all entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed. |
| deposits | Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit. |
| External Fund Manager | Refers to Nikko Asset Management Co., Ltd. |
| Financial Institution | Means (a) if the institution is in Malaysia – (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorized by the relevant banking regulator to provide financial services. |
| the Fund | Refers to Affin Hwang World Series - Japan Growth Fund. |
| Hedged Class | Means a particular Class that aims to reduce the effect of exchange rate fluctuations between the Base Currency and the currency in which Unit Holders are exposed through the NAV hedging method carried out by the Fund. The NAV hedging method is done to mitigate substantial currency movements between the Base Currency of the Fund and the Hedged-class currency of the Fund. |
| Initial Offer Period | Means a period of one (1) day commencing from the date of the launch of a particular Class of the Fund other than the existing MYR Hedged Class (<i>which previously known as RM Class</i>), whereby the Units of that particular Class are open for sale at its Initial Offer Price. |
| Initial Offer Price | Means the fixed price for each Unit during the Initial Offer Period. |
| the Manager / AHAM / we / us / our | Refers to Affin Hwang Asset Management Berhad. |
| medium to long term | Means a period between three (3) years and above. |
| MYR Class | Represents a Class issued by the Fund which is denominated in MYR |
| Net Asset Value or NAV | Means the value of the Fund which is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant day. Where the Fund has more than one class of Units, there shall be Net Asset Value of the Fund attributable to each Unit |
| NAV per Unit | 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. |
| PHS | Product Highlights Sheet. |
| Prospectus | Refers to the prospectus in respect of the Fund and includes any supplementary or replacement prospectus, as the case may be. |
| Repurchase Charge | Means a charge imposed pursuant to a repurchase request. |
| Trustee | Refers to Deutsche Trustees Malaysia Berhad. |
| Unit(s) | Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a unit of the Fund and if the Fund has more than one class of Units, it means a unit issued for each class of Units. |
| Units in Circulation | Means Units created and fully paid for and which have not been cancelled. |
| Unit Holder(s), investor(s), you | Means the person / corporation registered as the holder of a Unit or Units including persons jointly registered |

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.