

## Press Release

28 October 2015

**INVESTING IN VOLATILE MARKETS - AN OUTLOOK  
FOR THE FOURTH QUARTER 2015**

**KUALA LUMPUR** – Affin Hwang Asset Management Berhad (“Affin Hwang AM” or “the Company”) believes that while the global markets may remain volatile in the near future, pockets of opportunity will continue to present themselves. Despite the current economy slowdown, China remains one of the fastest growing economies globally. The Asian giant's economic growth remained in the spotlight of global economies as it plays the role of key trading partner to many economies. Affin Hwang AM believes that an annual growth rate of 6%-7% for China would likely be a more sustainable pace as the markets ease into a new normal. The Company expects the People's Bank of China to remain active in rolling out policy measures in a bid to spur its economy.

The anticipated rate hike by the US Federal Reserve continued to be what it has been - an anticipated move. Markets are again left guessing as to the timeline of the hike after the Federal Reserve kept US interest rates unchanged in September. While word on the street predicts a December hike, the US Federal Reserve may push the rate hike further back to March 2016. The timeframe of the hike remains unclear given the weak global growth environment and the Fed's next move are expected to be very much data dependent.

Closer to home, the domestic market remained under pressure amid weaker oil prices and on-going political noises. Affin Hwang AM expects Ringgit to remain weaker against the US Dollar in the near term, along with most emerging market currencies given investors' stronger inclination towards developed market assets. Nevertheless, the Company believes the domestic economy remains well supported given its current account surplus and manufacturing / export oriented economy. The tilt away from being oil dependent will likely provide Malaysia with a competitive edge against countries with higher reliance on oil

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exports. Teng Chee Wai, Managing Director of Affin Hwang AM said, “This is especially advantageous given our expectations that commodity prices will remain under pressure on the back of the current slow global growth environment which will be keeping demand weak. We expect oil prices to remain range bound, trading between USD45 and USD55 per barrel in the near term as production continues to be strong from oil producing countries.”

On the issue of investing for the Company’s portfolios, Teng said, “We have not wavered from our investment philosophy and continue to focus on fundamentally strong companies - a selection of investments made through a stringent investment selection process. The global market volatility will remain bumpy in the interim but we believe that there are opportunities to make money regardless of market condition. As such, we have positioned our portfolios to take part in thematic plays that are able to address the current market environment. Non-cyclical stocks such as healthcare remain a sector that our portfolios have continued to explore.”

He said that the Company remains adamant on not sacrificing on quality for shorter-term gains given its aim to provide investors with stable and consistent medium term growth. Portfolios will continue to be managed on an absolute return strategy - whereby the Company aim to provide positive gains on investments over a 3-year rolling period, irrespective of market performance.

Teng continued, “This is proven in our internally managed funds which provide positive returns over the longer-term investment horizon. Our funds such as the Affin Hwang Select Bond Fund, Affin Hwang Select Income Fund, Affin Hwang Select Dividend Fund, Affin Hwang Select Opportunity Fund, Affin Hwang Select Asia (ex Japan) Opportunity Fund and Affin Hwang Select Asia (ex Japan) Quantum Fund have been able to recover from the market pullbacks and continued its upward trajectory over the longer term over-coming various market cycles.”

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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 8 main sales offices located in Peninsular and East Malaysia. They are in Penang, Ipoh, Petaling Jaya, 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 a 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.

Since its inception in 2001, Affin Hwang AM has achieved an exponential growth in its total assets under management (AUM). As at 30 September 2015, the total AUM, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM 31.9 billion (combined AUM of Affin Hwang AM and its wholly-owned subsidiary, Asian Islamic Investment Management).

Affin Hwang AM's investment philosophy is premised on delivering absolute returns to investors over a 3 years rolling period.

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#### **Recent Awards:**

- 1. The Asset Triple A Asset Servicing, Investor and Fund Management Awards 2015** (*announced in May 2015*)
    - Long-only Equity Fund Manager of the Year - Small and Mid cap – Gan Eng Peng (*for Affin Hwang Select Asia (ex Japan) Quantum Fund*)
    - Long-only Fixed Income Fund Manager of the Year - Highly commended – Esther Teo (*for Affin Hwang Select Bond Fund*)
  - 2. AsianInvestor Asset Management Awards 2015** (*announced in April 2015*)
    - Fund House of the Year, Malaysia – Affin Hwang Asset Management Berhad
  - 3. EPF External Portfolio Managers** (*announced in April 2015*)
    - Best Domestic Equity Portfolio Manager Year 2014 – Second Place
  - 4. Morningstar Awards 2015 | Malaysia** (*announced in February 2015*)
    - Best MYR Allocation Fund - Affin Hwang Select Income Fund
  - 5. The Edge | Lipper Fund Awards 2015** (*announced in February 2015*)
    - Mixed Asset MYR Conservative, over 5 Years - Affin Hwang Select Income Fund
  - 6. Asia Asset Management 2014 Best of the Best Awards** (*announced in January 2015*)
    - Best Islamic Product, Malaysia - Asian Islamic Investment Management (*for Affin Hwang Aiiman Growth Fund*)
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### Warning Statement

A Product Highlights Sheet is available for Affin Hwang Select Bond Fund (SBoF), Affin Hwang Select Income Fund (SIF), Affin Hwang Select Dividend Fund (SDF), Affin Hwang Select Opportunity Fund (SOF), Affin Hwang Select Asia (ex Japan) Opportunity Fund (SAOF) and Affin Hwang Select Asia (ex Japan) Quantum Fund (SAQF), and investors have the right to request for a copy of it.

Investors are advised to read and understand the contents of the Product Highlights Sheet, Master Prospectus dated 18 July 2015 for SBoF, SIF, SOF, SAOF and SAQF, and Prospectus dated 28 March 2015 for SDF before investing. The Master Prospectus and Prospectus have been registered as well as the Product Highlights Sheet has been lodged with the Securities Commission Malaysia, who takes no responsibility for its contents. A copy of the Master Prospectus, Prospectus and Product Highlights Sheet can be obtained at Affin Hwang AM sales offices.

Units will only be issued upon receipt of an application form referred to in and accompanying the Master Prospectus, Prospectus and Product Highlights Sheet. 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.

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