

PRODUCT HIGHLIGHTS SHEET

# MAYBANK CONSTANT INCOME FUND 6 ("the Fund")

Date of Issuance: 17 March 2017

## RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Maybank Asset Management Sdn Bhd and they have 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/recognised the issuance of Maybank Constant Income Fund 6 and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Maybank Constant Income Fund 6 and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank Constant Income Fund 6 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 Maybank Asset Management Sdn Bhd responsible for the Maybank Constant Income Fund 6 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 the Maybank Constant Income Fund 6. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

### 1. What is Maybank Constant Income Fund 6?

The Fund is Maybank Asset Management Sdn Bhd's fixed income (close-ended) fund. The Fund aims to provide unit holders with income through investments in a portfolio of fixed income securities ("Fixed Income Securities").

### 2. Fund Suitability

The Fund is suitable for investors who:

- have a moderate to high risk appetite;
- have an investment horizon of 3 years; and
- are seeking income distribution on an annual basis.

### 3. Investment Objective

The Fund aims to provide unit holders with income\* through investments in a portfolio of Fixed Income Securities.

\* Income will be paid out via cash payment mode.

### 4. Key Product Features

<b>Fund Type</b>	Income.
<b>Fund Category</b>	Fixed income (close-ended).
<b>Performance Benchmark</b>	The prevailing 3-year Maybank fixed deposit rate as at the commencement date.
<b>Viable Fund Size</b>	RM30 million or such other amount as the Manager and Trustee may jointly deem to be uneconomical to proceed with the Fund.
<b>Tenure and Maturity Date</b>	The tenure of the Fund is three (3) years. The Fund will mature on the third (3 <sup>rd</sup> ) anniversary of the commencement date or such earlier date in accordance with the provisions of the deed or subject to the early maturity feature. If that date is not a business day, the maturity date shall be the first business day following the date that is the third (3 <sup>rd</sup> ) anniversary of the commencement date.
<b>Investment Strategy</b>	The Fund seeks to achieve its investment objective by investing a minimum of 80% of the Fund's net asset value ("NAV") in RM denominated Fixed Income Securities and/or foreign currency denominated Fixed Income Securities (foreign currency denominated Fixed Income Securities are Fixed Income Securities denominated in currencies other than RM). However as the Fund approaches the maturity date, the Manager may choose to invest in liquid assets and/or collective investment schemes to facilitate the payout of the proceeds to unit holders after the maturity date.  <i>The investment strategy is further elaborated in section 3.9 of the prospectus.</i>
<b>Launch Date</b>	17 March 2017.
<b>Manager</b>	Maybank Asset Management Sdn Bhd.

<b>Management Fee</b>	Nil										
<b>Sales Charge</b>	Up to 3.00% of the offer price of the Fund.										
<b>Exit Fee</b>	<table border="1"> <thead> <tr> <th>Period from the commencement date</th> <th>Exit fee based on the redemption amount</th> </tr> </thead> <tbody> <tr> <td>Up to the first anniversary</td> <td>3.50%</td> </tr> <tr> <td>The next business day following the first anniversary up to the second anniversary</td> <td>2.50%</td> </tr> <tr> <td>The next business day following the second anniversary up to the third anniversary</td> <td>1.50%</td> </tr> <tr> <td>Maturity date or early maturity date</td> <td>Nil</td> </tr> </tbody> </table>	Period from the commencement date	Exit fee based on the redemption amount	Up to the first anniversary	3.50%	The next business day following the first anniversary up to the second anniversary	2.50%	The next business day following the second anniversary up to the third anniversary	1.50%	Maturity date or early maturity date	Nil
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	Up to the first anniversary	3.50%									
	The next business day following the first anniversary up to the second anniversary	2.50%									
	The next business day following the second anniversary up to the third anniversary	1.50%									
Maturity date or early maturity date	Nil										
The exit fee is non-negotiable and will be retained by the Fund for the benefit of the remaining unit holders. The exit fee will not be applicable for unit holders exercising their cooling-off right or who redeem their units prior to the commencement date.											
<b>Switching Fee</b>	Not applicable (Switching is not allowed).										
<b>Transfer Fee</b>	RM10 per transfer.										
<b>Trustee</b>	TMF Trustees Malaysia Berhad.										
<b>Trustee Fee</b>	0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), accrued daily and payable monthly to the Trustee.										
<b>Minimum Initial Investment</b>	RM1,000 or such other amount as determined by the Manager.										
<b>Minimum Additional Investment</b>	RM1,000 or such other amount as determined by the Manager. <i>Note: Additional investments may be made during the Offer Period only.</i>										
<b>Minimum Holdings</b>	1,000 units.										
<b>Distribution Policy</b>	The Fund will declare income distribution annually, subject to the availability of income, during the tenure of the Fund. <i>Note: The Fund's income distributions are non-guaranteed and subject to the continuing abilities of the issuers of the Fund's investments to meet their respective financial obligations.</i>										

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

## 5. Asset Allocation

Asset Type	Range
Foreign currency and/or RM denominated Fixed Income Securities	Minimum of 80% of the Fund's NAV

Liquid assets and/or collective investment schemes

Maximum of 20% of the Fund's NAV

## 6. Key Risks

### Specific Risks

#### Company specific risk

This risk arises when a company is exposed to adverse conditions or negative sentiments such as management issues, deteriorating business fundamentals or loss of competitiveness which is specific to a single company. As a consequence, the price of Fixed Income Securities issued by such company might fall and subsequently affects the Fund's performance. The impact of a specific company may be reduced as the Fund invests in a wide portfolio of investments consisting of Fixed Income Securities issued by different companies thereby spreading the element of this risk through diversification.

#### Default risk

This risk refers to the possibility that the issuer of the Fixed Income Security or money market instrument is unable to make timely or full payments of principal and/or interest when due. In the event of a default in payment of principal and/or interest, this may cause a reduction in the value of the Fund. The Manager will endeavour to take the necessary steps to deal with the investments in the best interest of the unit holders including to dispose the defaulted investments within a time frame deemed reasonable by the Manager.

Current deposits and/or fixed deposits that the Fund has placed with financial institutions are also exposed to default risk. If the financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the Fund to be adversely affected. Placement with financial institutions will also be made based on prudent selection.

#### Counterparty risk

Counterparty risk refers to a risk that relates to the credit standing of counterparties when over-the-counter transactions (such as that of Fixed Income Securities) are carried out and is generally not applicable to transactions performed through exchanges. In the event where counterparties of a contract fail to live up to its contractual obligations, the Fund will suffer from financial losses. The Fund seeks to reduce this risk by performing fundamental credit research and analysis to determine the creditworthiness of counterparties, prior to commencement of the investment.

#### Country risk

Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall. The Manager attempts to mitigate this risk by diversifying its country exposures. In respect of this Fund, should a country's conditions be unfavourable to the Fund, the Manager may change Fixed Income Securities allocations in a country accordingly for the best interest of the Fund.

#### 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. Investors should be aware that if the currencies in which the investments are

denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. In order to reduce this risk, the Manager intends to use derivatives to hedge the foreign currency exposure. However, investors should be aware that the Fund may not enjoy the upside of the exchange rate movement once it is hedged.

#### Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of the Fixed Income Securities. When interest rates rise, Fixed Income Securities prices generally decline and this may lower the market value of the Fund's investment in Fixed Income Securities. The reverse may apply when interest rates fall.

In the event that the Fixed Income Securities are held until maturity, the concern regarding price fluctuations arising from interest rate changes may be minimal due to the lock in of price and yields. The impact of this risk is mitigated as the Fund will attempt to invest in Fixed Income Securities with maturities close to 3 years to match the maturity of the Fund.

#### Mismatch risk

Mismatch risk arises when the Fund buys a Fixed Income Security with tenure longer than 3 years. Given that the Fund is to liquidate all its Fixed Income Security holdings on its third (3<sup>rd</sup>) anniversary of the commencement date, there is a risk whereby the Fixed Income Security holdings with a maturity of more than 3 years may be sold at an unfavourable price depending on the market condition at the point of time. In such a case, the mismatch of maturities may potentially result in a loss to the Fund due to the selling of its Fixed Income Securities at a market price which is lower than the par value of the Fixed Income Security had the bond be held until maturity. The Fund seeks to mitigate this risk by investing in Fixed Income Securities which closely match the Fund's maturity of 3 years.

#### Derivatives risk

Derivatives, if any, will only be used for the purpose of hedging the Fund's portfolio from certain anticipated losses such as those resulting from unfavourable exchange rate and interest rate movements. However, every hedge comes with a cost. In a move to mitigate the risk of uncertainty, the Fund is now exposed to the risk of opportunity loss. Once hedged, the Fund cannot take full advantage of favourable exchange rate and interest rate movements. If the exposure which the Fund is hedging against makes money, the act of hedging would have typically reduced the potential returns of the Fund. On the other hand, if the exposure which the Fund is hedging against loses money, the act of hedging would have reduced the loss, if successfully hedged.

#### Non-commencement risk

This is the risk that the Fund does not commence as expected. Hence, at any time before or on the commencement date of the Fund, the Manager reserves the right not to commence the Fund in the event the capital raised by the Fund is below RM30 million or such other amount as the Manager and Trustee may jointly deem to be uneconomical to proceed with the Fund. In such instances, the Manager shall return the amount subscribed to investors together with the sales charge, and investors may have to reinvest the monies returned to them into other investments.

#### Redemption risk

Investors are reminded to stay committed to their investment until the maturity date which falls on the third (3<sup>rd</sup>) anniversary of the commencement date. Exiting the Fund prior to the maturity date will incur exit fee.

### Reinvestment risk

Reinvestment risk may occur when there is divestment of a Fixed Income Security due to the issue rating being downgraded or to fulfil redemption request. Reinvestment risk also arises when an issuer of Fixed Income Security exercises its right to pay the principal on an obligation earlier than the expected maturity date. The Fund may not be able to reinvest in a suitable replacement Fixed Income Security and consequently the Fund may experience lower returns due to reinvesting in lower yielding Fixed Income Securities especially during times of declining interest rates.

### Below investment-grade risk

The Fund may invest up to 100% in foreign Fixed Income Securities with a minimum rating of BB- by S&P Global Ratings or its equivalent rating by Moody's Investors Service or Fitch Ratings. Investors should be aware that bonds rated below BBB- are considered below investment-grade Fixed Income Securities (also known as "junk Fixed Income Securities" or "high yield Fixed Income Securities") and are generally considered to be speculative and more sensitive to adverse changes in market condition. Below investment-grade Fixed Income Securities are generally being subject to greater levels of interest rate risk and default risks as compared to investment-grade Fixed Income Securities. Such Fixed Income Securities generally experience greater price volatility in comparison to those of higher credit quality and usually lacks liquidity in secondary market, which in turn may adversely affect the value of these Fixed Income Securities and that of the Fund.

***Investors are reminded that the risks listed above may not be exhaustive and if necessary, they should consult their adviser(s), e.g. their bankers, lawyers, stockbrokers or independent professional advisers for a better understanding of the risks.***

*For more details, please refer to section 3.10 in the prospectus for the general risks of investing in the Fund.*

*Note: If your investments are made through an institutional unit trust adviser ("Distributor") which adopts the nominee system of ownership, you would not be deemed to be a unit holder under the deed and as a result, your rights as an investor may be limited. Accordingly, we will only recognize the Distributor as a unit holder of the fund and the Distributor shall be entitled to all the rights conferred to it under the deed.*

## **7. Valuation of Investment**

The Fund must be valued at least once every business day.

However, certain foreign markets in which the Fund may invest in have different time zones from that of Malaysia. Accordingly, the valuation of the Fund will be conducted by 4.00 p.m. on the next business day, when the closing prices of the foreign markets would be available. As such, the daily price of the Fund for a particular business day will be published two (2) business days later.

For currency translation of foreign securities to the Fund's base currency (RM) shall be based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4.00 p.m. which is equivalent to 11.00 p.m. or 12.00 a.m. midnight (Malaysia time) on the same day, or such other time as prescribed from time to time by Federation of Investment Managers Malaysia or any relevant laws.

Investors will be able to obtain the unit price of the Fund from [www.maybank-am.com.my](http://www.maybank-am.com.my). Alternatively, the Manager's client servicing personnel can be contacted at 03-2297 7888 or, investors can visit the Manager's website at [www.maybank-am.com.my](http://www.maybank-am.com.my).

## 8. Exiting from Investment

Submission of Redemption Request	The cut-off time for redemption of units shall be at <b>4.00 p.m.</b> on a business day.
Payment of Redemption Proceeds	Redemption proceeds will be paid out within ten (10) calendar days of the Manager's receipt of a redemption request.
Remittance of Redemption Proceeds	The Manager shall remit the redemption proceeds to the account held in the name of the unit holder(s).

## 9. Contact Information

### I. For internal dispute resolution, you may contact:

#### Clients Servicing Personnel

Tel : 03-2297 7888  
 Fax : 03-2297 7998  
 Email : [mamcs@maybank.com.my](mailto:mamcs@maybank.com.my)  
 Website : [www.maybank-am.com.my](http://www.maybank-am.com.my)

### II. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (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

### III. You can also direct your complaint to the Securities Commission Malaysia (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 : 03-6204 8999
- b. via fax to : 03-6204 8991
- c. via email to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- d. via the 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

### IV. 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 email to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- d. via the online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
- e. via letter to : Legal, Secretarial & Regulatory Affairs  
 Federation of Investment Managers Malaysia  
 19-06-1, 6<sup>th</sup> Floor Wisma Tune  
 No. 19 Lorong Dungun  
 Damansara Heights  
 50490 Kuala Lumpur