

Press Release

16 October 2019

Affin Hwang AM Triggers Early Maturity of Flexible Maturity Income Fund 7

KUALA LUMPUR – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) triggered an early maturity notice of its retail income fund Affin Hwang Flexible Maturity Income Fund 7 (“FlexMIF 7” or “the Fund”) to deliver an annualised return of 5.50% per annum after returning capital back to investors.

FlexMIF 7 was a close-ended income fund which pays annual income distribution over a maximum investment horizon of five (5) years with a targeted return of 5.00% p.a. The Fund’s underlying credit exposure was in regional names which held a long-standing track record of honouring their outstanding financial obligations over multiple market cycles.

In accordance with the prospectus of the Fund, the Early Maturity requirement can be triggered where the Fund’s NAV per Unit has exceeded the Target NAV per Unit for more than ten (10) consecutive business days.

The Fund matured on 10 October 2019 at a Net Asset Value (“NAV”) of RM1.00 per unit. At the maturity of the Fund, it registered a return of 5.50% per annum which exceeded the target return of 5.00% p.a. The total return is derived from the Fund’s income distribution as below:

Year	Income Distribution (sen per unit)
2017	5.1590
2018	4.3852
2019	9.9601

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Chan Ai Mei, Chief Marketing & Distribution Officer of Affin Hwang AM said, “After achieving the targeted return, the company decided to trigger an early maturity of the Fund to lock-in gains for unitholders and allow them to redeem back their principal before the expiry of the 5-year tenure in 2021.”

“The Fund’s unique product feature which enables flexibility of maturity is meant to safeguard the interest of investors as well as prevent our fund managers from taking undue risks as necessary especially once the targeted returns has already been achieved. The Fund continued to beat the benchmark despite yield compression and maintained its track record of no defaults in credit selection throughout the series.

“In the past, we had been managing a total of 28 similar funds before in the series and successfully raised over RM4billion in total assets since 2009. We will continue to replicate the success of the series through capturing returns in a low interest rate environment.” Ai Mei said.

- End of Press Release -

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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 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 31 August 2019, the total AUA, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM54.2 billion (combined AUA of Affin Hwang AM and AIIAMAN).

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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 Prospectus dated 25 October 2016 for the Fund before investing.

The Prospectus has been registered as well as the PHS has been lodged with the Securities Commission Malaysia, who takes no responsibility for its contents. A copy of the Prospectus 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 Prospectus 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