

PRESS RELEASE

For immediate release

TA Investment Declares Distribution for TA Dana Afif

Kuala Lumpur, 4th September 2019 - TA Investment Management Berhad (“TAIM”) has declared a gross income distribution of 1.0 sen per unit for TA Dana Afif (“TADA”) to the registered unit holders of the Fund as at 30th August 2019.

The Malaysian Government Securities (“MGS”) bond yields compressed between 30 to 70 basis points (“bps”) year-to-date (“YTD”) as dampening global growth and rising trade tensions drove funds to the bond market. This is despite Financial Times Stock Exchange (“FTSE”) Russell announcing that Malaysia had been placed on a watch list for potential disqualification from its World Global Bond Index in April 2019. The next review is due in September 2019, where a potential decision would be made. Bank Negara Malaysia (“BNM”) decided to reduce the Overnight Policy Rate (“OPR”) by 25 bps to 3.00% from 3.25%, amid considerable downside risks to global growth in May 2019. The OPR cut was intended to preserve a suitable degree of monetary accommodation given some signs of tightening of domestic financial conditions. BNM’s Gross Domestic Product (“GDP”) growth projection for Malaysia in 2019 remained between 4.3% to 4.8% and retained its previous position that headline inflation for 2019 is expected to be broadly stable compared to 2018, averaging between 0.7% and 1.7%.

The Federal Reserve (Fed) heeded the market’s call to lower interest rates, reducing its federal funds target rate range by 25 basis points (bps) between 2.00% to 2.25%. The reasons cited were “muted inflationary pressures” and “implications of global developments”. The latest reading of the Federal Reserve’s (Fed) preferred inflation measure, the core personal consumption expenditures (PCE) index, was 1.6% in June 2019, a fair amount below the Fed’s 2% target due to the global economic slowdown.

We continue to see more downside risks given the increasing fear of a global economic slowdown, the escalating trade war, and increased monetary easing by central banks moving forward. Volatility in the financial markets will remain high, driving further demand for safe haven assets. As such, we expect strong demand in the bond market. There is still room for bond yields to decrease further on the back of potentially further OPR cuts by BNM if the Fed reduces interest rates further, and if Malaysia’s economy slows down more than expected. As such, we maintain our duration call at 6 to 7 years while remaining invested in liquid papers, with 25% to 35% targeted allocations in government and government guaranteed papers.

TA Dana Afif aims to provide regular income* while maintaining capital stability** over the Medium to Long Term by investing in sukuk portfolio.

** Income could be in the form of Units or cash.*

*** This is not a capital protected/guaranteed fund and the returns are not guaranteed.*

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For media queries, please contact:

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Profile of TA Investment Management Berhad

TA Investment Management Berhad (TAIM), a subsidiary of TA Securities Holdings Berhad (TASH) was incorporated on 17 April 1995 and commenced operations on 1 July 1996. As at 30th June 2019, TAIM has total assets of RM2.43 billion, being a combination of unit trust funds and direct mandate portfolios under its management.

TAIM has more than twenty (20) years of experience in managing unit trust funds with a total of twenty-eight (28) funds currently under its management, of which nine (9) are Shariah-compliant funds and nineteen (19) are conventional funds. Its investment portfolio comprises a wide spectrum of funds ranging from low to high risk and caters to the different financial needs and objectives of investors.

TAIM funds are invested in both the local and international markets by an experienced investment team. These unit trust funds are distributed directly to customers as well as through appointed Institutional Unit Trust Advisers (IUTAs) and authorised consultants.

For more information, please call 1-800-38-7147 or visit our website at www.tainvest.com.my.

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