

### 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	14.161 million units (28 September 2018)	Fund Size	RM16.296 million (28 September 2018)
Unit NAV	RM1.1507 (28 September 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"> <li>Have a medium to long term investment horizon</li> <li>Are risk tolerance</li> <li>Are seeking higher returns for their investments compared to the performance benchmark</li> </ul>	Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Asia (ex Japan) Quantum Fund</li> <li>Up to 1.5% p.a. fund management charge is applied on the target fund's NAV by Affin Hwang Asset Management Berhad</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Equities	Cash
Minimum 75%; Max 99.80%	Remaining Balance

### SECTOR ALLOCATION OF THE TARGET FUND

Financials	31.0%
Oil & Gas	13.0%
Basic Materials	9.0%
Consumer Goods	5.7%
Consumer Services	4.9%
Industrials	4.5%
Health Care	4.5%
Utilities	3.3%
Technology	2.3%
Cash & Cash Equivalents	21.8%
Total	100.0%

### TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

China Aviation Oil Sg Corp Ltd	6.0%
KPJ Healthcare Bhd	4.5%
Value Partners Group Ltd	4.4%
Sinopec Kantons Holdings Ltd	4.1%
A-Living Services Group Co Ltd	3.7%
ATA IMS Bhd	3.7%
Aeon Credit Service M Bhd	3.5%
CITIC Envirotech Ltd	3.3%
Frasers Logistics & Indus Trust	3.2%
Manulife US REIT	3.2%

## 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 28 September 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	-13.2	-1.8	-3.9	-7.7	-15.0	9.5	15.1
<b>Benchmark</b>	-11.4	-3.7	-3.0	-6.2	-6.6	7.2	26.0

\* 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

- Markets were mixed in September as a somewhat positive outcome than market expectation on tariff rates were countered by political and financial uncertainties across Europe and Asia.
- In a widely anticipated move, the US Fed announced for another 25 basis point rate hike following the FOMC meeting on Wednesday, bringing the US benchmark rate to 2.00-2.25%.
- US announced 10% duties on USD200 billion worth of Chinese imports, which was met by retaliation from China by imposing tariffs on USD60 billion worth of US goods between 5% to 10%.
- Beijing unveiled stimulus measures to cut average tariff rates on imports from its other trading partners in an attempt to cushion the blow from its trade conflict with the US.
- Sentiment soured in China's property sector which saw cooldown in terms of property sales, while Indian equities sold-off following shocking defaults by its quasi-government entity.
- Small cap markets were under pressure in September, with MSCI AC Asia (ex-Japan) Small Cap Index down by 4.15% in the month, while the domestic benchmark, FBM Small Cap Index was down by 0.60%.
- The Fund recorded a loss of 1.8% in the month of September, while its benchmark index fell to 3.7% over the same period.

#### FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** We expect markets to stay volatile as binary outcomes concerning trade and diverging economic strength with a tightening rate cycle embarked by the US Federal Reserve and broad dollar strength that will continue put pressure on Emerging Markets.
- With trade tariffs kicking-in this month, investors will be closely monitoring data on how tariffs will impact real economic figures and if we see a slowdown in consumption.
- Equity markets had appeared oversold and already due for a correction rebound from a technical standpoint. However, a lackluster reporting season with analyst's projected further room for earnings downgrade may cast an uncertain outlook over markets.
- With foreign investors having largely exited the market, there is also limited downside with less selling pressure exerted on the local bourse. However, we see a growing disconnect between the strong broad market outperformance and individual fundamentals that has deteriorated.
- On portfolio positioning, gradual adjustments in portfolio holdings were made, as we maintain a constructive long-term view on the stock holdings, and we are comfortable with current cash level between 20% to 25%.
- We have gradually increased our exposure in Hong Kong and China on a selective basis, mainly by increasing the exposures of our existing holdings.

Source : *Affin Hwang Asset Management Berhad*

Date : *28 September 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.