

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	13.931 million units (30 November 2018)	Fund Size	RM15.066 million (30 November 2018)
Unit NAV	RM 1.0814 (30 November 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 70%; Max 100%	Remaining Balance

SECTOR ALLOCATION OF THE TARGET FUND

Financials	21.1%
Basic Materials	12.2%
Oil & Gas	9.6%
Consumer Goods	9.0%
Health Care	4.8%
Consumer Services	4.5%
Utilities	1.6%
Industrials	0.9%
Cash & Cash Equivalents	36.2%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

KPJ Healthcare Berhad	4.8%
ATA IMS Bhd	4.5%
Sinopec Kantons Holdings Ltd	4.0%
Aeon Credit Service M Bhd	3.6%
China Aviation Oil Sg Corp Ltd	3.5%
CapitaLand Retail China Trust	3.2%
YTL Hospitality REIT	3.1%
Guan Chong Bhd	3.1%
Value Partners Group Ltd	3.0%
Lynas Corp Ltd	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 30 November 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-18.4%%	0.20%	-7.70%	-12.50%	-18.80%	0.90%	8.10%
Benchmark	-16.66%	5.84%	-9.39%	-14.09%	-15.43%	-0.12%	18.50%

***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 pared some losses from the previous month ahead of trade talks between the US and China, lower oil prices, and increased fiscal and monetary stimulus in China.
- Crude oil prices saw a sharp decline in November due to supply side pressures, with Brent prices falling close to the USD50 level towards month end.
- The global earnings revision ratio declined from 0.72 to 0.59 in November, hitting a 3-year low. In Asia ex-Japan, the downgrade cuts deeper with earnings revision ratio falling to 0.46 which is a 6-year low for the region.
- A wider divergence was seen between China's A-share and H-share market amidst expectations of further earnings downgrade. A P/E multiple derating contributed to the bulk of the sell off this year as investors pared down expectations.
- South Korea's November exports grew by 4.5% yoy amid a slowdown in sales to China, the nation's biggest trading partner.
- Supported by easing policies, Chinese equities led regional market gains, bringing the MSCI Asia ex Japan Index up 5.3% in November.

FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** An absence of further trade noise in the coming months, a potentially softer USD and further loosening measures in China could provide stability for regional markets over the next few months.
- However, we are still mindful of lingering risks, including the continued earnings downgrades, potentially temporary US-China trade truce, and slower growth expectations for 2019.
- The US Federal Reserve remain on course for a December rate hike, though the market is currently pricing in less increases in 2019 than what had been guided by the Fed.
- We are looking to add selectively to North Asia, particularly to companies which could benefit from the easing of trade tensions between the US and China.
- We have also added a Chinese property management company and a Hong Kong based asset management company, which could be less volatile compared to larger cap names amid macro uncertainties.
- Nonetheless, we are not overly optimistic on prevailing market condition as the relief rally on the back of trade truce may be short-lived.
- As such, we maintain our cautious stance with cash holdings still relatively high at around 35%, while remaining selective on stock selection.

Source : *Affin Hwang Asset Management Berhad*
Date : *30 November 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.