

Asset Management

# PRODUCT HIGHLIGHTS SHEET

for

## Affin Hwang Aiiman Balanced Fund

**Date of issuance: 18 December 2020**

### 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 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 Aiiman Balanced 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.

**! 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

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 AIIMAN BALANCED FUND**
**BRIEF INFORMATION ON THE PRODUCT**
**1. What is this product about?**

Affin Hwang Aiiman Balanced Fund is an open-ended Islamic balanced fund, issued and managed in-house by the Manager.

The Fund's investment objective is to achieve reasonable returns in both income and capital growth over a medium to long term period by investing in a wide portfolio of authorised securities and other investments which complies with Shariah principles.

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

The Fund is designed for retail investors who seek a portfolio of investments that complies with Shariah requirements and are willing to accept moderate risk.

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

Launch date	11 November 2001							
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	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Shariah-compliant equities &amp; Shariah-compliant equity linked instruments</td> <td>40% to 60%</td> </tr> <tr> <td>Sukuk and Islamic money market instruments</td> <td>40% to 60%</td> </tr> </tbody> </table>		Asset Class	% of the Fund's NAV	Shariah-compliant equities & Shariah-compliant equity linked instruments	40% to 60%	Sukuk and Islamic money market instruments	40% to 60%
	Asset Class	% of the Fund's NAV						
	Shariah-compliant equities & Shariah-compliant equity linked instruments	40% to 60%						
Sukuk and Islamic money market instruments	40% to 60%							
Benchmark	FTSE-Bursa Malaysia EMAS Shariah Index + 3-month GIA rate quoted by Maybank in the ratio of 60:40.							
Investment strategy	<p>The Fund seeks to maximise total returns by providing a combination of income, if any, and capital appreciation, if any, by investing in Shariah-compliant equities, Shariah-compliant equity linked instruments, Sukuk and Islamic money market instruments.</p> <p>The Manager may invest in Shariah-compliant collective investment schemes that hold similar investment objectives to the Fund's investment objective. To meet its objective, the Fund will also look at investing into Shariah-compliant equity linked instruments such as rights and Shariah-compliant warrants, as well as unlisted securities. 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).</p> <p>The Fund invests in growth and income Shariah-compliant stocks irrespective of market capitalisation.</p>							

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	<b>Temporary Defensive Measures</b> 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 Sukuk and Islamic money market instruments, in attempting to respond to adverse conditions that may impact the financial markets.
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*	200 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 Management)	AIIMAN Asset Management Sdn. Bhd.
Manager's Delegate (Fund Valuation and Accounting Function)	Deutsche Bank (Malaysia) Berhad
The Trustee	AmanahRaya Trustees Berhad
The Shariah Adviser	Amanie Advisors Sdn. Bhd.

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

Being a balanced fund, the Fund seeks to maximise total returns by providing a combination of income and capital appreciation, by investing in a portfolio of Shariah-compliant investments, including equities, equity linked instruments, Sukuk, and Islamic money market instruments.

The performance of the Fund would to a great extent be linked to the price movements of investable investments by the Fund. If the Sukuk and Shariah-compliant equities that are investable by the Fund performs well, the Fund may reflect similar performance and likewise. However, if the Sukuk and Shariah-compliant equities that are investable by the Fund performs poorly, the Fund's performance may also be impacted negatively.

The Fund is not expected to make any income distribution. However incidental distribution may be declared whenever appropriate.

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

- 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 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.

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

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- **Issuer risk** – The value of each individual security 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 law or guidelines due to factors such as human error, fraudulent, dishonesty, or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
- **Financing risk** – This risk occurs when you take a 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 prices 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.

### Specific risks

- **Equity and equity linked instruments investment risk** – The buying and selling of Shariah-compliant equities and Shariah-compliant equity linked instruments (hereinafter referred as “Shariah-compliant equities”) carry a number of risks. The most important being the volatility of the capital markets (of those tradable Shariah-compliant equities), the general insolvency risk associated with the issuers of Shariah-compliant equities, and/or the performance of the underlying equity that the Shariah-compliant 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.
- **Credit and default risk** – Credit risk relates to the creditworthiness of the issuers of the Sukuk or Islamic 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. 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 turn adversely affect the value of the investment. This could adversely affect the value of the Fund.
- **Interest rate risk** – This risk refers to the impact of interest rate changes on the valuation of Sukuk or Islamic 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 rate fall.
- **Shariah-compliant warrants investment risk** – The value of the Shariah-compliant warrants 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 Shariah-compliant warrants. In addition, the value of the Shariah-compliant warrants may decrease exponentially as the Shariah-compliant warrants approach its maturity date and the potential gains from a favourable price movement of the underlying may be offset by aggressive time decay.
- **Reclassification of Shariah status risk** – This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified to be Shariah non-compliant in the periodic review of the equities by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices.
- **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 for further details of each risk.**

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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.

### PERFORMANCE

#### Average Total Return

	1 Year (1/4/19 – 31/3/20)	3 Year (1/4/17 – 31/3/20)	5 Year (1/4/15 – 31/3/20)	10 Year (1/4/10 – 31/3/20)	Since Commencement (13/11/01 – 31/3/20)
<b>Fund</b>	-3.09%	-0.18%	1.82%	3.13%	3.81%
<b>Benchmark</b>	-6.98%	-3.26%	-1.61%	2.16%	1.34%

Source: Bloomberg/Lipper

#### Annual Total Return

Financial Year End	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Fund</b>	-3.09%	-1.46%	4.15%	11.26%	1.70%	-4.54%	4.25%	6.97%	1.97%	13.00%
<b>Benchmark</b>	-6.98%	-5.79%	3.31%	3.15%	2.74%	-4.07%	6.58%	8.28%	4.23%	12.89%

Source: Bloomberg/Lipper

For the period under review i.e. 1 April 2019 to 31 March 2020, the Fund registered a -3.09% return compared to the benchmark return of -6.98%.

Since commencement, the Fund registered a total return of 99.05%, outperforming the benchmark total return of 27.79%.

#### 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.

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

Financial Year End	2020	2019	2018
<b>Gross distribution per Unit (sen)</b>	2.25	0.75	0.50
<b>Net distribution per Unit (sen)</b>	2.25	0.75	0.50

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

#### Portfolio Turnover Ratio (PTR)

Financial Year End	2020	2019	2018
<b>PTR (times)</b>	0.57	0.64	0.61

The Fund recorded a lower PTR as the Manager had decreased its trading activities 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?

<b>Sales charge</b>	Up to 5.50% of the NAV per Unit of the Fund. <i>Investors may negotiate for a lower charge.</i>
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	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.
<b>Repurchase charge</b>	There will be no Repurchase Charge for this Fund.
<b>Switching fee</b>	There will be no switching fee for this Fund.
<b>Transfer fee</b>	MYR 5.00 per transfer

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

<b>Management fee</b>	Up to 1.50% per annum of the NAV of the Fund.
<b>Trustee fee</b>	Up to 0.08% per annum of the NAV of the Fund.

**Note: Please refer to the Prospectus for further explanation and illustration on 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.**

## 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 investments in the Fund at any point in time by simply completing the repurchase application form and returning it to us on any Business Day from 8.45 a.m. to 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.

## 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).

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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
  - (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. 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
  - (d) via online complaint form available at : 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 the 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(s)</b>	Refers to the deed dated 14 September 2001, first supplemental deed dated 23 October 2002, second supplemental deed dated 23 August 2007, third supplemental deed dated 8 September 2008, fourth supplemental deed dated 13 October 2008, fifth supplemental deed dated 22 July 2014 and sixth supplemental deed dated 6 August 2015 entered into between the Manager and the Trustee.
<b>EPF</b>	Means Employees Provident Fund.
<b>EMIS</b>	EPF Members' Investment Scheme.
<b>Fund</b>	Means to Affin Hwang Aiman Balanced Fund.
<b>long term</b>	Means a period of 5 years and above.
<b>the Manager, we, us, our</b>	Means to Affin Hwang Asset Management Berhad
<b>medium term</b>	Means a period between 3 years 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. <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 trustee fee for the relevant day.</i>
<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>	Refers to the prospectus of Affin Hwang Aiman Balanced Fund, and includes any supplementary or replacement prospectus, as the case may be.
<b>Repurchase Charge</b>	Means a charge imposed pursuant to a repurchase request.
<b>SACSC</b>	Shariah Advisory Council of the Securities Commission Malaysia.

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<b>SC</b>	Securities Commission Malaysia.
<b>Shariah</b>	Means Islamic law, originating from the Qur'an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
<b>Shariah Adviser</b>	Refers to Amanie Advisors Sdn Bhd.
<b>Shariah requirement</b>	Means a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
<b>Sukuk</b>	Means a document or certificate, documenting the undivided pro-rated ownership of underlying assets.
<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.*