

2 April 2018

## **Two AmInvest Bond Funds Win Lipper Awards for Performance**

Two AmInvest bond funds received top honours for fund performance at The Edge | Thomson Reuters Lipper Fund Awards 2018 (“Lipper Awards”) held in Kuala Lumpur. AmInvest’s AmDynamic<sup>#</sup> Bond was awarded for providing consistently the best risk-adjusted returns compared with its peers under the Bond Malaysian Ringgit – Malaysia Provident 10-year category for the second consecutive year, whilst AmBond won in the Bond Malaysian Ringgit – Malaysia 3-year category.<sup>1</sup>

“Our stringent in-house credit processes and credit selection capabilities coupled with an experienced fixed income team, have been instrumental in adding value to these funds’ overall performance over time,” explained Mr. Fu Yew Sun, Chief Investment Officer of AmInvest.

AmDynamic<sup>#</sup> Bond has won 16 performance awards at the Lipper Awards in the last decade.<sup>2</sup> Since 2007, the fund has achieved an impressive total return of around 87%, beating its peers’ average return of about 51%.<sup>3</sup>

AmDynamic<sup>#</sup> Bond, which currently invests mainly in local bonds, is a unit trust fund eligible under the Employees Provident Fund Members’ Investment Scheme (EPF MIS). EPF MIS allows its members to transfer a portion of their savings from their Account 1 for investments through appointed fund management institutions as an option to enhance their retirement savings.

Launched in 2003, this in-house managed bond fund employs an active management investment strategy that seeks to capitalise returns based on market views and timing decisions as opposed to a buy-and-hold strategy. AmDynamic<sup>#</sup> Bond seeks to potentially optimise risk-adjusted returns for investors based on

amongst others interest rate expectations, currency movements and diversification opportunities through its exposure to both local as well as foreign bonds.

AmBond, launched in the year 2000,<sup>4</sup> is a medium to long-term bond fund that aims to provide investors with a stream of income.<sup>5</sup> The fund aims to meet this objective by investing primarily in local and foreign bonds. It is also an actively managed fund in which the frequency of its trading strategy depends on investment opportunities. To minimise portfolio risk, the fund invests in a range of carefully selected securities and sets strict limits on how much can be invested in an individual security and across sectors to ensure its investments are well diversified.

Over the last three years from December 2014, AmBond has registered a total return of around 14% versus its peers' average return of around 13% per annum throughout this period.<sup>6</sup>

Looking at the outlook of the bond market moving forward, Mr. Fu said, "We head into 2018 with a positive view as global growth continues to stay intact while inflation still looks benign. We see market drivers of 2017 such as the surge of domestic demand, oil price recovery and expectations for the Malaysian Ringgit to remain growth drivers this year. Despite a rate hike expectation, we still expect emerging market bonds including Malaysian bond prices to hold steady due to attractive yields and currency strength. From a risk perspective, our fund managers will be watching global inflation closely, as well as impacts from the recent trade measures implemented by President Trump."

#### **About AmInvest**

AmInvest is the brand for the funds management business of AmInvestment Bank Berhad which manages both conventional and Shariah-compliant funds. It is a multiple award-winning funds management house based in Malaysia with more than 35 years of investing experience. To date, AmInvest manages unit trust funds, wholesale funds, institutional mandates, Exchange Traded Funds (ETF) and Private Retirement Scheme (PRS) funds, encompassing both conventional and Shariah-compliant funds.

#### **Notes and Sources:**

# The word "Dynamic" in this context refers to the funds investment strategy which is active management, not a buy-and-hold strategy.

<sup>1</sup> The Edge | Thomson Reuters Lipper Malaysia Fund Awards 2018, February 2018. Period under review as at 31 December 2017.

<sup>2</sup> The Edge | Thomson Reuters Lipper Malaysia Fund Awards 2008 to 2018.

<sup>3</sup> Lipper for Investment Management by Lipper, a Thomson Reuters company for the period 31 December 2007 to 31 December 2017 and is based on total returns. Peers refer to funds in the Lipper Global Classification Category – Bond MYR, consisting 25 funds. Performance is shown in Malaysian Ringgit on a Net Asset Value (NAV) price basis with income distribution reinvested. Performance figures are calculated net of all fees, charges and expenses, except entry charge and exit penalty (if any). Past performance is not indicative of future performance. Data extracted 9 January 2018.

<sup>4</sup> Lipper for Investment Management by Lipper, a Thomson Reuters company. Data extracted 22 February 2018.

<sup>5</sup> The income could be in the form of units or cash.

<sup>6</sup> Lipper for Investment Management by Lipper, a Thomson Reuters company for the period 31 December 2014 to 31 December 2017 and is based on total returns. Peers refer to funds in the Lipper Global Classification Category – Bond MYR, consisting 45 funds. Performance is shown in Malaysian Ringgit on a Net Asset Value (NAV) price basis with income distribution reinvested. Performance figures are calculated net of all fees, charges and expenses, except entry charge and exit penalty (if any). Past performance is not indicative of future performance. Data extracted 22 February 2018.

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