

Asset Management

# PRODUCT HIGHLIGHTS SHEET

for

## Affin Hwang Bond 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 Bond 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.



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

## Asset Management

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 BOND FUND

### BRIEF INFORMATION ON THE PRODUCT

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

Affin Hwang Bond Fund is an open-ended bond fund, issued and managed in-house by the Manager.

The Fund's investment objective is to achieve steady capital growth at a rate better than the average deposit rates over a long term period by investing in a wide portfolio of authorised securities and other investments.

### PRODUCT SUITABILITY

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

The Fund is designed for retail investors who have a medium to long term investment horizon, are a conservative investor, and are risk averse.

### KEY PRODUCT FEATURES

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

<b>Launch Date</b>	12 December 2001							
<b>Tenure</b>	This Fund is an open-ended fund where it does not have a fixed maturity date and may only be terminated in accordance with the terms of the Prospectus and the provisions of the Deed.							
<b>Asset Allocation</b>	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Bonds</td> <td>Minimum 70%</td> </tr> <tr> <td>Fixed deposits and money market instruments</td> <td>Maximum 30%</td> </tr> </tbody> </table>	Asset Class	% of the Fund's NAV	Bonds	Minimum 70%	Fixed deposits and money market instruments	Maximum 30%	
Asset Class	% of the Fund's NAV							
Bonds	Minimum 70%							
Fixed deposits and money market instruments	Maximum 30%							
<b>Benchmark</b>	12-month fixed deposit rate quoted by Maybank							
<b>Investment Strategy</b>	<p>The Fund will focus on achieving its objective by investing a minimum 70% of the Fund's NAV in bonds, and a maximum 30% of the Fund's NAV in money market instruments and/or fixed deposits.</p> <p>The Fund's investment in bonds would consist of government and corporate bonds. The selection of bonds will not be constrained by credit ratings of issuances. However, the selection will depend largely on its quality where the respective issuers display strong ability to meet their financial obligations, healthy cash-flow, the collateral type, value, claims priority as well as offer highest safety for timely payment of interest and principal.</p> <p>To achieve its objective, the Fund will also have the flexibility to hold exposure in collective investment schemes that have similar investment objectives to the Fund.</p> <p><b>Temporary Defensive Position</b></p> <p>We hold the option to take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation to protect the Fund against adverse market conditions that may impact the financial markets. To manage the risk of the Fund, we may shift the Fund's assets to be temporarily invested in money market instruments and/or fixed deposits.</p>							

## Asset Management

<b>Distribution Policy</b>	Distribution (if any) is on a quarterly basis and will be subject to the availability of income.
<b>Minimum initial investment*</b>	MYR 1,000
<b>Minimum additional investment*</b>	MYR 100
<b>Minimum units held*</b>	500 Units

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

### 4. Who am I investing with?

Relevant parties' information:

<b>The Manager</b>	Affin Hwang Asset Management Berhad
<b>The Trustee</b>	AmanahRaya Trustees Berhad
<b>Tax Advisor</b>	PricewaterhouseCoopers Taxation Services Sdn Bhd

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

The Fund is a bond fund that invests into a portfolio primarily consisting of bond investments. The performance of the Fund would be dependent on the bond 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 bonds would, to a great extent, be linked to the price movement of the bond markets. If the bonds that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the bonds that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively.

The Fund endeavors to distribute income (subject to the availability of income), on annual basis.

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

- **Affected by variable factors and not guaranteed** -The performance of a unit trust fund is affected by many variable factors and is not guaranteed. These include overall economic and financial market conditions such as interest rate fluctuation and stability of the local currency. While a track record may provide some insight on future performance, it is by no means guaranteed. The prices of Units may go down as well as up. Likewise, distribution may vary from year to year depending on the performance of the unit trust fund.
- **Issuer risk** -The value of each individual security that a unit trust fund invests in may decline for a number of reasons which is directly related to the issuer, such as but not limited to, the management performance, financial leverage, changing industry conditions and changes in consumer tastes and demand.
- **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 laws or guidelines due to factors such as human error, fraudulent, dishonesty, or weaknesses in operational processes and systems, may adversely affect the performance of the Fund.
- **Financing risk** –This risk occurs when you take 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 price 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.

\* 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.

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### Specific risks

- **Credit and Default risk** – Credit risk relates to the creditworthiness of the issuers of the bonds or money market instruments (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 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** -This risk refers to the impact of interest rate changes on the valuation of bonds 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.

**Note: Please refer to the Fund’s 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.**

### FUND PERFORMANCE

#### Average Total Return

	1 Year (1/5/20 – 30/4/21)	3 Year (1/5/18 – 30/4/21)	5 Year (1/5/16 – 30/4/21)	10 Year (1/5/11 – 30/4/21)	Since Commencement (14/12/01 – 30/4/21)
<b>Fund</b>	0.07%	4.76%	4.60%	4.32%	4.00%
<b>Benchmark</b>	1.91%	2.75%	2.91%	3.06%	3.27%

Source: Bloomberg/Lipper

#### Annual Total Return

Financial Year End	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Fund</b>	0.07%	7.51%	6.80%	3.69%	5.04%	3.54%	4.19%	1.18%	4.90%	6.42%
<b>Benchmark</b>	1.91%	3.02%	3.35%	3.16%	3.14%	3.31%	3.27%	3.15%	3.15%	3.15%

Source: Bloomberg/Lipper

For the period under review i.e. 1 May 2020 to 30 April 2021, the Fund registered a return of 0.07% compared to the benchmark return of 1.91%. Since commencement, the Fund has registered a total return of 113.92%, outperforming the benchmark total return of 86.80%.

#### 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
<b>Gross distribution per Unit (sen)</b>	1.70	1.80	2.46
<b>Net distribution per Unit (sen)</b>	1.70	1.80	2.46

Distribution will be made in the form of cash as well as Units in lieu of cash, if any.

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### Portfolio Turnover Ratio (PTR)

Financial Year End	2021	2020	2019
PTR (times)	0.67	1.07	1.89

The Fund's PTR was lower than that of the previous year as the Manager had decreased its trading activities during the period under review.

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

## FEES & CHARGES

### 7. What are the fees and charges involved?

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

#### What will I be charged by the Manager?

<b>Sales charge</b>	Up to 1.00% of the NAV per Unit of the Fund. <i>Investors may negotiate for a lower charge.</i> The Sales Charge for investors purchasing Units through the EMIS shall be limited to a maximum charge of 3% of the NAV per Unit or as determined by the EPF.
<b>Repurchase charge</b>	There will be no Repurchase Charge levied on the repurchase of Units for the Fund.
<b>Switching fee</b>	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.
<b>Transfer fee</b>	There will be no transfer fee imposed on the transfer facility.

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

<b>Management fee</b>	Up to 1.00% per annum of the NAV of the Fund.
<b>Trustee fee</b>	Up to 0.08% per annum of the NAV of the Fund

**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](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 your investments in the Fund at any point in time by completing the repurchase application form and returning it to us on any Business Day between 8.45 a.m. and 3.30 p.m. Payments will be made to you within 10 days from the day the repurchase request is received by 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.

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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](mailto: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](mailto: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](mailto:aduan@seccom.com.my)
- (d) via online complaint form available at [www.sc.com.my](http://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](mailto:complaints@fimm.com.my)
- (d) via online complaint form available at : [www.fimm.com.my](http://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

## Asset Management

**APPENDIX: GLOSSARY**

<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 Bursa Malaysia is open for trading.
<b>Deed</b>	Refers to deed dated 3 December 2001, first supplemental deed dated 29 August 2002, second supplemental deed dated 23 August 2007, third supplemental deed dated 8 September 2008, fourth supplemental deed dated 13 October 2008, fifth supplemental deed dated 22 July 2014 and sixth supplemental deed dated 6 August 2015 entered into between the Manager and the Trustee.
<b>EMIS</b>	Means EPF Members' Investment Scheme.
<b>EPF</b>	Means Employees Provident Fund.
<b>Fund</b>	Refers to the Affin Hwang Bond Fund.
<b>Long term</b>	Means a period of 5 years and above.
<b>the Manager, we, us, our</b>	Refers to Affin Hwang Asset Management Berhad.
<b>Medium term</b>	Means a period between 3 years to 5 years.
<b>MYR</b>	Means Ringgit Malaysia.
<b>Net Asset Value or NAV</b>	Means the value of the Fund which is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and trustee fee for the relevant day.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation of the Fund in circulation at that valuation point.
<b>Prospectus</b>	Means the prospectus of the Fund including any supplementary thereof, as the case may be.
<b>Repurchase Charge</b>	Means a fee imposed pursuant to a repurchase request.
<b>Sales Charge</b>	Means a fee imposed pursuant to a purchase request.
<b>SC</b>	Means Securities Commission Malaysia.
<b>Trustee</b>	Refers to AmanahRaya Trustees Berhad.
<b>Unit or Units</b>	Means a measurement of the right or interest of a Unit Holder in the Fund.
<b>Units in Circulation</b>	Means Units created and fully paid and which have not been cancelled. It is also the total number of Units issued at a particular valuation point.
<b>Unit Holder, you</b>	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 jointholder.

Note:

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