

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang SGD Bond Fund

Date of issuance: 8 October 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 SGD 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.

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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 SGD BOND FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

Affin Hwang SGD Bond Fund is an open-ended retail bond fund that aims to provide investors with regular income over a medium to long-term period by investing in bonds.

PRODUCT SUITABILITY

2. Who is this product suitable for?

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

KEY PRODUCT FEATURES

3. What am I investing in?

Classes	SGD Class	MYR Class
Launch Date	23 February 2021	
Base Currency	SGD	
Investment Strategy	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, deposits and cash with Financial Institutions. We will combine a top-down and bottom-up investment approach to identify investment opportunities. Macroeconomic trends and market analysis are the important considerations in deriving the top-down perspective on interest rate outlook and bond markets. For its bottom-up approach, we would conduct analysis on the issuers to assess its ability to service its debt obligations. 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. As the Fund holds a Singapore Dollar focus, the Fund will maintain a minimum of 80% of the Fund's NAV exposure in SGD which can be achieved by either investing in SGD denominated investments or hedging the non-SGD denominated investments back to SGD. However, at all times, the Fund will invest at least 50% Funds NAV in SGD-denominated asset. The Fund is actively managed and the frequency of trading of securities is dependent on market opportunities. To achieve its objective, the Fund will also have the flexibility to hold exposure in collective investment schemes that have similar investment objective to the Fund. The Fund also may invest into foreign markets where the regulatory authorities are the	

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	ordinary or associate members of the International Organization of Securities Commissions. Sustainable and Responsible Investment (“SRI”) Strategy. The Fund adopted the following SRI methodologies, including the selection, retention and realisation of its investments: <i>Negative or exclusionary screening</i> The Fund will exclude investments in companies undertaking business activities or practices in alcohol, coal mining, forestry and logging, fossil fuel, gaming, tobacco, military weapons and other businesses regarded as vice in its investments. <u>Assessment Framework</u> The Manager will periodically review on sustainability aspects of the Fund’s portfolio to ensure the investments of the Fund consistent with the sustainable considerations adopted in the investment strategy employed at all time based on internally developed SRI assessment framework which covers the above-mentioned strategies. The Manager will not allow any investments in the company that fall under the exclusion business activities or practices in the Fund’s portfolio, even though the involvement of the company in such business activities or practices in a very low percentage. The Manager will evaluate the Fund’s investment on a quarterly basis to determine whether the Fund’s investment is consistent with its investment policy and strategies of SRI factors. This is to assure that the companies that the Fund’s invested are in line with the sustainable considerations adopted and the overall impact of the investments with its SRI strategies is not inconsistent with any other sustainability considerations. In the event that the invested company becomes inconsistent with the sustainable considerations adopted in the investment strategies employed, the Manager will dispose the investments if the value of the investment held exceeds or is equal to the original investment cost (which may include transaction cost). On the other hand, the Fund is allowed to hold the investment which is inconsistent with the sustainable consideration if the value of the investment is below the original investment cost. It is also permissible for the Fund to retain the profit received during the holding period until such time the market value of the investment held is equal to the original investment costs.	
Asset Allocation	• A minimum of 70% of the Fund’s NAV will be invested in bond; and • A maximum of 30% of the Fund’s NAV will be invested in money market instruments, deposits and cash.	
Performance Benchmark	Singapore Dollar Banks Saving Deposits Rate. Source: https://secure.mas.gov.sg/msb/InterestRatesOfBanksAndFinanceCompanies.aspx <i>The risk profile of the Fund is not the same as the risk profile of the performance benchmark.</i>	
Distribution Policy	Subject to the availability of income, the Fund will distribute income on an annual basis.	
Minimum Initial Investment*	SGD 1,000	MYR 1,000
Minimum Additional Investment*	SGD 100	MYR 100

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

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Minimum Units held*	1,000 Units	1,000 Units
Minimum Units of Repurchase*	1,000 Units	1,000 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	Deutsche Trustees Malaysia Berhad
The Trustee's Delegate (Local & Foreign Custodian)	Deutsche Bank (Malaysia) Berhad

5. What are the possible outcomes of my investment?

This is a SGD focus bond fund that invests in a diversified portfolio of medium to long-term government bonds, private debt securities and other fixed income instruments.

The performance of the Fund would be dependent on the fixed income instruments that are investable by the Fund. The Fund's performance is reliant on the Manager's expertise in managing the Fund to meet its objective.

Unlike fixed deposits which generally provide a guarantee on capital invested and carry specific rate of return, the Fund's investments into fixed income instruments does not provide a guarantee on capital contributed nor does it guarantee a fixed rate of return.

The Fund endeavours to distribute income, if any, on an annual 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 is not guaranteed.

KEY RISKS

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

General Risks

- **Market risk** – This risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.
- **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, fraudulent, 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 to Unit Holders.
- **Inflation risk** – This is a 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 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.
- **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.

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- **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 NAV per unit as compared to the NAV per unit at the point of purchase towards settling the loan.

Specific Risks

Specific risks relating to the Fund are as below:

- **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. 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.
- **Interest rate risk** – This risk refers to the impact of interest rate changes on the valuation of bonds or money market instruments (hereinafter referred 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.
- **Structured product risk** – The NAV of the Fund will be impacted by the valuation of the structured product. Factors that may impact the valuation of the structured products will include, but not be limited to movement of the underlying asset, volatility of the underlying assets, interest rate levels, the correlation of the underlying assets and other such factors. Any change in the aforesaid factors would either positively or negatively impact the valuation of the structured products hence impacting the NAV of the Fund. As such, the Fund’s NAV will be exposed to potential price volatility, which will be dependent on the valuation of the structured products that the Fund invested in.
- **Derivatives risk** – Valuation of derivatives takes into account a multitude of factors such as movement of the underlying assets, the correlation of the underlying assets with the Fund, the implied future direction of the underlying assets and other factors. Any diverse changes of the factors mentioned above, may result in a lower NAV price and higher volatility for the Fund’s NAV.
- **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.
- **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.
- **Legal and Regulatory Risk** – The Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objective followed by the Fund. Furthermore, such changes in the laws may have an impact on the market sentiment which may in turn affect the performance of the Fund. It is impossible to predict whether such impact caused by any change in the law will be positive or negative for the Fund. In the worst case scenario, a Unit Holder may lose all his investments in the Fund.

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 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.

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What will I be charged by the Manager?

Sales charge	Up to 2.00% of the NAV per Unit of a Class
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	Nil

What are the key ongoing fees charged to the Fund?

Annual management fee	Up to 1.00% per annum of the NAV of the Fund (before deducting the management fee and trustee fee).
Annual trustee fee	Up to 0.03% 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 application form and returning it 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.

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):

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- (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

the 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. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.
Deed	Refers to deed dated 30 October 2020 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 SGD Bond Fund.
Manager / AHAM	Refers to Affin Hwang Asset Management Berhad.
medium to long-term	Means a period of between three (3) years to five (5) years and above.
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.
RM Class	Represents a Class issued by the Fund which is denominated in RM
Sales Charge	Means a charge imposed pursuant to a purchase request.
SGD Class	Represents a Class issued by the Fund which is denominated in SGD

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the SC	Means the Securities Commission Malaysia.
the Trustee	Refers to Deutsche Trustees Malaysia 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 and which have not been cancelled. It is also the total number of Units issued at a particular valuation point.
Unit Holder(s), investor(s), you	Means the person/corporation registered as the holder of a Unit or Units including persons jointly registered.