

**Asset Management**

## **PRODUCT HIGHLIGHTS SHEET**

**for**

### **Affin Hwang World Series - China Growth Fund**

#### **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, 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 World Series - China 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 (429786-T) 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.

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This Product Highlights Sheet only highlights the key features and risks of this Fund. Investors are advised to request, read and understand the Information Memorandum of the Fund before deciding to invest.

**PRODUCT HIGHLIGHTS SHEET**
**AFFIN HWANG WORLD SERIES - CHINA GROWTH FUND**
**BRIEF INFORMATION ON THE PRODUCT**
**1. What is this product about?**

Affin Hwang World Series - China Growth Fund ("the Fund") is a wholesale feeder fund which aims to achieve capital appreciation over the long term by investing in collective investment scheme, namely China Select Fund, a Cayman Islands-domiciled sub-fund of Citi Investment Trust (Cayman) II managed by Citigroup First Investment Management Limited ("the Target Fund"). The sub-manager for the China Select Fund is China Asset Management (Hong Kong) Limited.

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

This Fund is suitable for Sophisticated Investor\* who:-

- seek capital appreciation through exposure to China's economic growth;
- have high risk tolerance;
- have a long term investment horizon.

*\*Please refer to Appendix of this Product Highlights Sheet for the definition of Sophisticated Investors.*

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

Launch Date	11 July 2011
Tenure	The Fund is open-ended which means there is no set maturity date and may only be terminated in accordance with the terms of this Information Memorandum and the provisions of the Deed.
Investment Strategy	<p>The Manager will invest a minimum of 95% to maximum of 99.8% of the Fund's NAV in units of the Target Fund and a maximum 5% of the Fund's NAV will be placed in deposits.</p> <p>The Manager may take temporary defensive positions that may be inconsistent with the Fund's investment strategy in attempting to respond to adverse market conditions, economic, political or any other conditions in order to preserve the NAV of the Fund. By taking a temporary defensive position, the Fund will reduce its investment into the Target Fund and hold more cash. These cash will be placed in deposits with licensed financial institutions. As the Fund has reduced its exposure to the falling markets during the market downturn, it helps to preserve its capital and minimise losses by placing in the deposits. Should this happen, please note that the performance of the Fund may vary from the performance of the Target Fund. For instance, the value of the Target Fund may decrease adversely due to its exposure to the falling markets whereas the value of the Fund may be preserved by placing in the deposits. At the same time, if the temporary defensive position is unwarranted, and the market does not fall, the Target Fund will perform much better than the Fund on account that the Fund is holding more cash.</p> <p>The Manager is also able to substitute the Target Fund with another fund with similar objective of the Fund if, in the Manager's opinion, the Target Fund no longer meets</p>

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	the Fund's investment objective subject to the Unit Holders' approval with prior notification to SC.						
Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Collective investment scheme, namely China Select Fund (the "Target Fund"), a Cayman Islands domiciled sub-fund of Citi Investment Trust (Cayman) II managed by Citigroup First Investment Management Limited</td> <td>Minimum of 95% - maximum of 99.8%</td> </tr> <tr> <td>Placement of deposits</td> <td>Maximum of 5%</td> </tr> </tbody> </table> <p><i>The Manager will also maintain a sufficient level of cash and cash equivalent for liquidity purposes.</i></p>	Asset Class	% of Fund's NAV	Collective investment scheme, namely China Select Fund (the "Target Fund"), a Cayman Islands domiciled sub-fund of Citi Investment Trust (Cayman) II managed by Citigroup First Investment Management Limited	Minimum of 95% - maximum of 99.8%	Placement of deposits	Maximum of 5%
Asset Class	% of Fund's NAV						
Collective investment scheme, namely China Select Fund (the "Target Fund"), a Cayman Islands domiciled sub-fund of Citi Investment Trust (Cayman) II managed by Citigroup First Investment Management Limited	Minimum of 95% - maximum of 99.8%						
Placement of deposits	Maximum of 5%						
Performance Benchmark	<p>80% MSCI China Index + 20% China Securities Index 300</p> <p>Source: <b>MSCI China Index</b> at <a href="http://www.msci.com/products/indices/country_and_regional/domestic_equity_indices/china/">http://www.msci.com/products/indices/country_and_regional/domestic_equity_indices/china/</a> or <a href="http://www.bloomberg.com/apps/quote?ticker=MXCN:IND">http://www.bloomberg.com/apps/quote?ticker=MXCN:IND</a></p> <p><b>China Securities Index 300</b> at <a href="http://www.csindex.com.cn/sseportal_en/CSIportal/zs/jbxx/report.do?code=000300&amp;s_ubdir=1">http://www.csindex.com.cn/sseportal_en/CSIportal/zs/jbxx/report.do?code=000300&amp;s_ubdir=1</a> or <a href="http://www.bloomberg.com/apps/quote?ticker=SHSZ300:IND">http://www.bloomberg.com/apps/quote?ticker=SHSZ300:IND</a></p>						
Distribution Policy	The Fund is not expected to make any income distribution.						
Minimum Initial Investment*	RM30,000						
Minimum additional Investment*	RM10,000						
Minimum units held*	60,000 units						
Target Fund	China Select Fund						
Date of establishment of the Target Fund	10 December 2010						
Country of origin of Target Fund	Cayman Islands						
Regulatory Authority of Target Fund	Cayman Islands Monetary Authority ("CIMA")						

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

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

\* subject to change at the Manager's discretion

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Relevant parties information:

The Manager	Affin Hwang Asset Management Berhad
Manager's Delegate (Fund Management)	Not applicable
Manager's Delegate (Fund Valuation & Accounting Function)	TMF Trustees Malaysia Berhad
The Trustee	TMF Trustees Malaysia Berhad
Trustee's Delegate (Custody Services)	Standard Chartered Bank Malaysia Bhd
The manager of the Target Fund	Citigroup First Investment Management Limited
Sub-manager of the Target Fund	China Asset Management (Hong Kong) Limited
Trustee of the Target Fund	Cititrust (Cayman) Limited

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

This Fund is a wholesale feeder fund that invests in Citigroup First Investment Management's China Select Fund, which in turn invests into Chinese equities which derive their profits from mainland China and are listed on official stock markets in Hong Kong, China (both A-shares and B-shares), United States, Taiwan, Singapore and other countries. The performance of this Fund would to a great extent be linked to the price movements of the Target Fund which in turn is reliant on the performance of the equities that it is invested in.

As such, the value of your investments will be reliant on the performance of the Target Fund. This means that if the Target Fund performs well, the Fund may reflect similar performance and likewise if the performance of the Target Fund falls, the value of your investment will also be affected. The Fund's performance is dependent on the Target Fund Manager's expertise in managing the Fund.

This Fund is not expected to make any income 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.

## KEY RISKS

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

#### General Risks

- **Market risk** - Factors that affect the entire market place. 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 Fund is a pooled investment. Investor's monies are co-mingled. By investing in a pooled investment, investors rely on the experience and expertise of the Manager to make decision on their investments.
- **Performance risk** - This Fund is a feeder fund which invests in another collective investment scheme, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund.
- **Inflation risk** - Inflation rate risk is the risk of potential loss in the purchasing power of investors' investment due to a general increase of consumer prices.
- **Loan financing risk** - An investor who intends to purchase Units of this Fund using borrowed/financed monies and pledging those Units as collateral for the borrowed/financed monies should be aware that if the price of the Units falls below the borrowed/financed amount, the lender may require the investor to provide additional forms of collaterals or pay additional amounts on top of the investor normal instalment.

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- **Risk of non-compliance** - This refers to the risk where the Manager does not comply with laws, rules, regulations, internal policies, the Deed.
- **Operational risk** - This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be as a result of human error (for instance the keying in of wrong details), system failure (causing unnecessary downtime) or even fraud (where employees of the Manager collude with one another).
- **Political risk** - The Fund is exposed to the political situation or environment where the Fund invests in 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. Changes in the national, economic policies or regulations of that country could potentially have adverse effects on the capital market of that country.

*Note: Please refer to section 4.1 of the Fund's Information Memorandum on further detail of each risk.*

### Specific Risks

- **Concentration risk** - The Fund is a feeder fund which invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. This risk may be mitigated as the Manager is allowed to take temporary defensive positions in response to adverse market conditions.
- **Liquidity risk** - This is the risk that the units of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of units of the Target Fund.
- **Country risk** - Since the investment of the Fund consists of purchasing units in the Target Fund which is established in the Cayman Islands, the Fund will be exposed to risks specific to the Cayman Islands. These may include political risk and regulatory risk.
- **Currency risk** - Since the Fund is denominated in RM and Target Fund is denominated in US Dollar ("USD"), the Fund will be exposed to the movements in the USD exchange rates against RM, be it favourably or unfavourably.
- **Target fund manager risk** - As a feeder fund, the Fund invests into the Target Fund which is managed by the manager of the Target Fund. The manager of the Fund has no control over the investment technique and knowledge, operational controls and management of the manager of the Target Fund.

*Note: Please refer to section 4.2 of the Fund's Information Memorandum on further detail of each risk.*

**Please note that the Fund, being a unit holder of the Target Fund, assumes the peculiar risks of the Target Fund. Please refer to Section 6.5 of the Information Memorandum for more information on the peculiar risks relating to the Target Fund.**

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk.

The investments of the Fund carry risk and you are recommended to read the whole Information Memorandum to assess the risk of the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

## 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.

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What will I be charged by the Manager?

Sales Charge	Maximum sales charge of 5.5.0 % on the NAV per unit of the Fund
Repurchase Charge	Nil
Switching Fee	Maximum 1% of the NAV per Unit of the Fund will be levied on any switching of Units from other fund managed by the Manager into this Fund or switching out from this Fund to another fund managed by the Manager.
Transfer Fee	RM5.00 per transfer

What are the key ongoing fees charged to the Fund?

Annual Management Fee	Up to 1.80% per annum of the NAV of the Fund.
Annual Trustee Fee	Up to 0.08% per annum of the NAV of the Fund, subject to a minimum of RM18,000 per annum (excluding foreign sub-custodian fees and charges).

What will I be charged by the Target Fund?

Preliminary charge of Target Fund	Up to 5% of the applicable subscription price of each unit of the Target Fund. <i>Please note that preliminary charge is waived for any investments made by the Fund into the Target Fund.</i>
Management fee of Target Fund	1.8% per annum of the net asset value of the USD class of Target Fund. <i>Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by the Manager at the Fund level. There is no double charging of management fee.</i>
Fee payable to trustee of Target Fund	USD10,000 per annum.
Fee payable to the sub-administrator and custodian of Target Fund	The sub-administrator and custodian will be paid an administration fee of up to 0.075% per annum of the net asset value of each class of the Target Fund (subject to a minimum of USD5,500 per month in respect of the Target Fund) and a custodian fee up to 0.03% per annum of the net asset value of each class.
Performance fee of Target Fund	10% of the appreciation in the net asset value per unit during the relevant performance period above the high watermark of the Target Fund.

*Note: Please refer to the Fund's Information Memorandum on further details of the fees and charges.*

**ALL FEES AND CHARGES ARE EXCLUSIVE OF GOODS AND SERVICES TAX. FROM 1 APRIL 2015 ONWARDS, WE 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**

### 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 customer service via our toll free number 1-800-88-7080 or email to [customer@affinhwang.com](mailto:customer@affinhwang.com).

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### 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 simply completing the repurchase application form and returning it to the Manager 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 the Manager and provided that all documentations are completed and verifiable.

### 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 following regulatory bodies, details of which are as follows:

Federation of Investment Managers Malaysia (FiMM):

- (a) via email : [legalcomp@fimm.com.my](mailto:legalcomp@fimm.com.my)
- (b) via online complaint form : [www.fimm.com.my](http://www.fimm.com.my)
- (c) via letter : Complaints Bureau  
Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-07-3, 7<sup>th</sup> Floor PNB Damansara  
No. 19, Lorong Dungun Damansara Heights  
50490 Kuala Lumpur

OR

Securities Industries Dispute Resolution Corporation (SIDREC):

- (a) via phone : 03-2282 2280
- (b) via fax : 03-2282-3855
- (c) via email : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- (d) via letter : 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)

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(e) via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara Bukit Kiara  
50490 Kuala Lumpur

### APPENDIX : GLOSSARY

“A Shares”	Means shares issued by companies incorporated in the PRC and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in RMB and available for investment by domestic investors and QFIIs.
“B Shares”	Means shares issued by companies incorporated in the PRC and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currency (US Dollars on the Shanghai Stock Exchange, and Hong Kong Dollars on the Shenzhen Stock Exchange) and available for investment by domestic and foreign investors.
“Business Day”	Means a day on which the Bursa Malaysia is open for trading.
“China” or “PRC”	Means the People’s Republic of China.
“Information Memorandum or info memo”	Means the information memorandum in respect of the Affin Hwang China Growth Fund and includes any addendum to the information memorandum or replacement information memorandum, as the case may be.
“the Manager”	Refers to Affin Hwang Asset Management Berhad.
“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>
“Sophisticated Investors”	Refers to – <ol style="list-style-type: none"> <li>(1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual’s primary residence;</li> <li>(2) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(3) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months;</li> <li>(4) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;</li> <li>(5) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(6) a unit trust scheme or prescribed investment scheme;</li> <li>(7) a private retirement scheme;</li> <li>(8) a closed-end fund approved by SC;</li> <li>(9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(10) a corporation that is a public company under the Companies Act 1965 which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;</li> <li>(11) a statutory body established by an Act of Parliament or an enactment of any State;</li> <li>(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53];</li> </ol>



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	<p>(13) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence;</p> <p>(14) a licensed institution as defined in the Financial Services Act 2013;</p> <p>(15) an Islamic bank as defined in the Islamic Financial Services Act 2013;</p> <p>(16) an insurance company licensed under the Financial Services Act 2013;</p> <p>(17) a takaful operator registered under the Islamic Financial Services Act 2013;</p> <p>(18) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [704];</p> <p>(19) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [705]; and</p> <p>(20) such other investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.</p>
"Target Fund"	Means the China Select Fund, a Cayman Islands domiciled sub-fund of Citi Investment Trust (Cayman) II managed by Citigroup First Investment Management Limited.
"QFII"	Means a qualified foreign institutional investor approved under QFII Measures.