

Press Release

26 February 2020

Affin Hwang AM Raises Over RM1.5 Billion Across its Fixed Income Funds

KUALA LUMPUR – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) continues to see strong investment demand despite market jitters from the Covid-19 outbreak, where the company has raised over RM1.53 billion across its retail and wholesale fixed income funds¹.

Chan Ai Mei, Chief Marketing & Distribution Officer of Affin Hwang AM said, “Investors continue to seek income-based solutions to diversify their portfolios against heightened volatility in markets. As a defensive asset class, fixed income provides a measure of stability to one’s portfolio by reducing the variability of returns as well as helps cushion losses in a market downturn.”

“We advise investors not to be perturbed with any short-term impact the coronavirus might have on financial markets. With more decisive measures and effective control policies by governments in containing the outbreak, we view that the global economic recovery risks being delayed rather than derailed. Investors should continue to strive for diversification in their portfolios and stay disciplined in their approach by investing consistently,” Ai Mei said.

Among the company’s fixed income fund which saw steady demand include the **Affin Hwang World Series – Global High Income Fund** (“the Fund”) which is a wholesale feeder income fund that was launched last January. The Fund provide investors access to vast income opportunities in the global fixed income universe by investing in a collective investment scheme, namely JPMorgan Funds – Income Fund (“Target Fund”).

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Through an unconstrained approach, the Fund has the flexibility to invest into a range of debt securities including sovereign debt, corporate investment grade and high yield bonds to generate a consistent income stream with a targeted distribution yield between 5% – 6%².

As the first banking distributor of the Fund, Standard Chartered Bank Malaysia advocates that investors adopt a model portfolio approach towards asset allocation. **Sammeer, Managing Director & Head of Wealth Management, Standard Chartered Bank Malaysia** said, "Following last month's rate cut, Bank Negara has signalled that there is still ample room to adjust the monetary policy to support economic growth. The recent launch of the Affin Hwang World Series – Global High Income Fund is timely as it presents a suitable low-risk alternative to achieve higher income in a low interest rate environment. As one of the core staple multi-income solutions in our model income portfolio, it can help savers mitigate the reduced interest on their savings brought on by rate cuts."

On market impact from the Covid-19 outbreak, **Ramon Maronilla, Managing Director, Global Fixed Income, JP Morgan Asset Management** said, "Despite recent volatility, demand for fixed income in general remains robust, providing a solid technical backdrop. Issuance is higher than last year, but supply is being well received. Flows into high quality bonds remain strong. With central banks continuing to provide policy support and growth likely to be impacted at least in the short-term by the coronavirus outbreak, core duration and high quality credit will continue to play a key role in portfolios."

"It is still premature to say when the new confirmed cases will peak out, and when things will get back to normal. We are still at an early stage of the outbreak. Therefore, being diversified and nimble is the key. Even within Asia, some sectors are likely to see greater resilience on their earnings performance. Some companies with global business exposure is likely to face less volatility. It is also important to focus on the long-term and the fact that economic activities should bounce meaningfully if governments manage to get the virus situation under control.

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“We expect more monetary easing from China and the rest of Asia to boost the economy in subsequent quarters, especially after the virus is under control. Further uncertainties from the outbreak are expected to reinforce the dovish bias for central banks around the world. This backdrop is likely to support government bonds and high quality IG corporate bonds,” Ramon said.

As an open-ended fund, investors can continue to purchase units of the Fund and invest. The Investment Date will begin on the 25th February 2020 and the Fund can be accessed through all Standard Chartered and UOB bank branches as well as Affin Hwang Asset Management sales offices nationwide.

The Fund is available to Sophisticated Investors who seek a source of income through exposure to a range of debt securities globally, have a medium to long-term investment horizon and have a low risk tolerance. The Base Currency of the Fund is in USD. The Fund is offered in five (5) currency classes, namely USD Class, MYR-Hedged Class, SGD-Hedged Class, AUD Hedged-Class and GBP Hedged-Class. The minimum investment amount is \$5,000 for all listed currency classes.

Investors are advised to read and understand the contents of the Fund’s Product Highlights Sheet and Information Memorandum dated 9 January 2020 before investing. Investors who are keen to learn more about the Fund can visit <http://affinhwangam.com/> and invest through any of Affin Hwang AM sales offices.

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References

1. As at 20 February 2020
 2. The targets and aims provided above are targets only and are not necessarily part of Fund's investment objectives and policies as stated in the Information Memorandum. There is no guarantee that these will be achieved. Yield is not guaranteed and may change over time.
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About Affin Hwang Asset Management Berhad

Affin Hwang Asset Management Bhd ("Affin Hwang AM" or the "Company") was incorporated in Malaysia on 2 May 1997 under the Companies Act 1965 and began its operations under the name Hwang-DBS Unit Trust Berhad in 2001. In early 2014, the Company was acquired by the Affin Banking Group ("Affin") and hence, is now supported by a major home-grown financial services conglomerate. Affin has close to 40 years of experience in financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Additionally, Affin Hwang AM is also 30% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd, a leading independent Asian investment management franchise. Its head office is located in Kuala Lumpur and has a total of 7 main sales offices located in Peninsular and East Malaysia. They are in Penang, Ipoh, Malacca, Johor Bahru, Kuching, Miri and Kota Kinabalu.

Affin Hwang AM's core business is providing fund management services to private clients, as well as to retail clients via its stable of unit trust funds and private retirement schemes. The Company offers wide range of unit trust products and investment solutions with underlying investments comprising conventional equities, balanced, bond, money market, capital guaranteed, capital protected, global, structured and feeder funds, as well as Shariah-compliant equity, Islamic money market instruments and Islamic fixed income funds. Affin Hwang AM's Shariah investment solutions are made available through its wholly-owned subsidiary and Islamic investment arm, AIIMAN Asset Management Sdn. Bhd. ("AIIMAN")

Since its inception in 2001, Affin Hwang AM has achieved an exponential growth in its total assets under administration ("AUA"). As at 31 January 2020, the total AUA, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM57.8 billion (combined AUA of Affin Hwang AM and AIIMAN).

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Warning Statement

A Product Highlights Sheet (PHS) is available for the Fund and investors have the right to request for a copy of it.

Investors are advised to read and understand the contents of the PHS, and Information Memorandum dated 9 January 2020 for the Fund before investing.

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The Information Memorandum and PHS have been lodged with the Securities Commission Malaysia, who takes no responsibility for its contents. A copy of the Information Memorandum and the PHS can be obtained at Affin Hwang AM's sales offices. Units will only be issued upon receipt of an application form referred to in and accompanying the Information Memorandum and PHS. There are fees and charges involved when investing in the Fund. Investors are advised to consider the fees and charges carefully before investing. The price of units and distribution payable, if any, may go down as well as up and past performance of the Fund should not be taken as indicative of its future performance. If you plan to purchase units of the Fund via loan financing, you are advised to read and understand the contents of the "Unit Trust Loan Financing Disclosure Statement" before deciding to borrow to purchase units.