

Press Release

28 January 2019

**Affin Hwang AM Lists New China ETF
on Main Market of Bursa**

KUALA LUMPUR – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) announced the expansion of its exchange-traded fund (ETF) offerings with the launch of the TradePlus S&P New China Tracker (“Fund”) that was successfully listed on the Main Market of Bursa Securities today.

The Fund is an equity ETF that provides investors exposure to China’s new economy and to participate in positive growth trends and consumption patterns within its changing economic structure, as it transitions from an investment-driven to a consumption & services-led economy.

Benchmarked against the S&P New China Sectors Ex A-Shares Index⁽¹⁾ (“Benchmark”), the Fund will employ a full replication strategy to closely track the performance of the index, providing an efficient manner for investors to gain broad exposure to Chinese listed companies in its fast-growing consumption and service-oriented industries.

To meet its investment objective, the Fund will invest a minimum of 70% of the Fund’s net asset value (NAV) in authorised securities⁽²⁾, with an option to invest a maximum of 20% of the Fund’s NAV in derivatives and/or collective investment schemes. The remaining balance shall be invested in money market instruments and/or deposits for liquidity.

Teng Chee Wai, Managing Director of Affin Hwang AM said, “Since the listing of our first ETF (TradePlus Shariah Gold Tracker) on Bursa in 2017, we are proud to roll-out our next passive investment offering to the market in such quick succession. This would enhance our overall product suite and bolster our position in the passive investment space as a full-fledged asset management player.”

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“Through this Fund, local investors will be able to participate in one of the biggest investment themes globally as we witness China’s seismic shift from an investment-driven economy that was centred primarily on infrastructure & manufacturing to a more knowledge-driven economy that is focused on research & development (R&D) and innovation,” Teng said.

On the **market outlook for China**, “We’ve seen some softness in Chinese data that shows its manufacturing sector experiencing some slowdown as a result of the trade conflict. Though, recent stimulus measures announced by Beijing to prop-up growth and cushion the impact from its ongoing trade spat with the US has provided some reprieve for markets and inject liquidity. However, with a larger pain threshold and a more resilient economy today, we don’t see China reverting back to more aggressive stimulus measures to drive growth like its credit-fuelled binge in the past.”

“Over the long-term, as China presses on with its economic restructuring and deleveraging exercise to rein-in credit risk, we see positive structural trends that would bode well for China. Its services and consumption sector now constitute more than 60% of contribution to GDP growth and is expected to increase exponentially with rising income levels and rapid urbanisation in the country. As China continues to harness these strengths, we see opportunities emerging from the New China and the various sectors riding on these positive consumption trends,” Teng said.

Units of the Fund starts trading today on Bursa Securities under its stock short name CHINAETF-MYR for the MYR quoted units, and CHINAETF-USD for the USD quoted units, making the Fund the first Malaysian-listed ETF to be listed in dual currencies. 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 Fund was launched at an initial issue price of HKD10.00 per unit.

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References

- 1) *The table below shows the top ten (10) constituents of the Benchmark and their respective weightings (%)*

No	Company Name	Weight (%)
1	AIA Group Ltd	10.6
2	Tencent Holdings Ltd	10.3
3	Alibaba Group Holdings Ltd	9.5
4	China Mobile Ltd	7.9
5	Ping An Insurance Group Co of China Ltd	6.7
6	Baidu Inc	6.6
7	NetEase Inc	2.6
8	JD.com Inc	2.6
9	Galaxy Entertainment Group Ltd	2.4
10	China Life Insurance Co Ltd	2.4

Source: S&P Dow Jones Indices as at 31 December 2018

- 2) *Authorised Securities can be defined as any of the following:*
- i) *Index securities;*
 - ii) *Non-index securities which in the opinion of the Manager, has a high correlation (i.e. positive correlation coefficient of at least 0.7) to one or more of the Index Securities that it is substituting; and*
 - iii) *If the Manager is of the opinion there exists liquidity constraints with the index securities and/or non-index securities, one or more local foreign collective investment schemes which are likely to behave in a manner that is consistent with the investment objective of the Fund as determined by the Manager.*

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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 December 2018, the total AUA, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM47.8 billion (combined AUA of Affin Hwang AM and AIIMAN).

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Warning Statement

A Prospectus is available for the TradePlus S&P New China Tracker, and investors have the right to request a copy of it. Investors are advised to read and understand the contents of the Prospectus dated 15 January 2019 before investing.

The Prospectus has been registered with the Securities Commission Malaysia, who takes no responsibility for its contents. A copy of the Prospectus can be obtained at Affin Hwang Asset Management Berhad's sales offices. As with any forms of financial products, the financial product mentioned herein carries with it various risks. Investors are advised to consider the general and specific risks involved as stipulated in its Prospectus before investing. There are also fees and charges involved when investing in the fund, and 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.