

### 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 | 13.43 million units<br>(31 July 2019)   | Fund Size    | RM15.73 million<br>(31 July 2019)  |
| Unit NAV             | RM1.1714<br>(31 July 2019)  | Dealing      | Daily<br>(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"> <li>▪ Have a medium to long term investment horizon</li> <li>▪ Are risk tolerance</li> <li>▪ Are seeking higher returns for their investments compared to the performance benchmark</li> </ul> | Fees         | <ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Asia (ex Japan) Quantum Fund</li> <li>▪ Up to 1.5% p.a. fund management charge is applied on the target fund's NAV by Affin Hwang Asset Management Berhad</li> </ul> |

### ASSET ALLOCATION OF THE TARGET FUND

| Equities              | Cash              |
|-----------------------|-------------------|
| Minimum 70%; Max 100% | Remaining Balance |

#### SECTOR ALLOCATION OF THE TARGET FUND

|                         |               |
|-------------------------|---------------|
| Financials              | 34.20%        |
| Consumer Services       | 13.30%        |
| Consumer Goods          | 12.60%        |
| Technology              | 10.90%        |
| Basic Materials         | 8.80%         |
| Industrials             | 8.40%         |
| Oil & Gas               | 2.80%         |
| Telecommunications      | 2.40%         |
| Health Care             | 1.40%         |
| Cash & Cash Equivalents | 5.10%         |
| <b>Total</b>            | <b>100.0%</b> |

#### TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

|                                |               |
|--------------------------------|---------------|
| Guan Chong Bhd                 | 6.90%         |
| Weimob Inc                     | 4.90%         |
| Huifu Payment Ltd              | 4.40%         |
| Zhejiang New Century Hotel Mgt | 4.30%         |
| Value Partners Group Ltd       | 4.00%         |
| CapitaLand Retail China Trust  | 3.90%         |
| Allianz Malaysia Berhad        | 3.80%         |
| SKP Resources Bhd              | 3.70%         |
| ESR-REIT                       | 3.30%         |
| Astro Malaysia Holdings Bhd    | 3.20%         |
| <b>Total</b>                   | <b>42.40%</b> |

#### 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 31 July 2019:

| %                | YTD   | 1M    | 3M    | 6M    | 1-Year | 3-Year | Since Inception |
|------------------|-------|-------|-------|-------|--------|--------|-----------------|
| <b>Fund*</b>     | 11.69 | 0.16  | -1.93 | 5.40  | -2.24  | 1.07   | 17.14           |
| <b>Benchmark</b> | 0.38  | -3.87 | -7.06 | -2.52 | -11.41 | 1.55   | 15.82           |

\* 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

- Asian markets retreated as trade tensions flared up again after a surprise tariff announcement from US President Donald Trump. The Hong Kong Hang Seng Index fell 2.7%, whilst the broader MSCI Asia ex-Japan Index closed 2.2% lower.
- The re-escalation in trade tensions sent the Chinese Yuan tumbling which broke past the key 7 per US dollar threshold. This created a knock-on effect that weakened other emerging-market currencies including the Ringgit which are closely correlated to the Yuan.
- Ending the month, the US Federal Reserve ("Fed") reduced interest rates by 25bps; effectively lowering the benchmark rate to a new range of 2.00%-2.25%.
- On the domestic front, the local market tracked regional losses with the benchmark KLCI closing 2.2% lower as the US-China trade dispute re-escalates following Trump's abrupt tweet.
- **STRATEGY:** The fund remains highly invested at 95% as at end of the month. The fund increased exposure into the HK-China market by adding 5% of Chinese SaaS companies. The exposure in REITS was reduced to 18%.
- The US Federal Reserve has cut interest rate by 25bps as per market's expectation which benefits the emerging markets. However, the forward guidance on further interest rate cut during a midcycle remains unclear.
- With the escalating US-China trade war and the prolonged protests in Hong Kong which have caused a disruption in general businesses, the fund remains cautious due to geopolitical fragility in the world which may raise recession risk.

Source : Affin Hwang Asset Management Berhad  
Date : 31 July 2019

#### 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.