



# **PRODUCT HIGHLIGHTS SHEET**

## **for**

# **Affin Hwang Wholesale Corporate Bond Fund**

**Date of issuance: 6 June 2017**

### **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors or authorised committee 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 omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

### **STATEMENT OF DISCLAIMER**

The relevant information and document in relation to the Affin Hwang Wholesale Corporate Bond Fund ("the Fund"), including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Fund, including 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.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Affin Hwang Asset Management Berhad (429786-T) 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.

## 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 Information Memorandum of the Fund before deciding to invest.**

**PRODUCT HIGHLIGHTS SHEET**
**AFFIN HWANG WHOLESALE CORPORATE BOND FUND**
**BRIEF INFORMATION ON THE PRODUCT**
**1. What is this product about?**

Affin Hwang Wholesale Corporate Bond Fund is an open-ended wholesale fixed income fund, issued and managed by the Manager.

The Fund aims to provide investors with steady income over the medium to long-term investment horizon.

**PRODUCT SUITABILITY**
**2. Who is this product suitable for?**

The Fund is designed for Sophisticated Investors who have a medium to long-term investment horizon, want exposure into fixed income instruments and have a low risk tolerance.

**KEY PRODUCT FEATURES**
**3. What am I investing in?**

<b>Launch Date</b>	6 June 2017
<b>Initial Offer Price</b>	MYR 1.00
<b>Initial Offer Period</b>	The initial offer period shall be for a period of not more than 45 calendar days from the Commencement Date of the Fund. The initial offer period may be shortened if we determine that it is in your best interest.
<b>Tenure</b>	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 Information Memorandum and the provisions of the Deed.
<b>Base Currency</b>	MYR
<b>Investment Strategy</b>	We will focus on building a portfolio of debentures with the aim of meeting the Fund's objective. The portfolio will comprise primarily of MYR-denominated debentures issued by corporations. These instruments will include, but not be limited to listed and unlisted private debt securities, and convertible bonds. The Fund's investments may comprise of both conventional as well as Islamic investments. We will carry out a stringent credit selection process when identifying issuances to be included into the portfolio. This is done with the aim of ensuring that the underlying investments are of high credit quality, and are able to provide relative certainty of principal repayment while maintaining overall total return stability. Secondarily, the Fund will also have the flexibility to maintain the balance of its NAV into more liquid assets such as money market instruments, deposits and/or cash.

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	<p>While the Fund will have an active trading policy, the Fund will have some core holdings where there is a medium to long-term investment horizon bias, which is similar to a buy and hold strategy. At the same time, we will also, when the opportunity arises, buy into the market to benefit from potential market movements.</p> <p>As a temporary defensive measure, we may take a position that may be inconsistent with the Fund's principal strategy by increasing the Fund's exposure into money market instruments, deposits, and/or liquid assets.</p>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• A minimum of 80% of the Fund's NAV to be invested in debentures; and</li> <li>• The remaining of the Fund's NAV to be invested in money market instruments, deposits and/or liquid assets.</li> </ul>
<b>Performance Benchmark</b>	RAM Quantshop MGS 1-5 Years Index + 80 basis points
<b>Distribution Policy</b>	<p>The Fund aims to distribute income on a monthly basis, after the end of its first financial year.</p> <p>However, the quantum and frequency of income distribution will be subject to income availability.</p>
<b>Minimum initial Investment<sup>+</sup></b>	MYR 1,000,000
<b>Minimum additional Investment<sup>+</sup></b>	MYR 500,000

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

#### 4. Who am I investing with?

Relevant parties' information:

<b>The Manager</b>	Affin Hwang Asset Management Berhad
<b>Manager's Delegate (Fund Valuation &amp; Accounting Function)</b>	TMF Trustees Malaysia Berhad (610812-W)
<b>The Trustee</b>	TMF Trustees Malaysia Berhad (610812-W)
<b>Trustee's Delegate (Custody Services)</b>	Standard Chartered Bank Malaysia Berhad (312552-W)
<b>Tax Adviser</b>	Ernst & Young Tax Consultants Sdn Bhd
<b>Auditor</b>	PricewaterhouseCoopers
<b>Solicitor</b>	Wei Chien & Partners

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

The Fund is a wholesale fixed income fund that invests in a portfolio of debentures. The performance of the Fund would be dependent on the fixed income market that is investable by the Fund. The Fund's performance will be reliant on the Manager's expertise in managing the Fund to meet its objective.

The Fund's investments into debentures would, to a great extent, be linked to the price movement of the bond market. If the debentures that are investable by the Fund performs well, the Fund's performance may reflect the

<sup>+</sup> At our discretion, we may reduce the minimum initial investment amount and minimum additional investment amount.

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same. However, should the debentures that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively.

The Fund will distribute income (subject to income availability), on a monthly basis after the end of its first financial 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 market place. 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. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
- **Fund management risk** – The risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. For example, investment decisions undertaken by us 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.
- **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.
- **Performance risk** – The performance of the Fund depends on the financial instruments that the Fund purchases. If the instruments do not perform within expectation or if there is a default, then, the performance of the Fund will be impacted negatively. The performance of the Fund may also be impacted if the allocation of assets is not properly done.
- **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.
- **Operational risk** – This risk refers to the risk of loss due to the breakdown, deficiencies or weaknesses in our operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control by the Manager. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.

*Note: Please refer to "Understanding the Risks of the Fund" in the Information Memorandum for further details on each risk.*

##### Specific Risks

- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the debentures and money markets 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 debentures or money market instruments (hereinafter referred as "investment"). When interest rates rise, the investment



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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 "Understanding the Risks of the Fund" in the Information Memorandum for further details on 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 Information Memorandum to assess the risks associated to 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	Not applicable
Repurchase charge	Not applicable
Switching fee	Not applicable
Transfer fee	Not applicable

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.
Annual trustee fee	Up to 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges).

**ALL FEES, CHARGES AND EXPENSES ARE EXCLUSIVE OF GOODS AND SERVICES TAX. WE (INCLUDING THE TRUSTEE AND/OR OTHER SERVICE PROVIDERS) WILL CHARGE GOODS AND SERVICES TAX AT THE RATE OF 6% ON THE ABOVEMENTIONED FEES, CHARGES AND EXPENSES IN ACCORDANCE WITH THE GOODS AND SERVICES TAX ACT 2014.**

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

### 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](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.

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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 following regulatory bodies, details of which are as follows:

Federation of Investment Managers Malaysia (FiMM):

- (a) via email to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- (b) via online complaint form : [www.fimm.com.my](http://www.fimm.com.my)
- (c) via letter to : Complaints Bureau  
Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor, Wisma Tune  
No. 19, Lorong Dungun, Damansara Heights  
50490 Kuala Lumpur

OR

Securities Industries Dispute Resolution Centre (SIDREC):

- (a) via phone to : 03-2282.2280
- (b) via fax : 03-2282.3855
- (c) via email to : [info@sidrect.com.my](mailto:info@sidrect.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

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**APPENDIX: GLOSSARY**

<b>Bursa Malaysia</b>	Means the stock exchange managed and operated by Bursa Malaysia Securities Berhad and includes any changes to the name or the operator of the Malaysian stock exchange.
<b>Business Day</b>	A day on which the 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.
<b>Commencement Date</b>	Means the date of the first Information Memorandum of the Fund and is the date on which sales of Units of the Fund may first be made. The Commencement Date is also the date of constitution of the Fund.
<b>Deed(s)</b>	Refers to the deed dated 18 May 2017 entered into between the Manager and the Trustee, which may be modified or varied by further supplemental deeds from time to time.
<b>deposit(s)</b>	Has the same meaning as per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposits.
<b>“the Fund”</b>	Refers to Affin Hwang Wholesale Corporate Bond Fund.
<b>Guidelines</b>	Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework issued by the SC and as amended or modified from time to time.
<b>Information Memorandum</b>	Means the offer document in respect of this Fund as may be, replaced or amended from time to time.
<b>the Manager / AHAM / we / us / our</b>	Refers to Affin Hwang Asset Management Berhad.
<b>medium to long-term</b>	Means a period of three (3) years and above.
<b>MYR</b>	Means the Malaysian Ringgit, the lawful currency of Malaysia.
<b>NAV</b>	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point.
<b>NAV per Unit</b>	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
<b>SC</b>	Means the Securities Commission Malaysia established under the Securities Commission Act 1993.
<b>Sophisticated Investors</b>	Refers to – <ol style="list-style-type: none"> <li>(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;</li> <li>(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;</li> <li>(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;</li> <li>(4) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(5) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(6) a unit trust scheme or prescribed investment scheme;</li> <li>(7) a private retirement scheme;</li> <li>(8) a closed-end fund approved by SC;</li> <li>(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;</li> <li>(10) a corporation that is a public company under the Companies Act 2016 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;</li> <li>(11) a statutory body established by an Act of Parliament or an enactment of any State;</li> <li>(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53];</li> </ol>



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	<p>(13) central bank of Malaysia;</p> <p>(14) 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;</p> <p>(15) a licensed institution as defined in the Financial Services Act 2013;</p> <p>(16) an Islamic bank as defined in the Islamic Financial Services Act 2013;</p> <p>(17) an insurance company licensed under the Financial Services Act 2013;</p> <p>(18) a takaful operator registered under the Islamic Financial Services Act 2013;</p> <p>(19) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704];</p> <p>(20) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705]; and</p> <p>(21) such other investor(s) as may be permitted by the Securities Commission Malaysia from time to time and/or under the relevant guidelines for wholesale funds.</p>
<b>Trustee</b>	Refers to TMF Trustees Malaysia Berhad.
<b>Unit(s)</b>	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 and if the Fund.
<b>Unit(s) in Circulation</b>	Means Units created and fully paid for and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
<b>Unit Holder(s) or You</b>	Refers to the person for the time being who is in full compliance with the relevant laws and is a Sophisticated Investor pursuant to the Guidelines and the Information Memorandum, is registered pursuant to the Deed as a holder of Units, including a jointholder. In relation to the Fund, means all the Unit Holders of Units in the Fund.