

FUND OBJECTIVE

A total return fund that seeks to capture the high growth of developing companies within the Asia (ex-Japan) region.

FUND DETAILS

Launch Date	20 May 2014	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	12.89 million units (30 June 2020)	Fund Size	RM17.60 million (30 June 2020)
Unit NAV	RM1.3657 (30 June 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Affin Hwang Asset Management Berhad	Target Fund	Affin Hwang Select Asia (ex Japan) Quantum Fund
Benchmark	MSCI AC Asia (ex-Japan) Small Cap Index	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> ▪ Have a medium to long term investment horizon ▪ Are risk tolerance ▪ Are seeking higher returns for their investments compared to the performance benchmark 	Fees	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Asia (ex Japan) Quantum Fund ▪ Up to 1.5% p.a. fund management charge is applied on the target fund's NAV by Affin Hwang Asset Management Berhad

ASSET ALLOCATION OF THE TARGET FUND

Equities	Cash
Minimum 70%; Max 100%	Remaining Balance

SECTOR ALLOCATION OF THE TARGET FUND

Financials	24.60%
Consumer Goods	21.10%
Health Care	19.40%
Technology	19.20%
Industrials	5.40%
Basic Materials	4.10%
Consumer Services	4.10%
Cash & Cash Equivalents	2.01%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

Universal Vision Biotechnology	8.00%
Guan Chong Bhd	7.70%
CMGE Technology Group Ltd	7.10%
Weimob Inc	6.50%
Hygeia Healthcare Holdings Co	5.40%
Pentamaster International Ltd	5.40%
Allianz Malaysia Berhad	4.30%
Greotech Technology Bhd	4.30%
A-Living Services Co Ltd	4.30%
AEM Holdings Ltd	4.10%
Total	57.10%

PERFORMANCE RECORD

The Fund feeds into Affin Hwang Select Asia (ex Japan) Quantum Fund (“target fund”) with the objective to achieve consistent capital appreciation over medium to long-term by investing mainly in growth companies in Asia (ex Japan) with market capitalization of not more than USD1.5 billion at the time of acquisition, subject to the flexibility of investing up to 30% of the Net Asset Value (NAV) of the Fund in companies in Asia (ex Japan) with market capitalization of not more than USD3.0 billion at the time of acquisition.

Table below shows the investment returns of Sun Life Malaysia Select Asia (ex Japan) Quantum Fund versus its benchmark as at 30 June 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	10.95	7.05	10.95	16.78	-3.93	29.25	36.57
Benchmark	-3.14	6.51	-3.14	-4.01	-13.22	-6.05	15.59

* Calculation of past performance is based on NAV-to-NAV

Notice: Past performance of the fund is not an indication of its future performance which may differ. The fund performance is not guaranteed.

FUND MANAGER'S COMMENTS

- Global markets treaded cautiously on the back of second wave fears which sparked renewed concerns over the possibility of lockdowns being imposed again. The S&P 500 index was barely unchanged at 0.9% in June.
- In Asia, the broader MSCI Asia ex-Japan index closed 6.2% higher, while the Hong Kong Hang Seng Index rose 6.5%, amidst escalating tensions between the US and China.
- In China, economic activity steadied in June. Manufacturing PMI stood at 50.9 in June and non-manufacturing PMI at 54.4, up from 53.6 in May. This marked the fastest growth since November 2019.
- The local market ended on a softer note with the benchmark KLCI up 1.9% in June. Profit taking activities dragged down local equities, while retail investors continue to push up the daily trading volume to record highs.
- **STRATEGY:** The fund deployed some of its cash holdings in June, bringing invested levels to 97%.
- The fund is still overweight equities in the Hong Kong/China region as economic indicators are improving. Markets are now experiencing an optimistic V-shaped recovery as sentiments begin to improve.
- Key transactions in the month included adding some positions into the healthcare and technology space given its potential for significant growth and resiliency.

RISKS

All investment carries some form of risks. The potential key risks include but are not limited to the following:

Market risk	<p>Market risk is the risk of negative movement that affects the price of all assets in a particular capital market. The factors influencing the performance of the markets include:</p> <ul style="list-style-type: none"> • Economic and financial market conditions • Political change • Broad investor sentiment • Movements in interest rate and inflation • Currency risks <p>Stock values fluctuate in response to the activities and performance of individual companies and general market or economic conditions. Such movements in the underlying values of the share of the investment portfolio will cause the NAV or prices of units to fall as well as rise. Market risk is mitigated through careful selection of securities and diversification through spreading of risk across a basket of assets and/or sectors.</p>
Security risk	<p>Security risk applies to individual companies or securities. Examples include the possible effect on a company of losing a key executive or the unforeseen entry of a new competitor into the market. The risk is mitigated by the fund manager's periodic research and analysis on all the underlying securities held by the fund.</p>
Foreign currency risk	<p>This risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian based investors should be aware that if the RM appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the NAV of the Fund and vice versa. Investors should note that any gains or losses arising from the movement of the foreign currencies against its home currency may therefore increase/decrease the capital gains of the investment. Nevertheless, investors should realize that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The risk is mitigated through a combination of exposure in Asia ex Japan equities.</p>
Credit risk	<p>The risk of loss of principal or loss of a financial reward stemming from counterparty's failure to repay a loan or otherwise meet a contractual obligation. This risk is primarily applicable to the liquid assets of this fund. Credit risk is mitigated by fund manager's periodic reviews and analysis.</p>
Country risk	<p>A fund investing in foreign countries may be affected by risks specific to the countries in which it invests. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the prices of the Fund's investment in that country and consequently may also affect the fund's NAV and its growth. To mitigate this risk, the fund manager will diversify securities investment that spread across various countries.</p>

Source : Affin Hwang Asset Management Berhad
 Date : 30 June 2020

Disclaimer:

The benchmark performance is not a guide to future performances which may differ. The performance of the fund is not guaranteed. The value of the fund will fluctuate and may fall below the amount of premiums paid and the fund value depends on the actual performance of the underlying investment. This material is for information purposes only and is subject to change at any time without notice. Sun Life Malaysia does not guarantee its accuracy, completeness, correctness or timeliness for any purpose or reason. This information should not be considered as advice or recommendation in relation to your account or particular investment objectives, financial situation or needs. You may not revise, transform, or build upon this material without prior written consent of Sun Life Malaysia. Before acting on any information you should seek independent financial advice. Sun Life Malaysia may suspend the unit pricing and defer the payment of benefits, other than death and total and permanent disability benefits, subscription or redemption of units, switching of funds, under this contract for a reasonable period in exceptional circumstances, such as and including intervening events resulting in temporary closure of any stock exchange.