

# AmlInvest Launches Global Small Cap Equity Fund

AmlInvest has introduced its Global Smaller Companies Fund (“Fund”), which offers investors potential capital growth over the long-term by investing in small companies listed globally (“small caps”). The Fund will feed into Janus Henderson Horizon Fund – Global Smaller Companies Fund (“Target Fund”). The Target Fund aims to identify good quality and potentially undervalued small cap stocks.

Commenting on the launch, Ms. Goh Wee Peng, Chief Executive of AmlInvest, said, “The Fund is a beneficiary of structural drivers that will continue to support global small cap growth. We have partnered with Henderson Global Investors Limited (Target Fund’s Investment Manager) which has an experienced team with regional specialists in the US, Europe, Singapore and Japan. Since its inception in August 2019 and until 30 November 2021, the Target Fund has delivered returns of 63.5%<sup>1</sup> which is 17.1% higher compared to its benchmark. This has translated to returns of 23.6% per year by the Target Fund.<sup>1”</sup>



**Ms. Goh Wee Peng**  
Chief Executive, AmlInvest

Returns from global small cap stocks have surpassed large cap stocks over the long-term<sup>2</sup> as they have higher growth and more opportunities for future growth and have outperformed large caps by over 220% over the last 24 years.<sup>2</sup> By their very nature, small caps are younger companies, which are generally early in their development. This means that small caps can grow by expanding geographically or into adjacent markets, and often operate in nascent industries that are already growing rapidly.

In addition, smaller companies are targets for mergers and acquisitions. In fact, 94% of all listed acquisitions involve a small cap being acquired.<sup>3</sup> In order to complete a takeover, the acquirer normally has to offer a valuation over and above where the share price has been trading. This premium has averaged between 21% and 40% in recent years.<sup>3</sup>

Thirdly, smaller companies generally have stronger balance sheets than their large cap peers, that is, they have less debt when compared to their earnings and more of them have higher levels of cash.<sup>4</sup> Strong balance sheets ensure these companies remain well placed to survive and emerge stronger from economic downturns such as that caused by the pandemic.

The Target Fund’s fundamental and value-biased screening tool seeks to add value through stock selection by identifying a narrow investible universe of around 100 to 200 quality stocks with growth potential.<sup>5</sup> The Target Fund’s risks are managed by diversifying exposures by geography and market sector.

The Fund’s base currency is United States Dollar (“USD”). It is being offered for subscription to sophisticated investors in USD and Ringgit Malaysia (“RM”) and in RM-Hedged classes at an initial offer price of USD1 and RM1 per unit respectively during the initial offer period until 30 January 2022.

AmlInvest is the funds management business under AmlInvestment Bank. For more details on the Fund’s features and risks, please refer to the AmlInvest Information Memorandum for Global Smaller Companies Fund dated 10 January 2022 via [aminvest.com](http://aminvest.com).

#### Notes and Sources:

<sup>1</sup> As at 30 November 2021. © 2021 Morningstar, Inc. All Rights Reserved. Performance is net of fees, with gross income reinvested. Based on A2 USD share class. Fund inception as at 6 August 2019. Benchmark is MSCI World Small Cap Index. Past performance is not indicative of future performance.

<sup>2</sup> Refinitiv Datastream, Price indices, Janus Henderson Investors Analysis, 31 July 2021. Note: Indices used: MSCI World Small Cap and MSCI World Large Cap. Past performance is not indicative of future performance.

<sup>3</sup> A “small cap” is defined as a stock with a market cap of less than \$5 billion. Bloomberg, Factset, J.P. Morgan calculations, Janus Henderson Investors Analysis, as at 31 December 2020. Past performance is not indicative of future performance.

<sup>4</sup> Bloomberg, Factset and J.P. Morgan calculations, Janus Henderson Investors Analysis, as at 31 July 2021

<sup>5</sup> Janus Henderson Investors

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