

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Aiiman Income Plus Fund

Date of issuance: 22 September 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 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 Income Plus 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 AIIMAN INCOME PLUS FUND
BRIEF INFORMATION ON THE PRODUCT
1. What is this product about?

Affin Hwang Aiiman Income Plus Fund is an open-ended Sukuk and income fund, issued and managed in-house by the Manager.

The Fund aims to provide a steady income stream over the medium to long-term period through investments primarily in Sukuk.

PRODUCT SUITABILITY
2. Who is this product suitable for?

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

KEY PRODUCT FEATURES
3. What am I investing in?

| Launch Date | 28 June 2004 | | | | | | |
|--|--|-------------|---------------------|--|-------------|---|-------------|
| Tenure | 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. | | | | | | |
| Asset Allocation | <table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Malaysian-issued Sukuk whether issued by the Malaysian government or private companies</td> <td>Minimum 80%</td> </tr> <tr> <td>Cash and Islamic money market instruments</td> <td>Maximum 20%</td> </tr> </tbody> </table> | Asset Class | % of the Fund's NAV | Malaysian-issued Sukuk whether issued by the Malaysian government or private companies | Minimum 80% | Cash and Islamic money market instruments | Maximum 20% |
| Asset Class | % of the Fund's NAV | | | | | | |
| Malaysian-issued Sukuk whether issued by the Malaysian government or private companies | Minimum 80% | | | | | | |
| Cash and Islamic money market instruments | Maximum 20% | | | | | | |
| Performance Benchmark | 12-month Maybank General Investment Account rate (GIA). | | | | | | |
| Investment Strategy | <p>To achieve the objective of the Fund, the Fund intends to invest in a multitude of Malaysian-issued Sukuk whether issued by the Malaysian government or private companies.</p> <p>These Sukuk are expected to provide profit at intervals which are predetermined. These profits will then be distributed to Unit Holders in the form of income.</p> <p>The Fund is structured to be actively managed. However, the trading strategy, in terms of its frequency would depend on market conditions and will be driven by market outlook.</p> <p>The Manager may take temporary defensive positions which may be inconsistent with the Fund's principal strategy in attempting to respond to adverse marketing conditions, economics, political or any other conditions. In</p> | | | | | | |

Asset Management

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| | this regard, the Fund may hold up to all of its NAV in cash and money market instruments. |
| Distribution Policy | The Fund will distribute income, if any, on a quarterly 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 (Fund Management) | AIIMAN Asset Management Sdn. Bhd. (formerly known as Asian Islamic Investment Management Sdn. Bhd.) |
| The Trustee | HSBC (Malaysia) Trustee Berhad |
| Trustee's Delegate (Custody Services) | The Hongkong and Shanghai Banking Corporation Limited (<i>local custodian</i>) and assets held through HSBC Nominees (Tempatan) Sdn. Bhd. The Hongkong and Shanghai Banking Corporation Limited (<i>foreign custodian</i>) |
| The Shariah Adviser | Amanie Advisors Sdn. Bhd. |
| Tax Adviser | Ernst & Young Tax Consultants Sdn. Bhd |
| Auditor/Reporting Accountants | PricewaterhouseCoopers |

5. What are the possible outcomes of my investment?

The Fund invests in a portfolio of Malaysian-issued Sukuk to provide steady income stream. The performance of the Fund would be dependent on the Sukuk 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 Sukuk would, to a great extent, be linked to the price movement of the Sukuk markets. If the Sukuk that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the Sukuk 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 a quarterly 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 are not guaranteed.

* The Manager, in its sole discretion, may reduce the minimum initial investment amount, minimum holding of Units, minimum additional investment amount, minimum repurchase amount and minimum switching amount.

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. Market risk cannot be eliminated by diversification. It stems from the fact that there are economy-wide perils which threaten all businesses. Hence, you will be exposed to market uncertainties and no matter how many Shariah-compliant securities are held, fluctuations in the economic, political and social environment will affect the market price of the Shariah-compliant investments either in a positive or negative way.
- **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 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 finance 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 (Sukuk and 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. 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.
- **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 Sukuk move in the opposite direction of interest rates, any increase in rates will lead to a reduction in the value of Sukuk, thus affecting the NAV of the Fund.

Specific risks

- **Credit and Default risk** – Credit risk relates to the creditworthiness of the issuers of the Sukuk 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 Sukuk. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the Sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Sukuk.
- **Counterparty risk** – This is a risk that the other party in an agreement will default on the terms of the agreement. Generally, counterparty risk can be reduced by emphasis on credit analysis of the counterparty.
- **Interest rate risk** – Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, we will need to manage the debt portfolio taking into account the coupon rate and time to maturity of the Sukuk.

Asset Management

(Note: Interest rate risk is a general indicator that will have an impact on the management of the Fund regardless of whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments).

Note: Please refer to Risk Factors section of the Fund's 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 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 (17/7/04 - 31/8/16) |
|----------------|------------------------------|-------------------------------|-------------------------------|---|
| Fund | 6.83% | 4.25% | 4.29% | 5.83% |
| Benchmark | 4.01% | 3.53% | 3.39% | 4.46% |
| Outperformance | 2.82% | 0.72% | 0.90% | 1.37% |

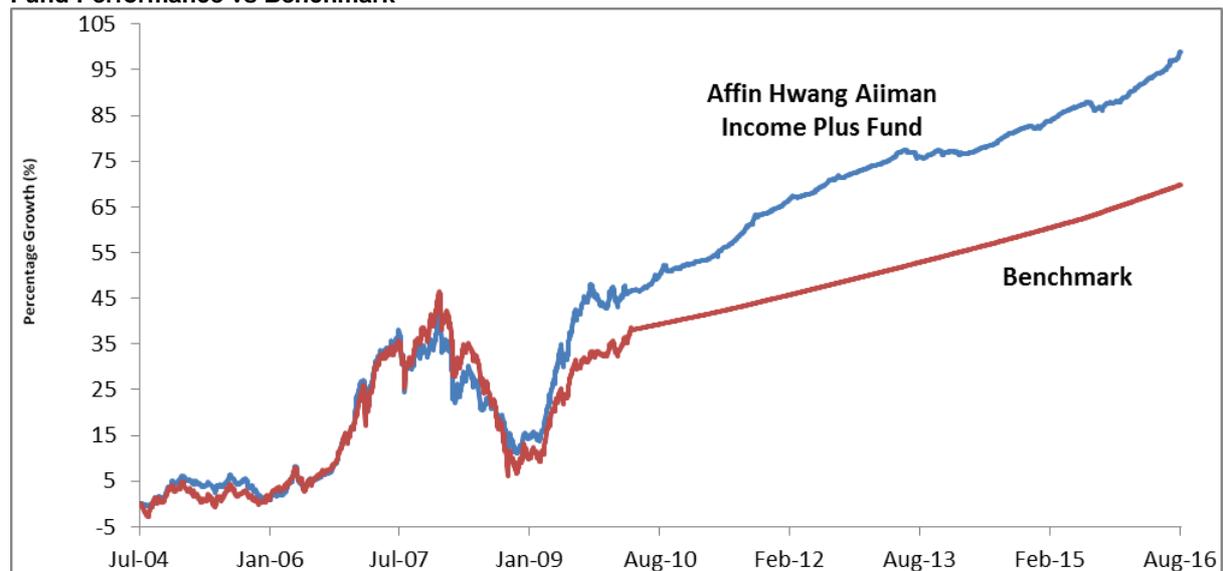
Source of Benchmark: Bursa Malaysia & Maybank

Annual Total Returns

| | FYE 2016 (01/9/15 - 31/8/16) | FYE 2015 (01/9/14 - 31/8/15) | FYE 2014 (01/9/13 - 31/8/14) | FYE 2013 (01/9/12 - 31/8/13) | FYE 2012 (01/9/11 - 31/8/12) |
|----------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Fund | 6.83% | 2.89% | 3.09% | 2.36% | 6.40% |
| Benchmark | 4.01% | 3.39% | 3.20% | 3.19% | 3.20% |
| Outperformance | 2.82% | (0.50%) | (0.11%) | (0.83%) | 3.20% |

Source of Benchmark: Bursa Malaysia & Maybank

Fund Performance vs Benchmark



Benchmark: 12-month Maybank General Investment Account (GIA) rate

Asset Management

For the period 1 September 2015 to 31 August 2016, the Fund has registered a 6.83% return as compared to the benchmark return of 4.01%. The Fund outperformed the benchmark by 2.82 percentage points. The Net Asset Value (NAV) per unit as at 31 August 2016 was RM0.5743 while the NAV per unit 31 August 2015 was RM0.5611. The Fund has declared a gross income distribution of RM0.024 per unit during the period under review.

Since inception, the Fund has registered a return of 98.97% versus the benchmark of 69.86%. This represents an outperformance of 29.11 percentage points. The Fund will continue to be managed in a manner to fulfil its objective.

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 30 August 2014 |
|--|-------------------------|-------------------------|-------------------------|
| Gross distribution per Unit (sen) | 2.40 | 1.00 | 1.90 |
| Net distribution per Unit (sen) | 2.40 | 1.00 | 1.90 |

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) | 1.06 | 0.95 | 0.58 |

The Fund's PTR was higher versus the last period under review as risk on/risk-off strategies made portfolio trading activity slightly higher.

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?

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| Sales charge per Unit | Up to 2.00% 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. |
| 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?

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| Management fee | Up to 1.00% per annum of the NAV of the Fund. |
| Trustee fee | Up to 0.07% per annum of the NAV of the Fund, subject to a minimum of RM18,000 per annum (excluding foreign custodian 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 PREVAILING 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, 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 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
- (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).

Asset Management

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

| | |
|----------------------------|---|
| "Bursa Malaysia" | Means the stock exchange operated by the 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. |
| "Deed(s)" | Means the Deed dated 5 May 2004 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 26 March 2010, the Sixth Supplemental Deed dated 18 January 2012 and the Seventh Supplemental Deed dated 27 June 2014 entered into between the Manager and the Trustee. |
| "EPF" | Means Employees Provident Fund. |
| "EMIS" | EPF Members' Investment Scheme. |
| "the Fund" | Means to Affin Hwang Aiiman Income Plus Fund. |
| "the Manager, we, us, our" | Means to Affin Hwang Asset Management Berhad. |
| "medium to long-term" | Means a period between three (3) years to more than five (5) years. |
| "MYR" | Means Ringgit Malaysia. |
| "Net Asset Value" | Means the value of the Fund which is determined by deducting the value of all the Fund's liabilities |

Asset Management

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| or NAV" | from the value of all the Fund's assets, 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 trustee fee for the relevant day.</i> |
| "NAV per Unit" | Means the NAV of the Fund at a particular valuation point divided by the total number of Units in Circulation of the Fund in circulation at that valuation point. |
| "Prospectus" | Refers to the Prospectus of Affin Hwang Aiman Income Plus Fund, and includes any supplementary or replacement prospectus, as the case may be. |
| "SAC of the SC" | Shariah Advisory Council of the Securities Commission Malaysia. |
| "SC" | 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 requirements" | Means a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah 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. |
| "short term" | Means a period of less than three (3) years. |
| "Sukuk" | Means a document or certificate, documenting the undivided pro-rated ownership of underlying assets. |
| "Unit or Units" | Means a measurement of the right or interest of a Unit Holder in 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, 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 jointholder. |