

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	14.387 million units (29 June 2018)	Fund Size	RM17.221 million (29 June 2018)
Unit NAV	RM1.1970 (29 June 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	32.9%
Technology	14.1%
Oil & Gas	13.1%
Industrials	5.9%
Health Care	5.9%
Basic Materials	4.7%
Consumer Services	4.5%
Utilities	3.0%
Cash & Cash Equivalents	15.9%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

MNRB Hldgs Bhd	5.7%
China Aviation Oil Sg Corp Ltd	5.2%
Accton Technology Corp	5.1%
Allianz Malaysia Bhd	3.8%
KPJ Healthcare Bhd	3.7%
Sinopec Kantons Hldgs Ltd	3.6%
Nasmedia Co. Ltd	3.2%
ELP Corp	3.0%
CITIC Envirotech Ltd	3.0%
Manulife US REIT	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 29 June 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-9.7	-3.1	-4.0	-9.7	-15.8	13.3	19.7
Benchmark	-8.6	-5.8	-3.2	-8.6	-2.0	6.1	29.9

* 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 continued to be affected by trade tensions as the US announced a wide range of tariffs on major economies, with retaliatory actions also seen.
- The US Federal Reserves hiked rates by another 25bps in a widely expected move, and also signaled a possible faster pace of rate increase.
- The EM sell-off continued in June with EM currencies weakening and stock markets falling further. Countries with strong current account surplus were not spared.
- The MSCI Asia ex-Japan index closed down 5.20% with Chinese stocks, particularly the A-shares, leading the fall.
- Earnings growth of Asian Corporates dipped from 15% at the start of the year to 12-13% currently. Post-results season, there were more downgrades compared to upgrades.
- Valuations for Asia ex-Japan equities has eased, now trading at 11.7x forward P/E, below its long-term average of 12.3x.
- The Fund slid 3.1% lower in the month of June, while its benchmark index slid 5.8% lower over the same period.

FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** We expect the volatility in the market to continue amidst trade tension and outflows from Emerging Markets.
- We believe that Asian EM is in better shape than their global peers with the exception of Indonesia, India and the Philippines.
- Sentiments and valuations are no longer at elevated levels. We will wait for currencies to stabilize, monitor global trade developments and closely watch policy moves in China.
- While valuations have come off, we are still seeing some headwinds and are hence staying defensive. Cash levels will be raised to around 30%-40%.
- We will continue to look for opportunities to pick up high quality stocks that had been beaten down, particularly names which are less directly impacted from trade tariffs.

Source : Affin Hwang Asset Management Berhad
Date : 29 June 2018

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.