

# Affin Hwang **World Series - America Equity** Fund

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Out **think**. Out **perform**.



**AFFIN HWANG**  
**CAPITAL**  
Asset Management



# Why invest in the US market now?



## Economy

### The economy is getting out of a recession

- US GDP growth is anticipated to have a recovery in 2021 as a result of the amount of fiscal and monetary stimulus provided.



## Consumers

### US consumer receives strong assistance from the government

- The CARES Act\* seeks to provide assistance to those most in need including cheques to most Americans as well as a strong boost to unemployment assistance.



## Earnings

### US earnings expectations look promising for 2021

- Research analysts currently expect earnings growth for 2021 of +26% and +15% for 2022, based on the S&P 500.



## Valuations

### The market looks attractive relative to bonds

- Given the sharp negative earnings revisions, the market trades at 22x forward earnings for the S&P 500 Index.
- At current levels, the market trades above the long-term average, however still at a discount versus US Treasuries.

Source: J.P. Morgan Asset Management. \*Coronavirus Aid, Relief, and Economic Security Act. Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

## Why JPMorgan Funds – America Equity Fund (“Target Fund”)?

A flexible bottom-up approach to find the best quality growth and value ideas

Value Philosophy: focus on durable franchises with *strong cash flows*

- Durable franchise
- Strong cash flows
- Undervalued companies

JPMorgan Funds –  
America Equity Fund

Growth: focus on durable franchises with leading market share positions

- Large addressable markets
- Sustainable competitive advantages
- Strong management teams

# OUR INVESTMENT STRATEGY

Affin Hwang World Series – America Equity Fund invests

**Minimum 80% of the Fund's NAV**  
in the Target Fund, JP Morgan America Equity Fund

## Expertise

Seasoned portfolio management team across value and growth

- Jonathan Simon (41 years of experience) on the value side and Timothy Parton (35 years of experience) on the growth side.
- Leveraging the fundamental insights from a team of over 30 career research analysts.

## Portfolio

Narrowing a large universe of stocks into a portfolio of high conviction companies

- Fundamental bottom-up approach to stock selection that is not benchmark driven.
- Concentrated portfolio of 20 – 40 stocks, durable franchises with strong cash flows (value) or strong growth rates (growth).

Idea  
Generation



- Source the best ideas from the Growth and Value research teams
- Run proprietary quantitative screens on Russell 1000 Growth and Value
- Company meetings
- Industry conferences

Fundamental  
Analysis



- Growth:
  - Size the market opportunity
  - Analyse competitive dynamics
  - Validate investment thesis
- Value:
  - High quality durable franchises
  - Management team with ability to execute
  - Trading at a discount to fair value

Portfolio  
Construction



- Bottom-up, fundamental process
- Concentrated portfolio of 20-40 stocks
- Position sizes determined by conviction level:
  - Quality of the business
  - Risk/reward
  - Diversification impact on portfolio
- Sector constraint: +/-15%
- Single stock constraint: +/-7.5%
- Capital allocation tilt: +/-10%

**Maximum 20% of the Fund's NAV**  
in money market instruments, deposits and/or cash

## Fund Facts

Fund Category / Type	Feeder (Wholesale) / Growth	
Investment Objective	The Fund seeks to achieve capital appreciation over the long term period.	
Investment Strategy	The Fund will be investing a minimum of 80% of the Fund's NAV in the Target Fund and a maximum of 20% of the Fund's NAV in money market instruments, deposits and/or cash. The Fund may also have the flexibility to invest in non-US related money market instruments, deposits and/or cash.	
Asset Allocation	<ul style="list-style-type: none"> <li>Target Fund: Minimum 80% of the Fund's NAV</li> <li>Money market instruments, deposits and/or cash: Maximum of 20% of the Fund's NAV</li> </ul>	
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.	
Benchmark	S&P 500 Index	
Minimum Investment	<p><b><u>USD Class</u></b></p> <p>Initial: USD 5,000 Additional: USD 1,000</p> <p><b><u>SGD Hedged-class</u></b></p> <p>Initial: SGD 5,000 Additional: SGD 1,000</p>	<p><b><u>MYR Hedged-class</u></b></p> <p>Initial: MYR 5,000 Additional: MYR 1,000</p> <p><b><u>AUD Hedged-class</u></b></p> <p>Initial: AUD 5,000 Additional: AUD 1,000</p>
Trustee	TMF Trustees Malaysia Berhad	

### WARNING STATEMENT

A copy of the Information Memorandum ("Info Memo") and Product Highlights Sheet ("PHS") can be obtained at Affin Hwang Asset Management's sales offices or at [www.affinhwangam.com](http://www.affinhwangam.com). Investors are advised to read and understand the contents of Affin Hwang World Series - America Equity Fund's (or the "Fund") Info Memo dated 19 May 2021 and the corresponding PHS before investing. There are fees and charges involved when investing in the Fund stated herein. Investors are advised to consider and compare the fees and charges as well as the risks carefully before investing. Investors should make their own assessment of the risks involved in investing and should seek professional advice, where necessary. The price of units and distribution payable, if any, may go down as well as up and the past performance of the Fund should not be taken as indicative of its future performance. The Securities Commission Malaysia has not reviewed this marketing/promotional material and takes no responsibility for the contents of this marketing/promotional material and expressly disclaims all liability, however arising from this marketing/promotional material.

## #GrowWithUs

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For more information on the fund, scan the QR code below.



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