



AFFIN HWANG CAPITAL

Affin Hwang Asset Management Launches a New Solution in the New Abnormal

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BY WEBMASTER ON JUNE 9, 2016

FUND NEWS, UNIT TRUST

Affin Hwang Asset Management Berhad ("Affin Hwang AM" or the "Company") launches Affin Hwang Global Income Fund ("GIF" or the "Fund") in late May. The Fund is a wholesale fixed income feeder fund which seeks to provide investors with regular income by investing in a collective investment scheme, namely PIMCO GIS Income Fund ("Target Fund").

The Target Fund is managed by an experienced investment team under Pacific Investment Management Company LLC ("PIMCO"). PIMCO and its other PIMCO group affiliates have approximately USD1.5 trillion of assets under management as of 31 March 2016 and have more than 700 investment professionals globally. PIMCO is widely recognised as one of the world's premier bond managers and have been actively managing income-producing portfolio for more than 40 years.

Chan Ai Mei, Chief Marketing Officer of Affin Hwang AM said, "In this current volatile and prolonged low interest rate environment, coupled with slow growth and weak corporate earnings growth, returns on equity investments has also come with greater volatility. We identified an opportunity to partner with PIMCO in offering a solution that aims to provide consistent income through investments into a global and diversified multi-sector fixed income instruments. It adapts benchmark-agnostic strategy and targets a balance between yield and capital preservation. The Target Fund generates returns globally, and complements our Select Income Series (which is currently Asian focused)."

Since the inception of the Target Fund's strategy, it has delivered a consistent and reliable stream of income with an annualised monthly distribution yield of over 4% per annum, outperforming its benchmark Barclays U.S. Aggregate Index (LHS) (Source: As at 31 March 2016, PIMCO). The outperformance comes from its global multi-sector strategy that seeks to combine the total return investment process and philosophy to maximise income investing into a diversified portfolio of fixed income instruments of varying maturities.

The Target Fund invests into the most attractive opportunities across all sectors of the global fixed income instruments such as government securities, mortgage-related and other asset backed securities, corporate debt securities, high yield securities, emerging market securities, variable and floating rate securities, inflation-indexed bonds and contingent convertible instruments. It also has the flexibility to adjust the portfolio duration within a range of zero (0) to eight (8) years, taking into account interest rate outlook. The current effective duration of the Target Fund is 3.11 years against benchmark duration of 5.47years. Ai Mei explained, "In simple terms, the portfolio carries almost 50% less interest rate risk than the benchmark."

She added, "Currently, the market is looking at a 30% probability of a Federal Reserve rate hike and Affin Hwang AM is in consensus with it. This is mainly due to the relatively low inflation in the U.S. and the looming concerns over Brexit, pending the UK's EU referendum on 23 June 2016."

GIF is a bond fund that seeks to achieve capital preservation and consistent return over medium to long-term period through a portfolio of global fixed income instruments. The Fund is designed for sophisticated investors who seek income through investment in a portfolio of global fixed income instruments, have a medium to long-term investment horizon and have a moderate risk tolerance. The Fund is available in four (4) currency classes, namely USD Class, MYR-Hedged Class, SGD-Hedged Class and AUD-Hedged Class. The offer period of GIF is not more than 21 days, starting 23 May 2016 until 12 June 2016. The Fund is available for investment through Affin Hwang AM and its partners.

Investors are advised to read and understand the contents of the Fund's Product Highlights Sheet and Information Memorandum dated 23 May 2016 before investing. Visit www.affinhwangam.com for more information of the Fund.

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Active	Gainers	Losers
Top 10 Active Counters		
Name	Last	Change
SANICHI	0.14	0.00
MRCB-WA	0.135	+0.01
VIVOCOM	0.24	0.00
GOCEAN	0.115	+0.015
SANICHI-WC	0.035	+0.005
MINETEC	0.09	+0.005
XOX	0.145	+0.005
AWC	0.84	+0.01
SALUTE	0.995	+0.005
FGV-C11	0.095	0.00

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