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For immediate release

EASTSPRING INVESTMENTS BERHAD CELEBRATES ANOTHER YEAR OF STRONG PERFORMANCE WITH A TOTAL OF 14 AWARDS AT THE EDGE | THOMSON REUTERS LIPPER MALAYSIA FUND AWARDS 2018

26 March 2018, Kuala Lumpur – Eastspring Investments Berhad (“Eastspring”) today took home a total of 14 awards at The Edge | Thomson Reuters Lipper Malaysia Fund Award 2018¹

Eight (8) of Eastspring’s equity, fixed income, balanced and mixed asset funds were accorded “best performing” in their respective Lipper categories.

“These awards are a celebration of the trust our investors have placed in us and testament to our consistency in bringing potential value to our investors growth and income needs.

Our fund managers attribute excellent performance despite volatile markets to team strategy and investment philosophy. When it comes to striving for success, we will always endeavor to be one step ahead.” says Raymond Tang, Chief Executive Officer

Rudie Chan, Chief Investment Officer said, “The year 2017 was an outstanding one for equity markets. Risk assets from almost everywhere returned gains not seen in a decade. Developed markets did well but emerging markets performed even better. Asia was clearly the biggest winner within emerging markets, as the MSCI Asia Pacific Index rose by more than 40% in 2017.”

These stellar returns in equities and stock markets around the world happened on the back of synchronised global growth across all regions. We believe that the positive momentum in the equity markets will likely be carried into 2018 as the macroeconomic backdrop remains strong, corporates and consumers are in a healthy state and valuations, especially for Asia, remains undemanding.

The Malaysian stock market, in particular, had a very good year with the KLCI rising by 9.5% in 2017. In USD terms, this return is easily doubled as the Ringgit appreciated and regained some of its lost value lost over the years. The mid-cap segment had an even larger gain with the FBM Mid 70 Index rising by 23.4%.

In 2018, there are many reasons to remain positive on the outlook for the Malaysian market. GDP growth will continue to be robust driven by strong external trade, rising commodity prices, and higher fiscal spending. Domestic consumption too is likely to be one of the main growth engines.

“The Malaysian Ringgit, despite the recent strengthening, remains very undervalued and this will continue to attract foreign fund flows into the market. Malaysia is still very much under owned by international investors despite the net foreign inflow we saw in 2017.” said Rudie.

¹ The Edge | Thomson Reuters Lipper Malaysia Fund Awards 2018, announced on 26 March 2018. Past performance of the funds/Eastspring is not indicative of future performance.

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Domestic liquidity, meantime, remains abundant to support the local market. Corporate earnings growth will continue to resume its uptrend in 2018 after some years of negative growth. The strong macroeconomic figures will translate into a stronger earnings cycle in a more profound manner. Sectors like the banking and infrastructure will lead the way. Certain cost factors and structural changes, however, may limit the expansion of the corporate earnings as compared to previous years. Corporate balance sheets, nevertheless, are generally in a very healthy state and we expect private capital expenditure to be robust as a whole.

Interest rate policy by Bank Negara will likely be accommodative throughout the year. The 25 basis point rate hike in the Overnight Policy Rate (“OPR”) in January 2018 was widely anticipated due to the hawkish tone coming from the central bank in the weeks prior. The possibility of another hike this year is higher if global interest rates continue its uptrend and economic growth remains strong. The domestic fixed income markets will continue to deliver stable returns.

The country’s economic health overall is in its best shape in recent years and the investment climate remains favourable. Together with stronger fundamentals, sentiment will also remain buoyant with the impending general election in 2018. Although volatility has been a key feature to the strong start that we have seen in the markets, we continue to believe that 2018 will be a fruitful one for investors.

End

ABOUT EASTSPRING INVESTMENTS

Eastspring Investments is a leading asset manager in Asia that manages over US\$170 billion assets on behalf of institutional and retail clients as at 30 June 2017. Operating in Asia since 1994 in 10 major markets plus offices in North America and Europe. Eastspring Investments is the Asian asset management business of Prudential plc, one of the world’s largest financial services companies.

ABOUT EASTSPRING INVESTMENTS BERHAD

Established in 2000 and based in Kuala Lumpur, Eastspring Investments Berhad is one of the leading asset management companies in Malaysia in both institutional and retail, with over RM40 billion in assets under management in the country as at 30 June 2017. It manages unit trust funds, wholesale funds as well as private mandates.

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