

PRODUCT HIGHLIGHTS SHEET

MAYBANK ENHANCED CONSTANT INCOME FUND ("the Fund")

Date of Issuance: 30 June 2020

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 relevant information and document in relation to the Maybank Enhanced Constant Income Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Maybank Enhanced Constant Income Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank Enhanced Constant Income 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 Enhanced Constant Income Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

1. What is Maybank Enhanced Constant Income Fund?

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*.

* Please refer to the definition of "Fixed Income Security(ies)" in the information memorandum for more details.

2. Fund Suitability

The Fund is suitable for Sophisticated Investors*:

- with a moderate to high risk appetite;
- who have medium term investment horizon; and
- who seek income distribution on an annual basis.

* Please refer to the definition of "Sophisticated Investors" in the information memorandum for more details.

3. Investment Objective

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

4. Key Product Features

Fund Type	Income.
Fund Category	Fixed Income (closed-ended).
Benchmark	<p>The prevailing 3-year Maybank fixed deposit rate as at the Commencement Date*. (Source: www.maybank2u.com.my)</p> <p><i>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</i></p> <p>* "Commencement Date" means the next business day immediately after the end of the offer period.</p>
Minimum Fund Size and Minimum Target Yield	<p>The Manager may decide not to commence investment for the Fund if the Manager is of the view that: (a) the Fund size is below RM30,000,000.00 or such other amount as the Manager and the Trustee may jointly deem it to be uneconomical to proceed with the Fund; or (b) the Fund is unable to achieve a minimum target yield of 4.75% per annum due to prevailing market condition.</p>
Tenure and Maturity of the Fund	<p>The tenure of the Fund is three and a half (3.5) years.</p> <p>The Fund will mature on a date which is three and a half (3.5) years from the Commencement Date or such earlier date in accordance with the provisions of the deed. If that date is not a business day, the maturity date shall be the first business day following the date that is three and a half (3.5) years from the Commencement Date ("Maturity Date").</p>

Early Maturity	<p>The Early Maturity can occur on a date, earliest on the first (1st) anniversary of the Commencement Date up to thirty (30) calendar days before the Maturity Date.</p> <p>The Early Maturity will be triggered:</p> <p>(a) when the net asset value per Unit (“NAV per Unit”) of the Fund is at or higher than the target NAV per Unit for at least ten (10) consecutive business days; and</p> <p>(b) the Manager has exercised its right to trigger the Early Maturity by notifying the unit holders via a communique on the next business day following the day when criteria (a) above is met.</p> <p><i>Note: Please refer to section 3 of the information memorandum for further details.</i></p>										
Investment Strategy	<p>The Fund seeks to achieve its investment objective by investing a minimum of 80% of its net asset value (“NAV”) in RM denominated Fixed Income Securities and/or foreign currency Fixed Income Securities (foreign currency Fixed Income Securities are Fixed Income Securities denominated in currencies other than RM) and up to 20% of its NAV in liquid assets and/or collective investment schemes. 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.</p> <p>The Fund may also invest up to 60% of its NAV in non-investment grade or high yield Fixed Income Securities.</p> <p>The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure to manage the currency risk. Furthermore, the Fund may also fully or partially hedge the interest rate risk inherent in the investment of Fixed Income Securities.</p> <p><i>Note: Please refer to section 3 of the information memorandum for further details.</i></p>										
Launch Date	30 June 2020.										
Manager	Maybank Asset Management Sdn Bhd.										
Annual Management Fee	Nil.										
Sales Charge	Up to 3.00% of the offer price.										
Exit Fee	<table border="1" data-bbox="544 1431 1390 1809"> <thead> <tr> <th data-bbox="544 1431 951 1496">Period from the Commencement Date</th> <th data-bbox="951 1431 1390 1496">Exit fee based on the redemption amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="544 1496 951 1529">Up to the first anniversary</td> <td data-bbox="951 1496 1390 1529">3.50%</td> </tr> <tr> <td data-bbox="544 1529 951 1621">The next business day following the first anniversary up to the second anniversary</td> <td data-bbox="951 1529 1390 1621">2.50%</td> </tr> <tr> <td data-bbox="544 1621 951 1744">The next business day following the second anniversary up to the Maturity Date</td> <td data-bbox="951 1621 1390 1744">1.50%</td> </tr> <tr> <td data-bbox="544 1744 951 1809">Maturity Date or Early Maturity Date</td> <td data-bbox="951 1744 1390 1809">Nil</td> </tr> </tbody> </table> <p><i>Note: The Manager reserves the right to waive or reduce the exit fee at its absolute discretion. The exit fee shall be retained by the Manager.</i></p> <p>The exit fee will not be applicable to unit holders who exercise their cooling-off right or who redeem their units prior to the Commencement Date.</p>	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 Maturity Date	1.50%	Maturity Date or Early Maturity Date	Nil
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 Maturity Date	1.50%										
Maturity Date or Early Maturity Date	Nil										

Switching Fee	Equivalent to the exit fee. <i>Note: The Manager reserves the right to waive or reduce the switching fee at its absolute discretion.</i>
Transfer Fee	RM10 per transfer. <i>Note: The Manager reserves the right to waive or reduce the transfer fee at its absolute discretion.</i>
Trustee	TMF Trustees Malaysia Berhad.
Annual Trustee Fee	0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), calculated and accrued daily and is payable monthly to the Trustee.
External Investment Manager	Maybank Asset Management Singapore Pte. Ltd.
Minimum Initial Investment[^]	RM 1,000
Minimum Additional Investment[^]	RM 1,000 <i>Note: Additional investment may be made during the offer period only.</i>
Minimum Holdings[^]	1,000 units.
[^] or such other amount or number of units (as the case may be) as may be decided by the Manager from time to time.	
Distribution Policy	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 distribution is not guaranteed and is subject to the continuing ability 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	% of the Fund's NAV
Foreign currency and/or RM denominated Fixed Income Securities	Minimum 80% of the Fund's NAV
Liquid assets and/or collective investment schemes	Maximum 20% of the Fund's NAV

6. Key Risks

Specific Risks of the Fund

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 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 the counterparties, prior to commencement of the investment.

Should there be a downgrade in the credit rating of the over-the-counter derivatives' counterparty, the Manager will evaluate the situation and reassess the creditworthiness of the counterparty. The Manager will take the necessary steps in the best interest of the Fund.

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 will attempt to mitigate this risk by diversifying the Fund's country exposures. In respect of this Fund, should a country's conditions be unfavourable to the Fund, the Manager may change the Fixed Income Securities allocations in a country accordingly in 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. Unit holders 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. Unit holders 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, unit holders 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/call dates close to three and a half (3.5) 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 three and a half (3.5) years. Given that the Fund is to liquidate all its Fixed Income Securities holdings on the Maturity Date, there is a risk whereby the Fixed Income Securities holdings with a maturity of more than three and a half (3.5) years may have to be sold at an unfavourable price depending on the market condition at that point in 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 Fixed Income Security been held until maturity. The Fund seeks to mitigate this risk by investing in Fixed Income Securities with maturities/call dates close to three and a half (3.5) years to match the Fund's maturity.

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 if the Manager is of the view that: (a) the Fund size is below RM30,000,000.00 or such other amount as the Manager and the Trustee may jointly deem it to be uneconomical to proceed with the Fund; or (b) the Fund is unable to achieve a target yield of 4.75% per annum due to prevailing market condition. In such instances, the Manager shall return the amount subscribed together with the sales charge to the unit holders within ten (10) calendar days from the expiry of the offer period.

Redemption Risk

Unit holders are reminded to stay committed to their investment until the Maturity Date. Exiting the Fund prior to the Maturity Date will incur an exit fee.

Reinvestment Risk

Reinvestment risk may occur when there is divestment of a Fixed Income Security due to the issue or issuer 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 currency Fixed Income Securities with a minimum rating of "BB-" by international rating agencies. Unit holders 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 risk 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.

Contingent Convertible Securities Risk

Contingent convertible securities (“CoCos”) are hybrid capital securities that can be converted into equity of the issuer upon the occurrence of a trigger event when the issuer’s regulatory capital ratio falls below certain level.

The value of CoCos is unpredictable and will be influenced by factors which include, but are not limited to (i) the issuer’s creditworthiness and/or fluctuations in the issuer’s applicable capital ratios; (ii) supply and demand for the CoCos; (iii) general market conditions and available liquidity; and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

Similar to other fixed income securities, CoCos are subject to interest rate risk and default risk as mentioned above.

In the event CoCos are converted, it will be subject to risks associated with equities such as market risk and stock specific risk relating to that underlying equity.

If the Fund invests in CoCos, the value of CoCos may be subject to a sudden drop in value should the trigger event occurs, and the Fund may be required to accept cash or securities with a value less than its original investment. As such, the Manager will closely monitor these investments to avoid such trigger events.

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

For more details, please refer to section 6 in the information memorandum for the general and specific risks of investing in the Fund.

Note: If a unit holder’s investments are made through an institutional unit trust adviser (“Distributor”) which adopts the nominee system of ownership, the unit holder would not be deemed to be a unit holder under the deed and as a result, the unit holder’s rights as an investor may be limited. Accordingly, the Manager 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 after the close of the market in which the portfolio of the Fund is invested for the relevant day but not later than the end of next business day.

As such, the daily price of the Fund for a particular business day will not be published on the next business day but will instead be published two (2) business days later (i.e., the price will be two (2) days old).

Investors will be able to obtain the unit price of the Fund from www.maybank-am.com.my. Alternatively, the Manager’s client servicing personnel can be contacted at 03-2297 7888.

8. Exiting from Investment

Submission of Redemption Request	The cut-off time for redemption of units shall be at 4.00 p.m. on a business day. Any redemption request received or deemed to have been received by the Manager after the cut-off time would be considered as being transacted on the next business day.
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Payment of Redemption Proceeds	Redemption proceeds will be paid out within ten (10) calendar days from the date the redemption request is received by the Manager and provided that all documentations are complete and verifiable.
Remittance of Redemption Proceeds	The Manager shall remit the 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 or loss incurred in the event of:

- Real Time Electronic Transfer of Funds and Securities (RENTAS) experiencing problems;
- Any remittance of funds that does not correspond with the request promptly;
- Inaccurate details (including but not limited to identity card number and account number) provided by unit holders; or
- Circumstances beyond the control of the Manager or the Trustee.

9. 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
 Website : 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
- 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 Consumer & Investor Office:

- a. via phone to : 03-6204 8999
- b. via fax to : 03-6204 8991
- c. via email to : aduan@seccom.com.my
- d. via the online complaint form available at www.sc.com.my
- e. via letter to : Consumer & Investor Office
 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
- d. via the online complaint form available at www.fimm.com.my
- e. via letter to : Legal, Secretarial & Regulatory Affairs
 Federation of Investment Managers Malaysia
 19-06-1, 6th Floor, Wisma Tune
 No. 19, Lorong Dungun
 Damansara Heights
 50490 Kuala Lumpur