

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	14.578 million units (30 August 2018)	Fund Size	RM17.089 million (30 August 2018)
Unit NAV	RM1.1722 (30 August 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	30.2%
Oil & Gas	11.7%
Basic Materials	8.5%
Consumer Services	5.1%
Industrials	5.1%
Consumer Goods	4.8%
Healthcare	4.4%
Technology	3.9%
Utilities	3.3%
Cash & Cash Equivalents	23.1%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

China Aviation Oil Sg Corp Ltd	6.1%
KPJ Healthcare Bhd	4.3%
Sinopec Kantons Holdings Ltd	3.7%
Value Partners Group Ltd	3.7%
A-Living Services Group Ltd	3.4%
Allianz Malaysia Berhad	3.4%
ATA IMS Bhd	3.4%
CITIC Envirotech Ltd	3.3%
Manulife US REIT	3.2%
Frasers Logistic & Indus Trust	3.1%

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 30 August 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-11.6	-2.2	-5.1	-11.0	-14.6	16.4	17.2
Benchmark	-8.2	0.4	-5.2	-5.4	-3.9	16.6	30.8

* 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 stayed volatile in August as economic turmoil in Turkey and Argentina unfold, on top of headwinds from trades and potential strain in relationship between US and China.
- Economic growth for Malaysia in the 2Q'18 came in at 4.5%, which was below consensus estimates of 5.0% due to supply disruptions according to BNM.
- The current account surplus also narrowed sharply to RM3.9 billion in 2Q'18 from RM15 billion in the prior quarter.
- The local markets were mixed with the KLCI up by 1.98% in August, while the small cap index was down by 2.17% after a strong rebound in July.
- A tepid reporting season did little to provide an uplift for markets, with less than 10.0% of firms reporting earnings that surprised on the upside for 2Q'18.
- Banking sector was the only one that broadly met expectations, due to lower provisions and cost-cutting measures.
- The Fund recorded a loss of 2.2% in the month of August, while its benchmark index rose 0.4% over the same period.

FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** We expect volatility in the market to continue amidst the continued trade tensions and developments and renewed uncertainties from Emerging Markets.
- The absence of any growth policies suggests some more short-term pain for investors, although more clarity can be gleaned from Budget 2019 in November.
- Ripple effects from the economic crisis in Turkey may impact IHH Healthcare Berhad and Malaysia Airports Holding Berhad who have business operations in the region.
- We see a growing disconnect between the strong broad market outperformance and individual fundamentals that has deteriorated.
- On portfolio positioning, we remain cautious and prudent in our stock selection given demanding valuations and high volatility, with cash level around 20-30%.

Source : *Affin Hwang Asset Management Berhad*
Date : *30 August 2018*

Disclaimer:

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