

Asset Management

# **PRODUCT HIGHLIGHTS SHEET**

**for**

## **Affin Hwang Aiiman Growth Fund**

**Date of issuance: 22 September 2017**

### **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 and they have 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 Aiiman Growth 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 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.

## 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 AIIAMAN GROWTH FUND**
**BRIEF INFORMATION ON THE PRODUCT**
**1. What is this product about?**

Affin Hwang Aiiaman Growth Fund is an open-ended Shariah-compliant equity and growth fund, issued and managed in-house by the Manager.

The Fund seeks to provide investors with consistent capital appreciation over the medium to long-term by investing in equities and other approved investments which harmonise with Islamic philosophy and laws.

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

The Fund is designed for retail investors who are medium to long-term investors, risk tolerant and seek higher returns than the benchmark on investments that comply with Shariah requirements.

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

Launch Date	8 October 2002
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 Master Prospectus and the provisions of the Deed.
Investment Strategy	<p>The Fund will focus on achieving its objective by investing a minimum of 70% of the Fund's NAV into Shariah-compliant equities and the remaining will be invested in Islamic money market instruments, Shariah-based deposits, and/or help in cash.</p> <p>The Fund will also have the flexibility to hold exposure in Shariah-compliant warrants as well as Shariah-compliant collective investment schemes that have similar investment objectives to the Fund.</p> <p><b>Temporary Defensive Position</b></p> <p>We may take temporary defensive measures that may be inconsistent with the Fund's principal strategy, and asset allocation to protect the Fund against adverse market conditions. TO manage the risk of the Fund, we may shift the Fund's focus into lower risk investments such as Islamic money market instruments and/or Shariah-based deposits.</p> <p><b>Policy on Active and Frequent Trading of Securities</b></p> <p>We take an active trading policy where we look to maintain some core holdings that are held over the medium to long term which is similar to a buy and hold strategy. We will also maintain a trading portion for the portfolio, which we use to take advantage of beneficiaries during prevailing market conditions with the aim of boosting the Fund's performance.</p>

## Asset Management

Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>Minimum 70%</td> </tr> <tr> <td>Islamic money market instruments, Shariah-based deposits and/or cash</td> <td>Maximum 30%</td> </tr> </tbody> </table>	Asset Class	% of the Fund's NAV	Equities	Minimum 70%	Islamic money market instruments, Shariah-based deposits and/or cash	Maximum 30%
	Asset Class	% of the Fund's NAV					
	Equities	Minimum 70%					
Islamic money market instruments, Shariah-based deposits and/or cash	Maximum 30%						
Performance Benchmark	FTSE Bursa Malaysia Emas Shariah Index (FBMSHA).						
Distribution Policy	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.						
Minimum Initial Investment*	MYR 1,000						
Minimum Additional Investment*	MYR 100						
Minimum Units Held*	500 Units						

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

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

Relevant parties information:

The Manager	Affin Hwang Asset Management Berhad
Manager Delegate (External Fund Management)	Asian Islamic Investment Management Sdn. Bhd. (formerly known as Asian Islamic Investment Management Sdn. Bhd.)
Manager's Delegate (Fund Valuation & Accounting Function)	HSBC (Malaysia) Trustee Berhad
The Trustee	HSBC (Malaysia) Trustee Berhad
Trustee's Delegate (Custody Services)	The Hongkong and Shanghai Banking Corporation Limited ( <i>local custodian</i> ) HSBC Institutional Trust Services (Asia) Limited ( <i>foreign custodian</i> )
Shariah Adviser	Amanie Advisors Sdn Bhd.
Tax Adviser	Ernst & Young Tax Consultants Sdn. Bhd. (179793K)
Auditor/Reporting Accountants	PricewaterhouseCoopers

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

This is an equity fund that invests in local equities. The Fund's investment into equities would to a great extent, be linked to the price movements of the local equity market. If the local equities that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the local equities that are investable by the Fund performs poorly, the Fund's performance may also be impacted negatively.

The Fund endeavours to distribution income, if any, on an annual basis. However, due to investments in equities, the Manager expects the Fund to yield incidental growth in capital.

Please note that the capital and returns of the Fund are not guaranteed.

\* subject to change at our discretion

## Asset Management

### 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.
- **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 weakness 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.
- **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 (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. 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** - 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 Islamic money market instruments move in the opposite direction of interest rates, any increase in rates will lead to a reduction in the value of Islamic money market instruments, thus affecting the NAV of the Fund.
- **Reclassification of Shariah status risk** – This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified to be Shariah non-compliant in the periodic review of the equities by the Shariah Advisory Council (“SAC”) of the SC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, we will take the necessary steps to dispose of such equities.

##### Specific Risks

- **Equity investment risk** – This is the risk associated with investing in a particular equity. The value of individual equity is mainly determined by its potential growth in earnings, sound management, and treatment of minority shareholders, as well as a myriad of other factors. Failure to achieve these would result in declining investment value which in turn affects the performance of the Fund.
- **Shariah-compliant warrants investment risk** – The value of the Shariah-compliant warrants (“warrants”) will depend on the pricing of the underlying security whereby the growth and performance prospect of the underlying security would consequentially affect the value of the warrants. In addition, the value of the warrants may decrease exponentially as the warrants approach its maturity date and the potential gains from a favourable price movement of the underlying may be offset by aggressive time decay.

*Note: Please refer to Risk Factors section of the Fund's Prospectus on further detail of each risk.*

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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 risks associated to 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 (1/9/15 – 31/8/16)	3 Years (1/9/13 – 31/8/16)	5 Years (1/9/11 – 31/8/16)	Since Commencement (29/10/02 – 31/8/16)
Fund	8.19 %	4.02 %	9.50 %	12.31 %
Benchmark	8.63 %	1.05 %	5.29 %	7.16 %
Outperformance	(0.44 %)	2.97 %	4.21 %	5.15 %

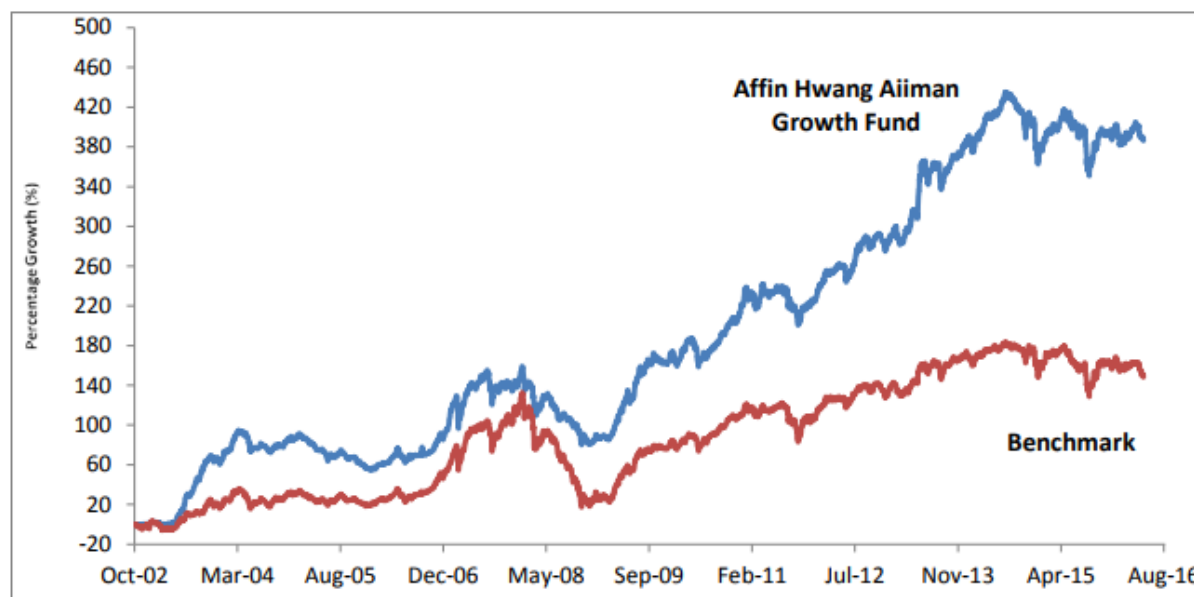
Source of Benchmark: Bursa Malaysia

#### Annual Total Returns

	FYE 2016 (1/9/15 – 31/8/16)	FYE 2015 (1/9/14 – 31/8/15)	FYE 2014 (1/9/13 – 31/8/14)	FYE 2013 (1/9/12 – 31/8/13)	FYE 2012 (1/9/11 – 31/8/12)
Fund	8.19 %	(11.27 %)	17.26 %	14.56 %	22.14 %
Benchmark	8.63 %	(13.44 %)	9.74 %	5.88 %	18.47 %
Outperformance	(0.44 %)	2.17 %	7.52 %	8.68 %	3.67 %

Source of Benchmark: Bursa Malaysia

#### Fund Performance vs Benchmark



Benchmark: FTSE Bursa Malaysia Emas Shariah Index

For the period 1 September 2015 to 31 August 2016, the Fund registered a return of 8.19%. The Net Asset Value (NAV) per unit of the Fund as at 31 August 2016 was MYR 1.0114 while the NAV at 31 August 2015 was MYR 0.9442. The benchmark for the period registered a return of 8.63%. The Fund unperformed the benchmark by 0.44%.

Since its inception to 31 August 2016, the Fund has registered a return of 399.55%. Compared to the benchmark that rose 160.60% in the same period, the Fund had outperformed the benchmark by 238.95%. As such, the Fund has met its objective.

## Asset Management

### **Basis 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.

An illustration of the above would be as follow:-

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**

	As at 31 August 2016	As at 31 August 2015	As at 31 August 2014
<b>Gross distribution per Unit (sen)</b>	1.00	1.50	5.00
<b>Net distribution per Unit (sen)</b>	1.00	1.50	5.00

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

### **Portfolio Turnover Ratio (PTR)**

	FYE 2016	FYE 2015	FYE 2014
PTR (times)	0.32	0.65	0.75

*The Fund's PTR was lower than the previous period due to lower portfolio trading activity.*

## 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	<b>Distributors</b>	<b>Maximum Sales Charge as a percentage of the NAV per Unit of the Fund*</b>
	IUTA	6.50%
	Internal distribution channel of AHAM	5.50%
	Unit trust consultants	5.50%
<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.		
Repurchase Charge	Nil	
Switching Fee	Nil	
Transfer Fee	MYR 5.00 per transfer.	

## Asset Management

What are the key ongoing fees charged to the Fund?

Management Fee	Up to 1.50% of the NAV of the Fund per annum.
Trustee Fee	Up to 0.07% of the NAV of the Fund per annum, subject to a minimum of RM 18,000 per annum (excluding foreign custody fees and charges).

**ALL FEES AND CHARGES 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 AND CHARGES 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 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 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 within 10 days from the day the repurchase request is received by the Manager and provided that all documentations are completed and verifiable.

For Unit Holders who invest through the EPF Members' Investment Scheme (EMIS), the Manager will remit the repurchase proceeds to the Employee Provident Fund (EPF) for the crediting of such proceeds into the Unit Holders' EPF accounts respectively. For Unit Holders above the age of fifty five (55) years old and who invest through the EMIS, the Manager will remit the repurchase proceeds to the said Unit Holders 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](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).

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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):
  - (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 – 2092 3800
  - (b) via fax to : 03 – 2093 2700
  - (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

### APPENDIX : GLOSSARY

"Bursa Malaysia"	Means the Malaysian stock exchange operated by the Bursa Malaysia Securities Berhad.
"Business Day"	Means a day on which Bursa Malaysia is open for trading
"days"	In respect of the Fund, a reference to "day" means calendar day unless otherwise stated.
"Deed(s)"	Means the deed dated 3 October 2002 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 18 January 2012 and the Sixth Supplemental Deed dated 27 June 2014 relating to the Fund entered into between the Manager and the Trustee.
"the Fund"	Means Affin Hwang Aiiman Growth Fund.
"long-term"	Means a period of more than five (5) years.
"EPF"	Means Employees Provident Fund.
"EMIS"	EPF Members' Investment Scheme.
"the Manager, AHAM, we, us, our"	Refers to Affin Hwang Asset Management Berhad.



## Asset Management

“medium-term”	Means a period between three (3) to five (5) years.
“MYR”	Means Ringgit Malaysia.
“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. <i>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.</i>
“NAV per Unit”	Means the Net Asset Value of a Fund at a particular valuation point divided by the total number of Units in Circulation at that point.
“Repurchase Charge”	Means a fee imposed pursuant to a request for repurchase of Units of the Fund.
“Prospectus”	Means the prospectus for the Affin Hwang Aiiman Growth Fund, and includes any supplementary or replacement prospectus, as the case may be.
“Sales Charge”	Means a fee imposed pursuant to an application for Units of the Fund.
“SC”	Means the 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, ‘Urf 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 prohibition 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.
“Unit or Units”	Means a measurement of the right or interest of a Unit Holder in the Fund and a Unit (including a fraction of a Unit) of 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.
“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.