

Asset Management

# **PRODUCT HIGHLIGHTS SHEET**

## **for**

### **Affin Hwang World Series – US Dollar Liquidity Fund**

**Date of issuance: 18 February 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 relevant information and document in relation to the Affin Hwang World Series – US Dollar Liquidity Fund (“the Fund”), including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Fund, including 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.**

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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 Information Memorandum of the Fund before deciding to invest.

# PRODUCT HIGHLIGHTS SHEET

## AFFIN HWANG WORLD SERIES – US DOLLAR LIQUIDITY FUND

### BRIEF INFORMATION ON THE PRODUCT

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

Affin Hwang World Series – US Dollar Liquidity Fund is an open-ended wholesale feeder fund that aims to provide investors with a regular income stream and high level of liquidity to meet cash flow requirement whilst maintaining capital preservation.

### PRODUCT SUITABILITY

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

The Fund is designed for Sophisticated Investors who are generally conservative, risk adverse and prefer a short-term investment horizon.

### KEY PRODUCT FEATURES

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

<b>Commencement date</b>	18 February 2020
<b>Initial offer price</b>	USD 1.00 The initial offer price is the Selling Price and Repurchase Price for each Units of the Fund during the initial offer period.
<b>Initial offer period</b>	The initial offer period shall be a period of not more than forty-five (45) calendar days from the Commencement Date. The initial offer period may be shortened if we determine that it is in your best interest.
<b>Tenure</b>	The 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 Information Memorandum and the provisions of the Deed.
<b>Base currency</b>	USD
<b>Investment objective</b>	The Fund aims to provide investors with a regular income stream and high level of liquidity to meet cash flow requirement whilst maintaining capital preservation.
<b>Asset allocation</b>	<ul style="list-style-type: none"> <li>➤ A minimum of 80% of the Fund's NAV to be invested in the Target Fund; and</li> <li>➤ A maximum of 20% of the Fund's NAV to be invested in money market instruments, deposits and/or cash.</li> </ul>
<b>Investment strategy</b>	<p>The Fund will be investing a minimum of 80% of the Fund's NAV into the Target Fund and a maximum of 20% of the Fund's NAV into money market instruments, deposits with Financial Institutions and/or cash.</p> <p>We may substitute the Target Fund with another fund that has a similar objective with the Fund, if, in our opinion, the Target Fund no longer meets the Fund's investment objective. However, this is subject to the Unit Holder's approval before such changes are made.</p> <p>We may use derivatives, such as foreign exchange forward contracts and cross currency swaps, mainly for hedging purposes. Cross currency swaps and/or foreign exchange forward contracts may be used to hedge the principal and/or the returns of the foreign currency exposure of any of the Class(es) against the Base Currency. The employment of derivatives under these circumstances is expected to reduce the impact of foreign currency movements of the Fund's NAV, irrespective of the currency classes. While the hedging strategy will assist in mitigating the potential foreign exchange losses</p>

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	<p>by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well. The Fund may also employ derivatives for investment purposes to enhance the returns of the Fund by taking a view on the underlying asset or currency, and establish a long position to gain a specific underlying exposure. The types of derivatives envisaged for investment purposes include forwards and swaps which are over-the-counter or traded on centralized exchanges.</p> <p><b>Cross Trades</b> AHAM may conduct cross trades between funds which it is currently managing provided that all criteria imposed by the regulators are met. Notwithstanding the above, cross trades between the personal account of an employee of AHAM and the Fund's account(s) and between AHAM's proprietary trading accounts and the Fund's account(s) are strictly prohibited. Compliance with the criteria are monitored by AHAM's Compliance Unit, and reported to AHAM's compliance and risk management committee, to avoid conflict of interests and manipulation that could have a negative impact on investors.</p>
<b>Distribution policy</b>	Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis, after the end of its first financial year.
<b>Minimum initial investment*</b>	USD5,000
<b>Minimum additional investment*</b>	USD1,000
<b>Minimum repurchase amount*</b>	1,000 Units
<b>Minimum holding of units*</b>	1,000 Units
<b>About the Target Fund</b>	
<b>Target fund</b>	HSBC US Dollar Liquidity Fund
<b>Inception date of the target fund</b>	20 November 2000
<b>Country of origin</b>	Ireland
<b>Regulatory authority</b>	Central Bank of Ireland
<b>Depository</b>	BNY Mellon Trust Company (Ireland) Limited

*Note: Please refer to the Fund's Information Memorandum 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 Valuation and Accounting Function)</b>	HSBC (Malaysia) Trustee Berhad
<b>The Trustee</b>	HSBC (Malaysia) Trustee Berhad
<b>Trustee's Delegate (Local and Foreign Custodian)</b>	The Hongkong And Shanghai Banking Corporation Limited

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

This Fund is a wholesale feeder fund that invests in the Target Fund, which in turn invests in a diversified portfolio of short-term securities. The performance of this Fund would to a great extent be linked to the price movements of the Target Fund which in turn is reliant on the performance of the underlying investments that it is invested in.

As such, the value of your investments will be reliant on the performance of the Target Fund. This means that if the Target Fund performs well, the Fund may reflect similar performance and likewise if the performance of the Target Fund falls, the value of your investment will also be affected. The Fund's performance is dependent on the Target Fund Manager's expertise in managing the Fund.

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

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Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis, after the end of its first financial year.

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 arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
- **Fund management risk** – This risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. For example, investment decisions undertaken by us 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.
- **Performance risk** – This Fund is a feeder fund which invests in another collective investment scheme, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund. If the Target Fund does not perform in accordance with its objective, the performance of the Fund will also be impacted negatively. The performance of the Target Fund and consequently of this Fund may go down as well as up, depending on the circumstances prevailing at a particular given time. On that basis, there is never a guarantee that investing in the Fund will produce a positive investment returns in accordance with its objective.
- **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** – Operational risk is the risk of loss due to the breakdown, deficiencies or weaknesses in the operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control by the Manager. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.

##### Specific risks

- **Concentration risk** – This Fund is a feeder fund which invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as we are allowed to take temporary defensive positions in response to adverse market conditions. We also are able to substitute the Target Fund with another fund with similar objective of the Fund if, in our opinion, the Target Fund no longer meets the Fund's objective subject to Unit Holders' approval.
- **Liquidity risk** – This is the risk that the shares of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of shares of the Target Fund. The Target Fund Managers may suspend the realisation of shares, or delay the payment of realisation proceeds in respect of any realisation request received, during any period in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in a timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders.
- **Country risk** – Investments of the Fund in the Target Fund which is domiciled in Luxembourg may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of Luxembourg. For example, the deteriorating economic condition of that country may adversely affect the value of the investments undertaken by the Fund and in turn may cause the NAV of the Fund to fall.

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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 gain or loss arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
- **Target fund manager risk** - As a feeder fund, the Fund invests into the Target Fund which is managed by the Target Fund Manager. We have no control over the investment technique and knowledge, operational controls and management of the Target Fund Manager. In the event of any mismanagement of the Target Fund, the NAV of the Fund, which invests substantially all of its assets into the Target Fund, would be affected adversely.

*Note: Please refer to the Fund's Information Memorandum 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 Information Memorandum to assess the risks associated with the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.**

## 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	Nil
Repurchase charge	
Transfer fee	
Switching fee	

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

Management fee	Up to 0.40% per annum of the NAV of the Fund
Trustee fee	Up to 0.03% per annum of the NAV of the Fund

#### What will I be charged by the Target Fund?

<b>Preliminary Charge</b>	Not applicable
<b>Redemption Fee</b>	Not applicable
<b>Management Fee</b>	Up to 0.15% per annum of the net asset value of the Target Fund. <i>Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of management fee.</i>

*Note: Please refer to the Information Memorandum 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.**

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### VALUATIONS AND EXITING FROM INVESTMENT

#### 8. How often are valuations available?

The Fund will be valued on every Business Day and you may obtain the NAV and NAV per Unit of the Fund from our website at [www.affinhwangam.com](http://www.affinhwangam.com), our customer service via our toll free number 1-800-88-7080 or email to [customercare@affinhwangam.com](mailto:customercare@affinhwangam.com).

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

You may request to redeem investments in the Fund at any point in time by simply completing the repurchase application form and returning it to us on any Business Day from 8.45 a.m. to 3.30 p.m. Payments will be made to you within 14 days from the day the repurchase request is received by us and provided that all documentations are completed and verifiable.

### 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

Complaints should be made in writing with the following information:

- particulars of the complainant which include name, correspondence address, contact number, e-mail address (if any) and other relevant information;
- circumstances of the non-compliance or improper conduct;
- parties alleged to be involved in the improper conduct; and
- other supporting documentary evidence (if any).

- 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):

- via phone to : 03-2282 2280
- via fax to : 03-2282-3855
- via email to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- 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

- 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:

- via phone to the Aduan Hotline at : 03 – 6204 8999
- via fax to : 03 – 6204 8991
- via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
- via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia, No 3 Persiaran Bukit  
Kiara, Bukit Kiara, 50490 Kuala Lumpur

- Federal of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- via phone to : 03 – 20923800
- via fax to : 03 – 20932700
- via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)
- 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

<b>Base Currency</b>	Means the currency in which the Fund is denominated i.e. USD.
<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 the Bursa Malaysia, Luxembourg and New York are open for trading. The Manager may declare certain Business Day as a non-Business Day when deemed necessary, such as in the event of market disruption.
<b>Commencement Date</b>	Means the date on which sale of Units of the Fund is first made. The Commencement Date is also the date of constitution of the Fund.
<b>Deed</b>	Refers to the deed dated 15 January 2020 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
<b>Depository</b>	Refers to the BNY Mellon Trust Company (Ireland) Limited
<b>Financial Institution</b>	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank; (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
<b>Fund</b>	Means Affin Hwang World Series – US Dollar Liquidity Fund.
<b>Guidelines</b>	Means the <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC and as may be amended from time to time.
<b>Information Memorandum</b>	Means the offer document in respect of this Fund as may be replaced or amended from time to time.
<b>Manager or AHAM</b>	Means Affin Hwang Asset Management Berhad.
<b>NAV</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point. Where the Fund has more than one class of Units, there shall be a Net Asset Value attributable to each class of Units.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular valuation point divided by the number of Unit in Circulation at the same valuation point.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>Repurchase Price</b>	Means the NAV per Unit payable to a Unit Holder pursuant to a repurchase of a Unit; for the avoidance of doubt, the Repurchase Price does not include any Repurchase Charge which may be imposed.  <i>The Repurchase Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period. As such, any Repurchase Charge applicable is excluded from the calculation of the Repurchase Price.</i>
<b>Sales Charge</b>	Means a charge imposed pursuant to a purchase request.
<b>Selling Price</b>	Means the NAV per Unit payable by an applicant for a Unit pursuant to a successful application for Units; for the avoidance of doubt, the Selling Price does not include any Sales Charge which may be imposed.  <i>The Selling Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period. As such, any Sales Charge applicable is excluded from the calculation of the Selling Price.</i>
<b>short term</b>	Means a period of less than 3 years.
<b>Sophisticated Investor</b>	Refers to – (1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed MYR 3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence. (2) an individual who has a gross annual income exceeding MYR 300,000 or its equivalent in foreign currencies per annum in the preceding 12 months. (3) an individual who, jointly with his or her spouse, has a gross annual income exceeding MYR 400,000 or its equivalent in foreign currencies per annum in the preceding 12 months. (4) a corporation with total net assets exceeding MYR 10 million or its equivalent in foreign currencies based on the last audited accounts. (5) a partnership with total net assets exceeding MYR 10 million or its equivalent in foreign currencies.

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	<p>(6) a unit trust scheme or prescribed investment scheme.</p> <p>(7) a private retirement scheme.</p> <p>(8) a closed-end fund approved by SC.</p> <p>(9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding MYR 10 million or its equivalent in foreign currencies.</p> <p>(10) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the Act and has assets under management exceeding MYR 10 million or its equivalent in foreign currencies.</p> <p>(11) a statutory body established by an Act of Parliament or an enactment of any State.</p> <p>(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53].</p> <p>(13) central bank of Malaysia.</p> <p>(14) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence.</p> <p>(15) a licensed bank as defined in the Financial Services Act 2013.</p> <p>(16) a licensed Islamic bank as defined in the Islamic Financial Services Act 2013.</p> <p>(17) a licensed insurer as defined in the Financial Services Act 2013.</p> <p>(18) a licensed takaful operator as defined in the Islamic Financial Services Act 2013.</p> <p>(19) a Labuan bank or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704].</p> <p>(20) a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705].</p> <p>(21) such other investor(s) as may be permitted by the Securities Commission Malaysia from time to time and/or under the relevant guidelines for wholesale funds.</p>
<b>Target Fund</b>	Refers to HSBC US Dollar Liquidity Fund.
<b>Target Fund Manager</b>	Refers to HSBC Global Asset Management (USA) Inc.
<b>Trustee</b>	Refers to HSBC Malaysia Trustee Berhad.
<b>Unit or Units</b>	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund.
<b>Units in Circulation</b>	Means Units created and fully paid and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
<b>Unit Holder, you</b>	Means the person for the time being who, in full compliance to the relevant laws is a Sophisticated Investor pursuant to the Guidelines including a jointholder.