

Press Release

15 July 2020

Affin Hwang AM Lists 2 Smart Beta ETFs on Bursa

KUALA LUMPUR – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) marked a new milestone with the debut of its smart beta exchange traded funds (ETF) that were successfully listed on the Main Market of Bursa Securities today.

In a strategic thrust towards bolstering its product offerings, the Company announced the simultaneous listing of 2 smart beta ETFs on Bursa, namely the *TradePlus MSCI Asia ex Japan REITs Tracker* and the *TradePlus DWA Malaysia Momentum Tracker*. The ETFs seek to **combine the best of both active and passive strategies** by investing in companies based on a series of objective factors.

Smart beta ETFs are innovative forms of ETFs that apply a series of objective factors when selecting its component companies. These component companies are then ranked and weighted according to specific factors such as earnings growth, price momentum or dividend yield.

This approach provides an alternative strategy compared to traditional market-cap weighted ETFs which are biased towards larger-cap stocks because they constitute a heavier weight in an index. By complementing their portfolio with smart beta strategies, investors can potentially exploit market anomalies and uncover hidden value to reap better risk-adjusted returns.

Teng Chee Wai, Managing Director of Affin Hwang AM said, “As we continue to build our name in the ETF industry, we are proud to introduce another new ETF solution for investors to grow their wealth. This is also in line with the regulator’s revised guidelines that allow for greater product innovation within the ETF landscape through the introduction of smart beta strategies. With its low-cost advantage, smart beta ETFs are ideal building blocks for investors

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to pile on different strategies such as dividend or momentum factors to construct a diversified portfolio.”

The **TradePlus MSCI Asia ex Japan REITs Tracker** seeks to provide investors access to the highest and most consistent dividend-yielding REITs in Asia (excluding Japan) through the smart beta selection of the index. Against a backdrop of high volatility in the market, investors can add a measure of stability in their portfolios through consistent dividend pay-outs from REITs. The strategy has historically provided an average annual dividend yield ranging between 4% to 5% p.a.*

The **TradePlus DWA Malaysia Momentum Tracker** aims to provide investors exposure to local stocks with the highest price momentum as its smart beta factor. Being the country’s first momentum strategy on Bursa, investors can potentially reap higher returns by capturing stocks with the most upswing momentum to ride the recovery in the local stock market.

As the index provider responsible for the methodology behind Malaysia’s first momentum strategy, **Jay Gragnani, Head of Research and Client Engagement of Nasdaq Dorsey Wright (NDW)** said, “TradePlus DWA Malaysia Momentum Tracker offers turnkey access to relative strength strategy, empowered by NDW’s global technical research. The underlying index is an effective tool to track momentum for adopting disciplined investment solutions. Our work with Affin Hwang AM expands strategic options for the investing public in Malaysia and the entire APAC region.”

Sylviane Carot, Executive Director at MSCI said, “We are very pleased to work with Affin Hwang Asset Management to help address their clients’ need for smart beta strategies. At MSCI, we are committed to provide indexes, data and tools to help investors build and manage better portfolios.”

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With the Company's 6 current ETF offerings, today's new listings would bring the Company's total ETFs to 8, making Affin Hwang AM the largest ETF provider in Malaysia (in terms of number of ETFs listed) as it continues to expand its product suite.

Units of the ETFs start trading today on Bursa Securities under the following stock code:-

Fund Name	TradePlus DWA Malaysia Momentum Tracker	TradePlus MSCI Asia ex Japan REITs Tracker
Stock Code	0836EA	0837EA
Stock Short Name	MY-MOMETF	AXJ-REITSETF

Investors can buy and sell units throughout the trading day like any other publicly-traded shares, with a minimum board lot size of 100 Units. The TradePlus MSCI Asia ex Japan REITs Tracker was launched at an initial issue price of RM1.00 per unit, while the TradePlus DWA Malaysia Momentum Tracker was launched at an initial issue price of RM1.00 per unit.

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References

** Past performance is not indicative of future performance*

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Appendix

Table 1: Top 10 Holdings for TradePlus DWA Malaysia Momentum Tracker

No	Company Name	Weight (%)
1	Supermax Corporation	16.9
2	Top Glove Corporation	8.9
3	Hartalega Holdings	6.7
4	Kossan Rubber Industries	5.9
5	QL Resources	4.6
6	Dialog Group	4.2
7	IGB Real Estate	4.0
8	Axis REIT	4.0
9	Westports Holdings	4.0
10	Petronas Gas	3.9

Source: Nasdaq, as at 30 June 2020

Table 2: Top 10 Holdings for TradePlus MSCI Asia ex Japan REITs Tracker

No	Company Name	Weight (%)
1	CapitaLand Mall Trust	10.3
2	Mapletree North Asia Commercial Trust	9.2
3	Link REIT	8.8
4	CapitaLand Commercial Trust	7.0
5	Frasers Logistics & Commercial Trust	6.3
6	Mapletree Logistics Trust	5.7
7	Mapletree Industrial Trust	5.5
8	Manulife US Real Estate Investment Trust	5.4
9	Fortune Real Estate Investment Trust	4.7
10	Cromwell European Real Estate Investment	4.6

Source: MSCI limited, as at 30 June 2020

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 27% 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

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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 June 2020, the total AUA, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM60.6 billion (combined AUA of Affin Hwang AM and AIIMAN).

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Warning Statement

A copy of the Prospectus can be obtained at Affin Hwang Asset Management's ("Affin Hwang AM") dedicated website at www.tradeplus.com.my. Investors are advised to read and understand the contents of the Prospectus dated 9 July 2020 for the TradePlus MSCI Asia ex Japan REITs Tracker and the TradePlus DWA Malaysia Momentum Tracker before investing. There are fees and charges involved when investing in the fund stated herein. 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 material and takes no responsibility for the contents of this material and expressly disclaims all liability, however arising from this material.