

## Press Release

27 May 2021

**Affin Hwang AM Launches Renminbi (RMB) Bond Fund**

*The newly launched wholesale income fund allows investors to ride the recovery in China by investing in its burgeoning bond market that has grown steadily in size*

**KUALA LUMPUR** – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) announced today the launch of Affin Hwang Renminbi (RMB) Bond Fund (“the Fund”). The Fund is a wholesale income fund that provides access to opportunities in China’s fixed income market including government and corporate bonds.

To achieve its investment objective, the Fund will invest a minimum of 70% of the Fund’s net asset value (NAV) in bonds and a maximum of 30% of the Fund’s NAV into money market instruments and deposits.

**Chan Ai Mei, Chief Marketing & Distribution Officer of Affin Hwang AM** said, “Against a low interest rate environment, China’s bond market provide investors a highly attractive level of yield as well as potential upside price appreciation due to its strong fundamentals. The size of its domestic bond market which has grown steadily in size to become the second largest in the world today has also become too large for investors to ignore anymore as part of a global portfolio.”

“Ongoing liberalisation measures such as the Bond Connect and China Interbank Bond Market (CIBM Direct) has contributed to a deep bond market with a breadth of issuances spanning different sectors, sizes and credit ratings. Its inclusion into global indices also increases foreign investments into China’s onshore bonds and will lead to more inflows,” Ai Mei said.

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On the outlook for China bonds, **Esther Teo, Senior Director of Fixed Income, Affin Hwang AM** said, ““First-in-first-out to emerge from the pandemic, China is seen leading the recovery globally and is staging the strongest growth post-COVID-19 amidst an accelerated restart. China reported a 2.3% GDP growth rate in 2020 and was the only major economy to avoid contraction due to COVID-19 shocks. The country's strong outperformance backed by a stable currency will underpin demand for renminbi denominated bonds.”

“As an asset class, China bonds exhibit a low correlation compared to other fixed income markets which makes it ideal as an option for diversification. Structurally, China’s gradual shift towards becoming more domestic focused and consumer driven provides a positive backdrop for more sustainable and quality growth,” Esther Teo said.

Through a robust credit selection process that incorporates fundamentals, valuation and technical analysis, the Fund will seek to generate positive yield by investing in high quality issuers including government bonds, central government backed and state-owned enterprises (SOEs) such as policy banks as well as high quality corporate issues.

The Fund is suitable for Sophisticated Investors who seek regular income distribution, have a medium to long-term investment horizon and have a low to medium risk tolerance. The Base Currency of the Fund is in RMB. The Fund is offered in two (2) currency classes, namely RMB and MYR. 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 25 May 2021 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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#### 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 30 April 2021, the total AUA, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM79.0 billion (combined AUA of Affin Hwang AM and AIIMAN).

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#### Warning Statement

A copy of the Information Memorandum ("Info Memo") and Product Highlights Sheet ("PHS") can be obtained at Affin Hwang Asset Management's ("Affin Hwang AM") sales offices or at [www.affinhwangam.com](http://www.affinhwangam.com). Investors are advised to read and understand the contents of Affin Hwang RMB Bond Fund (or the "Fund") Info Memo dated 25 May 2021 and corresponding PHS before investing. There are fees and charges involved when investing in the Fund. Investors are advised to consider and compare the fees and charges as well of the risks carefully before investing. Investors should make their own assessment of the risks involved in investing and should seek professional advice, where necessary. 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. The Securities Commission Malaysia has not reviewed this marketing/promotional material and takes no responsibilities for the contents of this marketing/promotional material and expressly disclaims all liability, however arising from this marketing/promotional material.

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