



## **PHILLIP DIVIDEND 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 Dividend 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 DIVIDEND 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 provide steady recurring income\* that is potentially higher than prevailing fixed deposit rates by investing in a portfolio of stocks that are paying or have the potential to pay attractive dividend yields.

\* Income is in reference to the Fund's distribution, which could be in the form of cash or units. Please refer to the Master Prospectus for further details on distribution policy and reinvestment policy.

#### PRODUCT SUITABILITY

##### 2. Who is this product suitable for?

The Fund is suitable for investor who is seeking a steady income stream with returns higher than fixed deposit rates and potential for capital growth over the medium to long term.

#### KEY PRODUCT FEATURES

##### 3. What am I investing in?

Category of Fund	Equity	
Type of Fund	Growth and income	
Launch Date	18 November 2003	
Financial Year End	31 <sup>st</sup> December	
Minimum Initial Investment	<b>Cash Plan</b>	<b>Regular Savings Plan</b>
	<b>Lump Sum Cash</b> 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	<b>Cash Plan</b>	<b>Regular Savings Plan</b>
	<b>Lump Sum Cash</b> 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 but this asset allocation may be reviewed from time to time during the temporary defensive position depending on the economic and stock market conditions. Maximum fixed income allocation is set at 30% of the Fund's NAV. 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><i>*The Fund's exposure (if any) in foreign equities is up to 30% of its NAV only. The investment in foreign equities are limited to markets where the regulatory authority is an ordinary or associate member of the IOSCO. It is important to know that the Fund's foreign exposure, if any, will be limited in scope and depth, and is on optional basis, not permanent basis.</i></p> <p>The Fund can adopt temporary defensive position depending on the market, economic, political or other conditions. Please also refer to "Section 5.3 Minimum and Maximum Levels of Asset Allocation / Temporary Defensive Position" in the Master Prospectus.</p> <p>The balance of the Fund's NAV that is not invested in equities and equity-related securities, will be invested in fixed income securities and money market</p>	

	<p>instruments.</p> <ul style="list-style-type: none"> <li> <b>Equity Investment Strategy</b>            The Fund may invest up to 100% of its assets in stocks that have a consistent dividend policy (i.e. having paid dividends three out of the last five years), historical or expected dividend yield and potential for capital growth, that is on average higher than the prevailing 12-month fixed deposit rate as published by leading banks or Bank Negara Malaysia. The balance will be invested in high-yielding fixed income instruments. The Fund will only invest up to its maximum equity allocation of 100% when there are sufficient high-yielding or potentially high-yielding dividend stocks available. During bull markets and where overall dividend yields* can be low relative to bank deposit returns, the Fund will increase its holding of fixed income instruments while reducing its equity weightage. However, the Fund will still observe the minimum 70% equity allocation. As market prices rise, the dividend yields would drop and if stock prices are overly bullish (rise too much), the dividend yields could drop to well below prevailing deposit returns/rates.         </li> </ul> <p>* Dividend yield = Fixed dividend/Market price</p> <p>The Fund will be restricted to the following:</p> <ul style="list-style-type: none"> <li>- A minimum of 70%** of the invested equity or equity-related securities has to be invested in securities with a track record of having paid dividends three out of the last five years.</li> <li>- A maximum of 30%** of the invested equity or equity-related securities can be invested in securities with the potential to pay dividends within the next 12-month period.</li> </ul> <p>** This 70:30 allocation refers only to the portion of investment in equity.</p> <p>A small portion of the Fund may be used for short-term trading, when opportunities arise. Opportunities will include but are not limited to arbitrage situations, discrepancies in valuation, expected liquidity surges and thematic plays. When there are no opportunities, the Fund will not conduct any short-term trading.</p> <ul style="list-style-type: none"> <li> <b>Fixed Income and Money Market Instrument Investments</b>            In managing the Fund's investments in fixed income securities, our strategy hinges on the need for a well-diversified portfolio and focus on the credit qualities of securities in the portfolio. The fixed income portfolio construction process is research driven and based on macroeconomic analysis, interest rate analysis, credit analysis and yield spread analysis. Other than the development of a broad asset allocation model, contributions will be made via active management to capitalise on changes in interest rates, inter-sector yield spreads and yield spreads of any specific bonds.         </li> </ul> <p>As for investment in money market instruments, the Fund shall invest in money market instruments that carry at least an investment grade credit rating of BBB or P3 assigned by RAM or MARC. Should the credit ratings of the money market instrument be downgraded to lower than BBB or P3, the Investment Manager reserves the right to deal with the said investment in the best interest of the unit holders including to withdraw the invested money market instruments within a reasonable time frame.</p>
Investment Policy and Strategy	<p>To attain the Fund's objective of generating attractive income and capital gains, the Fund will invest in a diversified portfolio of equity and fixed income instruments. The Fund will attempt to exceed the prevailing 12-month fixed deposit rates published by leading banks or Bank Negara Malaysia by investing in a portfolio of equities and fixed income instruments whose average yields and capital gains could potentially generate such returns. If we cannot identify suitable equities with attractive current or potential future dividend yields, monies will be parked in fixed income instruments with attractive yields (up to 30% of the Fund's NAV).</p> <p>Stock selection will not be based solely on existing high dividend criteria. In the search for high dividend-yielding stocks, we will also undertake fundamental analysis to determine the future prospects of prospective investee companies, the prospects of the industries they are operating in and the overall macroeconomic picture. These factors in turn have a bearing on the future dividends paid by these companies. A key component is to identify those companies which may not have a dividend track record, but may be in a position to undertake a dividend payment.</p> <p>Notwithstanding the investment objective of the Fund, we may from time to time, due to economic conditions, temporarily invest in fixed income securities or other</p>

	liquid assets to protect the capital of the Fund.
Performance Benchmark	The benchmark for the Fund is FTSE Bursa Malaysia Top 100 Index (FBM 100) or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad is widely used and publicly available from major newspapers on a daily basis. It will also be published 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 on our website.  <i>*Please note that the risk profile of the Fund does not reflect that of the performance benchmark.</i>
Distribution Policy	Income, if any, will be distributed twice a year.

#### 4. Who am I investing with?

Manager	Phillip Mutual Berhad
Investment Manager	Phillip Capital Management Sdn Bhd
Trustee	MTrustee 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.
Liquidity risk	This risk occurs in thinly traded or illiquid securities. If the Fund needs to sell a relatively large amount of such securities, the act itself may significantly depress the selling price resulting in a decrease in the value of the Fund's assets. The Fund is managed in such a way that a portion of the investments is in equity securities and money market instruments that are highly liquid and this allows the Fund to meet sizeable redemptions without jeopardising potential returns.
Market risk	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.  <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>

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

Dividend Policy Risk	This is a risk particular to the Fund which has heavy focus on high dividend yielding stocks. This risk may occur when an investee company's business or fundamentals deteriorate or if there is a change in the management policy resulting in a lower or even a removal of the company's dividend policy. This risk may be mitigated by investing mainly in companies with a consistent historical record of paying dividends, strong cash flow or operate in fairly stable industries.
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**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	<b>Maximum Rate of Sales Charge to be Imposed by the Manager and Its Authorised Distributors</b> (Please refer to page 79 of the Master Prospectus)		
	<b>The Manager</b>	<b>Unit Trust Consultants</b>	<b>IUTA</b>
	5.00% of the Fund's NAV per unit	5.00% of the Fund's NAV per unit	5.00% 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"> <li>• commission or fees paid to brokers or dealers;</li> <li>• fees and other expenses properly incurred by the auditor and tax agent;</li> <li>• custodian fees;</li> <li>• taxes and other duties charged on the Fund by the government and other authorities;</li> <li>• printing and postage expenses; and</li> <li>• any other legitimate administration expenses or relevant professional fees approved by the trustee.</li> </ul>		

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 1.50% per annum of NAV of the Fund.
Annual Trustee Fee	Up to 0.06% per annum of the NAV.

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?

The valuation of NAV of the Fund will be conducted at the end of each business day after the close of business of Bursa Malaysia. The daily unit price of the Fund will be published on the Manager's website at [www.eunitrust.com.my](http://www.eunitrust.com.my) and [www.phillipmutual.com](http://www.phillipmutual.com) the next business day.

### 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 1.1.2019 to 31.12.2019	3 Years' Period 1.1.2017 to 31.12.2019	5 Years' Period 1.1.2015 to 31.12.2019	10 Years' Period 1.1.2010 to 31.12.2019
Phillip Dividend Fund (%)	3.18	1.05	-5.38	43.95
Benchmark^ (%)	-2.88	-0.67	-5.91	33.77
^ FTSE Bursa Malaysia Top 100 Index (FBM 100)				

### Total Annual Return

Financial Year Ended 31 December	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Phillip Dividend Fund (%)	3.18	-11.39	10.53	-2.29	-4.17	-3.84	15.45	10.19	1.53	22.84
Benchmark <sup>^</sup> (%)	-2.88	-9.28	12.74	-2.45	-2.89	-6.17	11.39	9.60	1.94	21.76

<sup>^</sup> FTSE Bursa Malaysia Top 100 Index (FBM 100)

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 January 2019 to 31 December 2019, the Fund registered a 3.18% return compared to the benchmark return of -2.88%.

### Portfolio Turnover Ratio (PTR)

	2019	2018	2017
PTR (times)	0.97	1.01	0.82
Remarks	The PTR for financial year ended 31 December 2019 was lower as compared with the financial year ended 31 December 2018 due to decrease in investing activities.  The PTR for the financial year ended 31 December 2018 was higher as compared with the financial year ended 31 December 2017 due to the increase in investing activities.		

### Distribution

	2019	2018	2017
Gross Distribution Per Unit (sen)	2.30	5.00	5.00
Net Distribution Per Unit (sen)	2.17	4.77	4.87

Distribution is in the form of cash. There were no unit splits declared by the Fund for its past three financial year ends.

**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

3. 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:
- (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](http://www.sc.com.my)
  - (e) via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara
4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
- (a) via phone to the Aduan Hotline at : 03-2092 3800
  - (b) via fax to : 03-2093 2700
  - (c) via e-mail to : 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  
19-06-1, 6<sup>th</sup> Floor Wisma Tune  
No.19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

## APPENDIX: GLOSSARY

<b>"Bursa Malaysia"</b>	the stock exchange managed or operated by Bursa Malaysia Securities Berhad.
<b>"business day"</b>	a day on which the Bursa Malaysia is open for trading.
<b>"Fund"</b>	Phillip Dividend Fund.
<b>"Investment Manager"</b>	Phillip Capital Management Sdn Bhd 199501004372 (333567-D).
<b>"IOSCO"</b>	International Organization of Securities Commissions.
<b>"Manager" or "PMB"</b>	Phillip Mutual Berhad 200201002746 (570409-K).
<b>"Master Prospectus"</b>	the disclosure document in relation to the Fund.
<b>"NAV"</b>	net asset value (NAV) of the Fund is the total value of the Fund's assets minus its liabilities at a valuation point.
<b>"NAV per unit"</b>	NAV per unit of the Fund is the NAV divided by the total number of units in circulation, at a particular valuation point.