

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Versa Portfolio - Moderate

Date of issuance: 11 March 2022

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 Versa Portfolio - Moderate (“the Fund”) and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Fund and lodgement of this Product Highlights Sheet should not be taken to indicate that the Securities Commission of Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Affin Hwang Asset Management Berhad responsible for the Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

! YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

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This Product Highlights Sheet only highlights the key features and risks of this Fund. Investors are advised to request, read and understand the Prospectus of the Fund before deciding to invest.

PRODUCT HIGHLIGHTS SHEET
AFFIN HWANG VERSA PORTFOLIO - MODERATE
BRIEF INFORMATION ON THE PRODUCT
1. What is this product about?

Affin Hwang Versa Portfolio - Moderate is an open-ended retail fund-of funds that aims to provide investors with regular income and moderate capital growth over a medium to long-term period through a portfolio of collective investment schemes.

PRODUCT SUITABILITY
2. Who is this product suitable for?

The Fund is designed for retail investors who seek regular income and moderate capital growth, and have a medium to long-term investment horizon.

KEY PRODUCT FEATURES
3. What am I investing in?

Launch Date	11 March 2022
Initial Offer Price	MYR 0.50 per Unit
Initial Offer Period	The initial offer period shall be for a period of not more than twenty one (21) calendar days from the Commencement Date. The initial offer period may be shortened if we determine that it is in your best interest.
Base Currency	MYR
Investment Strategy	<p>In line with its objective, the investment strategy of the Fund is to invest in a diversified portfolio of CIS that will provide regular income and moderate capital growth through exposure into global markets.</p> <p>To offer investment diversification, the selection of CIS will be made based on the geographical and asset class focus to broaden the investment reach. Through its investment into CIS, the Fund will provide you with access into equities listed in global markets, as well as access into fixed income instruments such as debt securities, money market instruments and deposits, issued globally. We will look towards having an income and growth portfolio by holding balanced exposure into both equities and fixed income instruments respectively. Exposure into equities are generally considered to be able to provide higher returns as compared to fixed income instruments thus exposing you to relatively higher risk that comes with equity investments. However, the Fund will also have exposure in fixed income instruments, which are generally considered to be of lower risk, and the balanced allocation is aimed at managing the overall volatility of the Fund.</p> <p>In this respect, we take an active investment strategy in terms of its asset allocation, and geographical allocation decision. However, once a decision is made with regard to the actual allocation, the Fund will take a more passive stance by holding on to investments it already owns. Nevertheless, we will hold the flexibility to actively shift its asset and geographical allocation should it deem necessary based on the prevailing market conditions.</p> <p>We may place the uninvested portion of the Fund in liquid assets such as money market instruments and/or deposits with Financial Institutions. However, we may also take temporary defensive positions that may be inconsistent with the Fund's principal strategy by holding up to all of the Fund's NAV in money market instruments and/or deposits with Financial</p>

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	<p>Institutions in attempting to respond to adverse conditions that could negatively impact the financial markets.</p> <p>Derivatives</p> <p>The Fund may participate in non-MYR denominated assets, which we believe will be able to meet the Fund's objective. These non-MYR denominated assets may be hedged back to MYR, i.e. the base currency, to mitigate foreign currency risk.</p> <p>The Fund may use derivatives, such as foreign exchange forward contracts and cross currency swaps for hedging purposes only. 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 the Fund, depending on the Manager's view on the invested currency. The employment of derivatives under these circumstances is expected to reduce the impact of foreign currency movements on the Fund's NAV irrespective of the currency classes. While the hedging strategy will assist with mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well. The types of derivatives envisaged for hedging purposes include forwards and swaps which are OTC or traded on centralised exchanges.</p>
Asset Allocation	<ul style="list-style-type: none"> • A minimum of 95% of the Fund's NAV will be invested in collective investment schemes; and • A maximum of 5% of the Fund's NAV in money market instruments and/or deposits.
Performance Benchmark	<p>Maybank 12-month fixed deposit rate + 3% per annum.</p> <p><i>It is important to note that this is only a measurement of the Fund's performance and is not a guaranteed return.</i></p>
Distribution Policy	<p>Subject to the availability of income, the Fund will distribute income on a semi-annual basis, after the end of its first financial year.</p>
Minimum Initial Investment*	MYR 100
Minimum Additional Investment*	Nil
Minimum Holding of Units*	200 Units
Minimum Switching of Units*	200 Units

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

4. Who am I investing with?

Relevant parties' information:

The Manager	Affin Hwang Asset Management Berhad
The Trustee	CIMB Commerce Trustee Berhad
The Trustee's Delegate (Local & Foreign Custodian)	CIMB Bank Berhad

5. What are the possible outcomes of my investment?

The Fund is a fund-of-funds that invests primarily in collective investment schemes that provide exposure to equities and fixed incomes in the global markets. The performance of the Fund is dependent on the respective markets in which the Fund invests in. The Fund's performance is also reliant on the Manager's expertise in managing the Fund to meet its objective.

The Fund's investment in collective investment schemes is, to a great extent, linked to the price movements of the global markets. If the collective investment schemes or assets that the Fund invests in performs well, the Fund's performance

* At our discretion, we may reduce the transaction value and Units, including for transactions made via digital channels, subject to terms and conditions disclosed in the respective channels.

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may reflect the same. However, should the collective investment schemes or assets perform poorly, the Fund's performance may also be impacted negatively.

Subject to the availability of income, the Fund will distribute income on a semi-annual basis, after the end of its first financial year.

Please note that the Fund does not provide a guarantee on capital contributed nor does it guarantee a fixed rate of return.

KEY RISKS

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

General Risks

- **Fund management risk** – This risk refers to our day-to-day management of the Fund which will impact the performance of the Fund. For example, our investment decisions 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.
- **Loan / Financing risk** – This risk occurs when you take a loan or 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.
- **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 "Suspension of Dealing in Units" section of this Prospectus for more details.

Specific Risks

Specific risks relating to the Fund are as below:

- **CIS Risk** – Any adverse effect on the CIS which the Fund is investing in will impact the NAV of the Fund. For example, the respective CIS may be affected due to poor market conditions and as a result, the NAV of the Fund will be adversely affected as the performance of the Fund is dependent on the performance of the respective CIS. In addition, any mismanagement of the CIS or poor decisions taken on the CIS may adversely affect the NAV of the CIS and hence the Fund.
- **Credit And Default Risk** – Credit risk relates to the creditworthiness of the issuers of the money market instruments and the Financial Institutions where the deposits are placed (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 investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or Financial Institution either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.
- **Interest Rate Risk** – Money market instruments are subject to profit rate fluctuations. Generally, movement in interest rates affects the prices of money market instruments inversely. For example, when interest rates rise, prices of money market instruments will fall. The fluctuations of the prices of money market instruments will also have an impact on the NAV of the Fund. This risk can largely be eliminated by holding money market instruments until their maturity. We also manage interest rate risk by considering each money market

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instruments' sensitivity to interest rate changes. When interest rates are expected to increase, the Fund would then likely seek to switch to money market instruments that are less sensitive to interest rate changes. For investments in deposits, the fluctuations in the interest rates will not affect the placement of deposits but will result in the opportunity loss by the Fund if the placement of deposits is made at lower interest rate.

- **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.
- **Related Party Transaction Risk** – The Fund may invest in AHAM's CIS and may also have dealings with parties related to AHAM. Nevertheless, it is our policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.
- **Country Risk** – Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund to fall.

Specific risks relating to the collective investment schemes in which the Fund invests in are as below:

- **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 stocks will adversely affect the performance of the CIS.
- **Credit And Default Risk** – Credit risk relates to the creditworthiness of the issuers of the debt securities or money market instruments and the Financial Institutions where the deposits are placed (hereinafter referred to 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 investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer and/or Financial Institutions 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 debt securities or money market instruments (hereinafter referred to 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.

It is important to note that any adverse effect on the equities, debt securities and money market instruments could adversely affect the performance of the CIS which the Fund is investing. This in turn may cause the NAV of the Fund to fall.

Specific risks relating to Versa are as below:

- **Cyber security Risk** – This is the risk arising from cyber-attack on Versa's platform. Should Versa be compromised, it may result in unauthorised transactions pertaining to the Fund. Further to that, your investment-related information and personal data may be leaked. All transactions through Versa may be temporarily suspended due to a cyber-attack.
- **Functionality Risk** – This is the risk that arises when Versa does not operate as intended due to factors including but not limited to connectivity and interface issues. If the Versa does not function as expected, your transaction through Versa may not be correctly processed and/or completed.
- **Risk associated with discontinuation risk from Versa** – As the Fund's transactions are done through Versa, the continuous operation of Versa is crucial. The discontinuation of services provided by Versa may be due to but not limited to revocation of the license. Should such event happen, withdrawal from the Fund may be delayed.

Note: Please refer to the Prospectus on further detail of each risk.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not possible to protect investments against all risks. You are recommended to read the whole Prospectus to assess

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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	Nil
Switching fee	The Manager does not impose any switching fee. However, if the amount of sales charge of the fund (or class) that the Unit Holder intends to switch into is higher than the sales charge imposed by the fund (or class) being switched from, then the difference in the sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.
Transfer fee	Not applicable as transfer facility is not available for this Fund.

What are the key ongoing fees charged to the Fund?

Annual management fee	Up to 1.20% per annum of the NAV of the Fund.
Annual trustee fee	Up to 0.04% 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 of 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 request through Versa's platform. Repurchase request received or deemed to have been received by us after 3.30 p.m. on a Business Day (or "T day") will be transacted on the next Business Day (or "T + 1 day"). Payments will be made to you within 10 days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

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CONTACT INFORMATION

10. Who should I contact for further information or to lodge a complaint?

1. For internal dispute resolution, you may contact our customer service personnel:

- (a) via phone to : 03 – 2116 6000
- (b) via fax to : 03 – 2116 6100
- (c) via toll free no. : 1-800-88-7080
- (d) via email to : customercare@affinhwangam.com
- (e) via letter : Affin Hwang Asset Management Berhad
Ground Floor, Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur

Complaints should be made in writing with the following information:

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

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):

- (a) via phone to : 03-2282 2280
- (b) via fax to : 03-2282-3855
- (c) via email to : info@sidrec.com.my
- (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1 Level 9, Tower A, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

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

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

- (a) via phone to : 03 – 20923800
- (b) via fax to : 03 – 20932700
- (c) via e-mail to : complaints@fimm.com.my
- (d) via online complaint form available at : www.fimm.com.my
- (e) via letter to : Legal, Secretarial & Regulatory Affairs
Federal of Investment Managers Malaysia
19-06-1, 6th Floor Wisma Tune, No. 19, Lorong Dungun
Damansara Heights, 50490 Kuala Lumpur

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APPENDIX : GLOSSARY

the Act	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
the Board	Means the board of directors of the Manager.
Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as may be amended from time to time.
Business Day	Means a day on which Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day if one or more of the foreign markets in which the Fund is invested in are closed for business.
Commencement Date	Means the date on which sale of Units of the Fund is first made. The Commencement Date is also the launch date of the Fund.
Deed	Refers to the Deed dated 8 October 2021 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed.
Financial Institution	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; or (iii) 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.
the Fund	Refers to the Affin Hwang Versa Portfolio - Moderate.
Licensed Bank	Means a bank licensed under Financial Services Act 2013.
Licensed Investment Bank	Means an investment bank licensed under Financial Services Act 2013.
Licensed Islamic Bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
Manager / AHAM / we / us / our	Means Affin Hwang Asset Management Berhad.
medium to long-term	Means a period of between three (3) years to five (5) years and above.
MYR	Means Malaysian Ringgit.
Net Asset Value or NAV	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
Prospectus	Means the prospectus 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.
Repurchase Price	Means the price payable to you by us for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge.
Sales Charge	Means a charge imposed pursuant to a purchase request.
the Trustee	Refers to CIMB Commerce Trustee 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.
Units in Circulation	Means Units created and fully paid for and which has not been cancelled. It is also the total number of Units issued at a particular valuation point.
Unit Holder(s) / you	Means the person / corporation registered as the holder of a Unit or Units including persons, where permitted, jointly registered.
Versa	Means the mobile application platform that enables investors to perform investment transactions such as, but not limited to, the subscription of Units, and redemption of Units.