

## ASB FINANCING

- An alternative method to invest in ASB other than cash investment.
- The financing facility is offered by ASNB's agent banks and only eligible for qualified investors.

### The Basics of ASB Financing



An investment instrument that is subject to financing rates and related charges.



Does not require upfront payment or any types of collaterals.



Equipped with insurance/takaful for risk protection in the event of death and disability. (Please refer to financing provider for further details).



An investment instrument that could potentially help you achieve long-term financial objectives with forced-savings.

### Benefit of The Power of Compounding

#### What is the power of compounding?

Return on investment capital that has grown as a result of annual returns. The benefit is more impactful when the initial investment capital is large, be it in cash or ASB financing.



#### Tips

Allocate 10% of your gross salary as a commitment for monthly investments and forced-savings.



**Save before you spend!**

## GUIDANCE

### Set The Right Financing Amount That Suits You

Determine the financing amount based on your income and ability to pay the monthly instalment.

Monthly Salary	Monthly Instalment Within Your Ability*	Financing Amount
Less than RM2,500	RM178	RM30,000
RM2,500 - RM4,000	RM297 RM415	RM50,000 RM70,000
RM4,000 - RM10,000	RM593 RM1,186	RM100,000 RM200,000

\*Based on the financing rate of 3.75% and the financing tenure of 20 years

### ASB financing provides the advantages of lump sum investment

An opportunity to benefit from the compounding effect through lump sum investment and retained dividends compared with small amounts of monthly investments.

	Lump Sum investment with ASB financing	Lump sum investment with own money	Monthly investments without initial capital (e.g.:Auto Labur)
Initial investment	RM50,000	RM50,000	RM0
Monthly instalments/ investments	RM297*	Not applicable	RM300
Financing tenure/ Investment period	20 years		
Dividend rate#	5.0%		
Total instalment/ total investment	RM71,280	Not applicable	RM72,000
• Financing amount	•RM50,000		
• Interest amount	•RM21,280		
<b>Total accumulated investment at the end of 20<sup>th</sup> year</b>	<b>RM132,665</b>	<b>RM132,665</b>	<b>RM122,261</b>
Total investment return	RM61,385	RM82,665	RM50,261

\*The assumed financing rate is 3.75% and the financing tenure is 20 years

#Based on the total income distribution and bonus of ASB for the financial year end 2021

Detailed calculations are available on the ASNB website at [www.asnb.com.my](http://www.asnb.com.my)



## THE RISKS OF ASB FINANCING

Beware of the risks associated with ASB financing and their implications.

RISK	IMPLICATIONS	HOW TO MITIGATE
<b>Dividend rate is not fixed</b>	The dividend rate depends on the fund's performance and current economic situation. Past performance does not guarantee future performance.	Review your target investment amount and tenure from time to time.
<b>Fluctuation in financing rates</b>	ASB financing is exposed to the risk of financing rate fluctuations. Your monthly instalment will be higher if the financing rate increases.	Check your current financing rate when there is a change in the OPR (over-night policy rate). Always be prepared with excess cash flow to cover any increase in the financing rate.
<b>Spread between dividend and financing rates</b>	You need to be aware of the difference between the dividend rate and your financing rate. This may have a negative impact on your investment.	You may need to restructure your investment strategy if it has a negative impact on your cash flow and monthly commitments. Get consultation from ASNB/its agents.
<b>Improper planning and over commitment</b>	You may not achieve your financial objectives if you are required to withdraw the dividends to use for dividend-rolling or other purposes.	Avoid from adopting dividend-rolling method. Review your capability. Let your investment grow through the compounded investment capital and annual dividend.
<b>Surrender value varies by banks</b>	The surrender value that you get when terminating the financing before the maturity date may be minimal or none at all, depending on your financing terms such as the financing rate and tenure.	Do not consider ASB financing as a short-term investment and expect the surrender value to meet your financial objectives. Please be aware that at the early stage of the financing tenure, a large portion of the instalment is utilised for cost of financing.

## ASB FINANCING TIPS RECOMMENDED FOR YOU

### PLAN



#### Affordability is the key

Align your investment goal with affordability. Budget the instalment amount according to your affordability and monthly commitments. Do not depend on yearly dividend.



#### Consider future financial commitments

As ASB financing requires long-term commitment, take into account your future financial commitments such as the purchase of a car/house or increased family expenses.

### GROW



#### Self-discipline while investing

Discipline yourself to pay the monthly instalments from your own cash flow and not from the annual dividends, like how you pay for car/house financing instalments.



#### Retain the dividends

Let your investment and dividends grow over the long term by retaining your yearly dividends. The bigger the dividend amount you retain (compounded), the greater the benefit you will gain as compared to using them to pay monthly instalments.



#### Adopt 'let it grow' strategy

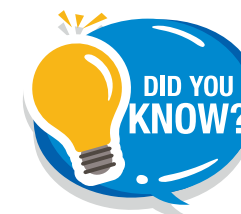
'Let it grow' strategy can be done by performing monthly auto debit for payment of instalments. Once it matures, you can enjoy the fruits of your investment.

### PROTECT



#### Subscribe to takaful/insurance

Takaful coverage that is usually offered with ASB financing can provide peace of mind against in the event of a death and disability.



- The accurate term for 'dividend' in unit trust investment is income distribution.
- Generally, unit trusts provide returns in the form of dividend (income distribution) and appreciation of Net Asset Value (NAV).
- Fixed price unit trusts such as ASB provide returns in the form of income distribution only.

## INVESTOR CATEGORIES



Smart investors would choose to retain their dividend to take advantage of the power of compounding.

Which type of investor are you?

Total financing: RM50,000		Tenure: 20 years
Financing rate (profit rate): 3.75%	Dividend rate*: 5.0%	Monthly instalment: RM297

\*based on the total income distribution and bonus of ASB for the financial year end 2021

	<b>Investor A</b> ★★★★★ Pilihan Pelabur Bijak	<b>Investor B</b> ★★★	<b>Investor C</b> ★★★
How you manage your dividends	Retain the dividends 	Use the dividend to support lifestyle and hobbies 	Use the dividend to pay monthly instalments (dividend rolling) 
Outcome	You will enjoy optimum returns and benefits from the long-term investment through the power of compounding	You will miss the opportunity to benefit from the power of compounding on your investment and accumulated dividend	You only earn the financing amount at maturity and you miss the opportunity to generate returns from compounding dividend
Accumulated ASB dividend	<b>RM82,665</b>	<b>Nil</b>	<b>Nil</b>
Total investment at maturity	<b>RM132,665</b>	<b>RM50,000</b>	<b>RM50,000</b>

## INFORMATION ON ASB FINANCING

Get the correct information with factual explanation from official and reliable sources.



### Beware of mis-information & mis-selling

Be mindful of any third parties providing information that is “too good to be true” or biased views towards ASB financing.

Examples of misleading statements:-

- “Pay for the first year only, use the yearly dividends to pay for the next following years”
- “You’ve got nothing to lose with ASB financing”



### Beware of scams

Beware of any parties using ASB financing as part of a scam and illegal activities. Always refer to the ASNB official website and banks that provide the ASB financing facility.



### Beware of over commitment

Be careful of those who urge you to take a higher financing amount than you can afford.

For enquiries and advisory on ASB financing, contact **ASB Financing Helpdesk at 03-7730 8899** or email to [asbf@pnb.com.my](mailto:asbf@pnb.com.my)

03 - 7730 8899 | [www.asnb.com.my](http://www.asnb.com.my)



**Amanah Saham Nasional Berhad** | 197901003200 (47457-V)

A Permodalan Nasional Berhad Unit Trust Company | 197801001190 (38218-X)

Where unit trust loan financing is available, investors are advised to read and understand the contents of the unit trust loan financing risk disclosure statement before deciding to borrow to purchase units. The disclosure statement will be provided by bank for ASB financing application.

The Master Prospectus of ASNB dated 1 February 2020, the First Supplementary Master Prospectus dated 20 October 2021, the Prospectus of ASN Imbang (Mixed Asset Balanced) 3 Global dated 16 September 2020, the First Supplementary Prospectus ASN Imbang (Mixed Asset Balanced) 3 Global dated 20 October 2021 and the Prospectus of ASN Equity Global dated 1 September 2021, (“Prospectuses”), have been registered with the Securities Commission Malaysia.

Please read and understand the content of the Prospectuses together with the Product Highlights Sheets which are available at the ASNB website ([www.asnb.com.my](http://www.asnb.com.my)), branches and agents. The unit will be issued upon receipt of the registration form referred to and accompanying the Prospectuses. Before investing, please consider the risk of investing as well as the fees and charges involved. Unit prices and distribution payable, if any, may go down as well as up. The past performance of a fund should not be taken as indicative of its future performance.

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