AFFIN HWANG CAPITAL

Out think. Out perform.

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Aiiman Income Plus Fund

Date of issuance: 17 September 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 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 Income Plus 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 INCOME PLUS FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

Affin Hwang Aiiman Income Plus Fund is an open-ended Sukuk and income fund, issued and managed in-house by the Manager.

The Fund's investment objective is to provide steady income stream over the medium to long-term period through investments primarily in Sukuk.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for retails investors who seek regular income distribution, have a medium to long-term investment horizon and have a low risk tolerance.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch date	28 June 2004
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.
Performance benchmark	12-month Maybank General Investment Account rate (GIA).
Investment strategy	To achieve the objective of the Fund, the Fund intends to invest in a multitude of Malaysian-issued Sukuk whether issued by the Malaysian government or private companies. These Sukuk are expected to provide profit at intervals which are predetermined. These profits will then be distributed to Unit Holders in the form of income. The strategy for Shariah-compliant investments in local Sukuk would be driven by the interest rate outlook for the market over the medium to long-term horizon. This will enable the Manager to decide on the maturity structure for the Fund. Relative return analysis will also be conducted between Shariah-compliant securities with the same credit ratings to determine if yields can be enhanced by switching investments. Additionally, the Manager will constantly seek potential credit upgrade issues and avoid potential downgrade issues to maximise returns to Unit Holders.

	In selecting individual Sukuk, the following are the important considerations:- • Issuer's and/or guarantor's industry and business medium to long-term outlook; • Issuer's and/or guarantor's financial strength and gearing levels; • Issuer's and/or guarantor's cash flow quality and volatility; • Issuer's and/or guarantor's expected future cash flow and ability to pay profit and principal; • Issuer's and/or guarantor's ratings of AA3 by RAM or AA- by MARC or equivalent rating by other recognized credit rating agency; • Issuer's and/or guarantor's duration and interest rate sensitivity; • Collateral type and value and claims priority; and • Price and yield-to-maturity. While the investment process will be driven by the above considerations, the guiding principle for the selection of investments will be premised on compliance with Shariah requirements. The Fund is structured to be actively managed. However, the trading strategy, in terms of its frequency would depend on market conditions and will be driven by market outlook. The Manager may take temporary defensive positions which may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economics, political or any other conditions. In this regard, the Fund may hold up to all of its NAV in cash and Islamic money market instruments.
Asset allocation	**Asset Class** / **% of the Fund's NAV** Malaysian-issued Sukuk whether issued by the Malaysian government or private companies — Minimum 80% Cash and Islamic money market instruments — Maximum 20%
Distribution policy	The Fund will distribute income on a quarterly basis (subject to income availability).
Minimum initial investment*	MYR 1,000
Minimum additional investment*	MYR 100
Minimum holding of units *	500 Units
Minimum switching of units*	1,000 Units

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

** 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.*

4. Who am I investing with?

Relevant parties' information:

The Manager	Affin Hwang Asset Management Berhad
Manager Delegate (Fund Management)	AIIMAN Asset Management Sdn. Bhd.
Manager's Delegate (Fund Valuation and Accounting Function)	HSBC (Malaysia) Trustee Berhad
The Trustee	HSBC (Malaysia) Trustee Berhad
The Shariah Adviser	Amanie Advisors Sdn. Bhd.

5. What are the possible outcomes of my investment?

The Fund invests in a portfolio of Malaysian-issued Sukuk to provide steady income stream. The performance of the Fund would be dependent on the Sukuk market that is investable by the Fund. The Fund's performance will also be reliant on the Manager's expertise in managing the Fund to meet its objective.

The Fund's investment into Sukuk would, to a great extent, be linked to the price movement of the Sukuk markets. If the Sukuk that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the Sukuk that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively.

The Fund endeavours to distribute income (subject to the availability of income), on a quarterly basis. However, the amount of income available for distribution may fluctuate from year to 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 marketplace. 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. Market risk cannot be eliminated by diversification. It stems from the fact that there are economy-wide perils which threaten all businesses. Hence, you will be exposed to market uncertainties and no matter how many Shariah-compliant securities are held, fluctuations in the economic, political and social environment will affect the market price of the Shariah-compliant investments either in a positive or negative way.
- **Fund management 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, fraudulence, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
- **Performance risk -** There is no guarantee in relation to the investment returns or on the distribution of income to Unit Holders.
- **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.
- **Liquidity risk -** Liquidity risk arises in two scenarios. The first is where the Fund's investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the Fund's investment, by its nature, is thinly traded. This will have the effect of causing the Fund's investment to be sold below its fair value which would adversely affect the NAV of the Fund.

- **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.
- **Credit and Default risk -** Credit risk relates to the creditworthiness of the issuers of the investment (Sukuk and Islamic money market instruments) 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 investments, this may lead to a credit downgrade. 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.
- **Interest rate risk -** The level of interest rates has an impact on the value of investments and economic growth of a country. High interest rates dampen investments and aggregate demand leading to an economic slowdown. The value of Sukuk move in the opposite direction of interest rates, any increase in rates will lead to a reduction in the value of Sukuk, thus affecting the NAV of the Fund.

  The interest rate is a general economic indicator that will have an impact to the management of the Fund, regardless of whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments.

Specific risks

- **Credit and Default risk -** Credit risk relates to the creditworthiness of the issuers of Sukuk 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 Sukuk. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the Sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Sukuk. This could adversely affect the value of the Fund.
- **Counterparty risk -** This is a risk that the other party in an agreement will default on the terms of the agreement. Generally, counterparty risk can be reduced by emphasis on credit analysis of the counterparty. The Manager will ensure that trades are done with organisations that can make timely payment of profit and principal.
- **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. In order to mitigate interest rate risk, we will need to manage the debt portfolio taking into account the coupon rate and time to maturity of the Sukuk.

Note: Please refer to the Prospectus for 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

	1 Year (1/9/19 –31/8/20)	3 Year (1/9/17 – 31/8/20)	5 Year (1/9/15 – 31/8/20)	10 Year (1/9/10 – 31/8/20)	Since Commencement (17/07/04 – 31/8/20)
Fund	5.00%	6.36%	5.72%	4.93%	5.74%
Benchmark	2.91%	3.29%	3.47%	3.33%	4.18%

Source: Bloomberg/Lipper

Annual Total Return

Financial Year End	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fund	5.00%	9.92%	4.25%	2.76%	6.83%	2.89%	3.09%	2.36%	6.40%	6.08%
Benchmark	2.91%	3.53%	3.44%	3.46%	4.01%	3.39%	3.20%	3.19%	3.20%	2.96%

Source: Bloomberg/Lipper

For the period under review i.e. 1 September 2019 to 31 August 2020, the Fund registered a return of 5.00%, outperforming the benchmark return of 2.91%. Since commencement, the Fund has registered a total return of 146.03%, outperforming the benchmark total return of 93.68%.

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	2020	2019	2018
Gross distribution per Unit (sen)	1.85	1.85	2.17
Net distribution per Unit (sen)	1.85	1.85	2.17

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	2020	2019	2018
PTR (times)	1.35	0.70	0.68

The PTR of the Fund was higher than previous year due to higher 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?

Sales charge

Distributors	Maximum Sales Charge as a percentage of the NAV per Unit of the Fund*
IUTA	2.00%
Internal distribution channel of AHAM	2.00%
Unit trust consultants	2.00%

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 1.00% of the NAV of the Fund per annum (before deducting the management fee and trustee fee).
Trustee fee	Up to 0.07% per annum of the NAV of the Fund, subject to a minimum of RM18,000 per annum (excluding foreign sub-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 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

Board	Means the board of directors of Affin Hwang Asset Management Berhad.
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 Bursa Malaysia is open for trading.
Deed	Means the Deed dated 5 May 2004 as modified by the First Supplemental Deed dated 29 December 2005, the Second Supplemental Deed dated 18 June 2007, the Third Supplemental Deed dated 23 September 2008, the Fourth Supplemental Deed dated 20 November 2008, the Fifth Supplemental Deed dated 26 March 2010, the Sixth Supplemental Deed dated 18 January 2012,the Seventh Supplemental Deed dated 27 June 2014 and the eighth supplemental deed dated 30 November 2017 entered into between the Manager and the Trustee.

EMIS	EPF Members' Investment Scheme.
EPF	Employees Provident Fund.
Fund	Refers to the Affin Hwang Aiiman Income Plus Fund.
Guidelines	Means the Guidelines on Unit Trust Funds issued by the SC and as may be amended from time to time.
IUTA	Institutional Unit Trust Advisers.
Manager/AHAM	Refers to Affin Hwang Asset Management Berhad.
MARC	Refers to the Malaysian Rating Corporation Berhad.
medium to long-term	Means a period between three (3) years to more than five (5) years.
MYR	Ringgit Malaysia.
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.
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.
Prospectus	Means the prospectus for the Affin Hwang Aiiman Income Plus Fund.
RAM	Refers to RAM Rating Services Berhad.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Sales Charge	Means a fee imposed pursuant to a purchase request.
SC	Securities Commission Malaysia.
Shariah	Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from the primary and secondary sources of the Shariah. The primary sources are the Quran, the Sunnah, Ijma' and Qiyas while the secondary ones are those established sources such as Maslahah, Istihsan, Istishab, 'Uruf and Sadd Zara'ie.
Shariah Adviser or Amanie	Refers to Amanie Advisors Sdn Bhd.
Shariah requirements	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 as required by the Shariah for that element.
Sukuk	Means a document or certificate, documenting the undivided pro-rated ownership of underlying assets.
Trustee	Refers to HSBC (Malaysia) Trustee Berhad.
Unit Holders, you	Means the person for the time being who, in full compliance to the relevant laws and under the Deed, is registered pursuant to the Deed as a holder of Units of the Fund, including a jointholder.
Unit or Units	Means a measurement of the right or interest of a Unit Holder in the Fund.
Units in Circulation	Means Units created and fully paid for and which has not been cancelled. *It is the total number of Units issued at a particular valuation point.*

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