

Press Release

09 January 2020

Affin Hwang AM Launches Global High Income Fund

KUALA LUMPUR – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) announced today the launch of Affin Hwang World Series – Global High Income Fund (“the Fund”). The Fund is a wholesale feeder income fund that provides access to vast income opportunities in the global fixed income universe by investing in a collective investment scheme, namely JPMorgan Funds - Income Fund (“Target Fund”).

The Target Fund is a Luxembourg-domiciled fund managed by JP Morgan Asset Management (“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, “Using an unconstrained approach, the Fund will seek to scour the best investment ideas across the globe to deliver attractive yield at lower volatility. With a focus on generating income, the Fund has a dynamic allocation to shift across sectors and countries with no constraints. The Fund also has the flexibility to adjust duration depending on market conditions to minimise fluctuation. In return, investors gain a predictable income stream through a consistent monthly payout from the Fund at a targeted distribution yield between 5% – 6%¹.”

“With global central banks maintaining their accommodative bias towards monetary policy, the Fund provides a solution to investors in their search for yield in a lower-for-longer interest rate environment. As markets continue to be tested by higher volatility, the importance of fixed income as an asset class should not be underestimated by acting as a ballast in one’s portfolio to provide a steady source of income and liquidity,” Ai Mei said.

Press Release

On the macro outlook for markets and recessionary risk, **Ramon Maronilla, Managing Director, Global Fixed Income, JP Morgan Asset Management** said, “After a thaw in trade tensions and a year of three Federal Reserve rate cuts along with easing by dozens of other central banks, sub-trend growth is our likeliest scenario. Global growth is bottoming including in emerging economies, but we can’t see the next impulses that would ratchet growth much higher. Tariffs, quotas, embargoes and all forms of protectionism reduce efficiency as well as trade volumes and increase costs. Ultimately that would affect the profitability of global companies.”

“The probability of recession over the next 3 to 6 months have come down from 40% to 25% in acknowledgment of the quantity of global central banks easing and the bias for the US and China to try and maintain some middle ground. If either Trump has given up on his desire to decouple the US economy from China’s; or Xi has given up on or at least toned down his desire to expand Chinese influence globally, a recession would no longer occur. But because we still see a trajectory towards trade tension instead of one of resolution, we think a recession is rather likely,” Ramon said.

With global central banks signalling a pause in its easing cycle for now, Ramon sees opportunities within higher-rated short-duration securitised credit, intermediate high yield and select investment grade credit, as well as US Treasuries with yields expected to trade around current levels.

The Fund is available to Sophisticated Investors who seek a source of income through exposure to a range of debt securities globally, have a medium to long-term investment horizon and have a low risk tolerance. The Base Currency of the Fund is in USD. The Fund is offered in five (5) currency classes, namely USD Class, MYR-Hedged Class, SGD-Hedged Class, AUD Hedged-Class and GBP Hedged-Class. The minimum investment amount is \$5,000 for all listed currency classes.

Press Release

Investors are advised to read and understand the contents of the Fund's Product Highlights Sheet and Information Memorandum dated 9 January 2020 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.

- End of Press Release -

For media enquiries, please contact:

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

References

1. *The targets and aims provided above are targets only and are not necessarily part of Fund's investment objectives and policies as stated in the prospectus. There is no guarantee that these will be achieved. Yield is not guaranteed and may change over time.*

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 30 November 2019, the total AUA, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM55.88 billion (combined AUA of Affin Hwang AM and AIIMAN).

Disclaimer

This press release has been prepared by Affin Hwang Asset Management Berhad (hereinafter referred to as "Affin Hwang AM") specific for its use and for a specific target audience only. All information contained within this press release belongs to Affin Hwang AM and may not be copied, distributed or otherwise disseminated in whole or in part without written consent of Affin Hwang AM.

The information contained in this press release may include, but is not limited to opinions, analysis, forecasts, projections and expectations (collectively referred to as "Opinions"). Such information has been obtained from various sources including those in the public domain, are merely expressions of belief. Although this press release has been prepared on the basis of

Press Release

information and/or Opinions that are believed to be correct at the time the presentation was prepared, Affin Hwang AM makes no expressed or implied warranty as to the accuracy and completeness of any such information and/or Opinions.

Affin Hwang AM is not acting as an advisor or agent to any person to whom this press release is directed. Such persons must make their own independent assessments of the contents of this press release, should not treat such content as advice relating to legal, accounting, taxation or investment matters and should consult their own advisers.

Nothing in this press release is intended to be, or should be construed as an offer to buy or sell, or invitation to subscribe for, any securities.

Neither Affin Hwang AM nor any of its directors, employees or representatives are to have any liability (including liability to any person by reason of negligence or negligent misstatement) from any statement, opinion, information or matter (expressed or implied) arising out of, contained in or derived from or any omission from this press release, except liability under statute that cannot be excluded.

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 9 January 2020 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.