

Press Release

23 September 2019**Affin Hwang AM Raises Over RM100mill for Flexible Maturity Income Fund**

KUALA LUMPUR – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) has raised more than RM100 million in the first 3 days of the launch of its latest wholesale close-ended fixed income fund.

Affin Hwang Flexible Maturity Income Fund 14 (“FlexMIF 14” or “the Fund”) is the fourteenth fund in the Flexible Maturity Income Fund Series that aims to provide regular income through investment in fixed income instruments on an annual basis.

Since the start of the series offering in 2009, the Company has raised over RM4billion across 28 similar tranches before and has maintained a track record of no default in its bonds and credit-selection throughout the series.

To achieve its investment objective, the Fund will invest a minimum of 70% of the Fund’s net asset value (NAV) in fixed income instruments and the remaining balance of the Fund’s NAV in cash, derivatives and/or structured products. The Fund has a 5-year tenure with a portfolio target return of 4.50% - 5.00% p.a.¹ upon maturity.

Chan Ai Mei, Chief Marketing & Distribution Officer of Affin Hwang AM said, “The strong demand seen for the Fund is reflective of current volatile market conditions and the investor’s need for consistent income and stability. The strong historical track record of past Flexible Maturity Income Fund instalments to consistently outperform the fixed deposit rate has also lent to the appeal of the series especially as a source of income to provide predictable returns in a portfolio.”

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“Within the industry, investors are also drawn to such target-maturity products because of the certainty of payout and its fixed tenure that allows them to plan their liquidity needs to meet future financial obligations. We are confident of raising more than RM200 million for the Fund by the close of the initial offer period (IOP) against these factors.

“Through a stringent credit selection process, the Fund will focus on building a diversified basket of regional focused bonds that provide attractive yields without sacrificing quality. Falling interest rates and dovishness of global central banks toward easing would also provide a positive backdrop for Asian bonds in a lower-for-longer yield environment.” Ai Mei continues.

The Fund is suitable for Sophisticated Investors who have a 5 years investment horizon and a moderate risk tolerance. The Base Currency of the Fund is in MYR with a minimum investment amount of RM10,000. The Fund is benchmarked against the 5-year Malayan Banking Berhad fixed deposit rate as at investment date.

Investors are advised to read and understand the contents of the Fund’s Product Highlights Sheet and Information Memorandum dated 12 September 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 in Malaysia.

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For media enquiries, please contact:

Lee Sheung Un | sheungun.lee@affinhwangam.com | +6017 296 3781

Sources

1. The Fund’s target return is indicative and may change on the Investment Date of the Fund. Investment date begins on the next Business Day immediately after the expiry of the Offer Period. The annual income distribution and return of remaining NAV upon the Fund’s maturity are subject to no occurrences of default on the underlying bonds and the performance of the underlying bonds at the Fund’s maturity. The potential annual payout of 4.50% is calculated on the gross investment amount.

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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”)

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 AIIMAN).

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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 12 September 2019 before investing. The Information Memorandum as well as the 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.