

Asset Management

## PRODUCT HIGHLIGHTS SHEET

for

### Affin Hwang World Series - Japan Growth Fund

**Date of issuance: 3 March 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 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 Highlights Sheet false or misleading.

#### STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of Affin Hwang World Series - Japan 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 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.

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

## PRODUCT HIGHLIGHTS SHEET

### AFFIN HWANG WORLD SERIES - JAPAN GROWTH FUND

#### BRIEF INFORMATION ON THE PRODUCT

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

The Affin Hwang World Series - Japan Growth Fund is an open-ended equity fund.

The Fund seeks to provide capital appreciation over the medium to long term period by focusing on investment in undervalued Japanese companies with growth potential.

#### PRODUCT SUITABILITY

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

The Fund is suitable for investors who have a medium to long-term investment horizon and are able to tolerate high risk.

#### KEY PRODUCT FEATURES

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

Launch Date	3 March 2014
Tenure	This Fund is an open-ended fund where it does not have a maturity date and may only be terminated in accordance with the Prospectus and the Deed.
Investment Strategy	<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 liquid assets including money market instruments and deposits.</p> <p>The Fund's investment focus will be on Japanese companies that are undervalued, and are able to display growth potential. The Fund will utilize fundamental research to identify stocks that are undervalued due to mispricing, or going through changes in their business strategy. In the long term, we believe these undervalued companies hold the potential to rise to the price levels that reflect their fundamentals. Key factors which are useful to the identification of such companies would include sales and profit growth, financial strength and gearing levels, expected future earnings growth, share price valuation as well as management quality.</p> <p><i>The reference of "Japanese companies" in the above paragraph means companies which are domiciled in Japan or companies which derive its earnings from Japan.</i></p> <p><b>Usage of Derivative</b></p> <p>The Fund may employ derivative investments for hedging purposes by participating in instruments such as forward contracts and cross currency swaps.</p> <p>Forward exchange contracts enable the Fund to trade currency at a specific exchange rate, specific time and specific amount as indicated in the contract. Cross currency swaps allows the Fund to convert foreign exchange rates and/or interest rate exposures between two currencies.</p> <p><b>Temporary Defensive Positions</b></p> <p>We hold the option to take temporary defensive measures that may be inconsistent with the Fund's principal strategy, and asset allocation to protect the Fund against adverse</p>

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	market conditions. To manage the risk of the Fund, we may shift the Fund's focus into lower risk investments such as deposits with Financial Institutions or money market instruments. Similarly, we may also look at investing into assets that are negatively correlated to the main strategy of the Fund, as inverse exchange traded funds.						
Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of NAV of the Fund</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>Minimum of 70%</td> </tr> <tr> <td>Liquid assets including money market instruments and placement of deposits</td> <td>Maximum of 30%</td> </tr> </tbody> </table>	Asset Class	% of NAV of the Fund	Equities	Minimum of 70%	Liquid assets including money market instruments and placement of deposits	Maximum of 30%
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Equities	Minimum of 70%						
Liquid assets including money market instruments and placement of deposits	Maximum of 30%						
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever appropriate.						
Minimum Initial Investment*	RM1,000						
Minimum additional Investment*	RM100						
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 (429786-T)
The External Manager	Nikko Asset Management Co., Ltd. [Director of Kanto Local Finance Bureau (Financial instruments firms) No.368]
Manager's Delegate (fund valuation & accounting function)	Deutsche Bank (Malaysia) Berhad (763590-H)
The Trustee	Deutsche Trustees Malaysia Berhad (763590-H)
Trustee's Delegate (local & foreign custodian)	Deutsche Bank (Malaysia) Berhad (312552-W)
Auditor	PricewaterhouseCoopers
Tax Adviser	Deloitte KassimChan Tax Services Sdn. Bhd.
Solicitor	Messrs. Soon Gan Dion & Partners

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

This is an equity fund that focuses on investment in Japanese equities. The performance of the Fund would be dependent on the Japanese markets that are investable by the Fund. The Fund's performance is reliant on the External 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 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 any income distribution. However, due to investments in equities, the Manager expects the Fund to yield incidental growth in capital.

\* subject to change at the Manager's discretion, the investor may negotiate for a lower amount or value.

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Please note that the Fund does not guarantee your investment capital nor the returns from the Fund.

### KEY RISKS

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

##### General risks

- **Manager's 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 be adversely affect the performance of the Fund.
- **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.
- **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 load 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 the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or may be fraud where employees of the Manager collude with one another.

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

##### Specific risks

- **Equity investment risk** – The buying and selling of equities carry a number of risks, the most important being the volatility of the capital markets on which those securities are traded and the general insolvency risk associated with the issuers of equities.
- **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.
- **Equity-linked instruments risk** – As the Fund may invest in warrants, the pricing of the warrants will depend on the underlying equities that it is linked to, such as the growth and performance prospect of the underlying equities, would consequently affect the pricing of the warrants.
- **Single country risk** – The investment of the Fund in securities issued by companies which are domiciled in Japan or companies which derive its earnings from Japan may be affected by risks specific to Japan.
- **Regulatory risk** – This investments of the Fund are exposed to changes in the laws and regulations in the countries that the Fund invests in. These regulatory changes pose a risk to the Fund as it may materially impact the investments of the Fund.

*Note: Please refer to the Risk Factors section of the 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

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### Average total return

	1 Year (1/3/15 - 29/2/16)	Since Commencement (24/3/14 - 29/2/16)
<b>Fund</b>	(11.31%)	5.91%
<b>Benchmark</b>	6.77%	16.86%
<b>Outperformance / (Underperformance)</b>	(18.08%)	(10.95%)

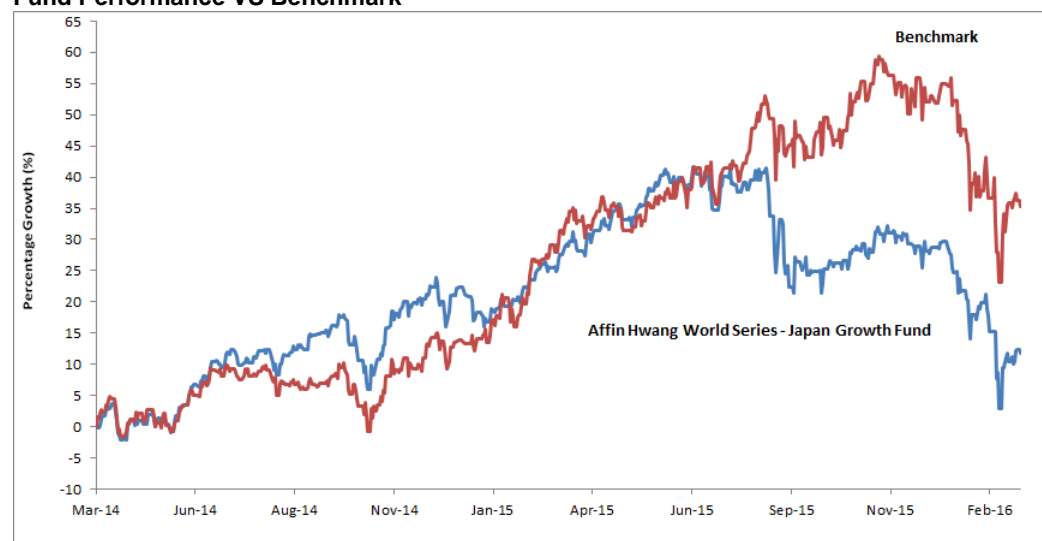
Source of Benchmark: Bloomberg

### Annual Total Return

	FYE 2016	FYE 2015 (24/3/14 - 28/2/15)
<b>Fund</b>	(11.31%)	26.04%
<b>Benchmark</b>	6.77%	26.72%
<b>Outperformance / (Underperformance)</b>	(18.08%)	(0.68%)

Source of Benchmark: Bloomberg

### Fund Performance VS Benchmark



Benchmark refers to TOPIX (Tokyo Stock Price Index) Total Return Index. Commencement Date of the Fund is 24 March 2014.  
 Source: Bloomberg.

For the period of 1 March 2015 to 29 February 2016, the Fund registered a negative return of 11.31%, while its benchmark recorded a return of 6.77%. While the Fund had underperformed the benchmark by 18.08% over a 1-year period, it remains on track to meeting its objective of achieving consistent capital appreciation over the medium to long term as gauged by its performance since commencement.

### Basis of calculation and assumptions made in calculation 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	= Capital return * income return - 1

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Source: Deutsche Trustees Malaysia Bhd

### Income Distribution

	FYE 2016	FYE 2015
Gross distribution per Unit (sen)	Nil	Nil
Net distribution per Unit (sen)	Nil	Nil

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
PTR (times)	0.81	1.09

**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
Repurchase Charge	There will be no Repurchase Charge for this Fund
Switching Fee	There will be no switching fee levied on any switching transactions
Transfer Fee	RM5.00 per transfer

What are the key ongoing fees charged to the Fund?

Management Fee	Up to 1.80% per annum of the NAV of the Fund
Trustee Fee	Up to 0.06% per annum of the NAV of the Fund, (excluding foreign custodian fees and charges)

**ALL FEES, AND CHARGES ARE ECLUSIVE 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.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?

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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 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 us 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 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](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

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 No. 19, Lorong Dungun  
 Damansara Heights  
 50490 Kuala Lumpur

**APPENDIX : GLOSSARY**

“Bursa Malaysia”	Means the stock exchange managed or operated by Bursa Malaysia Securities Berhad and includes any changes to the name or the operator of the Malaysian stock exchange.
“Business Day”	Means a day on which the Bursa Malaysia and Tokyo Stock Exchange are open for trading. This information can be obtained from the Bursa Malaysia’s website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and Tokyo Stock Exchange’s website at <a href="http://www.tse.or.jp/english/">www.tse.or.jp/english/</a> .
“Deed(s)”	Refers to the Deed dated 26 November 2013 and supplemental deed dated 27 June 2014, second supplemental deed dated 19 December 2016 and third supplemental deed dated 23 January 2017 all entered into between the Manager and the Trustee including any amendments and variations thereto.
“Financial Institution”	Means (a) if the institution is in Malaysia – (i) licensed bank; (ii) licensed investment bank; or (iii) a licensed Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorized by the relevant banking regulator to provide financial services.
“Fund”	Refers to Affin Hwang World Series – Japan Growth Fund
“FYE”	Refers to Financial Year End which is 28 February (or 29 February in the event of a leap year)
“Prospectus”	Refers to the prospectus in respect of the Affin Hwang Japan Growth Fund and includes any supplementary or replacement prospectus, as the case may be.
“Manager / AHAM”	Refers to Affin Hwang Asset Management Berhad
“NAV”	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point. <i>For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and trustee fee for the relevant day.</i>
“NAV per Unit”	Means the Net Asset Value of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point.
“Prospectus”	Refers to the prospectus in respect of the Fund and includes any supplementary or replacement prospectus, as the case may be.
“Repurchase Charge”	Means the price of a Unit payable by the Manager to a Unit Holder for a Unit of the Fund pursuant to a repurchase request, for the avoidance of doubt, the Repurchase Price does not include any Repurchase Charge which may be imposed.
“Sales Charge”	Means a charge imposed pursuant to a purchase request of Units of the Fund.
“Trustee”	Refers to Deutsche Trustees Malaysia Berhad.
“Unit(s)”	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund.
“Units in Circulation”	Means Units created and fully paid for and which have not been cancelled.
“Unit Holder”	Means the person for the time being who is registered pursuant to the Deed as a holder of Units, including a jointholder.