

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	14.045 million units (31 October 2018)	Fund Size	RM15.160 million (31 October 2018)
Unit NAV	RM1.0794 (31 October 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	<p>Suitable for investors:</p> <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 75%; Max 99.80%	Remaining Balance

SECTOR ALLOCATION OF THE TARGET FUND

Financials	20.5%
Oil & Gas	10.6%
Basic Materials	8.6%
Consumer Goods	7.3%
Health Care	4.7%
Consumer Services	4.2%
Utilities	1.7%
Industrials	0.9%
Cash & Cash Equivalents	41.6%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

KPJ Healthcare Berhad	4.7%
China Aviation Oil Sg Corp Ltd	4.5%
ATA IMS Bhd	4.0%
Sinopec Kantons Holdings Ltd	3.9%
Aeon Credit Service M Bhd	3.5%
YTL Hospitality REIT	3.2%
CapitaLand Retail China Trust	3.1%
Allianz Malaysia Berhad	2.5%
Regis Resources Ltd	2.5%
Eastern Oriental Bhd	2.4%

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 October 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-18.6	-6.2	-9.9	-12.5	-21.8	1.1	7.9
Benchmark	-21.3	-11.1	-13.9	-18.0	-20.9	-8.4	12.0

* 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

- Regional markets were softer in October, dragged by a rout in the US stock market, a stronger USD, a spike in US Treasury yields, and the lingering US-China disputes.
- The MSCI AC Asia (ex-Japan) Small Cap Index was hard hit in October, down by 12.1% in local currency terms.
- Impact from the US-China tariff implementation had begun to show, as Chinese imports to the US fell by 31%.
- The 10-Year US Treasury yield climbed to the 3.14% level, which led to a global sell-off, including in Asia.
- Chinese stock markets were moderately down following a softer than expected GDP of 6.5% while the broader MCSI Asia ex Japan Index was down 10.9% over the month.
- Foreign outflows continue to be seen regionally in October, as net outflows from Emerging Asia ex China ex-Malaysia saw net selling of USD15.9 bil in October.

FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** Emerging Asia remains challenging given growth differential with the US, slowing growth in China, potential additional tariffs and high oil prices.
- While EM equities are still soft, EM currencies and bonds have stabilized towards the end of the month suggesting less rapid financial deterioration than expected.
- We sold down some tech and hardware related names amidst a more difficult operating environment and due to recent news of a chip hacking scandal.
- Valuations in the regional markets now look attractive, though there are still expectations of earnings growth downgrades.
- Capital protection takes precedence as we look to remain defensive in the current risk off environment, with cash holdings kept relatively high at the 30-40% level.

Source : *Affin Hwang Asset Management Berhad*
Date : *31 October 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.