

PRODUCT HIGHLIGHTS SHEET

# MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND

Date of Issuance: 30 April 2019

## 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 the issuance of Maybank AsiaPac ex-Japan Equity-I Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Maybank AsiaPac ex-Japan Equity-I Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank AsiaPac ex-Japan Equity-I Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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This Product Highlights Sheet only highlights the key features and risks of the Maybank AsiaPac ex-Japan Equity-I Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

### 1. What is Maybank AsiaPac ex-Japan Equity-I Fund?

The Fund is Maybank Asset Management Sdn Bhd's first regional Shariah-compliant equity fund. The Fund aims to achieve capital growth through investing in Shariah-compliant equities issued by companies whose businesses are in the Asia Pacific ex-Japan markets.

### 2. Product Suitability

The Fund is suitable for investors who:

- wish to gain exposure to the Asia Pacific ex-Japan markets and other markets such as the United States of America and United Kingdom markets;
- seek capital growth through a Shariah-compliant fund; and
- have a long term investment horizon.

*\* Long term means a period of more than 5 years.*

### 3. Investment Objective

The Fund aims to achieve capital growth over the long term by investing in Shariah-compliant equities.

### 4. Key Product Features

<b>Fund Type</b>	Growth.
<b>Fund Category</b>	Equity (Shariah).
<b>Benchmark</b>	MSCI AC Asia Pacific Islamic ex-Japan Index.
<b>Investment Strategy</b>	To achieve the Fund's objective, the Fund will invest between 70% to 98% of the Fund's NAV in Shariah-compliant equities issued by companies whose businesses are in Asia Pacific ex-Japan markets. The Manager will also invest between 2% to 30% of the Fund's NAV in Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits.
<b>Launch Date</b>	8 January 2014.
<b>Manager</b>	Maybank Asset Management Sdn Bhd.
<b>Trustee</b>	TMF Trustees Malaysia Berhad.
<b>Shariah Adviser</b>	Amanie Advisors Sdn Bhd.
<b>Minimum Initial Investment</b>	RM1,000.
<b>Minimum Additional Investment</b>	RM100.
<b>Minimum Units Held</b>	500 Units.
<b>Distribution of Income</b>	Distribution, if any, is incidental and will be made from the realised income of the Fund.

## 5. Asset Allocation

LIMITS	INVESTMENT INSTRUMENTS
Between 70% - 98% of the Fund's NAV	<ul style="list-style-type: none"> <li>• Shariah-compliant equities</li> </ul>
Between 2% - 30% of the Fund's NAV	<ul style="list-style-type: none"> <li>• Shariah-compliant liquid assets including Shariah-compliant money market instruments and placement in Shariah-compliant deposits</li> </ul>

## 6. Key Risks

### Specific Risks

#### Company specific risk

Specific risks to Shariah-compliant securities issued by a company apply as there are adverse conditions or negative sentiments which a company can be uniquely exposed to, be it from the view of management issues, deteriorating business fundamentals or losing competitiveness. As a consequence, the price of Shariah-compliant securities issued by such company might fall and subsequently affect 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 Shariah-compliant securities issued by different companies thereby spreading the element of this risk through diversification.

#### Default risk

This risk will arise when the issuer of a Shariah-compliant money market instrument fails to make timely payments of the profits and/or principal repayments on the maturity date. Shariah-compliant deposit that the Fund has placed with financial institutions is also exposed to default risk. If the issuer or financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and profit foregone, causing the performance of the Fund to be adversely affected.

#### Profit rate risk

This refers to the risk that the investment value of the Fund may generally be reduced due to a rise in future profit rates. Profit rate risk is particularly borne by profit-bearing assets, such as a Shariah-compliant money market instrument. In the event that a profit-bearing asset is held till maturity, the profit rate changes will not affect the yields of the profit-bearing asset. However, investors should be aware that whether the Fund will hold any profit-bearing assets until maturity will depend on actual and expected changes in profit rates.

The Manager attempts to mitigate the profit rate risk of the Fund by managing the duration structure of the profit-bearing assets according to the Manager's view of the future profit rate trend. When profit rates are expected to increase, the Fund will switch to profit-bearing assets with shorter duration and are less sensitive to profit rate changes.

#### Country risk

By virtue of the nature of the Fund where it has exposures to different countries, the investment activities of the Fund may be affected by risks specific to these countries. In respect of this Fund, should a country's conditions be unfavourable to the Fund, the Manager may change equity allocations for a country accordingly, in the best interest of the Fund. This risk is also associated with socio-political developments that may result in a change in the political stance which manifests itself in changes in government's economic or legislative policies, some of which may affect investors, especially when there is a change from a business-friendly government to a less business friendly government. The Manager attempts to mitigate this risk by diversifying its country exposures.

### Risk of investing in emerging markets

The Fund may invest in emerging markets which exhibit lower levels of capital market development. Generally, the returns in emerging markets are more volatile than those in developed markets resulting in higher investment risk that may affect the Fund's growth. Since emerging markets are undergoing constant changes, it is almost impossible to utilize historical information to analyse the relationship between events and returns. Also, in many emerging markets, accounting standards are not as comprehensive resulting in additional uncertainty as to the quality of information contained in a company's financial statements. Naturally, this makes it even more difficult than usual to forecast a company's rate of growth. In addition to comprehensive research analysis, the Manager attempts to mitigate the risks of investing in emerging markets through diversification across various countries.

### Currency risk

This risk is associated with investments that are quoted and/or priced in foreign currency denomination. The investment values are all subject to currency translation risk between RM and foreign currencies. Investors should be aware that when foreign currencies move unfavorably against the RM, investments denominated in foreign currencies may suffer currency losses in addition to capital gains/losses, this will have an adverse effect on the NAV of the Fund and vice versa. In order to mitigate this risk, the Manager may diversify the investment across different currencies.

### Shariah non-compliance risk

There is a risk that a currently held security will be reclassified as Shariah non-compliant upon review by the Shariah Advisory Council of the SC or any other relevant Shariah advisers. If this occurs, in the case that the Manager disposes the security after the announcement date, any capital gains arising from the disposal of the Shariah non-compliant security is to be channelled to any charitable bodies advised by the Shariah advisers. Thus, the Fund will not benefit from any capital gains from the security after the reclassification of the security. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. Please refer to Section 3.14 in the prospectus on the Fund's Shariah methodology on the treatment of gains and losses as a result of the reclassification of Shariah non-compliant securities.

*Please note that the Shariah advisers have been appointed for the Fund, who would be responsible to advise the Manager to ensure that the Fund is managed and administered in accordance with Shariah principles.*

***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, Shariah advisers, stockbrokers or independent professional advisers for a better understanding of the risks.***

*For more details, please refer to Chapter 3.6 in the prospectus for the general risks of investing in the Fund.*

***Note: If your investments are made through an IUTA ("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 recognise 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. Fees and Charges**

This table describes the charges that you may **directly** incur when you buy or sell the Units of the Fund:

<u>Charges</u>	<u>%/RM</u>
<b>Sales Charge</b>	: Up to 5.00% of the NAV per Unit of the Fund will be imposed by the Manager.
<b>Redemption Charge</b>	: No redemption charge will be imposed on Unit Holders.
<b>Switching Fee*</b>	: A switching fee of RM10.00 per switch will be imposed on Unit Holders.
<b>Transfer Fee</b>	: A transfer fee of RM10.00 per transfer will be imposed on Unit Holders.

*Note:*

\* In addition to the switching fee, the Unit Holder will have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.

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

This table describes the charges that you may **indirectly** incur when you buy or sell the Units of the Fund:

<u>Charges</u>	<u>%/RM</u>
<b>Management Fee</b>	: Up to 1.50% per annum of the NAV of the Fund, accrued daily and paid monthly to the Manager.
<b>Trustee Fee</b>	: 0.06% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), accrued daily and paid monthly to the Trustee.

*Note: All fees, charges and expenses stated herein are exclusive of any taxes or duties as may be imposed by the government or other authorities from time to time. The Unit Holder and/or the Fund (as the case may be) are responsible to pay the applicable amount of tax in addition to the fees, charges and expenses stated herein.*

## 8. 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.

Unit Holders 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.

## 9. Exiting from Investment

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

For both creation and redemption of Units, the Manager shall not be held responsible for any delay/loss incurred in the event of:

- Real Time Electronic Transfer of Funds and Securities (RENTAS) experiencing problems;
- Any remittance of Fund that does not correspond with the request promptly;
- Inaccurate details (i.e. identity card number, account number, etc) provided by Unit Holders; or
- Circumstances beyond the control of the Manager or the Trustee.

## 10. Fund Performance

### I. The average total returns of the Fund

Note: Basis of calculation and assumption made in calculating the returns:

$$\text{Performance return} = \frac{\text{NAV } t - \text{NAV } t-1}{\text{NAV } t-1}$$

$$\text{Annualised performance return} = \left[ \frac{(1 + \text{performance return})^{\text{number of period per year}}}{\text{total no. of periods}} \right] - 1$$

NAV t refers to NAV at the end of the period.

NAV t-1 refers to NAV at the beginning of the period.

As at 31 January	3 years	1 year	Since Inception
Fund	37.16%	-5.37%	37.39%
Benchmark	42.33%	-9.73%	41.03%

### II. The annual total return of the Fund

	11-months period ended 31 January 2015*	Year ended 31 January 2016	Year ended 31 January 2017	Year ended 31 January 2018	Year ended 31 January 2019
Fund	4.56%	-4.20%	23.67%	17.20%	-5.37%
Benchmark	9.33%	-9.37%	29.33%	21.92%	-9.73%

Note: \*Period from 23 February 2014 (commencement date)

#### 1-Year Fund performance review

The Fund registered a total return of -5.37% against its benchmark's return of -9.73%, thus outperformed the benchmark by 4.36%.

### III. Portfolio turnover ratio ("PTR")

Portfolio turnover is a measure of the volume of trading undertaken by a fund in relation to the fund's size.

$$\text{PTR} = \frac{[\text{total acquisitions for the financial period} + \text{total disposal for the financial period}]}{\text{average NAV for the Fund for the year calculated on a daily basis}}$$

PTR for the financial year ended 31 January 2017	PTR for the financial year ended 31 January 2018	PTR for the financial year ended 31 January 2019*
0.67	1.49	0.70

\* The Fund's PTR decreased to 0.70 times due to decreased investing activities during the current financial year.

#### IV. Distribution

	Year ended 31 January 2017	Year ended 31 January 2018	Year ended 31 January 2019
Gross distribution per Unit	Nil	RM0.10	RM0.11
Net distribution per Unit	Nil	RM0.10	RM0.11
Cash or Units	N/A	Units	Units

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

#### 11. Contact Information

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

###### **Clients Servicing Personnel**

Tel : 03-2297 7888  
 Fax : 03-2715 0071  
 Email : [mamcs@maybank.com.my](mailto:mamcs@maybank.com.my)  
 Website : [www.maybank-am.com](http://www.maybank-am.com)

##### 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 SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- a. via phone to the Aduan Hotline at : 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 online complaint form available at : [www.sc.com.my](http://www.sc.com.my)
- e. via letter to : Consumer & Investor Office  
 Securities Commission Malaysia  
 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 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

19-06-01, 6<sup>th</sup> Floor Wisma Tune  
 No. 19 Lorong Dungun  
 Damansara Heights  
 50490 Kuala Lumpur

## 12. Appendix: Glossary

<b>“Business Day”</b>	means a day on which Bursa Malaysia Securities Berhad is open for trading.
<b>“Fund”</b>	means the Maybank AsiaPac ex-Japan Equity-I Fund.
<b>“IUTA”</b>	means a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
<b>“NAV”</b>	means Net Asset Value.
<b>“SC”</b>	means the Securities Commission Malaysia.
<b>“Unit or Units”</b>	means an undivided share in the beneficial interest or right in the Fund and a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund.
<b>“Unit Holder”</b>	means the person for the time being who is registered pursuant to the deed as a holder of Units including a jointholder.