

PRODUCT HIGHLIGHTS SHEET

MAYBANK CONSTANT INCOME FUND 1 ("the Fund")

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Maybank Asset Management Sdn Bhd and they collectively and individually accepted full responsibility for the accuracy of the information provided herewith. 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 Product Highlight Sheet false or misleading.

DISCLAIMER STATEMENT

The Securities Commission Malaysia has authorised the Maybank Constant Income Fund 1 and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Maybank Constant Income Fund 1 and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Maybank Constant Income Fund 1 or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Maybank Asset Management Sdn Bhd responsible for the Maybank Constant Income Fund 1 and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy of the completeness of this Product Highlights Sheet, 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 Maybank Constant Income Fund 1. Investors are advised to request for, read and understand the disclosure documents before deciding to invest.

1. What is Maybank Constant Income Fund 1?

The Fund is Maybank Asset Management Sdn Bhd's 3 year close-ended bond fund. The Fund aims to provide unit holders with semi-annual income through investments in a portfolio of bonds.

2. Fund Suitability

The Fund is suitable for investors:

- with a moderate risk appetite;
- who have an investment horizon of 3 years; and
- who seek regular income distribution from participation in a portfolio of bonds.

3. Investment Objective

The Fund aims to provide unit holders with semi-annual income through investments in a portfolio of bonds.

4. Key Product Features

Fund Type	Income.											
Fund Category	Bond (close-ended).											
Benchmark	3 year Maybank Berhad fixed deposit rate.											
Launch Date	5 February 2014											
Manager	Maybank Asset Management Sdn Bhd.											
Management Fee	Nil.											
Sales Charge	Up to 3.00% of the offer price of the Fund will be imposed by the Manager.											
Redemption Charge	<table><tr><th>Period from the commencement date</th><th>Redemption charge based on the redemption amount</th></tr><tr><td>Up to the first anniversary</td><td>3.50%</td></tr><tr><td>The next Business Day* following the first anniversary up to the second anniversary</td><td>2.50%</td></tr><tr><td>The next Business Day following the second anniversary up to the third anniversary</td><td>1.50%</td></tr><tr><td>Maturity date</td><td>Nil</td></tr></table>	Period from the commencement date	Redemption charge 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 third anniversary	1.50%	Maturity date	Nil	
	Period from the commencement date	Redemption charge 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 third anniversary	1.50%										
	Maturity date	Nil										
The redemption charge is non-negotiable and will be retained by the Fund for the benefit of the remaining Unit holders. The redemption charge will not be applicable for Unit holders exercising their cooling-off right or who redeem their units prior to the commencement date.												
<i>* Business Day means a day on which Bursa Malaysia is open for trading.</i>												

Switching Fee	Not applicable.
Transfer Fee	RM10.00 per transfer.
Trustee	TMF Trustees Malaysia Berhad.
Trustee Fee	0.06% per annum of the net asset value (“NAV”) of the Fund (excluding foreign custodian fees and charges), accrued daily and payable monthly to the Trustee.
Minimum Units Held	1,000 units.
Distribution Policy	<p>The Fund will declare income distribution semi-annually, subject to the availability of income, during the tenure of the Fund.</p> <p><i>Note: The Fund’s income distributions are non-guaranteed and subject to the continuing abilities of the issuers of the Fund’s investments to meet their respective financial obligations.</i></p>

5. Asset Allocation

LIMITS	INVESTMENT INSTRUMENTS
Minimum of 80% of the Fund’s NAV	<ul style="list-style-type: none"> foreign and/ or Ringgit Malaysia denominated bonds.
Remaining balance of the Fund’s NAV	<ul style="list-style-type: none"> money market instruments and/or placement in deposits.

6. Key Risks

Specific Risks

Company specific risk

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

Credit/default risk

This risk will arise when the issuer of a bond fails to make timely payments of the interests and/ or principal repayments on the maturity date. Deposits that the Fund has placed with financial institutions are also exposed to credit/default risk. If the issuer or 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. The Manager aims to reduce this risk by ensuring rigorous research and credit analysis are conducted prior to the selection of the bonds. Placement with financial institutions shall 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 mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of counterparties, prior to commencement of the investment.

Country risk

By virtue of the nature of the Fund where it has exposures to different countries, the investment activities of the Fund may be affected by risks specific to these countries. In respect of this Fund,

should a country's conditions be unfavourable to the Fund, the Manager may change bond allocations for a country accordingly, in the best interest of the Fund. This risk is also associated with socio-political developments that may result in a change in the political stance which manifests itself in changes in government's economic or legislative policies, some of which may affect investors, especially when there is a change from a business-friendly government to a less business friendly government. The Manager attempts to mitigate this risk by diversifying its country exposures.

Currency risk

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

Interest rate risk

This refers to the risk that the investment's value of the Fund may generally be reduced due to a rise in interest rates, which affects the bonds that the Fund invests in. The returns of bonds are influenced by the movement in interest rates. The bond's prices moves in an inverse relationship with interest rates, in addition to this, the price volatility is normally greater for long-tenure bonds rather than shorter-tenure bonds as they are more sensitive to interest rate changes.

In the event that the bonds 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 adopts a buy-and-hold strategy and to invest in bonds with maturity of close to 3 years in order to match the maturity of the Fund.

Mismatch risk

Mismatch risk arises when the Fund buys a bond with tenure longer than 3 years. Given that the Fund is to liquidate all its bond holdings at its third (3rd) anniversary of the commencement date, there is a risk whereby the bond holdings with a maturity of more than 3 years may be forced sell at an unfavourable price depending on the market condition at the point of time. In such a case, the mismatch of maturities may potentially result in a loss to the Fund due to the selling of its bonds at a market price which is lower than the par value of the bond had the bond be held until maturity. The Fund seeks to mitigate this risk by investing in bonds which closely match the Fund's maturity of 3 years.

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 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.

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 in the event the capital raised by the Fund is below RM30 million or such other amount as the Manager and Trustee may jointly deem to be uneconomical to proceed with the Fund. In such instances, the Manager shall return the amount subscribed to investors together with the sales charge, and investors may have to reinvest the monies returned to them into other investments which has a lower rate of return compared to that could have been provided by the Fund had the Fund commenced.

Redemption Risk

Investors are reminded to be prepared to stay committed to their investment until the maturity date which falls on the third (3rd) anniversary of the commencement date. Exiting the Fund prior to the maturity date will incur redemption charge.

Reinvestment Risk

Reinvestment risk may occur when there is divestment of a bond due to the issue rating being downgraded or to fulfill redemption request. Reinvestment risk also arises when an issuer of bond 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 bond and consequently the fund may experience lower returns due to reinvesting in lower yielding securities especially during times of declining interest rates.

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

For more details, please refer to chapter 4 in the prospectus for the general risks of investing in the Fund.

7. Valuation of Investment

The Fund will be valued at least once every Business Day. The valuation of the Fund will be carried out in a fair and accurate manner. The Fund will be valued at 4.00 p.m. every Business Day.

However, certain foreign markets in which the Fund may invest in have different time zones from that of Malaysia. Accordingly, the valuation of the Fund will be conducted by 4.00 p.m. on the next Business Day, when the closing prices of the foreign markets would be available. As such, the daily price of the Fund for a particular Business Day will be published two (2) Business Days later.

Unit holders will be able to obtain the unit price of the Fund from www.maybank2u.com.my. Alternatively, the Manager's client servicing personnel can be contacted at 03-2297 7888 (ext. 7806/ 7923) or, to visit the Manager's website at www.maybank-am.com.

8. Exiting from Investment

Submission of Redemption Request	The cut-off time for redemption request shall be at 4.00 p.m. on a Business Day.
Payment of Redemption Proceeds	Unit holders shall be paid within ten (10) calendar days from the date the redemption request is received by the Manager.
Remittance of Redemption Proceeds	The Manager shall remit redemption proceeds to the account held in the name of the unit holder(s).

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

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

9. Contact Information

I. For internal dispute resolution, you may contact:

Clients Servicing Personnel

Tel : 03-2297 7888 (ext. 7806/7923)
 Fax : 03-2297 7880
 Email : enquiries@maybank-am.com
 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 Investor Affairs & Complaints Department:

- 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 : Investor Affair & Complaints Department
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur