

PB BALANCED FUND (PBBF)

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Public 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, that there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised/recognised the issuance of PBBF and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of PBBF and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the PBBF, 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 Public Mutual Berhad, responsible for PBBF, and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or 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.

PRODUCT HIGHLIGHTS SHEET

This Product Highlights Sheet (PHS) only highlights the key features and risks of this unit trust fund. Investors are advised to request, read and understand the fund's prospectus before deciding to invest.

BRIEF INFORMATION ON THE PRODUCT

What is this product about?

Type of product	Unit trust fund
Capital protected or guaranteed	No
Manager of fund	Public Mutual Berhad
Trustee of fund	AmanahRaya Trustees Berhad
Distributor of fund	Institutional Unit Trust Agent (IUTA), i.e. Public Bank Berhad

KEY FEATURES OF THE PRODUCT

What am I investing in?

Category of fund	Balanced	
Fund objective	To provide steady income* and capital growth over the medium to long term period. <i>Notes: *Distribution (if any) will be reinvested unless unitholders opt for distribution to be paid out, subject to terms and conditions. Medium to long term refers to a period of 3 years or more.</i>	
Asset allocation	Equities	40% to 60% of net asset value (NAV)
	Fixed income securities	40% to 60% of NAV
	The balance of the fund's NAV will be invested in liquid assets which include money market instruments and deposits. <i>If the outlook for the respective asset classes is unfavourable, the equity and/or fixed income securities exposure may be reduced to below the range indicated above as a temporary defensive strategy.</i>	
	Foreign assets	Up to 30% of the fund's NAV

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What am I investing in? (cont'd)

Location of assets	<ul style="list-style-type: none">• Malaysia• Up to 30% of NAV may be invested in foreign markets which include:-<ul style="list-style-type: none">➤ China➤ Hong Kong➤ South Korea➤ Taiwan➤ Singapore➤ Thailand➤ Indonesia➤ United States of America➤ Any other permitted markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions.
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PRODUCT SUITABILITY

Who is this fund suitable for?

Investor profile	<p>The fund is suitable for medium to long-term investors who are able to withstand ups and downs of the stock market in pursuit of capital growth and to a lesser extent income*.</p> <p><i>Note: *Distribution (if any) will be reinvested unless unitholders opt for distribution to be paid out, subject to terms and conditions.</i></p>
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KEY RISKS

What are the key risks associated with this product?

Market risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.
Specific security risk	Prices of a particular security may fluctuate in response to the circumstances affecting individual companies. As such, adverse price movements of a particular security invested by the fund may adversely affect the fund's NAV and unit price.
Interest rate risk	Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income securities and liquid assets. 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 applies when interest rates fall. The returns of the fund's investments in liquid assets move in tandem with interest rates. A decline in interest rates will lower the returns of the fund's investments in liquid assets. For example, when interest rates fall, deposit placements would be reinvested at lower interest rates and subsequently yield lower returns to the fund.
Credit risk	Credit risk relates to the creditworthiness of the issuer of the securities or liquid assets which is dependent on the issuer's ability to make timely payments of interest and/or principal. In the event that the issuer of a security or liquid assets defaults in the payment of interest and/or principal, the value of the fund may be adversely affected.
Liquidity risk	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices.

You are advised to read the fund's prospectus and understand the risks involved and, if necessary, consult your professional adviser(s) before investing.

FEES & CHARGES

What are the fees and charges involved?

Sales charge	Up to 5.5% of NAV per unit. <i>The Manager may at its discretion charge a lower sales charge.</i>
Redemption charge	Nil

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What are the fees and charges involved? (cont'd)

Switching charge	To Recipient Fund	Equity / Mixed Asset / Balanced Funds	Bond Funds	Money Market Funds
	Switch-out/ (Exit)			
Within 90 days:				
- Loaded units		Up to 0.75% *	Up to 0.75% *	Up to 0.75% *
- Partial-load units		Up to 0.50% *	Up to 0.50% *	Up to 0.50% *
After 90 days:				
- Loaded units		Up to RM50	Up to RM50	Nil
- Partial-load units		Up to 0.50% *	Up to 0.50% *	Nil
Notes:				
<ul style="list-style-type: none"> Loaded units are units which have incurred a sales charge of 3% or more through investments in equity/mixed asset/balanced funds. Partial-load units are units which have incurred a sales charge of less than 3% through investments in equity/mixed asset/balanced funds. 				
* Subject to a minimum of RM50, whichever is higher.				
Transfer charge	Up to RM50 per transfer.			
Management fee	1.50% per annum of the NAV.			
Trustee fee	0.06% per annum of the NAV, subject to a minimum fee of RM18,000 and a maximum fee of RM600,000 per annum.			

Note: The above fees and charges may be subject to any applicable taxes and/or duties (if any) which are payable by you.

There are fees and charges involved and you are advised to consider them before investing in the fund.

PERFORMANCE OF PBBF

Average Annual Returns for the following periods ended 30 June 2018

	1-Year	3-Year	5-Year	10-Year	Since Commencement*
PBBF (%)	1.51	4.28	4.23	5.46	20.48
PBEIX (%)**	-1.02	1.35	0.94	4.24	9.23

Annual Total Return for the Financial Years Ended 30 June

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PBBF (%)	-4.76	10.29	17.92	-4.85	8.27	6.54	0.81	3.29	7.62	1.51
PBEIX (%)**	-4.23	13.94	13.08	2.20	7.84	5.07	-4.23	-0.24	5.38	-1.02

1-Year Fund Performance Review

PBBF registered a total return of +1.51% for the financial year ended 30 June 2018 in comparison to its benchmark's return of -1.02% over the same period.

Notes:

* The figure shown is for the period since the fund's commencement (3 June 1998).

** The Public Balanced Equity Index (PBEIX) is an index computed based on accumulated daily returns from the FTSE Bursa Malaysia KLCI (replacement of the Kuala Lumpur Composite Index by Bursa Malaysia with effect from 6 July 2009) and 3-Month Kuala Lumpur Interbank Offered Rate in the ratio of 60:40. Thus, it is the appropriate benchmark for balanced funds, which have equity weightings capped at a maximum of 60% of the fund's NAV.

The calculation of the above returns is based on NAV-to-NAV basis, and is sourced from Lipper.

Average annual returns of the fund are derived by dividing the total returns of the fund with the number of years under review.

Commencement date is the last day of the initial offer period.

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Portfolio Turnover Ratio (PTR)

	2016	2017	2018
PTR (time)	0.19	0.12	0.13

The fund's PTR decreased from 0.19 times for the financial year ended 2016 to 0.12 times for the financial year ended 2017 due to a lower level of rebalancing activities. For the financial year ended 2018, the fund's PTR subsequently increased to 0.13 times due to a higher level of rebalancing activities undertaken by the fund.

Distribution

	2016	2017	2018
Gross distribution per unit (sen)	3.00	3.00	3.00
Net distribution per unit (sen)	3.00	3.00	3.00

Distribution is in the form of cash.

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

ADDITIONAL INFORMATION

Valuation

The NAV of this fund is calculated and the price of units published on each business day at www.publicmutual.com.my.

Purchase and redemption of units

You can purchase and redeem units of the fund on any business day at the fund's next determined NAV.

Initial investment

- Minimum initial investment*: RM1,000.
- Existing investors who are Public Mutual Online (PMO) subscribers may purchase units of the fund online.
- If you are not an existing PMO subscriber and would like to be one, please submit the PMO Service Application form personally at any Public Mutual Berhad or Public Bank Berhad branch. Alternatively, you may register online for PMO via our website or through our Customer Service Centre kiosks located at selected Customer Service Centres/branches or Public Bank's Automated Teller Machines (ATMs) if you are a Public Bank ATM user or via www.pbebank.com.my if you are a subscriber of PBe.
- Otherwise, please submit your completed investment application form together with a cheque to any of the Public Bank Berhad branches.
- For first time investor of Public Mutual Berhad, you are required to complete the new investor form.

Note: * The Manager may vary the minimum initial investment amount from time to time.

Additional investments

- Minimum additional investment: RM100.
- You may invest regularly through PMO, direct debit authorisation with banks or by depositing your cheque into the collection accounts maintained at Public Bank Berhad.



How You Should Write Your Cheque

Individual Investors

Cheque must be made payable to:

Initial Investment

"Public Mutual Berhad - New NRIC No. of First Holder".

Additional Investment

**"Public Mutual Berhad - Account No. of Targeted Fund"
or
"Public Mutual Berhad - New NRIC No. of First Holder".**

Purchase and redemption of units (cont'd)

For corporate investors, cheque for initial investment must be made payable to **“Public Mutual Berhad - Your Company Registration Number”**. Cheque for additional investment must be made payable to **“Public Mutual Berhad - Account No. of Targeted Fund or Your Company Registration Number”**.

Please write down your name, new NRIC/passport number/company registration number and telephone number at the back of the cheque.

Cooling-off right

- Applicable for first time investors of Public Mutual Berhad.
- Your request must be submitted to the Public Bank Berhad branch office at which you purchased your units within 6 business days from the date of receipt of the investment application form and payment by Public Mutual Berhad.
- Full refund will be paid within 10 days from the date of exercise of this right.
- The refund for every unit held will be the sum of the price of a unit on the day the units were purchased and the sales charge imposed (and any applicable taxes and/or duties, if any) on the day the units were purchased.
- Corporates or institutions, staff of the Manager and persons registered to deal in unit trust funds are not entitled to the cooling-off right.

Redemption

- Minimum units for redemption: 1,000 units.
- You can execute your redemption request via PMO or by completing and submitting the redemption form on any business day to your nearest Public Mutual Berhad or Public Bank Berhad branch office or Public Mutual Berhad Head Office.
- Your redemption proceeds will be paid within 10 days from our receipt of your request. If partial redemption results in less than 1,000 units being held in your account with the fund, the Manager may redeem the entire account.

DO NOT PAY CASH FOR YOUR INVESTMENT



UNIT TRUST CONSULTANTS AND STAFF OF PUBLIC MUTUAL BERHAD ARE NOT AUTHORISED TO COLLECT INVESTMENT AMOUNT IN CASH UNDER ANY CIRCUMSTANCES WHATSOEVER.

Public Mutual Berhad will not be liable for any loss incurred should you give cash to our unit trust consultants or staff.



BNM/02/01-2019

DO NOT PAY CASH TO A UNIT TRUST CONSULTANT OR STAFF OF PUBLIC MUTUAL BERHAD.



DO NOT ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT OR STAFF OF PUBLIC MUTUAL BERHAD.

CONTACT INFORMATION

Who should I contact for further information on the fund?

For information pertaining to the fund, you may consult/contact:

- Corporate representatives of Public Bank Berhad who are registered with the Federation of Investment Managers Malaysia (FIMM);
- Public Bank Berhad Customer Service Hotline at 1-800-22-9999; or
- Public Mutual Berhad Customer Service Hotline at 03-2022 5000.

Who should I contact to lodge a complaint?

1. For internal dispute resolution, you may contact Public Bank Berhad Customer Service Hotline at 1-800-22-9999 or our Customer Service Hotline at 03-2022 5000.
2. 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
3. You can also direct your complaint to 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 the Aduan Hotline at : 03-6204 8999
 - (b) via fax to : 03-6204 8991
 - (c) via email to : aduan@seccom.com.my
 - (d) via 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
4. 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 online complaint form available at www.fimm.com.my
 - (e) via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-01, 6th Floor Wisma Tune
No. 19 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

This PHS will be updated on 30 September 2019. You may refer to our website at www.publicmutual.com.my for the updated PHS.