

Press Release

13 March 2019

Affin Hwang AM Launches Global Healthscience Fund

KUALA LUMPUR – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) announced the launch of Affin Hwang World Series – Global Healthscience Fund (“the Fund”). The Fund is a wholesale feeder growth fund that provides access to broad opportunities in healthcare by investing in a collective investment scheme, namely BlackRock Global Funds World Healthscience Fund (“Target Fund”).

The Target Fund is a Luxembourg-domiciled fund managed by BlackRock (“Target Fund Manager”). To achieve its investment objective, the Fund will invest a minimum of 80% of the Fund’s net asset value (NAV) into the Target Fund and a maximum of 20% of the Fund’s NAV into money market instruments, deposits and / or liquid assets.

Chan Ai Mei, Chief Marketing & Distribution Officer of Affin Hwang AM said, “Quality is key as markets approach a late-cycle environment. With global growth rates likely to have peaked in this current cycle, the healthcare sector provides investors a defensive shelter to weather against volatility and also tactically diversify. Historically, the healthcare sector has shown a low sensitivity to global growth displaying resilient earnings in a mature market cycle.”

“Underpinned by positive demographic and innovation trends, we see secular growth drivers that would continue to drive healthcare demand irrespective of seasonal or cyclical trends in the macro/market landscape. Given the sector’s late-cycle potential to outperform, we believe the Fund would complement our existing product suite to meet the needs of our clients to build resilience in their portfolio and smoothen out returns.”

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Looking at the historical analysis of sector performance through market cycles in the past 25 years, healthcare has consistently outperformed other sectors during late cycle and recessionary periods. For example, the healthcare sector has on average outperformed by +7.0% during late cycle periods relative to broad equity markets¹. The analysis also concluded that the healthcare sector has displayed the least sensitivity to global growth historically. The sector displayed the lowest beta (4.3) versus the quarterly change in real GDP since 1995, compared with a median of 7.7 across the remaining Global Industry Classification Standard (GICS) sectors².

On outlook for the healthcare sector, **Erin Xie, Ph.D., BlackRock's portfolio manager of health science equity** said, "We believe that the current environment provides an attractive entry point for the healthcare sector, especially given where we are in the business cycle today. It is also important to note that on a valuation basis, the sector continues to look attractive versus broader equity markets and relative to the sector's long-run average on a forward-looking price-to-earnings basis. Our strategy continues to be a diversified, all-weather healthcare strategy that centres around the investment team's bottom-up, fundamental investment process."

She also cited continuous innovation within the healthcare space as an additional source of tailwind that would bode well for the sector's outlook. "Aside from robotic surgery and new drug discovery, we continue to see broad opportunities in the healthcare industry with numerous companies developing innovative products in an effort to improve their growth profile. In addition to the innovation in medical devices, we have seen the development of pioneering surgical methods, which lessens the invasive nature of surgery and ultimately improves the overall patient experience and reduces recovery time. The regulatory environment for these innovative devices has also been improving, with approval rates accelerating and duration to receive approval reducing," said Dr. Xie.

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The Fund is available to Sophisticated Investors who seek capital appreciation, have a long-term investment horizon and a high risk tolerance. The Base Currency of the Fund is in USD. The Fund is offered in five (5) currency classes, namely USD Class, MYR Class, MYR-Hedged Class, SGD-Hedged Class and AUD 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 18 February 2019 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 or all Citibank branches in Malaysia.

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Sources

1. *BlackRock and Bloomberg, January 1st 1989 to December 31st, 2018. Cycles define using OECD data*
2. *BlackRock Investment Institute, with data from Thomson Reuters, Bloomberg and Oxford Economics, November 2018)*

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 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")

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Since its inception in 2001, Affin Hwang AM has achieved an exponential growth in its total assets under administration (“AUA”). As at 28 February 2019, the total AUA, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM49.8 billion (combined AUA of Affin Hwang AM and AIIMAN).

About BlackRock

BlackRock helps investors build better financial futures. As a fiduciary to investors and a leading provider of financial technology, our clients turn to us for the solutions they need when planning for their most important goals. As of December 31, 2018, the firm managed approximately US\$5.98 trillion in assets on behalf of investors worldwide.

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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 18 February 2019 for the Fund before investing.

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.