



PHILLIP FOCUS CHINA FUND ("the Fund")

RESPONSIBILITY STATEMENT

This Product Highlights Sheet ("PHS") has been reviewed and approved by the directors or authorized committee or persons approved by the Board of Phillip Mutual 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, there are no false or misleading statements, or omission of other facts which would make any statement in the PHS false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia ("SC") has authorised the issuance of the Phillip Focus China Fund and a copy of this PHS has been lodged with the SC.

The authorisation of the Fund and lodgement of this PHS 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 PHS.

The SC is not liable for any non-disclosure on the part of Phillip Mutual Berhad responsible for the Fund and takes no responsibility for the contents of this PHS. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this PHS, 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 Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

PHILLIP FOCUS CHINA FUND

BRIEF INFORMATION OF THE PRODUCT

1. What is this product about?

The Fund is a retail equity fund managed by PMB and aims to achieve attractive capital growth in the medium to long term by investing predominantly in equities and equity-related securities of companies listed in the greater China region which covers China, Hong Kong S.A.R. and Taiwan markets and may invest in companies listed in other markets that have significant or potentially significant business in the greater China region.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for investors who wish to have access to a portfolio of investments comprised predominantly of equities listed in the greater China region (China, Hong Kong S.A.R. and Taiwan); is seeking attractive medium to long-term capital growth; and is able to tolerate higher volatility.

KEY PRODUCT FEATURES

3. What am I investing in?

Category of Fund	Equity	
Type of Fund	Growth	
Launch Date	19 May 2009	
Financial Year End	31 st March	
Minimum Initial Investment	Cash Plan	Regular Savings Plan
	Lump Sum Cash RM500 minimum investment.	You may fix your own time frame for saving, starting with a minimum of five years. Your initial investment must be two times the monthly investment amount subject to a minimum of RM200.
Minimum Additional Investment	Cash Plan	Regular Savings Plan
	Lump Sum Cash RM100 minimum investment.	Monthly investment amount: Minimum RM100 via a standing instruction with our appointed bank or financial process exchange (FPX) direct debit service.
Asset Allocation	<p>The Fund may invest up to 100% (minimum equity allocation is 70%) of its NAV in equities and equity-related securities as well as ETFs and unlisted collective investment schemes but this asset allocation may be reviewed from time to time during the temporary defensive position depending on the global economic and stock market conditions.</p> <p>The Fund's NAV that is not invested in equities, equity-related securities, ETFs and collective investment schemes, will be invested in fixed income securities, money market instruments and liquid assets up to a maximum of 30% of its NAV.</p> <p>An internal allocation for liquid assets will be maintained to ensure that the Fund is able to meet redemption requests without jeopardising the Fund's performance.</p> <p>Please also refer to "Section 5.3 Minimum and Maximum Levels of Asset Allocation / Temporary Defensive Position" in the Master Prospectus.</p> <p><i>Please refer to Section 3.15 of the Master Prospectus for further details on the Fund's asset allocation.</i></p>	
Investment Policy and Strategy	The Fund will invest predominantly in equities and equity-related securities of companies listed in the greater China region which covers China, Hong Kong S.A.R. and Taiwan. The Fund may invest in listed Exchange Traded Funds	

	(ETFs) and unlisted collective investment schemes that have underlying investments which are in line with the Fund's objective, which underlying investments have broad exposure to the respective equity markets of the said countries (China, Hong Kong S.A.R. and Taiwan). The Fund also has the mandate to invest in companies listed in other markets where the said companies have significant or potentially significant business in the greater China region. These companies comprise those that currently derive or are projected in the next two to five years to derive at least 30% of their earnings from the greater China region. Also included are companies that currently have or are projected to have at least 30% of their assets in the region.
Performance Benchmark	The benchmark for the Fund is the MSCI Golden Dragon Index (MXGD) and this data is available from Bloomberg's website, www.bloomberg.com , and supporting information services and will be published by the Manager as a comparison against the Fund's total return at least on a monthly basis in our publications, a copy of which can be found in our website. <i>*Please note that the risk profile of the Fund does not reflect that of the performance benchmark.</i>
Distribution Policy	Income distribution, annually, subject to availability of income.

4. Who am I investing with?

Manager	Phillip Mutual Berhad
Investment Manager	Phillip Capital Management Sdn Bhd
Trustee	CIMB Commerce Trustee Berhad
Auditors & Reporting Accountants	Deloitte PLT
Tax Adviser	Deloitte Tax Services Sdn Bhd

5. What are the possible outcomes of my investment?

- The quantum of potential returns of the Fund would depend on the Fund's asset allocation decisions and performance of the underlying investments of the Fund.
- This is a non-guaranteed Fund and the investor may not get back the full amount invested and the principal amount invested may be at risk. Returns are also not fixed or guaranteed.

KEY RISKS

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

General Risks of investing in unit trust:

Stock Specific Risk	This risk refers to 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 in a fund will adversely affect the fund's NAV.
Credit and Default Risk	Credit risk relates to the creditworthiness of the issuers of the debt instruments 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 debt instrument. In the case of rated debt instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value 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.
Interest Rate Risk	This risk refers to the effect of interest rate changes on the market value of a bond and money market portfolio. In the event of rising interest rates, prices of fixed income securities and prices of money market instruments will generally decrease and vice versa. Debt securities with longer maturity and lower coupon rate are more sensitive to interest rate changes. Interest rate movements can lead to fluctuations in bond prices resulting in

	<p>fluctuations in the value of the Fund. This risk will be mitigated* via the management of the duration structure of the portfolio of debt securities.</p> <p><i>The interest rate is a general indicator that will have an impact on the management of funds regardless of whether it is an Islamic unit trust fund or otherwise.</i></p> <p>* <i>The duration of the fixed income portfolio or the fixed income portfolio segment will be kept low by buying more short-term to medium-term fixed income securities / money market instruments. The value of these short-term to medium-term fixed income securities / money market instruments are less sensitive to interest rates movements – i.e. in the situation where interest rates rise, their values, as compared to investments with a long duration, will fall less if at all.</i></p>
Market Risk	<p>This risk refers to developments in the equity market environment which typically includes changes in regulations, politics, technology and the economy of the country. Market developments can result in equity market fluctuations which in turn affect the Fund's underlying investments and hence its unit price. In terms of the Fund's concentration in a single equity market*, this risk is reduced by undertaking active* asset allocation, where in periods of heightened risk, there will be greater allocation in fixed income securities and money market instruments and cash. Where the Fund is invested in multiple markets, a higher, if not full allocation will be in markets that have a track record of economic, political and regulatory stability – allocation between markets and asset classes will also help mitigate risk.</p> <p>* <i>This refers to the Fund having the mandate to invest in only one country (i.e. Malaysian market). For example – in the event of a fall in Malaysian equities, the Fund cannot diversify into equities of other countries to mitigate equity market risk but can shift (asset allocate) its investments to local fixed income securities and money market instruments. The term 'active' refers to the fund manager periodically adjusting equity allocations (and by default fixed income securities and money market allocations) depending on market situations rather than passively leaving allocations to fluctuate based solely on market prices.</i></p>

Specific risk subject to the characteristics of the type of securities that the Fund invests in:

Country and/or Foreign Securities Risk	<p>This risk refers to the risks of investing in foreign markets and in particular emerging markets such as the People's Republic of China that may have relatively underdeveloped capital markets, less stringent regulatory and disclosure standards, concentration in only a few industries, greater adverse political, social and economic risks and general lack of liquidity of securities. The risk of expropriation, nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds also exist in emerging markets. Emerging markets may also have less developed procedures for custody, settlement, clearing and registration of securities transactions. The risk is partly mitigated by the Fund's investments in developed markets such as Hong Kong (which is part of the Greater China Region) in particular, where legal and regulatory standards are significantly more developed and securities trading is more active.</p>
--	---

The Investment Manager exercises diligence in minimising the above risks to the Fund. However, it is not always possible to cover all investment risks in spite of best efforts as financial markets can be highly unpredictable. Investors are encouraged to consult their advisers such as financial/tax consultants, lawyers or bankers for a further understanding of these risks.

The list of risk factors identified is by no means exhaustive. You should be aware that investing in the Fund may expose you to other risk factors from time to time. If in doubt, please consult professional advisers for better understanding of the risk factors.

For further information, refer to the "General Risks" and "Specific Risks" sections in the Master Prospectus.

Note: If your investments are made through a distributor (i.e. the institutional unit trusts advisers via a nominee system of ownership), you would not be deemed to be a unitholder under the deed and as a result, your rights as an investor may be limited if you are investing through a distributor. Accordingly, the Manager will only recognize the distributor as a unitholder of the Fund and the said distributor shall be entitled to all the rights conferred to it under the deed.

FEES AND CHARGES

7. What are the fees and charges involved?

This table describes the charges that you may **directly** incur when you buy or redeem units of the Fund.

Sales Charge	<p style="text-align: center;">Maximum Rate of Sales Charge to be Imposed by the Manager and Its Authorised Distributors (Please refer to page 79 of the Master Prospectus)</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="width: 33%;">The Manager</th> <th style="width: 33%;">Unit Trust Consultants</th> <th style="width: 33%;">IUTA</th> </tr> </thead> <tbody> <tr> <td>5.50% of the Fund's NAV per unit</td> <td>5.50% of the Fund's NAV per unit</td> <td>5.50% of the Fund's NAV per unit</td> </tr> </tbody> </table>	The Manager	Unit Trust Consultants	IUTA	5.50% of the Fund's NAV per unit	5.50% of the Fund's NAV per unit	5.50% of the Fund's NAV per unit
The Manager	Unit Trust Consultants	IUTA					
5.50% of the Fund's NAV per unit	5.50% of the Fund's NAV per unit	5.50% of the Fund's NAV per unit					
Redemption Charge	Nil						
Switching Fees/ Policy	<p>The Manager does not intend to charge any switching fee; however, under certain circumstances, unitholders performing a switching transaction will have to pay the applicable difference in sales charge between the Fund to be switched from and the fund to be switched into.</p> <p>Our IUTA may not carry the complete range of the Manager's funds. Investments made via our IUTA may be subject to different terms and conditions of the respective IUTA, including those for switching between funds.</p> <p>Please refer to pages 73 to 74 of the Master Prospectus for the terms and conditions of the switching facility of the Fund.</p> <p>The switching fee quoted is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.</p>						
Transfer Fees	Nil						
Other charges incurred directly	<p>Other expenses, which are directly related and necessary to the business of the Fund, may be charged to the Fund. These will include (but are not limited to) the following:</p> <ul style="list-style-type: none"> • commission or fees paid to brokers or dealers; • fees and other expenses properly incurred by the auditor and tax agent; • custodian fees; • taxes and other duties charged on the Fund by the government and other authorities; • printing and postage expenses; and • any other legitimate administration expenses or relevant professional fees approved by the trustee. 						

The sales charge and repurchase charge stated above is applicable when investments are made through IUTAs, tied agents (i.e. PMB's authorised agents) and the Manager. The above fees and charges are negotiable at the Manager's sole discretion only.

The table below describes the charges that may be incurred **indirectly** when investment is made in the Fund.

Annual Management Fee	Up to 1.60% per annum of the NAV of the Fund
Annual Trustee Fee	Up to 0.06% per annum of the NAV subject to a minimum of RM12,000 per annum (excluding foreign custodian fees and charges).

All fees and charges quoted are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.

THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND. ALL FEES AND CHARGES PAYABLE TO THE MANAGER AND/OR THE TRUSTEE ARE SUBJECT TO ANY APPLICABLE TAXES AND/OR DUTIES AS MAY BE IMPOSED BY THE GOVERNMENT OR OTHER AUTHORITIES FROM TIME TO TIME.

INVESTORS ARE ADVISED NOT TO MAKE PAYMENT IN CASH TO ANY INDIVIDUAL CONSULTANT WHEN PURCHASING UNITS OF A FUND.

VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

This is a Fund with foreign investment exposure. The valuation of NAV of the Fund will be conducted on each business day after the close of the respective foreign stock exchanges on the same calendar day. Due to the different time zone of the foreign stock

exchanges, the valuation point will be extended to 5.00 p.m. on the following business day. The daily unit price of the Fund will be published on the Manager's website at www.eunitrust.com.my and www.phillipmutual.com on the next business day after the valuation (T+2).

9. How can I exit from this investment and what are the risks and costs involved?

- Investors can exit from the investment by completing the transaction form. The duly completed and accepted original transaction form must reach PMB's head office by 4.00 p.m. on any business day. PMB will repurchase units at the Fund's NAV per unit calculated at the end of that business day.
- The investor will receive the prevailing price per unit.
- Transaction forms received after 4.00 p.m. will be treated as having been received on the next business day.
- Payments will be made to investors within 10 days (from the business day the redemption request is accepted).

Cooling-off Right

The cooling-off right refers to the right of the investor to obtain a refund if he should change his mind about an investment he has made in the Fund if he so requests within the cooling-off period i.e. within 6 business days of the date of his application.

The cooling-off right is only given to an individual investor, other than those listed below, who is investing in any Fund managed by us for the first time:

- a staff of the Manager; and
- persons registered with a body approved by the SC to deal in unit trusts.

Refunds for every unit held following a request for a reverse of an application would be based on:

- the NAV per unit on the day the units were purchased; and
- the sales charge per unit originally imposed on the day the units were purchased.

All such requests must be received or be deemed to have been received by us before 4.00 p.m. on a business day. Requests received or deemed to have been received after 4.00 p.m. will be treated as having been received the following business day. Withdrawal proceeds will only be paid when we have received cleared funds for the original investment.

FUND PERFORMANCE

Performance Data

Average Annual Return

	1 Year's Period 1.4.2019 to 31.3.2020	3 Years' Period 1.4.2017 to 31.3.2020	5 Years' Period 1.4.2015 to 31.3.2020	10 Years' Period 1.4.2010 to 31.3.2020
Phillip Focus China Fund (%)	-4.21	2.19	5.02	6.75
Benchmark [^] (%)	-4.02	1.94	4.74	7.10
[^] MSCI Golden Dragon Index (MXGD)				

Total Annual Return

Financial Year Ended 31 March	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Phillip Focus China Fund (%)	69.37	0.93	10.23	32.18	-11.20	27.64	7.67	6.95	-9.93	1.03
Benchmark [^] (%)	84.47	-0.66	10.99	32.25	-11.60	30.75	7.59	5.23	-10.05	3.82
[^] MSCI Golden Dragon Index (MXGD)										

Basis of calculation and assumptions made in calculating the returns:

$$\text{*Percentage growth} = \frac{\text{NAV}_t - \text{NAV}_{t-1}}{\text{NAV}_{t-1}}$$

Where t = current year
t-1 = previous year

For the period under review i.e. 1 April 2019 to 31 March 2020, the Fund registered a 69.37% return compared to the benchmark return of 84.47%.

Portfolio Turnover Ratio (PTR)

	2020	2019	2018
PTR (times)	0.32	0.41	0.42
Remarks	The PTR for the financial year ended 31 March 2020 was lower as compared with the financial year ended 31 March 2019 due to decrease in investing activities. The PTR for the financial year ended 31 March 2019 remained consistent with the financial year ended 31 March 2018.		

Distribution

	2020	2019	2018
Gross Distribution Per Unit (sen)	1.75	2.50	2.50
Net Distribution Per Unit (sen)	1.75	2.50	2.50

Distribution is in the form of cash.

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

CONTACT INFORMATION

10. Who should I contact for further information or to lodge a complaint?

- For internal dispute resolution, you may contact the Customer Service Hotline:
 - Tel : 03-2783 0300
 - Fax : 03-2166 6417 / 03-2711 3036
 - Email : phillipmutual@poems.com.my
 - Website : www.phillipmutual.com
www.eunittrust.com.my
- 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):
 - via phone to : 03-2282 2280
 - via fax to : 03-2282 3855
 - via e-mail to : info@sidrec.com.my
 - 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
- You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:
 - via phone to the Aduan Hotline at : 03-6204 8999
 - via fax to : 03-6204 8991
 - via e-mail to : aduan@seccom.com.my
 - via online complaint form available at www.sc.com.my
 - via letter to : Investor Affairs & Complaints Department
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
- Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
 - via phone to the Aduan Hotline at : 03-2092 3800
 - via fax to : 03-2093 2700
 - via e-mail to : complaints@fimm.com.my
 - via online complaint form available at www.fimm.com.my
 - 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

APPENDIX: GLOSSARY

“Fund”	Phillip Focus China Fund.
“Investment Manager”	Phillip Capital Management Sdn Bhd 199501004372 (333567-D).
“Manager” or “PMB”	Phillip Mutual Berhad 200201002746 (570409-K).
“Master Prospectus”	the disclosure document in relation to the Fund.
“NAV”	net asset value (NAV) of the Fund is the total value of the Fund’s assets minus its liabilities at a valuation point.
“NAV per unit”	NAV per unit of the Fund is the NAV divided by the total number of units in circulation, at a particular valuation point.