

Asset Management**PRODUCT HIGHLIGHTS SHEET****for****Affin Hwang Wholesale Fund I****Date of issuance: 9 December 2016****RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of Affin Hwang Asset Management Berhad (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, there are no false or misleading statements, or omission 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 Affin Hwang Wholesale Fund I ("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 Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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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 Information Memorandum of the Fund before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

AFFIN HWANG WHOLESALE FUND I

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

The Affin Hwang Wholesale Fund I is a wholesale bond fund which aims to provide income to investors through investments primarily in fixed income instruments, money market instruments, and deposits with Financial Institution(s).

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for Sophisticated Investors*:-

- who seek regular income distributions
- who seek low risk tolerance
- with a medium to long term investment horizon

**Please refer to Appendix of this Product Highlights Sheet for the definition of Sophisticated Investors.*

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	18 July 2012						
Asset Allocation	The Fund asset allocation range is as follows:- <table border="1"> <thead> <tr> <th>Asset Class</th><th>% of the Fund's NAV</th></tr> </thead> <tbody> <tr> <td>Fixed income securities</td><td>Minimum 90%</td></tr> <tr> <td>Money market instruments and fixed deposits</td><td>Maximum 10%</td></tr> </tbody> </table>	Asset Class	% of the Fund's NAV	Fixed income securities	Minimum 90%	Money market instruments and fixed deposits	Maximum 10%
Asset Class	% of the Fund's NAV						
Fixed income securities	Minimum 90%						
Money market instruments and fixed deposits	Maximum 10%						
Performance Benchmark	BPAM All Malaysia Bond Index						
Investment Strategy	The Fund aims to provide income to investors by investing a minimum of 90% of its NAV into fixed income securities issued or guaranteed by the Malaysian government, Bank Negara Malaysia or government-related entities. The fundamental investment process will be driven by considering the interest rate outlook for the market over the medium to long-term horizon. This entails studying relevant economic and business statistics in order to produce forecasts of interest rate trends. This will enable the Manager to decide on the maturity structure for the Fund. The Manager will adopt an investment policy which is flexible and adaptable, which entails the Fund, in accordance with its investment policy. The Fund may also invest up to 10% of its NAV into money market instruments and fixed deposits. The selection of the issuers will depend largely on the credit quality and liquidity of the issuer based on the Manager's internal credit rating model.						
Distribution Policy	Subject to availability of income, the Fund will distribute its income on a quarterly basis. If the distribution available is too small or insignificant, the Manager may						

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	choose not to distribute the income as the distribution may not be beneficial to the Unit Holders as the total cost to be incurred in such distribution may be higher than the amount available for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit Holders.
Minimum Initial Investment	RM500,000 or such lower amounts as the Manager may from time to time decide.
Minimum Additional Investment	RM500,000 or such lower amounts as the Manager may from time to time decide.
Minimum Units Held	500,000 Units or such lower amounts as the Manager may from time to time decide.

Note: Please refer to the Fund's Information Memorandum on further details of the Fund.

4. Who am I investing with?

Relevant parties information:

The Manager	Affin Hwang Asset Management Berhad
Manager's Delegate (Fund Valuation & Accounting Function)	Deutsche Bank (Malaysia) Berhad
The Trustee	AmanahRaya Trustees Berhad
Tax Adviser	PricewaterhouseCoopers Taxation Services Sdn. Bhd.
Auditor/Reporting Accountants	PricewaterhouseCoopers
Solicitor	Messrs. Soon Gan Dion & Partners

5. What are the possible outcomes of my investment?

The Fund invests in fixed income instruments, money market instruments, and deposits with Financial Institution(s).

It is to note that the risk factors associated with the Fund may cause you to lose some or all of your investment. Regardless, this Fund is suitable for low risk investors.

Unlike fixed deposits which generally provide a guarantee on capital invested and carry specific rate of return, 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

- **Financing risk** - Investors should assess the inherent risk of investing with financing facility, which should include the following:
 - The ability to service the financing repayments and the effect of increase in interest rates on financing repayments; and
 - If units are used as collateral, investors may be required to provide additional collateral should the Fund's unit prices fall below a certain level.
- **Management risk** - Poor management of the Fund may jeopardise the investment of each Unit Holder. This may include making poor investment decisions, lack of experience and knowledge, not enough resources and also lack of skills, resulting in money lost to the Fund.
- **Non-compliance risk** - This is the risk of the Manager or the Trustee, not complying with the internal policies, the Deed of the Fund and all applicable laws or guidelines issued by the regulators.

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- **Other variable risk** - The performance of the Fund is driven by many variable factors and the return is not guaranteed. These include financial market conditions, interest rate fluctuation, stability of local currency and general economic environment. The prices of units may go down as well as up. The distribution (if any) may also vary from year to year depending on the performance of the Fund.

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

Specific Risks

- **Interest rate risk** - As the Fund invest in fixed income securities and money market instruments, any movements in the interest will have a significant impact on the Fund's performance.
- **Credit/default risk** - This risk concerns the issuers of fixed income instruments and money market instruments. The risk arises when the issuers of such instruments will not make timely payment of interest and/or principal amount. This may lead to default in the payment of interest and/or principal amount and ultimately the value of the Fund may be adversely affected.
- **Liquidity risk** - This is the risk where the financial instruments that the Fund holds cannot be readily sold and converted into cash and even if it could be sold, it would be sold at a loss.
- **Reinvestment risk** - This risk arises when the issuer of fixed income instruments decide to repay the principal earlier than the intended maturity date, especially during times of declining interest rates. As a result, the payment is reinvested at a lower yielding fixed income instruments.
- **Concentration risk** - This risk arises because the Fund may have investments in fixed income securities with any single issuer. The Fund's concentrated portfolio will cause the Fund's overall value to decline to a greater degree than if the Fund was exposed to a less concentrated portfolio.

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

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk.

The investments of the Fund carry risk and you are recommended to read the whole Information Memorandum to assess the risk of 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 per Unit	Nil
Repurchase Charge per unit	Nil
Switching fee	Not applicable as switching is prohibited.
Transfer fee	Not applicable as transfers are prohibited.

What are the key ongoing fees charged to the Fund?

Management fee	0.50% per annum of the NAV of the Fund.
Trustee fee	0.02% per annum of the NAV of the Fund

ALL FEES AND CHARGES ARE EXCLUSIVE OF GOODS AND SERVICES TAX. FROM 1 APRIL 2015 ONWARDS, WE (INCLUDING THE TRUSTEE AND OTHER SERVICE PROVIDERS OF THE FUND) WILL CHARGE GOODS AND SERVICES TAX AT THE RATE OF 6% ON THE ABOVEMENTIONED FEES AND CHARGES IN ACCORDANCE WITH THE GOODS AND SERVICES TAX ACT 2014

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VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

The Fund will be valued on every Business Day and you may obtain NAV and prices of the Fund from 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 the Manager on any Business Day from 8.45 a.m. to 3.30 p.m. Payments will be made to you the next business day from the day the repurchase request is received by the Manager and provided that all documentations are completed and verifiable, at or before the cut-off time of 10.30 a.m.

CONTACT INFORMATION

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

- 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:

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

- If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the following regulatory bodies, details of which are as follows:

Federation of Investment Managers Malaysia (FiMM):

- | | | |
|-------------------------------|---|---|
| (a) via email | : | legalcomp@fimm.com.my |
| (b) via online complaint form | : | www.fimm.com.my |
| (c) via letter | : | Complaints Bureau
Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-07-3, 7 th Floor PNB Damansara
No. 19, Lorong Dungun Damansara Heights
50490 Kuala Lumpur |

OR

Securities Industries Dispute Resolution Corporation (SIDREC):

- | | | |
|----------------|---|---|
| (a) via phone | : | 03-2282 2280 |
| (b) via fax | : | 03-2282-3855 |
| (c) via email | : | info@sidrec.com.my |
| (d) via letter | : | 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 |

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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

APPENDIX : GLOSSARY

"Business Day"	A day on which the Bursa Malaysia is open for trading.
"Bursa Malaysia"	Means the stock exchange managed and operated by the Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
"Development Financial Institutions (DFIs)"	Means specialised financial institutions established by the Malaysian Government with specific mandate to develop and promote key sectors.
"Financial Institution"	means (a) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institutions (DFIs); or (iv) licensed Islamic Bank; (b) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorised by the relevant banking regulator to provide financial services.
"the Fund"	Refers to Affin Hwang Wholesale Fund I.
"Information Memorandum"	Means the Information Memorandum in respect of the Affin Hwang Wholesale Fund I; and includes any addendum to the Information Memorandum or replacement Information Memorandum, as the case may be.
"the Manager"	Refers to Affin Hwang Asset Management Berhad.
"NAV"	Means the Net Asset Value of the Fund 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 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.
"Sophisticated Investors"	Refers to – (1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; (2) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months; (3) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months; (4) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts; (5) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies; (6) a unit trust scheme or prescribed investment scheme; (7) a private retirement scheme; (8) a closed-end fund approved by SC; (9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies; (10) a corporation that is a public company under the Companies Act 1965 which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;

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- (11) a statutory body established by an Act of Parliament or an enactment of any State;
- (12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53];
- (13) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence;
- (14) a licensed institution as defined in the Financial Services Act 2013;
- (15) an Islamic bank as defined in the Islamic Financial Services Act 2013;
- (16) an insurance company licensed under the Financial Services Act 2013;
- (17) a takaful operator registered under the Islamic Financial Services Act 2013;
- (18) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [704];
- (19) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [705]; and
- (20) such other investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

"SC"	Means the Securities Commission Malaysia.
"Unit(s)"	Means a measurement of the right or interest of a unit holder in the Fund and means a Unit (including a fraction of a Unit) of the Fund.
"Units in Circulation"	Means units created and fully paid. It is the total number of Units issued at a particular valuation point.
"Wholesale Fund"	has the meaning ascribed to it in the Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework issued by the SC.