



PHILLIP ASIAPAC INCOME 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 AsiaPac Income 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 ASIAPAC INCOME FUND

BRIEF INFORMATION OF THE PRODUCT

1. What is this product about?

The Fund is a retail balanced fund managed by PMB and aims to provide steady and attractive income* and moderate growth in the medium to long term by investing in a portfolio of Malaysian and foreign securities.

* 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 and attractive income stream and a moderate level of growth in the medium to long term.

KEY PRODUCT FEATURES

3. What am I investing in?

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| Category of Fund | Balanced | |
| Type of Fund | Income and growth | |
| Launch Date | 28 November 2006 | |
| Financial Year End | 31 st December | |
| 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 50% (minimum equity allocation is 40%) of its NAV in equities and equity-related securities, REIT and other 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. 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>While the maximum limit for equity investments is 50% of the Fund's NAV, actual asset allocation varies according to our investment outlook and investment strategies after taking into consideration the prevailing market conditions and Fund's cashflows.</p> <p>The Fund's NAV that is not invested in equities and equity-related securities and REIT and other collective schemes, will be invested in fixed income securities and money market instruments (minimum fixed income allocation is 40%; maximum fixed income allocation is 60%).</p> <p><i>Please refer to Section 3.13 in the Master Prospectus for further details on the Fund's asset allocation.</i></p> | |
| Investment Policy and Strategy | The Fund will invest in a diversified portfolio of Malaysian and foreign securities that consist of fixed income securities and money market instruments as well as equities and equity-related securities and collective investment schemes. | |

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| | <p>The Fund's investments in equities and equity-related securities generally will be focused on high dividend yielding equities or those with the potential to make attractive dividend payments. The Fund may also invest in equities with good growth potential available at a reasonable price to enhance returns. The Fund will also invest in Real Estate Investment Trusts (REIT) and other collective investment schemes.</p> <p>In addition to attractive dividend yields and REIT distributions, the Manager will take into account the existing fundamentals of companies and REIT researched and the medium to long-term ability of these companies and REIT to continually grow their business, profits and hence, dividend yield or distribution potential. Extensive "bottom-up" fundamental analysis combined with "top-down" economic and technical analysis will be conducted in managing the Fund's investments.</p> <p>The Fund is actively managed to optimise returns and minimise risk to investors.</p> <p>The targeted foreign markets in which the Fund may invest in are Singapore, Thailand, Philippines, Indonesia, Hong Kong, China, Taiwan, South Korea, Japan, India, Sri Lanka, Australia and New Zealand; and any other foreign market not listed herein, where the regulatory authority is a member of the IOSCO and where applicable, this will be reported in the interim or annual report of the Fund.</p> <p>For investments in China, the Fund's investments will only be confined to class "B" shares, whereby the purchase of these investments do not require a Qualified Foreign Institutional Investor ("QFII") Licence. The QFII Licence is applicable only to foreign investors who intend to buy and sell Yuan-denominated class "A" shares in China.</p> |
| Performance Benchmark | <p>The benchmark for the Fund is a composite of 40% MSCI All Countries Asia Pacific Ex-Japan Index (MXAPJ) and 60% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR), which reflects the asset and geographical allocation of the Fund. The 3-month KLIBOR index data is widely used and publicly available from major newspapers on a daily basis. The MSCI All Countries Asia Pacific Ex-Japan Index is available from Bloomberg's website, www.bloomberg.com, and supporting information services. These data 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.</p> <p><i>*Please note that the risk profile of the Fund does not reflect that of the performance benchmark.</i></p> |
| Distribution Policy | <p>Investors will receive income distributions once a year, subject to the availability of income.</p> |

4. Who am I investing with?

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|----------------------------------|------------------------------------|
| 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:

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| Stock Specific Risk | <p>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.</p> |
| Country and/or Foreign Securities Risk | <p>This risk refers to the risks of investing in foreign markets. Emerging markets 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,</p> |

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| | <p>nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of the Fund also exist in emerging markets. Emerging markets may also have less developed procedures for custody, settlement, clearing and registration of securities transactions. Developed markets while not possessing similar levels of risks as emerging markets, may experience risks such as: changes in economic fundamentals, social and political stability; monetary policy and currency fluctuations. This risk may be mitigated by conducting thorough research on the respective markets, their regulatory framework, economics, companies, politics and social conditions as well as minimising or omitting investments in markets that are economically or politically unstable or lack a regulatory financial framework and adequate investor protection legislation.</p> |
| Credit and Default Risk | <p>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.</p> |
| Dividend Policy Risk | <p>This is a risk particular to the Fund which has heavy focus on high dividend yielding stocks. This risk may occur when the 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.</p> |
| Interest Rate Risk | <p>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 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>Please refer to "Interest rate risk" section in the Master Prospectus for further details.</p> |
| Participatory Notes (P-Notes) Risk | <p>A P-Note is a market access financial instrument that replicates the financial return of an underlying asset - for example, equity securities. P-Notes issued by financial institutions, can either be listed on a stock exchange or unlisted and are generally denominated in USD. Investors of P-Notes enjoy the rights to corporate actions including dividends, rights issues, bonus shares and mergers which usually does not come with voting rights. P-Notes are in general issued for securities traded in restricted markets (such as India, Taiwan and China) where there are one or more complicated and time-consuming administrative hurdles such as foreign exchange controls, controlled regulatory environment and requirement for local licensing for securities trading, among others. P-Notes bear the risk of the single issuer of the instrument, specifically the potential insolvency of the issuer of the P-Note. This risk will be mitigated by investing in P-Notes issued by a globally renowned financial institution with a good investment grade credit rating by Standard & Poor's or Moody's or Fitch or any other global credit rating agency. P-Notes also carry with it risks inherent in the underlying asset which it replicates, such as country and/or foreign security risk, foreign exchange risk and market risk. These risks will be mitigated by conducting extensive overall market and macro-economic analysis, as well as fundamental security research and by spreading investments in different sectors to reap the benefits of diversification.</p> |
| Real Estate Investment Trusts (REIT)-related Risk | <p>The value of REIT can fluctuate up or down depending on market forces, the general financial and real estate markets and the interest rate environment, among other factors. The Fund which invests in REIT will also be subject to the risks associated with direct ownership of real estate, whose values can be adversely affected by increases in real estate taxes, government policy restricting rental rates, other changes in real estate laws, rising interest rates and a cyclical downturn in the real estate market. In selecting REIT, the Fund Manager will undertake detailed analysis, selecting REIT with a consistent track record, run by reputable managers from the property sector, owning properties with income and/or growth potential which are located in countries with a stable economic, political and regulatory environment.</p> |

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

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| Currency Risk | <p>Investing globally means assets are denominated in currencies other than Malaysian Ringgit. Hence, fluctuations in the exchange rates of these foreign currencies may have an impact on the Fund's income and asset valuations. Adverse fluctuations in exchange rates can result in a decrease in returns and loss of capital. This risk may be mitigated by hedging against foreign exchange rate movements.</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 | Maximum Rate of Sales Charge to be Imposed by the Manager and Its Authorised Distributors (Please refer to page 79 of the Master Prospectus) | | |
| | The Manager | Unit Trust Consultants | IUTA |
| | 5.00% of the Fund's NAV per unit | 5.00% 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 1.50% per annum of NAV of the Fund |
| Annual Trustee Fee | Up to 0.06% per annum of the NAV subject to a minimum of RM8,400 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 1.1.2019 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 AsiaPac Income Fund (%) | 10.38 | 18.86 | 35.13 | 55.80 |
| Benchmark^ (%) | 7.97 | 14.28 | 27.68 | 49.67 |
| ^ 40% MSCI All Countries Asia Pacific Ex-Japan Index (MXAPJ) and 60% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR) | | | | |

Total Annual Return

| Financial Year Ended 31 December | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|----------------------------------|-------|-------|-------|------|------|------|------|------|-------|------|
| Phillip AsiaPac Income Fund (%) | 10.38 | -5.67 | 14.16 | 7.74 | 5.51 | 3.63 | 5.18 | 8.22 | -5.21 | 3.13 |
| Benchmark^ (%) | 7.97 | -3.77 | 9.99 | 5.67 | 5.73 | 4.85 | 5.10 | 7.75 | -4.39 | 3.26 |

^ 40% MSCI All Countries Asia Pacific Ex-Japan Index (MXAPJ) and 60% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR)

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 2020, the Fund registered a 10.38% return compared to the benchmark return of 7.97%.

Portfolio Turnover Ratio (PTR)

| | 2019 | 2018 | 2017 |
|--------------------|--|------|------|
| PTR (times) | 0.22 | 0.25 | 0.49 |
| Remarks | The PTR for the financial year ended 31 December 2019 was lower 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 lower compared with the financial year ended 31 December 2017 due to the decrease in investing activities. | | |

Distribution

| | 2019 | 2018 | 2017 |
|--|------|------|------|
| Gross Distribution Per Unit (sen) | 2.50 | 2.50 | 2.50 |
| Net Distribution Per Unit (sen) | 2.50 | 2.50 | 2.50 |

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
 - (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
 - (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

APPENDIX: GLOSSARY

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|-----------------------------|---|
| "Bursa Malaysia" | the stock exchange managed or operated by Bursa Malaysia Securities Berhad. |
| "business day" | a day on which the Bursa Malaysia is open for trading. |
| "Fund" | Phillip AsiaPac Income Fund. |
| "Investment Manager" | Phillip Capital Management Sdn Bhd 199501004372 (333567-D). |
| "IOSCO" | International Organization of Securities Commissions. |
| "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. |