

Asset Management

# PRODUCT HIGHLIGHTS SHEET

for

## Affin Hwang Equity Fund

**Date of issuance: 4 December 2018**

### RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors and/or authorized committee and/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 omissions 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 the Affin Hwang Equity 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 of 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 EQUITY FUND**
**BRIEF INFORMATION ON THE PRODUCT**
**1. What is this product about?**

Affin Hwang Equity Fund is an open-ended equity fund, issued and managed in-house by the Manager.

The Fund aims to reward Unit Holders with a reasonable rate of return on income and to realise capital growth.

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

The Fund is designed for retail investors who seek potentially higher returns relative to benchmark and tolerant to market volatility, and have medium to long-term investment horizon.

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

Launch Date	29 April 1993	
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	<b>Asset Class</b>	<b>% of the Fund's NAV</b>
	Equities and equity linked instruments	70% to 99.8%
	Fixed income instruments	Maximum 30%
Benchmark	FTSE Bursa Malaysia KLCI	
Investment Strategy	<p>The Fund seeks to maximise total returns by providing investors with a combination of income and capital appreciation with investments in both equities and equity linked instruments listed on Bursa Malaysia, and fixed income instruments.</p> <p>While the Fund's main focus is to provide investors with exposure into equities, and equity linked instruments, the Fund may also include exposure into fixed income instruments during adverse market conditions to reduce the risk of the Fund. The selection of these fixed income instruments will be dependent on an internal credit selection process. The process will focus on issuers' ability to meet their financial obligations, and offer highest safety for timely payment of interest and principal.</p> <p>The Manager may invest in collective investment schemes that hold similar investment objective to the Fund.</p> <p>To meet its objective, the Fund will also look at investing into equity linked instruments such as rights and warrants, as well as unlisted securities such as unlisted bonds, and Initial Public Offerings (IPOs). The Fund may invest up to 20% of its NAV in countries where the regulatory authorities are the ordinary or associate members of the International Organisation of Securities Commission (IOSCO). In selecting investments, emphasis is placed on the fundamental, technical and quantitative aspects.</p>	

## Asset Management

	<p><b>Asset Allocation Strategy</b></p> <p>The Fund aims to meet its objective by providing investors with exposure into the equity market. However, the Fund may increase its exposure into fixed income instruments up to a maximum of 30% should the Manager deem the equity market to be too volatile. Fixed income instruments are generally of lower risk compared to equities, thus the increase of fixed income instruments are done with the aim of reducing the risk profile of the Fund.</p> <p><b>Temporary Defensive Measures</b></p> <p>The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by raising cash levels or increasing the Fund's asset allocation weighting in fixed income instruments, in attempting to respond to adverse conditions that may impact the financial markets.</p> <p><b>Policy on Active and Frequent Trading of Securities</b></p> <p>For the Fund's trading policy, the Manager will maintain a core holding for the Fund, which it intends to hold over a medium to long-term investment horizon bias, which is similar to a buy and hold philosophy. At the same time, the Manager may also take advantage of prevailing market conditions to trade securities when opportunity arises to assist the Fund in meeting its objective.</p>
Distribution Policy	Distribution (if any) will be subject to the availability of income.
Minimum initial investment *	MYR 200
Minimum additional investment *	MYR 100
Minimum units held *	100 Units

*Note: Please refer to the Fund's Prospectus for 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 Accounting and Valuation Agent)	Deutsche Bank (Malaysia) Berhad
The Trustee	Maybank Trustees Berhad
Trustee's Delegate (Custody Services)	Malayan Banking Berhad
Tax Advisor	PricewaterhouseCoopers Taxation Services Sdn Bhd
Auditor/Reporting Accountants	PricewaterhouseCoopers

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

The Fund is an equity fund that invests mainly in the local equity market. The performance of the Fund would be dependent on the equity markets that are investable by the Fund. The Fund's performance is reliant on the Manager's expertise in managing the Fund to meet its objective.

The Fund's investment into equities would, to a great extent, be linked to the price movements of the local equity markets. If the equities that are investable by the Fund performs well, the Fund's performance may reflect the same. However, should the equities that are investable by the Fund perform poorly, the Fund's performance may also be impacted negatively. The Fund is not expected to make regular distribution. 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.

\* At our discretion, we may reduce the minimum initial investment amount, minimum additional investment amount and minimum holding of Units.

## Asset Management

### KEY RISKS

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

##### General risks

- **Affected by variable factors and not guaranteed** -The performance of a unit trust fund is affected by many variable factors and is not guaranteed. These include overall economic and financial market conditions such as interest rate fluctuation and stability of the local currency. While a track record may provide some insight on future performance, it is by no means guaranteed. The prices of Units may go down as well as up. Likewise, distribution may vary from year to year depending on the performance of the unit trust fund.
- **Issuer risk** -The value of each individual securities that a unit trust fund invests in may decline for a number of reasons which is directly related to the issuer such as, but not limited to, the management performance, financial leverage, changing industry conditions, and changes in consumer tastes and demand.
- **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 laws or guidelines due to factors such as human error, fraudulent, dishonesty, or weaknesses in operational processes and systems, may adversely affect the performance of the Fund.
- **Financing risk** –This risk occurs when you take 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 price 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.
- **Country risk** – The prices of securities may also be affected by the political and economic conditions of the country in which the securities are issued.

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

##### Specific risks

- **Equity and equity linked instruments investment risk** – The buying and selling of equities and equity linked instruments (the word “equities” hereinafter is referring to the equity and equity linked instruments) carry a number of risks. The most important being the volatility of the capital markets (of those tradable equities), the general insolvency risk associated with the issuers of equities, and/or the performance of the underlying equity that the equity linked instrument is linked to.
- **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.
- **Specific stock risk** – Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.
- **Liquidity risk** - Liquidity risk is defined as the ease with which a security can be sold at or near its fair value depending on the volume traded on the market. If the Fund has a large portfolio of stocks issued by smaller companies, the relatively lower level of liquidity of these stocks can adversely affect the value of the Fund. This is because there are generally less ready buyers of such stocks compared with the stocks of larger and more established companies.
- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the fixed income instruments such as debentures or money market instruments investment (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.
- **Interest rate risk** -This risk refers to the impact of interest rate changes on the valuation of the fixed income instruments such as 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.
- **Warrants investment risk** - The value of the 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.

## Asset Management

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.

- **Currency risk** – As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments.
- **Country risk** - The foreign investment of the Fund may be affected by risks specific to the country which it invests in. Such risks, which include changes in a country's economic fundamentals, social and political stability, currency movements and foreign investment policies, may have an impact on the prices of the Fund's investment in that country. Consequently, it may also affect the Fund's NAV.

*Note: Please refer to 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 the risks associated with 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 (1/5/17 – 30/4/18)	3 Years (1/5/15 – 30/4/18)	5 Years (1/5/13 – 30/4/18)	10 Years (1/5/08 – 30/4/18)	Since Commencement (30/4/93 – 30/4/18)
<b>Fund</b>	4.79%	5.43%	3.98%	4.61%	1.89%
<b>Benchmark</b>	5.79%	0.95%	1.72%	3.86%	3.98%
<b>Outperformance / (Underperformance)</b>	(1.00%)	4.48%	2.26%	0.75%	(2.09%)

Source of benchmark: Maybank.

#### Annual Total Return

Financial Year End	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Fund</b>	4.79%	16.31%	(3.84%)	(4.84%)	8.75%	9.09%	0.51%	10.31%	30.57%	2.67%
<b>Benchmark</b>	5.79%	5.70%	(8.00%)	(2.85%)	8.96%	9.36%	2.32%	14.01%	39.30%	7.99%
<b>Outperformance / (Underperformance)</b>	(1.00%)	10.61%	4.16%	(2.00%)	(0.21%)	(0.27%)	(1.81%)	(3.70%)	(8.73%)	(5.33%)

Source of benchmark: Maybank.

For the period 1 May 2017 to 30 April 2018 the Fund registered a 4.79% return compared to the benchmark return of 5.79%. The Fund thus underperformed the benchmark by 1.00%. The NAV per Unit of the Fund as at 30 April 2018 was RM0.5553 while the NAV per Unit as at 30 April 2017 was RM0.5299. As such, we believe that the Fund has not met its objective. Nevertheless, the Fund will continue to be managed in a manner to meet its objective.

#### Basic 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.

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

	FYE 2018	FYE 2017	FYE 2016
Gross distribution per Unit (sen)	-	-	-
Net distribution per Unit (sen)	-	-	-

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

## Asset Management

### Portfolio Turnover Ratio (PTR)

	FYE 2018	FYE 2017	FYE 2016
PTR (times)	0.89	0.74	1.06

The increase in the Fund's PTR was due to higher average sum of acquisition and disposal during the period under review.

**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	Up to 5.50% 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	There will be no Repurchase Charge levied on the repurchase of Units for the Fund.
Switching fee	There will be no switching fee levied on any switching transactions.
Transfer fee	A MYR 5.00 transfer fee will be levied for each transfer of Units.

#### What are the key ongoing fees charged to the Fund?

Management fee	Up to 1.50% per annum of the NAV of the Fund.
Trustee fee	Up to 0.08% per annum of the NAV of the Fund, subject to a minimum of MYR 18,000 per annum (excluding foreign custodian fees and charges).

*Note: Please refer to the Prospectus for further explanation and illustration of the Fund's fees, charges and expenses.*

**ALL FEES AND CHARGES PAYABLE BY YOU ARE SUBJECT TO ALL APPLICABLE TAXES AND / OR DUTIES AS MAY BE IMPOSED BY THE GOVERNMENT AND / OR THE RELEVANT AUTHORITIES FROM TIME TO TIME.**

**! 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 the NAV and NAV per Unit 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 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.

If you invest through the EMIS, we will remit the repurchase proceeds to EPF by crediting back into your EPF account. If you are above the age of fifty five (55) years old and invest through the EMIS, we will remit the repurchase proceeds to you directly.

## Asset Management

### 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 Securities Industries Dispute Resolution Centre (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 – 20923800
- (b) via fax to : 03 – 20932700
- (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

<b>Bursa Malaysia</b>	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
<b>Business Day</b>	Means a day on which Bursa Malaysia is open for trading.
<b>Deed</b>	Refers to the deed dated 15 April 1993, first supplemental deed dated 4 May 1994, second supplemental deed dated 1 October 1996, third supplemental deed dated 1 October 1996, a supplemental deed dated 18 November 1998, second supplemental deed dated 31 May 2002, third supplemental deed 23 August



## Asset Management

	2007, fourth supplemental deed dated 13 October 2008, fifth supplemental deed dated 22 July 2014 and sixth supplemental deed dated 27 July 2015 entered into between the Manager and the Trustee.
<b>EMIS</b>	Means EPF Members' Investment Scheme.
<b>EPF</b>	Means Employees Provident Fund.
<b>Fund</b>	Refers to the Affin Hwang Equity Fund.
<b>long-term</b>	Means a period of 5 years and above.
<b>the Manager, we, us, our</b>	Refers to Affin Hwang Asset Management Berhad.
<b>medium term</b>	Means a period between 3 to 5 years.
<b>MYR</b>	Means Ringgit Malaysia.
<b>Net Asset Value or NAV</b>	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. 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.
<b>NAV per Unit</b>	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.
<b>Prospectus</b>	Means the prospectus of the Fund and includes any supplementary or replacement thereof, as the case may be.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>Sales Charge</b>	Means a fee imposed pursuant to a purchase request.
<b>SC</b>	Means Securities Commission Malaysia.
<b>Trustee</b>	Refers to Maybank Trustees Berhad.
<b>Unit or Units</b>	Means a measurement of the right or interest of a Unit Holder in the Fund.
<b>Units in Circulation</b>	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.
<b>Unit Holder, you</b>	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.

*Note:*

*Reference to "day(s)" in the Prospectus will be taken to mean calendar day(s) unless otherwise stated.*