

Asset Management

PRODUCT HIGHLIGHTS SHEET

for

Affin Hwang Enhanced Deposit Fund

Date of issuance: 31 March 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 (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 omission of other facts which would make any statement in the Product Highlight Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of Affin Hwang Enhanced Cash 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 responsibility 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 ENHANCED DEPOSIT FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

The Affin Hwang Enhanced Deposit Fund is an open-ended money market fund, issued and managed in-house by the Manager.

The Fund aims to provide investors with a regular income stream and high level of liquidity to meet cash flow requirement while maintaining capital preservation.

PRODUCT SUITABILITY

2. Who is this product suitable for?

This Fund is designed for retail investors and is primarily suitable for low risk Investors who are generally conservative, risk averse and prefer a short-term investment horizon.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	18 April 2005
Tenure	The Fund is an open-ended fund which means there is no maturity date for the Fund and the Fund may only be terminated in accordance with the terms of the Prospectus and the provisions of the Deed.
Investment Strategy	<p>The Fund will invest in a diversified portfolio of debentures, money market instruments and deposits with Financial Institutions.</p> <p>The Fund will only look to invest in debentures and money market instruments that meet a minimum investment grade rating of P1 by RAM or MARC -1 by MARC. The selection of individual debentures and money market instruments will depend largely on its credit quality where the respective issuers will have 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. In the event the rating or a particular security or an issuer is downgraded resulting in non-compliance, we shall, within 6 months, take steps to replace such security or issuer.</p> <p>While we typically take an active trading policy, the frequency of our trades will be dependent on prevailing market opportunities as well as liquidity needs.</p> <p>We hold option to reduce the Fund's exposure into any investments that we believe may be impacted from the prevailing market conditions. However, focus will remain on constructing a portfolio of liquid investments that are able to produce relative certainty of meeting its financial obligations.</p>

Asset Management

Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% NAV</th> </tr> </thead> <tbody> <tr> <td>Debentures, money market instruments and deposits with remaining a maturity period of not more than 365 days</td> <td>90% - 100%</td> </tr> <tr> <td>Debentures, money market instruments and deposits with a remaining maturity period of more than 365 days but fewer than 732 days</td> <td>0% - 10%</td> </tr> </tbody> </table>	Asset Class	% NAV	Debentures, money market instruments and deposits with remaining a maturity period of not more than 365 days	90% - 100%	Debentures, money market instruments and deposits with a remaining maturity period of more than 365 days but fewer than 732 days	0% - 10%
	Asset Class	% NAV					
	Debentures, money market instruments and deposits with remaining a maturity period of not more than 365 days	90% - 100%					
Debentures, money market instruments and deposits with a remaining maturity period of more than 365 days but fewer than 732 days	0% - 10%						
Performance Benchmark	Maybank Overnight Repo Rate						
Distribution Policy	The Fund endeavor to distribute income on a monthly basis.						
Minimum Initial Investment*	MYR10,000						
Minimum Additional Investment*	MYR10,000						
Minimum Repurchase Amount*	10,000 Units						
Minimum Units Held*	10,000 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's Delegate (Fund Valuation & Accounting Function)	HSBC (Malaysia) Trustee Berhad
The Trustee	HSBC (Malaysia) Trustee Berhad
Trustee's Delegate	<i>Local custodian:</i> The Hongkong and Shanghai Banking Corporation Limited (as custodian) and assets held through:- HSBC Nominees (Tempatan) Sdn. Bhd. (258854-D) <i>Foreign Custodian:</i> HSBC Institutional Trust Services (Asia) Limited
Tax Adviser	Ernst & Young Tax Consultants Sdn. Bhd. (179793k)
Auditor/Reporting Accountants	PricewaterhouseCoopers

5. What are the possible outcomes of my investment?

The Fund is a money market fund that invests in a diversified portfolio of debentures, money market instruments and deposits with Financial Institutions.

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.

* subject to change at the Manager's discretion

Asset Management

KEY RISKS

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

General risks

- **Market risk** – Market 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.
- **Manager's risk** – The performance of the Fund depends in part on the experience and expertise of the investment managers and this is of particular importance when the Fund has a narrower investment scope e.g. investments in certain countries or sectors only. The lack of experience and expertise in those countries or sectors may jeopardize the performance 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.
- **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** – This 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 at below its actual value.
- **Loan financing risk** – This risk occurs when you take a loan/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.
- **Risk of non-compliance** – This is the risk that the Manager of the Fund may not follow the rules set out in the Fund's constitution, or the law that governs the Fund, or will act fraudulently or dishonestly. The non-compliance may expose the Fund to losses particularly caused by the fraudulent or dishonest acts or omissions of the Manager.
- **Operational risk** – This risk refers to the possibility of a breakdown in our internal controls and policies. The breakdown may be a result of human error, system failure or fraud where our employees collude with one another. This risk may cause monetary loss and/or inconvenience to you.
- **Political risk** – The Fund is exposed to the local political situation or environment at all times. Any change or instability in this regard may more likely than not result in less than favourable implications on the Fund.
- **Regulatory risk** – So long as the Fund continues to invest in a particular country, the Fund will be exposed to changes in the regulatory regime of that country. Perhaps a regulatory regime that changes constantly is in respect of tax treatment of investment income. Investors should not presume that the tax treatment of a particular investment will be the same in perpetuity. A change in the tax treatment of a particular investment would mean lower returns for the Fund and vice versa.

Specific Risks

- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the debentures 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.
- **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 prices generally decline and this may lower the market value of the investment. The reverse may apply when interest rates fall.
- **Liquidity risk** – This risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

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

Asset Management

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 Returns

	1 Year (1/5/15 – 30/4/16)	3 Years (1/5/13 – 30/4/16)	5 Years (1/5/11 – 30/4/16)	Since Commencement (14/6/05 – 30/4/16)
Fund	3.68%	3.43%	3.24%	3.25%
Benchmark	2.01%	1.92%	1.86%	2.19%
Outperformance	1.67%	1.51%	1.38%	1.06%

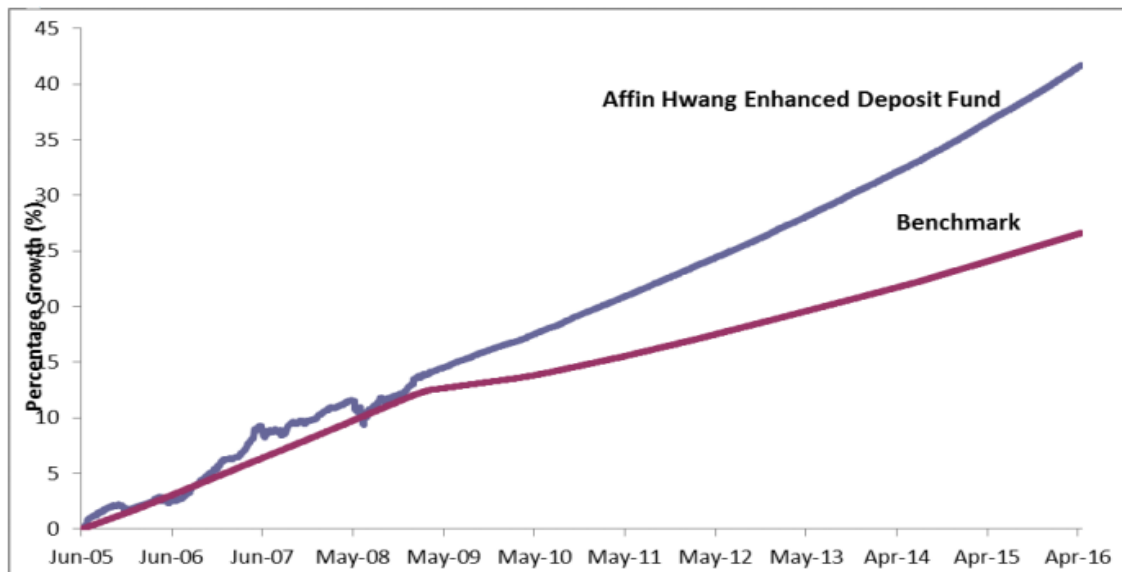
Source of benchmark: Maybank

Annual Total Returns

	FYE 2016 (1/5/15 – 30/4/16)	FYE 2015 (1/5/14 – 30/4/15)	FYE 2014 (1/5/13 – 30/4/14)	FYE 2013 (1/5/12 – 30/4/13)	FYE 2012 (1/5/11 – 30/4/12)
Fund	3.68%	3.4%	3.18%	3.01%	2.93%
Benchmark	2.01%	1.96%	1.80%	1.80%	1.72%
Outperformance	1.67%	1.48%	1.38%	1.21%	1.21%

Source of benchmark: Maybank

Fund Performance vs Benchmark



Benchmark: Maybank Overnight Repo Rate

Source of benchmark: Maybank

For the period of 1 May 2015 to 30 April 2016, the Fund registered a return of 3.68% return compared to the benchmark Maybank Overnight Repo Rate which yielded a return of 2.01%. The Fund thus outperformed the benchmark by 1.67%. The NAV per Unit of the Fund as at 30 April 2016 was MYR 1.0911 compared to its NAV per Unit as at 30 April 2015 of MYR 1.0622. During the same period, the Fund had also declared a total income distribution of MYR 0.010 per unit by way of reinvestment in the form of additional units.

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.

Asset Management

An illustration of the above would be as follow:-

$$\begin{aligned}
 \text{Capital return} &= \text{NAV per Unit end / NAV per Unit begin} - 1 \\
 \text{Income return} &= \text{Income distribution per unit / NAV per Unit ex-date} \\
 \text{Total return} &= (1 + \text{Capital return}) \times (1 + \text{Income return}) - 1
 \end{aligned}$$

Income Distribution

	As at 30 April 2016	As at 30 April 2015	As at 30 April 2014
Gross distribution per Unit (sen)	1.00	0.99	1.17
Net distribution per Unit (sen)	1.00	0.99	1.17

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 2015
PTR (times)	0.70	1.28	1.86

The PTR reduced over the period under review after the Manager reduced its transactions given the volatile market conditions.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

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	Nil
Switching Fee	Nil
Transfer Fee	MYR 5.00 per transfer
Repurchase Charge	Nil

What are the key ongoing fees charged to the Fund?

Management Fee	Up to 0.50% per annum of the NAV of the Fund.
Trustee Fee	Up to 0.05% per annum of the NAV of the Fund (including local custodian fee but excluding foreign sub-custodian fee)

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.affinhwang.com, our customer service via our toll free number 1-800-88-7080 or email to customercare@affinhwangam.com.

Asset Management

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 by 12.00 p.m. on any Business Day. Payments will be made to you within 4 Business Days after the day we receive your repurchase request at or before the cut-off time of 12.00 p.m. on a Business Day.

For Unit Holders who invest through the EPF Members' Investment Scheme (EMIS), the Manager will remit the repurchase proceeds to the Employees 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).

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (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 Federation 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

Asset Management

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 Bursa Malaysia Securities Berhad.
Business Day	Means a day on which the Bursa Malaysia is open for trading.
Deed(s)	Deed dated 4 April 2005 as amended by First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 20 February 2006, Third Supplemental Deed dated 18 June 2007, Fourth Supplemental Deed dated 15 October 2008, Fifth Supplemental Deed dated 12 March 2009, Sixth Supplemental Deed dated 19 March 2010, the Seventh Supplemental Deed dated 18 January 2012, the Eighth Supplemental Deed dated 27 June 2014 and Ninth Supplemental Deed dated 19 December 2016 entered into between the Manager and the Trustee including any supplemental and variation thereto.
EPF	Means Employees Provident Fund
the Fund	Refers to Affin Hwang Enhanced Deposit Fund.
FYE	Refers to the financial year end of the Fund which is 30 April.
Guidelines	Means the <i>Guidelines on Unit Trust Funds</i> issued by the SC and as may be amended from time to time.
the Manager / AHAM	Refers to Affin Hwang Asset Management Berhad.
Medium term	Means a period of between three (3) to five (5) years.
Money Market	Means a fixed income instrument with a maturity period or less than 365 days.
MYR	Means Ringgit Malaysia.
Net Asset Value or NAV	Means the value of the Fund which 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. <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.
Prospectus	Refers to the Prospectus of Affin Hwang Enhanced Deposit Fund, and includes any supplementary or replacement prospectus, as the case may be.
Repurchase Charge	Means a fee imposed pursuant to a request for repurchase of Units of the Fund.
SC	Means the Securities Commission of Malaysia.
Short-term	Means a period of less than 3 years.
Unit or Units	Means a measurement of the right or interest of a Unit Holder in the Fund including a fraction of a unit.
Units in Circulation	Means Units created and fully paid. It is the total number of Units issued at a particular valuation point.
Unit Holders	Refers to the person registered for the time being as the holder of a Unit or Units of the Fund including persons jointly registered.

Note: Reference to first person pronouns such as "we", "us" or "our" means the Manager / AHAM.