

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	14.501 million units (31 May 2018)	Fund Size	RM17.913 million (31 May 2018)
Unit NAV	RM1.2354 (31 May 2018)	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	Management Fee: 1.500% p.a.

ASSET ALLOCATION OF THE TARGET FUND

Equities	Cash
Minimum 75%; Max 99.80%	Remaining Balance

SECTOR ALLOCATION OF THE TARGET FUND

Financials	30.8%
Technology	15.4%
Oil & Gas	12.9%
Basic Materials	7.4%
Health Care	6.6%
Consumer Services	6.2%
Utilities	3.6%
Industrials	3.2%
Consumer Goods	0.8%
Cash & Cash Equivalents	13.1%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

MNRB Hldgs Bhd	5.5%
China Aviation Oil Sg Corp Ltd	5.3%
China Overseas Prop Hldgs Ltd	4.2%
Allianz Malaysia Bhd	4.1%
Accton Technology Corp	4.0%
Sinopec Kantons Hldgs Ltd	3.8%
ELP Corp	3.7%
CITIC Envirotech Ltd	3.6%
Nasmedia Co Ltd	3.2%
KPJ Healthcare Bhd	2.9%

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 25% 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 May 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-6.8	0.2	-6.2	-7.3	-12.0	13.8	23.5
Benchmark	-3.0	1.0	-0.2	-1.6	4.6	9.1	37.9

* 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

- Markets were volatile amidst an uncertain US-North Korea summit, constantly changing rhetoric on trade, US sanctions on Iran and political overhang in Europe.
- US 10 year treasury yields fell below 2.9% after moving beyond the 3.1% levels earlier in the month, while USD and Yen rallied as investors seek safe heaven assets.
- EM markets also saw a sell off during the month, pushed by better economic data from the US, the USD strength, and high oil prices.
- While global funds are still underweight on Asia, bottom up fundamentals are still healthy with earnings growth at 9.4%.
- The risk off sentiment brought equity indexes lower, with the broader MSCI Asia ex Japan Index closing down at -1.63% while the Hang Seng Index finished lower at -1.10%.
- The Indonesian JCI index rebounded during the month as the central bank raised interest rates by 25bps twice in just 2 weeks in an attempt to arrest the depreciating Rupiah.
- Our exposures in Taiwan have been the key outperformers so far, as the Taiwan Stock Exchange Weighted Index moved up 2.2% YTD.

FUND MANAGER'S COMMENTS (CONTINUED)

- The Fund recorded a gain of 0.17% in the month of May, while its benchmark index rose 1.01% over the same period.
- **STRATEGY:** We expect market volatility to continue in the near term as uncertainties prevail.
- We continue to believe that broader economic fundamentals remain robust and there are still opportunities in the market to participate in.
- Crude oil price came under pressure as OPEC considered increasing supply. We took some profit from oil proxies benefiting from higher oil prices as part of a tactical play to lock-in gains.
- We remain positive on China, Hong Kong, Taiwan and Korea as more resilient markets that are largely export-driven with large current account surpluses that would ensure a more stable currency.
- We remain invested in the tech space, focusing exposure on specific sub-segments of the tech sector that is seeing strong demand.
- We still hold 15% - 20% cash levels, while looking for opportunities in good bottom up ideas at attractive levels amidst the volatility.

*Source : Affin Hwang Asset Management Berhad
Date : 12 June 2018*

Disclaimer:

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