AFFIN HWANG CAPITAL

Out think. Out perform.

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Aiiman Select Income Fund

Date of issuance: 5 November 2021

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 199701014290 (429786-T) 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 Aiiman Select Income 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.

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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 AIIMAN SELECT INCOME FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

The Affin Hwang Aiiman Select Income Fund is an open-ended mixed asset fund, issued and managed in-house by the Manager.

The Fund seeks to provide investors with regular income stream through Shariah-compliant investments.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is designed for retail investors who expect to receive regular income distribution, have a moderate risk appetite, expect incidental growth in capital and want an investment that complies with Shariah requirements.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	1 March 2013
Tenure	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 Prospectus and the provisions of the Deed.
Investment Strategy	The Fund will focus on achieving its objectives by investing in a diversified portfolio consisting a minimum 60% of its NAV in Sukuk and Islamic money market instruments, a maximum 40% of its NAV in Shariah-compliant equities and the remaining of its NAV in cash and Islamic deposits with financial institutions. The Fund's investments in Sukuk would consist of Malaysian and foreign-issued Sukuk whether issued by government or companies. The Fund intends to invest in dividend yielding Shariah-compliant equities that are expected to enhance income and return to the Fund. To achieve its objective, the Fund may invest in Shariah-compliant warrants as well as Islamic collective investment schemes **Islamic Derivative Investments for Hedging Purposes Only** The Fund may employ Islamic derivative investments for hedging purposes by participating in instruments such as forward exchange contracts, and cross currency swaps. **Temporary Defensive Positions** We have 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 Islamic deposits with financial institutions or Islamic money market instruments.

Asset Allocation	
	Asset Class / **% of the Fund's NAV** Sukuk and Islamic money market instruments: 60% to 100% Shariah-compliant equities: 0% to 40% Cash and Islamic deposits: The remaining of the Fund's NAV
Distribution Policy	The Fund will distribute income on a semi-annual basis (subject to income availability).
Minimum Initial Investment*	MYR 1,000
Minimum Additional Investment*	MYR 100
Minimum Repurchase Amount	2,000 Units
Minimum Holding of Unit*	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
External Fund Manager / AIIMAN	AIIMAN Asset Management Sdn. Bhd.
The Trustee	HSBC (Malaysia) Trustee Berhad
The Shariah Adviser	Amanie Advisors Sdn. Bhd.
Tax Adviser	Deloitte KassimChan Tax Services Sdn. Bhd.
Auditor/Reporting Accountants	PricewaterhouseCoopers

5. What are the possible outcomes of my investment?

The Fund is a mixed asset fund that invests in a diversified portfolio of Sukuk and Islamic money market instruments and Shariah-compliant equities while holding the option to maintain the uninvested portion in cash, and Islamic deposits with financial institutions. As such, the performance of this Fund would to a great extent be linked to the price movements of local and global Sukuk and Islamic money market instruments, and Shariah-compliant equity markets. This means that if the Sukuk and Islamic money market instruments, and Shariah equities that are investable by the Fund performs well, the Fund may reflect similar performance and likewise. Also, the Fund's performance will rely on the fund managers' expertise in managing the Fund to deliver superior performance to its benchmark.

Investments in these Sukuk and Islamic money market instruments are expected to provide profit at intervals which are predetermined. These profits will then be distributed to Unit Holders in the form of income. Investments in dividend yielding Shariah-compliant equities are expected to enhance income and returns to the Fund. The asset allocation decision between Sukuk and Islamic money market instruments, and Shariah-compliant equity is decided after considering the Sukuk and Islamic money market instruments, and equity market outlooks over the medium to long-term horizon. Due to investments in equities, the Manager expects the Fund to also yield incidental growth in capital.

Please note that the capital and returns of the Fund are not guaranteed.

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

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.
- **Financing risk** - This risk occurs when you take a financing to finance your investment. The inherent risk of investing with financed money includes you being unable to service the financing repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing.
- **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 may be fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to you.

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

Specific risks

- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the investment (Sukuk and Islamic money markets instruments) and their expected ability to make timely payment of interest and/or principal. Default risk relates to the risk of an issuer of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the Fund.
- **Counterparty risk** – This risk concerns with the Fund's investment in Islamic derivatives where the other party in an agreement may default on the terms of the agreement. Generally, counterparty risk can be reduced by emphasis on credit analysis of the counterparty to determine its creditworthiness.
- **Interest rate risk** – Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. The reverse may apply when interest rates fall.
- **Stock specific risk** – Prices of a particular Shariah-compliant 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 Shariah-compliant stock will adversely affect the Fund's NAV.
- **Shariah-compliant warrants investment risk** – The value of the Shariah-compliant 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 Shariah-compliant warrants. In addition, the value of the Shariah-compliant warrants may decrease exponentially as the Shariah-compliant warrants approach their maturity date and the potential gains from a favourable price movement of the underlying security may be offset by aggressive time decay. We may consider unwinding these Shariah-compliant warrants if there are material adverse changes to its value with the aim to mitigate the risk.
- **Liquidity risk** – Liquidity risk arises in 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.
- **Currency risk** – As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments.
- **Country risk** – 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.

- **Regulatory risk** – The investments of the Fund will be exposed to changes in the laws and regulations in the countries the Fund has invested in. These regulatory changes pose a risk to the Fund as it may materially impact the investments of the Fund.
- **Re-classification of Shariah Status risk** – This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified to be Shariah non–compliant in the periodic review of the equities by the SAC of the SC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices.

Note: Please refer to the Fund's 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 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

	1 Year (1/4/20 – 31/3/21)	3 Year (1/4/18 – 31/3/21)	5 Year (1/4/16 – 31/3/21)	Since Commencement (22/3/13 – 31/3/21)
Fund	10.04%	3.58%	4.52%	4.38%
Benchmark	9.35%	2.03%	2.59%	2.98%

Source: Bloomberg & Maybank

Annual Total Return

Financial Year End ("FYE")	2021	2020	2019	2018	2017
Fund	10.04%	-0.73%	0.92%	4.39%	7.53%
Benchmark	9.35%	-1.79%	-1.09%	3.37%	3.51%

Source: Bloomberg & Maybank

For the period under review from 1 April 2020 to 31 March 2021, the Fund registered a 10.04% return, outperforming the benchmark return of 9.35%.

Basic 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	2021	2020	2019	2018
Gross distribution per Unit (sen)	2.00	2.50	2.50	2.50
Net distribution per Unit (sen)	2.00	2.50	2.50	2.50

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	2021	2020	2019	2018
PTR (times)	1.00	1.26	0.85	0.89

The Fund recorded a lower PTR due to lower average NAV of the Fund during the financial year.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

FEES & CHARGES

7. What are the fees and charges involved?

There are fees and charges involved and you are advised to consider them before contributing to the Fund.

What will I be charged by the Manager?

Sales charge	Up to 3.00% of the NAV per Unit of the Fund. *Investors may negotiate for a lower charge.* For investors who invest through the EMIS, the Sales Charge will be limited to the maximum charge of 3.00% of the NAV per Unit or as determined by the EPF.
Repurchase charge	There will be no Repurchase Charge levied on the repurchase of Units for this Fund.
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	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 1.20% of the NAV of the Fund per annum (before deducting the management fee and trustee fee).
Trustee fee	Up to 0.08% per annum of the NAV of the Fund (excluding foreign sub-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 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 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?

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

Bursa Malaysia	Means the Malaysian stock exchange managed and operated by the Bursa Malaysia Securities Berhad.
Business Day	A day on which the Bursa Malaysia is open for trading. Information on when Bursa Malaysia is close for trading can be obtained from www.bursamalaysia.com.
the Deed(s)	Refers to the deed dated 24 April 2012, supplemental deed dated 27 June 2014, second supplemental deed dated 19 December 2016 and third supplemental deed dated 5 October 2018 entered into between the Manager and the Trustee and includes any subsequent amendments and variations thereto.
EMIS	Means EPF Members' Investment Scheme.
EPF	Means Employees Provident Fund.
financial institution	Means (a) if the institution is in Malaysia: (i) a licensed bank; (ii) a licensed investment bank; or (iii) a licensed Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Fund	Refers to Affin Hwang Aiiman Select Income Fund.
Islamic deposit(s)	Has the same meaning as per the definition of "Islamic deposit" in the Islamic Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
long-term	Means a period of more than five (5) years.
the Manager, we, us, our	Means to Affin Hwang Asset Management Berhad
MYR	Means Ringgit Malaysia.
Net Asset Value or NAV	Means the value of all the Fund's assets less the value of all the Fund's liabilities 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.*
NAV per Unit	Means the Net Asset Value of the Fund at a particular valuation point divided by the total number of Units in Circulation at that point.
Prospectus	Refers to the prospectus of the Fund including any supplementary thereof or replacement prospectus, as the case may be.
Repurchase Charge	Means a charge imposed pursuant to the Unit Holder's request for repurchase of Units of the Fund.
SAC	Means Shariah Advisory Council.
Sales Charge	Means a charge imposed pursuant to the Unit Holder's purchase request.
SC	Means Securities Commission Malaysia.
Shariah	Islamic law, originating from the Qur`an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijtihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
Shariah Adviser	Refers to Amanie Advisors Sdn Bhd.
Shariah requirement	Means a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
Sukuk	Means a certificate of equal value which evidence undivided ownership or investment in assets using Shariah principles and concepts endorsed by the Shariah Advisory Council of the SC.
Unit or Units	Means a measurement of the right or interest of a Unit Holder in the Fund and includes any subunit thereof.
Units in Circulation	Means Units created and fully paid for and which have not been cancelled.
Unit Holder, you	Means the person / corporation registered as a holder of Units, including persons jointly registered."

Note:
Reference to "day(s)" in the Prospectus will be taken to mean calendar day(s) unless otherwise stated.