

**Asset Management**

**PRODUCT HIGHLIGHTS SHEET**

**for**

**Affin Hwang Select Dividend Fund**

**Date of issuance: 28 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 Select Dividend 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 SELECT DIVIDEND FUND**

**BRIEF INFORMATION ON THE PRODUCT**

**1. What is this product about?**

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

The Fund seeks to provide investors with a combination of regular income and capital growth over the medium to long term period.

**PRODUCT SUITABILITY**

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

This Fund is suitable for Investors who prefer stable and regular investment returns, have moderate risk tolerance, prefer receiving regular income distribution, and seek medium to long term capital growth for their investments.

**KEY PRODUCT FEATURES**

**3. What am I investing in?**

Launch Date	28 March 2011
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><i>The following investment strategy of the Fund will only take effect fourteen (14) days from the date of this PHS, i.e. 11 April 2017. Prior to 11 April, you may refer to the prospectus dated 28 March 2016 of the Fund on the applicable investment strategy.</i></p> <p>The Fund will focus on achieving its objective by investing in a portfolio consisting a minimum of 70% of its NAV in equities, while the remaining balance may be invested into debentures, money market instruments and deposits with Financial Institutions.</p> <p>As the Fund holds a domestic focus, we will maintain a minimum of 70% of the Fund's investments into the domestic market and hold a flexibility to invest up to 30% of its NAV in investments listed / issued in the Asia-Pacific region.</p> <p>The Fund may employ derivative investments for hedging purposes by participating in forward contracts and cross currency swaps. .</p> <p>We also the option to take temporary defensive measure 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 deposits with</p>

## Asset Management

	Financial Institutions or money market instruments.						
Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% NAV</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>70% - 100%</td> </tr> <tr> <td>Debentures, money market instruments and deposits</td> <td>0% - 30%</td> </tr> </tbody> </table>	Asset Class	% NAV	Equities	70% - 100%	Debentures, money market instruments and deposits	0% - 30%
	Asset Class	% NAV					
	Equities	70% - 100%					
Debentures, money market instruments and deposits	0% - 30%						
Performance Benchmark	70% FTSE Bursa Malaysia Top 100 Index; and 30% MSCI Asia Pacific ex Japan High Dividend Yield Index.						
Distribution Policy	The Fund will distribute income (subject to income availability), on a semi-annual basis after the end of its first financial year.						
Minimum Initial Investment*	MYR1,000						
Minimum Additional Investment*	MYR100						
Minimum Repurchase Amount*	2,000 Units						
Minimum Units Held*	2,000 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)	CIMB Islamic Trustee Berhad
The Trustee	CIMB Islamic Trustee Berhad
Trustee's Delegate	CIMB Bank Berhad
Tax Adviser	Deloitte Tax Services Sdn. Bhd.
Auditor/Reporting Accountants	PricewaterhouseCoopers

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

The Fund is an equity fund that invests on dividend focused equity investments primarily within the Malaysian market. The performance of the Fund would be dependent on the Malaysian market that is investable by the Fund. The Fund's performance will be reliant on the Manager's expertise in managing the Fund to meet its objective.

The Fund's investment into equities would, to a great extent, be linked to the price movement of the 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 will distribute income (subject to income availability), on a semi-annual basis after the end of its first financial year.

\* subject to change at the Manager's discretion

## Asset Management

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

### KEY RISKS

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

##### General risks

- **Market risk** – Market risk 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** – 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 weakness in operational process and systems, may adversely affect 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 through the value of the investment in monetary terms has increased.
- **Loan financing risk** – This risk occurs when you take a long/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.
- **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.

##### Specific Risks

- **Stock specific 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.
- **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.
- **Country risk** – Investments of the Fund in any countries may be affected by changes in the economic and political climate, restrictions on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in.
- **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. 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 of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments.

## Asset Management

- **Political risk** – Changes in political environment can directly or indirectly impact investments of the Fund. These scenarios include political instability that leads to social unrest, and change in government policies, which may cause the Fund to liquidate its investments at below market price.
- **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. Changes in the national or economic policies or regulations of that country may have adverse effects on the capital market of that country.

*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 Returns

	1 Year (1/10/15 – 30/9/16)	3 Years (1/10/13 – 30/9/16)	5 Years (1/10/11 – 30/9/16)	Since Commencement (16/4/11 – 30/9/16)
Fund	9.80%	6.76%	12.17%	9.57%
Benchmark	7.25%	(0.57%)	4.79%	2.81%
Outperformance	2.55%	7.33%	7.38%	6.76%

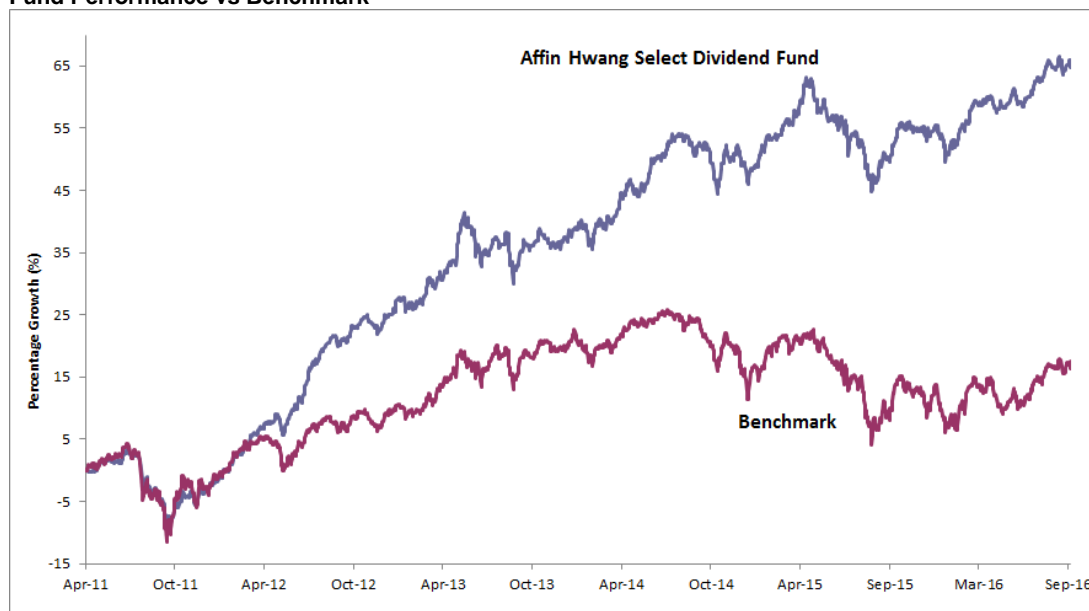
Source of benchmark: Bloomberg

#### Annual Total Returns

	FYE 2016 (1/10/15 – 30/9/16)	FYE 2015 (1/10/14 – 30/9/15)	FYE 2014 (1/10/13 – 30/9/14)	FYE 2013 (1/10/12 – 30/9/13)	FYE 2012 (1/10/11 – 30/9/12)
Fund	9.80%	(0.99%)	11.95%	11.48%	30.97%
Benchmark	7.25%	(10.04%)	1.90%	10.38%	16.48%
Outperformance	2.55%	9.05%	10.05%	1.10%	14.49%

Source of benchmark: Bloomberg

#### Fund Performance vs Benchmark



Benchmark: 70% FTSE Bursa Malaysia Top 100 Index + 30% Dow Jones/Asia Pacific Select Dividend 30 Index. Source of benchmark: Bloomberg

## Asset Management

For the period of 1 October 2015 to 30 September 2016, the Fund registered a return of 9.80% return compared to the benchmark return of 7.25%. The Fund thus outperformed the benchmark by 2.55%. The NAV per Unit of the Fund as at 30 September 2016 was MYR 0.6152 compared to its NAV per Unit as at 30 September 2015 of MYR 0.5941. During the same period, the Fund had also declared a total income distribution of MYR 0.035 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.

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 30 September 2016	As at 30 September 2015	As at 30 September 2014
Gross distribution per Unit (sen)	1.0	5.0	5.0
Net distribution per Unit (sen)	1.0	5.0	5.0

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

### Portfolio Turnover Ratio (PTR)

	FYR 2016	FYE 2015	FYE 2015
PTR (times)	1.13	1.38	1.44

*The PTR reduced slightly 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	Up to 5.50% of the NAV per Unit
Switching Fee	Nil
Transfer Fee	MYR5.00 per transfer
Repurchase Charge	Nil

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 (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 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.**

## Asset Management

### 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](http://www.affinhwang.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 the Manager on any Business Day between 9.00 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 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 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      | : | <a href="mailto:customercare@affinhwangam.com">customercare@affinhwangam.com</a>                                    |
| (e) via letter        | : | Affin Hwang Asset Management Berhad<br>Ground Floor, Menara Boustead<br>69, Jalan Raja Chulan<br>50200 Kuala Lumpur |

Complaints should be made in writing with the following information:

- particulars of the complainant which include name, correspondence address, contact number, e-mail address (if any) and other relevant information;
- circumstances of the non-compliance or improper conduct;
- parties alleged to be involved in the improper conduct; and
- 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  | : | <a href="mailto:info@sidrec.com.my">info@sidrec.com.my</a>  |
| (d) via letter to | : | Securities Industry Dispute Resolution Center (SIDREC)<br>Unit A-9-1 Level 9, Tower A<br>Menara UOA Bangsar<br>No. 5, Jalan Bangsar Utama 1<br>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   | : | <a href="mailto:aduan@seccom.com.my">aduan@seccom.com.my</a>               |
| (d) via online complaint form available at <a href="http://www.sc.com.my">www.sc.com.my</a> | : |  |
| (e) via letter to   | : | Investor Affairs & Complaints Department<br>Securities Commission Malaysia |

## Asset Management

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<br>Federal of Investment Managers Malaysia<br>19-06-1, 6th Floor Wisma Tune<br>No. 19, Lorong Dungun<br>Damansara Heights<br>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)	Refers to the deed dated 24 February 2011, as modified by the supplemental deed dated 18 January 2012, second supplemental deed dated 1 July 2014 and third supplemental deed dated 7 January 2015 and fourth supplemental deed dated 19 December 2016 relating to the Fund entered into between the Manager and the Trustee including any supplemental and variation thereto.
the Fund	Refers to Affin Hwang Select Dividend Fund.
FYE	Refers to the financial year end of the Fund which is 30 September.
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.
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 Select Dividend 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.
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.