Fundsupermart.com Recommended Unit Trusts Awards 2018/19

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Fundsupermart.com
Recommended Unit Trusts Awards 2018/19

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Core Equity - Global Emerging Markets	Eastspring Investments Global Emerging Markets Fund	Eastspring Investments Berhad
Core Equity - Asia ex-Japan	CIMB-Principal Asia Pacific Dynamic Income Fund	CIMB-Principal Asset Management Berhad
Core Equity - Asia ex-Japan	Affin Hwang Select Asia (ex Japan) Opportunity Fund	Affin Hwang Asset Management Berhad
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Balanced - Malaysia	Affin Hwang Select Balanced Fund	Affin Hwang Asset Management Berhad
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Wong Weiyi, General Manager, Fundsupermart Malaysia

Dear readers,

The year has turned out to be more tumultuous than expected, contrasted sharply with the great performance of capital markets in 2017. Many equity markets registered record highs in January 2018 but failed to attain greater heights since then. The normalisation of monetary policy in the US which led to increased interest rates, the ongoing Sino-US trade tensions, and more recently, the developing political crisis in Italy, have also tampered down investor sentiment.

At home, we have witnessed a change of government, without a corresponding social upheaval or riots, something all Malaysians should be proud of. The new government wasted no time in laying out the tremendous debt that Malaysia bears and their plans to cut down on fiscal spending, starting with the mega-infrastructure projects, with repercussions for the construction sector.

On the other hand, the zero-rating of good and services tax (GST) and reintroduction of fuel subsidies were cheered upon by investors and boosted values of consumer stocks on the expected increase of disposable income.

The market crash scenario posited by market experts following a change of government did not take place although companies linked to the previous government did experience significant sell-off. Foreign investors have also been selling out of Malaysia but this has been a region-wide trend across Asia, and is not solely a domestic issue.

After a rocky first half, investors should not expect smoother sailing for the rest of 2018. General elections are taking place in key emerging economies such as Brazil, Mexico and others which will likely contribute to more volatility. In the developed markets, equity indices are trading at premiums compared to their historical averages despite recent dips in equity markets making them susceptible to pullbacks if earnings growth rates fail to match expectations.

In such trying periods, perhaps we should sit back and let the fund managers do the tough job of selecting companies best suited to ride through the storm.

In this collaboration with *Smart Investor*, we are pleased to announce a list of 37 recommended unit trusts which we think will best help investors take advantage of the uncertainties in the market now. This list of recommended unit trusts, as usual, has been carefully curated by our research team. They represent the best of unit trusts in their respective categories, having exhibited exemplary track records and strong resilience during market downturns, all for a reasonable expense ratio.

Lastly, this is the 10th year that Fundsupermart.com is in business in Malaysia. Looking back, the journey to reshape unit trust distribution in Malaysia has been challenging but certainly also very rewarding. We are grateful to investors who have been using our platform and provided us with constructive feedback as well as referrals. After this significant milestone, we continue to look forward to providing the investors with profitable investment ideas for many years to come.

PAVING THE PATH TO GREATNESS

Having clocked 10 years since its inception, Fundsupermart Malaysia's Wong Weiyi shares with Smart Investor the journey and challenges to take Malaysia's unit trust industry to greater heights.

By **Bernie Yeo**

Congratulations to Fundsupermart (FSM) Malaysia for achieving its 10-year milestone! A decade on from its inception in 2008, it has become obvious that Fundsupermart Malaysia has grown in leaps and bounds to become the online investment platform of choice for the country's unit trust industry.

FSM Malaysia owes its origin to the bold direction of its Singapore-based parent company iFAST Corporation Ltd (iFAST Corp) which is listed on the Mainboard of the Singapore Exchange. Having built the company in Singapore from scratch, the vision was to embark on regional expansion.

Today, in addition to Singapore and Malaysia, iFAST Corp has a presence in Hong Kong, China and India as well. "The idea for FSM Malaysia started from wanting to make a positive difference in an investor's life," Wong Weiyi, General Manager of FSM Malaysia, tells Smart Investor. "Back when we were planning to launch Fundsupermart in Malaysia, easily-accessible research into unit trusts was a rare commodity."

"As a new entrant in the market, we turned things around with our value proposition: we were clear from day one that we must provide a new alternative to investors, one that focuses on the availability of extensive research for all investors," he further recalls.

Back in the day when the Malaysian arm of FSM was first introduced, the name "Fundsupermart" was very much unknown to the local investor community.

But over time, its penchant for quality research, as well as a competitive and transparent pricing structure have proven to be breaths of fresh air for the investor community. This later led to a powerful word-of-mouth effect among investors, and the rest, as they say, is history.

FUNDSUPERMART.COM RECOMMENDED UNIT TRUSTS AWARDS: A BRIEF INTRODUCTION

"The Fundsupermart.com Recommended Unit Trusts Awards was started back in 2009 in an in-house magazine format that was sent to investors and placed on shelves in bookstores for others to purchase. In 2014, we then opted for an online model and collaborated with other magazines.

"The award has always been a tradition in the different countries that we operate in, and it is meant to recognise fund houses and fund managers who did a good job in creating wealth for their clients. As we provide additional coverage for the Recommended Unit Trusts, most of our clients refer to our Recommended Unit Trusts list when they invest via our platform.

"As a result, this provides a natural incentive for fund managers to try their best in achieving a place on the Recommended Unit Trusts list." – Wong Weiyi, General Manager, FSM Malaysia.

Revolutionary effect

Sailing through various economic booms and hardships – locally, regionally and globally – is no easy task, and nobody knows this better than FSM Malaysia. Through the years, the company's biggest achievement, Wong opines, would have to be empowering more than 20,000 investors (and counting) to take financial planning into their own hands.

FSM Malaysia leverages a Do-It-Yourself model whereby investors make informed decisions by choosing the unit trusts that best suit them. This is different from the traditional method where investors rely on advice rendered by agents.

"Our research content and various educational seminars have helped to inspire investors' confidence," Wong points out. "Nonetheless, for investors who still prefer advice, they can always contact our salaried Client Investment Specialists for independent guidance."

Needless to say, FSM Malaysia has played an important part in revolutionising the country's unit trust industry, specifically in lowering the cost of investing in unit trusts in Malaysia.

> "WE WERE CLEAR FROM DAY ONE THAT WE MUST PROVIDE A NEW ALTERNATIVE TO INVESTORS, ONE THAT FOCUSES ON THE AVAILABILITY OF EXTENSIVE RESEARCH FOR ALL INVESTORS."

According to Wong, today's consumers are very cost-conscious and would not hesitate to compare the cost of sales imposed by various channels, which ultimately leads to healthy competition vis-à-vis the lowering of costs incurred in unit trust investing as a whole.

FSM Malaysia has also played a part in educating investors about investing in unit trusts. This comes in the form of the company's flagship "What and Where to Invest?" event at the start of the year. This year's event attracted a record turnout of about 1,200 participants who listened to nine fund managers addressing the 2018 investment outlook on different asset classes and investment regions.

Wong went on to note that FSM Malaysia has also made an effort to reach out to female investors who would typically shy away from all things investment-related. In 2015, for instance, the company collaborated with the Financial Planning Association of Malaysia (FPAM) to organise a women-only workshop called "Financial Empowerment – Time to Take Charge, Ladies!"

This tradition continued with a similar workshop in 2016, while in May 2017, FSM Malaysia staged a talk by experienced female professionals on cancer awareness.

Achieving greater heights

As part of its mission to spur Malaysia's unit trust industry to greater heights, various initiatives have been rolled out by FSM Malaysia, among which is the revamping of its website to make it more user-friendly.

"Gone are the days when businesses used websites to share information and promote their products," reckons Wong. "These days, businesses use websites to promote the ultimate customer experience. In order to give your customers the best experience, you will need to make your website as engaging as possible."

Apart from revamping its website, FSM Malaysia also aims to add service offices across Malaysia. "Although FSM is an online model, its geographical reach in Malaysia is wide, thus we understand that Malaysian investors would still like to see a physical office before placing their trust in us," adds Wong.

In the meantime, FSM Malaysia also launched a discretionary portfolio management service last year to cater to investors who prefer to have someone to manage their unit trust investments rather than doing it themselves – a move that Wong believes will help appeal to the demographic of investors who have yet to get on board their platform.

The road ahead

Having experienced a steady pace of growth over the past decade, FSM Malaysia expects the Malaysian unit trust industry to continue to expand in tandem as well.

As of end-April 2018, Malaysia has 36 unit trust management companies, according to the Securities Commission Malaysia. The total number of unit trusts is 654 – a number that is made up of 428 conventional unit trusts and 226 Shariah-compliant unit trusts, the total net asset value (NAV) stands at RM442.45 billion, which represents 23.35% to Bursa Malaysia's total market capitalisation.

The recent surge in technology adoption, for one, has helped to increase the financial literacy of Malaysians, which has in turn spurred demand for investment and savings vehicles such as unit trust products. Additionally, FSM Malaysia has provided a leading platform for investors to compare unit trusts across the industry while enjoying thorough transparency in terms of operations and costing structure.

> "THE RECENT SURGE IN TECHNOLOGY ADOPTION, FOR ONE, HAS HELPED TO INCREASE THE FINANCIAL LITERACY OF MALAYSIANS, WHICH HAS IN TURN SPURRED DEMAND FOR INVESTMENT AND SAVINGS VEHICLES SUCH AS UNIT TRUST PRODUCTS."

Despite its growth, however, the penetration rate still serves as a major challenge for the unit trust industry. This can be improved through education and awareness campaigns, Wong discloses.

In terms of the general outlook on Malaysia's unit trust or mutual fund market in the short-, medium- and long-term, Wong reveals that there have been an increasing number of partnerships between local unit trust management companies (UTMCs) and global asset managers to incorporate foreign unit trusts that are managed by the latter.

The main objective of these initiatives, he explains, is to fill in the product 'gaps' within the industry given that it still lacks diversity and availability in terms of both asset classes and geographical reach when it comes to foreign spaces.

In this regard, local UTMCs see increasing potential for the unit trust industry, particularly as investors become increasingly aware of the benefits of diversification, and seek out for products that are able to fill the gaps in their investment portfolio.

"In the medium- to long-term, we think that the unit trust industry will continue to grow healthily on the back of increasing demand from local investors given the numerous benefits associated with unit trust products," observes Wong. "Costs of investment are also expected to decline eventually." SI

METHODOLOGY

The Fundsupermart.com Recommended Unit Trusts Awards winners' selection process has both quantitative and qualitative criteria. In terms of quantitative criteria, they consider past performance, expense ratio and the resiliency of the funds. The weightage factors differ according to different asset classes (equity funds versus balanced funds versus bond funds). Qualitative criteria, meanwhile, assess consistency in investment approach, as well as the stability of the investment team, among other areas.

For more information about the methodology of the awards, visit https://www.fundsupermart.com.my/main/research/recommendedFundsNew.svdo?sectormaincode=All.

Fundsupermart.com Recommended Unit Trusts Awards 2018/19

RECOMMENDED IN 2018 | 2017 | 2016

Aberdeen Islamic World Equity Fund

Core Equity - Global (Islamic)

FUNDSUPERMART'S COMMENTS

Aberdeen Islamic World Equity Fund has been our Recommended Unit Trust under Core Equity - Global (Islamic) category since 2016/17. This year, the fund has made a return to the Recommended Unit Trusts list for 2018/19 because of its continued strong performance. Based on our methodology which assesses the fund's performance (60% weighting), risk and expense ratio (20% weighting each), the fund outperformed its only peer - AmOasis Global Islamic Equity.

From a performance perspective, the fund has consistently delivered higher returns as compared to its only peer over the past five years, on a cumulative return basis. On a calendar year return basis, the fund outperformed its peer in 2016 as well as 2017 and also managed to deliver comparable returns to its peer in 2014 and 2015 respectively. However, the fund has recorded a higher annual expense ratio than its peer and weaker resilience during market downturns as it posted higher downside deviation (8.1%) and maximum drawdown (-13.6%) than that of its peer (8.0% downside deviation and -9.9% maximum drawdown) over the past three years.

Aberdeen Global Equity team employs a team-based approach to investment management and as such, there are no key decision makers, lead portfolio managers and back-up managers to the fund. Each and every team member have a say in the day to day operations and management of the fund. Aberdeen believes that having such an approach to management would eliminate key-man risk from having a star fund manager managing the portfolio. In terms of investment strategy, the investment team follows a bottom-up process based on a disciplined evaluation of companies through direct visits. The major source of alpha is from stock selection, which is backed by meetings with the listed companies' management team together with careful evaluation on the quality aspects of the company.

The fund's broad geographical allocation which invests in more than 10 countries, allows investors to attain a degree of diversification while tapping into investment opportunities across the globe. Hence, we advise investors to consider including this fund in their core portfolio. While the fund is denominated in RM, there is foreign currency exposure as the underlying securities that the fund invests are quoted in their respective local currencies. However, currency risks are likely to be mitigated due to the diversified nature of the fund.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

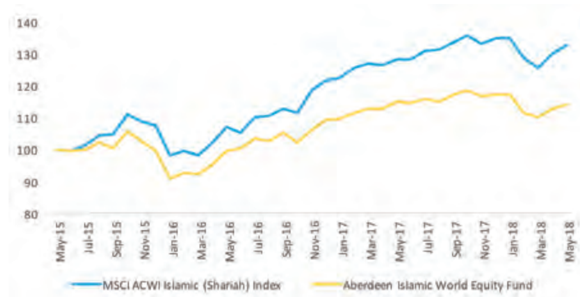
Fund Manager: Aberdeen Global Equity Team

Fund Size (as at end-April 2018): RM258.90 million

Fundsupermart Risk Classification: 7-Moderately Higher Risk

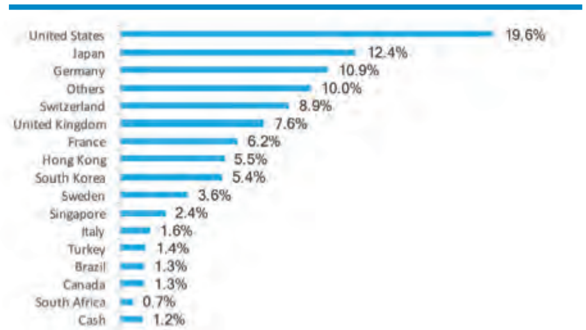
Source: Fundsupermart and Aberdeen Islamic Asset Management Sdn Bhd

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and Aberdeen Islamic Asset Management Sdn Bhd
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

COUNTRY ALLOCATION AS AT END APRIL 2018



Source: Aberdeen Islamic Asset Management Sdn Bhd

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	-	8.3%	6.1%	9.5%	7.4%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	1.4%	2.5%	-2.3%	-0.5%	14.2%
Annualised Return	N/A	N/A	N/A	-0.5%	4.5%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

RECOMMENDED IN 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012

Affin Hwang Select Balanced Fund

Balanced - Malaysia

FUNDSUPERMART'S COMMENTS

We recommend Affin Hwang Select Balanced Fund because of its above average past performance, strong resilience and low expense ratio. Based on our methodology which assesses the fund's performance (60% weighting), risk and expense ratio (20% weighting each), the fund scored high, ranking first among twelve funds under the Balanced - Malaysia category.

From a performance perspective, the fund posted an above average return on a cumulative basis and also in terms of calendar year returns. Besides that, the fund also exhibited strong resilience as compared to its peers during market corrections, posting maximum drawdown of -4.8% over the past three years and 2.6% downside volatility as compared to the peers' average of -10.8% (maximum drawdown) and 6.7% (downside volatility) respectively, allowing the fund to rank first within the risk criterion. In terms of expense ratio, the fund's annual expense ratio was one of the lowest among its peers.

The fund is actively managed with a focus on securities selection. The fund manager also consistently assesses the changing macro environment. He believes that managing tail risk for fixed income investments is the central of their philosophy. As such, they are proud to say that they have had no defaults in any of the fixed income portfolios they managed since inception. Over the past one year (April 2017 - April 2018), the fund recorded a handsome return of 7.5%, beating the benchmark of 4.0%. Moving forward, the fund manager will employ a similar strategy in managing the fund. At this juncture, the fund manager is favouring the banking sector and infrastructure sector. He remains optimistic in the local market given that the fundamentals are still relatively supportive. Besides Malaysia, the fund continues to invest into the Greater China market.

Investors who are seeking for meaningful long-term returns should consider including this fund in their portfolio given its strong resilience and low expense ratio. There is little to no currency risk as the fund is invested mainly in Malaysia capital markets. However, investors should be aware of the risk of being overly concentrated in home country investments.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

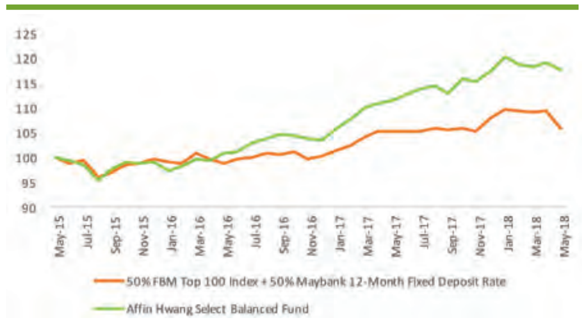
Fund Managers: Ooi Phee Lip and Angie Tan

Fund Size (as at end-April 2018): RM273.7 million

Fundsupermart Risk Classification: 5-Moderate Risk

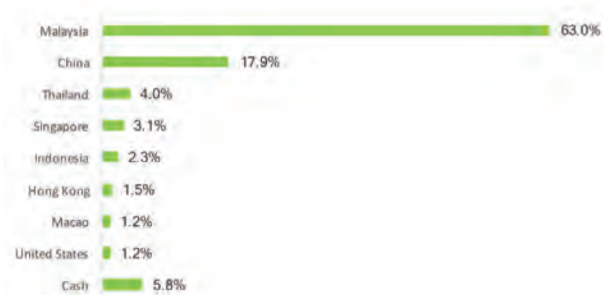
Source: Fundsupermart and Affin Hwang Asset Management Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and Affin Hwang Asset Management Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

COUNTRY ALLOCATION AS AT END APRIL 2018



Source: Affin Hwang Asset Management Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	11.1%	0.2%	4.3%	4.4%	13.6%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	-1.1%	-1.0%	2.1%	5.7%	17.7%
Annualised Return	N/A	N/A	N/A	5.7%	5.6%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

RECOMMENDED IN 2018 | 2017 | 2016 | 2015 | 2014

AmIncome Plus
Fixed Income - Malaysia (Short Duration)

FUNDSUPERMART'S COMMENTS

Based on our methodology which assesses the fund's overall ranking based on performance (40% weighting), risk and expense ratio (30% weighting each), we recommend AmIncome Plus for the Fixed Income - Malaysia (Short Duration) category because of it strong resilience and low expense ratio.

From a performance perspective, the fund underperformed its only peer, namely AMB Income Trust Fund. However, the fund exhibited strong resilience as compared to its peer during market corrections, posting maximum drawdown of -0.5% over the past three years and 0% downside deviation, allowing the fund to rank first within the risk criterion. In terms of expense ratio, the fund's annual expense ratio was lower than its only peer.

The fund adopts a top down approach which invests primarily in a portfolio of short- to medium-term fixed income instruments (average duration of not more than 2 years). In terms of investment strategy, the primary focus of the fund will be on relative valuation and volatility management. The fund managers will also take into consideration the relative yields between securities when they are seeking for opportunities.

As at end-April 2018, the fund recorded a yield of 4.46% and an average duration of 1.48 years, with AA-rated fixed income securities accounting for 75.22% of the fund's total net asset value. In addition to that, the fund has maintained some level of cash to take advantage of periodic market volatility and to ensure that there is sufficient liquidity for potential withdrawals. Investors' exposure to duration risk is largely reduced with the fund's low average portfolio duration and its emphasis on short- to medium-term fixed income securities. Going forward, the fund managers believe that the government securities are likely to lead the rally should the US Federal Reserve not hike policy rate as aggressive as expected.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

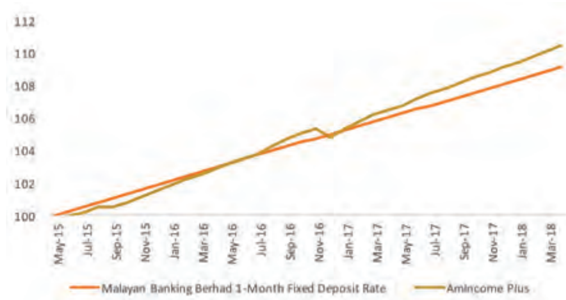
Fund Manager: Kho Hock Khoon

Fund Size (as at end-April 2018): RM442.09 million

Fundsupermart Risk Classification: 1- Lower Risk

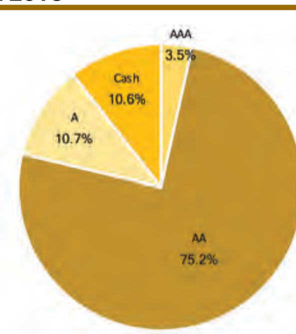
Source: Fundsupermart and AmFunds Management Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and AmFunds Management Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

CREDIT RATING COMPOSITION AS AT END APRIL 2018



Source: AmFunds Management Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	2.7%	3.2%	3.4%	3.4%	3.9%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	0.2%	0.7%	1.7%	3.5%	10.9%
Annualised Return	N/A	N/A	N/A	3.5%	3.5%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

Note: The word "Dynamic" in this context refers to the Fund's investment strategy which is active management, not buy-and-hold strategy.

AmInvest

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Growing Your Investments in a Changing World

Fundsupermart.com Recommended Unit Trusts Awards 2018/19

RECOMMENDED IN 2018 | 2017 | 2016 | 2015

CIMB-Principal Asia Pacific Dynamic Income Fund

Core Equity - Asia ex-Japan

FUNDSUPERMART'S COMMENTS

CIMB-Principal Asia Pacific Dynamic Income Fund has made it into our Recommended Unit Trusts list yet again, as the fund continues to deliver outstanding performance. Based on our methodology which assesses the fund's overall ranking based on performance (60% weighting), risk and expense ratio (20% weighting each), the fund ranked first out of fourteen funds under the Core Equity - Asia ex-Japan category.

From a performance perspective, taking into account both cumulative and calendar year returns, the fund ranked second under the performance criterion amongst its peers. In terms of risk, the fund has posted a slightly higher downside deviation but lower maximum drawdown over the past three years against its peer average. Apart from that, the fund's annual expense ratio is lower than its peer average of 2.02%.

With regards to its investment objective, the investment team strives to deliver consistent risk-adjusted returns over a rolling 3-year period from its portfolio to investors. The investment process is fundamental-based and bottom-up driven, and the investment team is constantly on the hunt for companies that offer attractive yields, sustainable dividend payments and exhibit above average growth potentials than its industry or the overall market. The fund is invested primarily in big and mid cap stocks, while allocation to small cap stocks is for the purpose of alpha generation. With regards to its portfolio allocation, the fund is benchmark agnostic and adopts an absolute return strategy. On average, the fund holds about 40-60 stocks.

The fund manager believes that Asia's surging middle class and strong productivity trends are signals of good structural growth for the foreseeable future. In addition to that, the rapid urbanization in Asian countries also means that the overall gross domestic product per capita in the region would grow much faster than in many other parts in the world. As such, the fund manager continues to hold a long-term positive view in sectors such as consumer, financial services, payment processing, education and healthcare delivery.

The fund's broad geographical allocation allows investors to tap into investment opportunities that resides within the Asia ex-Japan region while achieving the purpose of diversification. Together with its consistent performance track record, we advise investors to consider including this fund as part of their core portfolio. Though the fund is denominated in RM, there is foreign currency exposure as the underlying securities are quoted in their respective local currencies.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

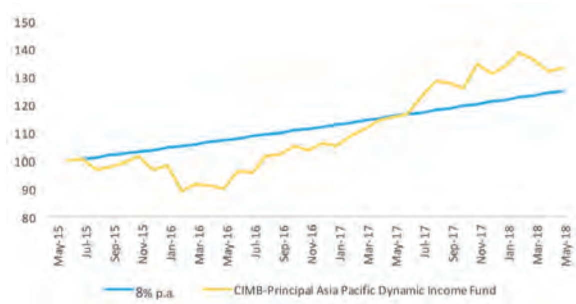
Fund Manager: Roslin Zhu

Fund Size (as at end-April 2018): RM3.51 billion

Fundsupermart Risk Classification: 8-High Risk

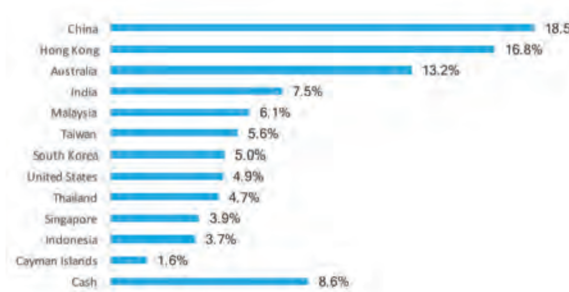
Source: Fundsupermart and CIMB-Principal Asset Management Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and CIMB-Principal Asset Management Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

COUNTRY ALLOCATION AS AT END APRIL 2018



Source: CIMB-Principal Asset Management Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	20.6%	18.6%	8.9%	6.8%	27.5%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	0.5%	-1.9%	2.1%	14.6%	33.7%
Annualised Return	N/A	N/A	N/A	14.6%	10.2%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

CIMB-PRINCIPAL ASSET MANAGEMENT

Unconventional expertise, proven results.

At CIMB-Principal, our performance is driven by a combination of experience and innovation. Backed by deep market insights and progressive strategies, you can trust our award-winning team to deliver value to your investments time and again. Make that investment call with confidence and let us get you there.

FORWARD Your Investments

To find out more about our credentials and offerings, visit www.**cimb-principal.com.my** or call **+603-7718 3100.**

CIMB-Principal Asset Management Berhad (304078-K)

DISCLAIMER: We recommend that you read and understand the contents of the Master Prospectus Issue dated 30 June 2017, Master Prospectus (Shariah-compliant Funds) Issue dated 30 June 2017, Prospectus Issue No. M2 for the **CIMB-Principal Global Titans Fund** dated 25 January 2017, Prospectus Issue No. M3 for the **CIMB-Principal Asia Pacific Dynamic Income Fund** dated 31 May 2017 and First Replacement Disclosure Document for the **CIMB-Principal PRS Plus** ("Scheme") dated 31 July 2014 (collectively known as Prospectuses) which have been duly registered with the Securities Commission Malaysia before investing and that you keep the said Prospectuses for your record. Any issue of units to which the Prospectuses relate will only be made upon receipt of the completed application form referred to in and accompanying the Prospectuses, subject to the terms and conditions therein. Investments in the **CIMB-Principal Global Titans Fund** are exposed to stock specific risk, country risk, currency risk, fund manager's risk and credit and default risk. Investments in the **CIMB-Principal Asia Pacific Dynamic** Income Fund are exposed to stock specific risk, country risk, liquidity risk, currency risk, credit and default risk, interest rate risk and risk of investing in emerging markets. Investments in the **CIMB Islamic Asia Pacific Equity** Fund are exposed to stock specific risk, country risk, currency risk, risks associated with investment in warrants and/or options and credit and default risk. Investments in the **CIMB-Principal Greater China Equity Fund** are exposed to fund manager's risk, currency risk, credit and default risk, stock specific risk, country risk, liquidity risk and counterparty risk. Investments in the **CIMB-Principal PRS Plus Conservative** are exposed to stock specific risk, credit (default) and counterparty risk and interest rate risk. Investments in the **CIMB-Principal PRS Plus Growth** are exposed to stock specific risk, credit (default) and counterparty risk, interest rate risk, country risk, currency risk and risks associated with investment in warrants/options. You can obtain copies of the Prospectuses from the head office of CIMB-Principal Asset Management Berhad or from any of our approved distributors. Product Highlight Sheet ("PHS") is available and investors have the right to request for a PHS; and the PHS and any other product disclosure document should be read and understood before making any investment decision. There are fees and charges involved in investing in the funds. We suggest that you consider these fees and charges carefully prior to making an investment. Unit prices and income distributions, if any, may fall or rise. Past performance is not reflective of future performance and income distributions are not guaranteed. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in Malaysian ringgit will remain unchanged after the distribution of the additional units. You are also advised to read and understand the contents of the Financing for Investment in Unit Trust Disclosure Statement/ Unit Trust Loan Financing Risk Disclosure Statement before deciding to obtain financing/ borrow to purchase units.

Fundsupermart.com Recommended Unit Trusts Awards 2018/19

RECOMMENDED IN 2018 | 2017 | 2016 | 2015 | 2014

Eastspring Investments Equity Income Fund

Core Equity - Malaysia

FUNDSUPERMART'S COMMENTS

We recommend Eastspring Investments Equity Income Fund because of its decent performance and high resilience. Based on our methodology which assesses the fund's overall ranking based on performance (60% weighting), risk and expense ratio (20% weighting each), the fund ranked first out of thirty-four funds under the Core Equity - Malaysia category.

From a performance perspective, the fund ranked second amongst its peers, helped by its consistent performance history over the past five years. The investment team has also portrayed commendable efforts in managing its portfolio's downside risks, as the fund recorded a significantly lower downside volatility compared to that of its peers. The fund's maximum drawdown over the past three years was the third lowest as well. The fund's annual expense ratio was also lower than its peer average.

The fund's basis of portfolio allocation is bottom-up approach. The portfolio construction process gives no consideration to benchmark weighting. Stock selection remains as a primary focus of the fund and the investment team employs a rigorous valuation approach to determine intrinsic value. The investment team also places emphasis on the long-term drivers of value of the companies it follows, as well as the relevant potential earnings catalyst that could drive valuations further. The fund is more value oriented with focus on companies with strong cash flow generating capability and currently holds around forty stocks.

The fund rode out recent market volatilities by increasing its exposures to the consumer sector and selective REITs in order to generate better risk-adjusted returns. The fund manager is currently overweight on the consumer sector as consumers' disposable income is expected to improve after the implementation of zero-rated GST. Besides that, the fund manager is in favour of industrial product sector, particularly the gloves manufacturing firms as the industry is seeing utilization rate of their plants moving up on the back on increasing global demand for gloves moving forward.

Investors who are looking to invest in Malaysian equity funds can consider including this fund into their portfolio because of its outstanding historical performance and high resilience during market downturns. There is little to no currency risk as the fund is invested wholly in Malaysian equities. However, investors should be aware of the risk of being overly concentrated in home country investments.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

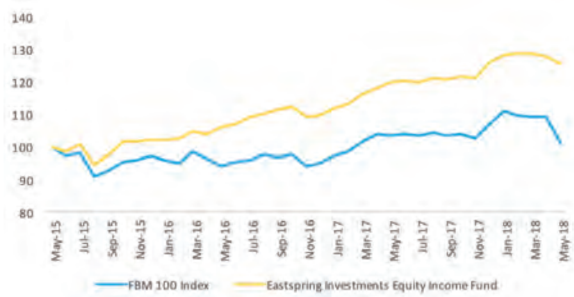
Fund Manager: Moey Su-En

Fund Size (as at end-April 2018): RM308.14 million

Fundsupermart Risk Classification: 8-High Risk

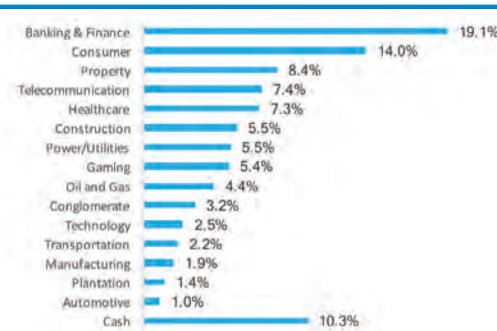
Source: Fundsupermart and Eastspring Investments Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and Eastspring Investments Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

SECTOR ALLOCATION AS AT END MAY 2018



Source: Eastspring Investments Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	20.1%	2.9%	6.4%	7.5%	14.9%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	-1.5%	-2.4%	3.8%	5.2%	25.8%
Annualised Return	N/A	N/A	N/A	5.2%	8.0%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

RECOMMENDED IN 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010

Kenanga Growth Fund

Core Equity - Malaysia

FUNDSUPERMART'S COMMENTS

Since 2010/2011, Kenanga Growth Fund has been featured on our list of Recommended Unit Trusts under the Core Equity - Malaysia category. This year, the fund continued to hold its position in the Recommended Unit Trusts list due to its good historical track record. Based on our methodology which determines the fund's overall ranking by assessing its performance (60% weighting), risk and expense ratio (20% weighting each), the fund once again topped the list, ranking second out of thirty-four funds in this category.

From a performance point of view, the fund registered a remarkable long-term performance track record as it ranked first for the past three-year as well as four-year periods and second for the past five-year period on a cumulative basis. The fund has also posted lower downside deviation and lower maximum drawdown against its peer average over the past five years.

The fund manager adopts a bottom-up stock picking strategy with a focus on undervalued stocks whose fundamentals are deemed superior and sustainable. The fund manager prefers to 'kick the tires' on the ground by interviewing corporate managements and have a thorough understanding of the business model, management quality, certainty of earnings growth and the potential risks of the companies the fund invests in. At a fund size of more than one billion Ringgit (largest amongst its peers), the fund manager remains confident that the fund's strategy will continue to contribute positively to the fund's performance.

At this juncture, the fund manager has a strong belief that government-linked companies' reform themes will continue given that the newly minted government is now focusing on institutional reform and better corporate governance. Apart from that, the manager is also in favour of financial sector as banks are likely to benefit from a gradual rising interest rate environment with higher consumer spending from the upcoming removal of goods and services tax (GST).

Investors who would like to invest in Malaysia can consider this fund as it has a remarkable historical performance. While there is minimal currency risk when investing in this fund, investors should be aware of the risk of being overly concentrated on home country investments.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

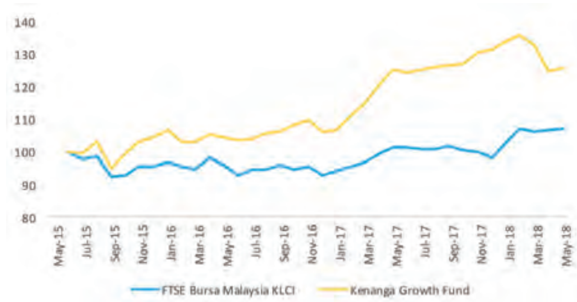
Fund Manager: Lee Sook Yee

Fund Size (as at end-April 2018): RM1,419.92 million

Fundsupermart Risk Classification: 8-High Risk

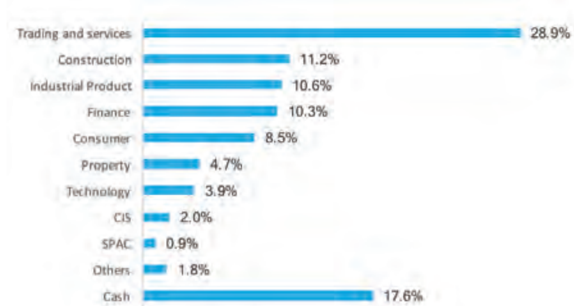
Source: Fundsupermart and Kenanga Investors Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and Kenanga Investors Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

SECTOR ALLOCATION AS AT END APRIL 2018



Source: Kenanga Investors Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	26.5%	9.3%	20.9%	-0.1%	25.8%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	-5.5%	-10.8%	-9.7%	-4.5%	18.6%
Annualised Return	N/A	N/A	N/A	-4.5%	5.8%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

Consistent Top Performance

RECOMMENDED IN 2018 | 2017 | 2016 | 2015

Libra ASnitaBOND Fund

Fixed Income - Malaysia (Islamic)

FUNDSUPERMART'S COMMENTS

Libra ASnitaBOND Fund ranked second out of ten funds under the Fixed Income - Malaysia (Islamic) category based on our methodology which assesses the fund's performance (40% weighting), risk and expense ratio (30% weighting each). We recommend this fund because of its good historical track record and strong resilience.

In terms of cumulative returns, the fund ranked within the top 3 positions for the past two-year to five year periods respectively. As for its calendar year returns, the fund delivered better than average returns compared to those of its peers. Although the fund posted higher downside risks relative to its peers' average, it has a lower maximum drawdown. In terms of expense ratio, the fund's annual expense ratio was lower as compared to its peers.

The fund adopts an active portfolio management approach, with the fund manager putting emphasis on liquid high-grade bonds and Sukuk with strong credit quality and stable long-term cash flows. As of end-March 2018, the fund registered a yield of 5.15% and has an average portfolio duration of 5.17 years.

The investment team analyses and monitors key drivers that influence the bond market to better anticipate future market direction and sentiment. For credits, all issuers are assessed with emphasis on financials, management, corporate governance and business sustainability. Going forward, the fund manager believes that the prospect for the local bond/Sukuk market remains resilient following Pakatan Harapan's historic win in the 14th General Election. While policy uncertainties may linger, market sentiment could be improved as more clarity emerges on the upcoming economic policies.

We advise investors to include bond funds in their portfolios as Malaysian bond funds typically have a low correlation with equities and thus, play an important role in diversification and capital preservation. There is little to no currency risk as the fund is invested wholly in Malaysian bonds.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

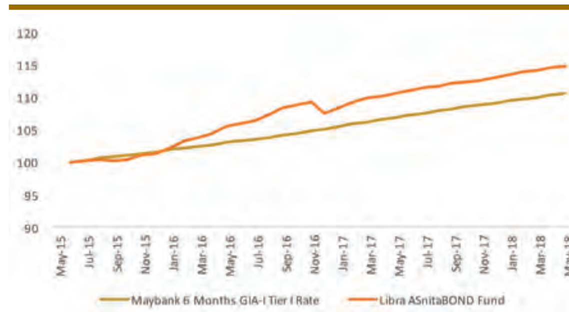
Fund Manager: Elyzza Syazreen Zailan

Fund Size (as at end-April 2018): RM143.78 million

Fundsupermart Risk Classification: 2-Low Risk

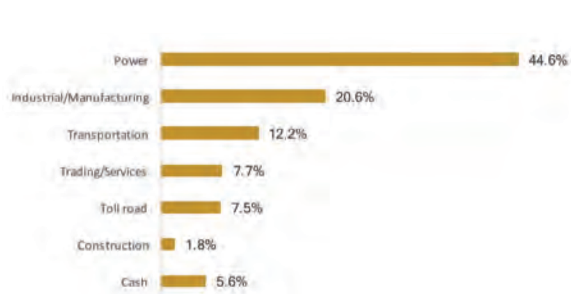
Source: Fundsupermart and Libra Invest Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and Libra Invest Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

SECTOR ALLOCATION AS AT END APRIL 2018



Source: Libra Invest Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	2.8%	4.9%	5.1%	6.2%	4.6%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	0.1%	0.6%	1.7%	3.5%	14.9%
Annualised Return	N/A	N/A	N/A	3.5%	4.7%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

RECOMMENDED IN 2018 | 2017

Manulife India Equity Fund
Single Country Equity - India

FUNDSUPERMART'S COMMENTS

For the category of Single Country Equity - India, we recommend Manulife India Equity Fund. On our platform, this is the only India equity fund, hence for performance comparison, we have compared the fund's performance against the Mumbai Sensex Index, which represents the Indian equity market. The fund has managed to outperform Mumbai Sensex Index over the past three years. Besides, the fund has also consistently outperformed its benchmark, the MSCI India 10/40 Index over the past three to five years in terms of annualised returns. Apart from that, the fund has also managed to deliver better risk-adjusted return against the benchmark over the past three years, as portrayed by its decent Sharpe ratio of 1.3 against its benchmark's 1.0.

The fund currently invests into Manulife Global Fund - India Equity Fund. The target fund's management team has an average of 18 years of investment experience. Since Manulife India Equity Fund is a feeder fund, the investment techniques and risk management strategies will be employed at the target fund level. The investment team primarily applies a bottom-up investment process which assesses the market price of a company's securities relative to their valuation of the company's long-term earnings, asset value as well as cash flow potential. The dedicated India specialists and India analysts concentrate on research, identifying companies appropriate for the fund's universe by considering different selection criteria and market valuations.

The fund manager has recently increased the fund's allocation in the information technology sector as the negative news and perceived lack of earnings growth have been reflected in the sector's valuation. On top of that, the sector will also benefit from the depreciation of the Indian rupee, where the team believes that the Indian rupee will remain weak as long as oil prices remain elevated.

Going forward, despite the cyclical challenges in inflation, trade deficit and the transitory problem of lower tax collection, the team continues to remain positive on the theme of formalization driven by structural reforms. They believe that the formalization should lead to consolidation which would eventually translate into faster growth for the listed market.

For investors who are keen to ride on one of the fastest growing economies in the world, they can consider to include Manulife India Equity Fund as part of their supplementary portfolio.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

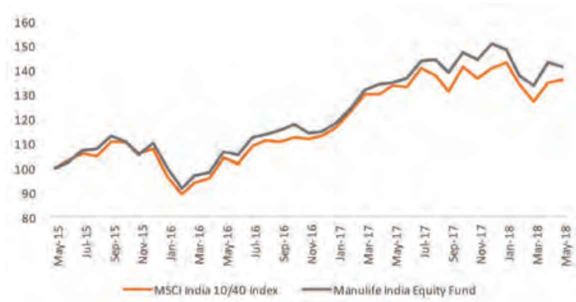
Fund Manager: Goh Yin Foo

Fund Size (as at end-April 2018): RM394.98 million

Fundsupermart Risk Classification: 9-Higher Risk

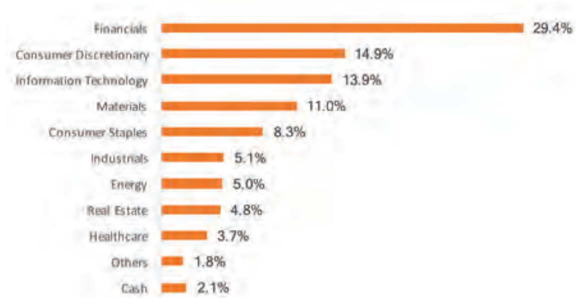
Source: Fundsupermart and Manulife Asset Management Services Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and Manulife Asset Management Services Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

SECTOR ALLOCATION AS AT END APRIL 2018



Source: Manulife Asset Management Services Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	1.5%	41.8%	19.3%	4.5%	31.2%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	-1.1%	2.6%	-2.0%	4.7%	41.3%
Annualised Return	N/A	N/A	N/A	4.7%	12.2%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

Manulife Asset Management™

Capitalise on India's unlimited growth potential with the

Only* Single Country India Equity Fund in Malaysia

2018/19 RECOMMENDED UNIT TRUSTS AWARDS fundsupermart.com

Winner of FSM Recommended Unit Trusts Award 2018/19

Manulife India Equity Fund

Single Country Equity – India

3-year Fund Volatility **15.2** very high Lipper Analytics 15 May 18

Returns (%)	1 Year	3 Year	5 Year
	4.1	47.22	122.3

Source: The Edge-Lipper Fund Table dated 21 May 2018 (Returns for periods ended 11/5/2018)

**As at 21 May 2018, Manulife India Equity Fund is the only fund listed under the Lipper fund classification of Equity India. Source: The Edge-Lipper Fund Table dated 21 May 2018.*

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LOCAL KNOWLEDGE. GLOBAL EXPERTISE.

- UNIT TRUST
- PRIVATE RETIREMENT SCHEME (PRS)

Disclaimer:
Based on the fund's portfolio returns as at 30 April 2018, the Volatility Factor (VF) for this fund is 15.2 and is classified as "Very High" (source: Lipper). "Very High" includes funds with VF that are above 10.615 (source: FiMM). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

Investors are advised to read and understand the contents of the Master Prospectus dated 29 December 2016, the Supplemental Master Prospectus dated 10 November 2017, the Second Supplemental Master Prospectus dated 14 June 2018 and the Product Highlights Sheet, obtainable at our offices, before investing. The Master Prospectus, Supplemental Master Prospectus and Second Supplemental Master Prospectus have been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Investors should consider the fees and charges involved. The price of units and income distribution may go down as well as up. Past performances of the Fund are not an indication of the Fund's future performances. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from the pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in the Fund's denominated currency will remain unchanged after the distribution of the additional units. Units will only be issued on receipt of the completed application form referred to and accompanying the Master Prospectus, Supplemental Master Prospectus and Second Supplemental Master Prospectus. There are risks involved with investing in unit trust funds; wholesale funds and/or Private Retirement Schemes. Some of these risks associated with investments in unit trust funds; wholesale funds and/or Private Retirement Schemes are interest rate fluctuation risk, foreign exchange or currency risk, country risk, political risk, credit risk, non-compliance risk, counterparty risk, target fund manager risk, liquidity risk and interest rate risk. For further details on the risk profile of the Fund, please refer to the Risk Factors section in the Master Prospectus.

Manulife Asset Management Services Berhad (834424-U)

RECOMMENDED IN 2018 | 2017

Nikko AM Singapore Dividend Equity Fund

Single Country Equity - Singapore

FUNDSUPERMART'S COMMENTS

This year, we continue to recommend Nikko AM Singapore Dividend Equity Fund for our Single Country Equity - Singapore category in our Recommended Unit Trusts list. Since there is no peer fund available on our platform, we have compared the fund's performance against the Straits Times Index, which represents the Singapore's equity market. The fund has managed to outperform the Straits Times Index since its inception. Apart from its consistent performance, the fund has also exhibited a lower downside volatility against the benchmark, which indicates that the investment team has managed the portfolio downside risks better.

The portfolio allocation of the fund is driven primarily by bottom-up fundamental analysis of stocks. The investment team believes that Asian markets are inefficient and individual stocks are prone to periodic mispricing. Hence, their investment process is driven by the believe that highly active management based on thorough fundamental research can take advantage of these mispricing opportunities to deliver strong returns over the long-term. The investment process starts off with a screening process which filters off small-cap counters and illiquid stocks, followed by idea generation which revolves around identifying mispricing opportunities which involve areas that have been overlooked by the market or have fallen out-of-favour due to short-term concerns. Quantitative screening will also be conducted on a weekly basis, which covers growth, value, dividend and many other aspects of the listed companies. The screening process will also place emphasis on factors that segregate dividend anchors and dividend growers of the investment portfolio.

At this point of time, the investment team remains convinced on the long-term merits of investing in high dividend stocks. As such, the fund will remain anchored in stocks which pay an attractive and predictable dividend yield, particularly those which also offer steady growth. The fund manager remains optimistic on Singapore equities' earnings expectations and see potential for gradual upgrades. The current holdings of the fund include key convictions in the financial and real estate sectors which have stable dividend payoff. In addition to that, the ease of concerns around asset quality as well as tighter regulation on capitalisation will be a boon for Singapore banks. With regards to real estate sector, S-REITS which offer attractive yields and steady growth profile in a well-regulated environment are expected to drive earnings growth to sustain future dividend payment.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

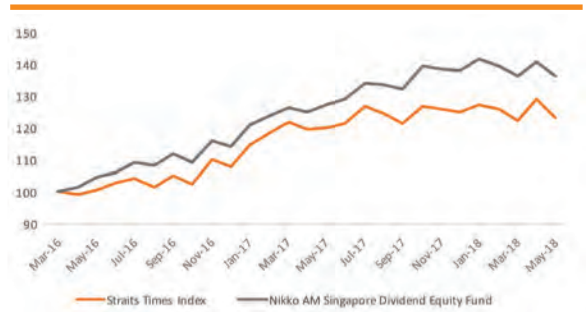
Fund Managers: Lai Yeu Huan and Kenneth Tang

Fund Size (as at end-April 2018): *RM485.09 million

Fundsupermart Risk Classification: 9-Higher Risk

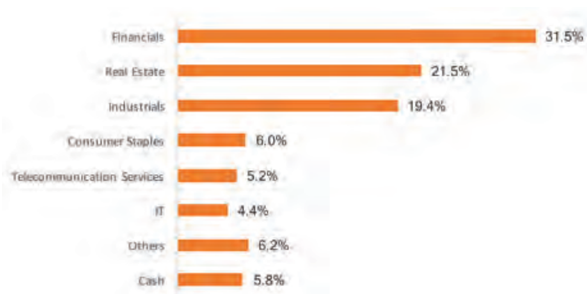
**Based on the exchange rate SGD:MYR = 2.9586 as at 21 May 2018*
Source: Fundsupermart and Nikko Asset Management Asia Limited

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and Nikko Asset Management Asia Limited
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

SECTOR ALLOCATION AS AT END APRIL 2018



Source: Nikko Asset Management Asia Limited

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	-	-	-	-	21.1%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	-1.3%	3.4%	14.1%	22.8%	-
Annualised Return	N/A	N/A	N/A	22.8%	-

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

nikko am
Nikko Asset Management

RIDE ON THE ROARING SUCCESS OF A MULTI-AWARD WINNING FUND

SINGAPORE DIVIDEND EQUITY FUND

The Singapore Dividend Equity Fund is a multi-award winning fund invested primarily in equities listed on the Singapore Exchange that offer attractive and sustainable dividend payments. It benefits from Singapore's world-class corporate governance culture and robust financial regulations, a business-friendly environment and political stability, as well as a strong Singapore dollar.

The fund's successful dividend-focused strategy has produced a track record of strong and consistent performance, rooted in Singapore's resilient and diversified economy. Investors may invest using SGD, USD, or RM, and look forward to regular dividend distribution.

YOUR GOALS, OUR COMMITMENT.

Disclaimer:
The Nikko AM Shenton Horizon Investment Funds - Singapore Dividend Equity Fund (the "fund") is passported under the ASEAN Collective Investment Schemes Framework in Malaysia. Investors should note that the intention of the Managers to make regular dividend distributions is not guaranteed and that the Managers may review the distribution policy in future depending on prevailing market conditions. The materials produced herein are specific to its use and specific to a target audience. The information contained in this material has been obtained from various sources including but not limited to those contained in the public domain. The information contained in the material including but not limited to opinions, analysis, forecasts, projections and expectations (collectively known as "Opinions") are merely an expression of belief. Although care has been taken to collate and compile the information and/ or opinion contained in this material, no warranty and or representation, be it expressed or implied, is made that the information used is accurate, complete, fact-checked, true, valid and/ or free of errors. Information and Opinions contained herein are published for recipients' reference and illustration only. As with any forms of financial products, the financial product (i.e. the fund) mentioned herein (if any) carries with it various risks. Although attempts have been made to disclose all possible risks involved, the financial product may still be subject to inherent risk that may arise beyond our reasonable contemplation. This financial product may be wholly unsuited for you, if you are adverse to the risk arising out of and/ or in connection with the financial product. This presentation is not, and should not be construed as, an offer document or an offer or solicitation to buy or sell any investments.

Warning Statement
A Product Highlights Sheet (PHS) is available for the fund and investors have the right to request for a copy of it. Investors are advised to read and understand the contents of the PHS and the prospectus containing information about the fund before investing. The prospectus has been registered and lodged, and the PHS has also been lodged, with the Securities Commission Malaysia, who takes no responsibility for its contents. A copy of the PHS and the prospectus can be obtained at the Malaysian Representative of the fund, Affin Hwang Asset Management Berhad's sales office, or from the fund's registered distributors. Units will only be issued upon receipt of an application form referred to in and accompanying the PHS and the prospectus. There are fees and charges involved when investing in the funds. Potential investors are advised to consider the fees and charges carefully before investing into the fund. The price of units and distribution payable, if any, may go down as well as up and past performance of the fund should not be taken as indicative of its future performance. Where applicable, if you plan to purchase units of the fund via loan financing, you are advised to read and understand the contents of the "Unit Trust Loan Financing Disclosure Statement" in the prospectus before deciding to borrow to purchase its units.

RECOMMENDED IN 2018

PMB Shariah Premier Fund

Core Equity - Malaysia (Islamic)

FUNDSUPERMART'S COMMENTS

We recommend PMB Shariah Premier Fund under Core Equity - Malaysia (Islamic) category because of its strong performance and resilience. Based on our methodology which assesses the fund's performance (60% weighting), risk and expense ratio (20% weighting each), the fund ranked first out of thirty-one funds in this category.

From a performance point of view, the fund ranked first over the past five years for both calendar year and cumulative year returns. The fund demonstrated strong resiliency as it recorded the lowest downside deviation and lowest maximum drawdown against its peers over the past three years.

The fund aims to provide opportunities for investors to achieve capital growth over the medium- to long-term period by investing in any of the fifty largest Shariah-compliant stocks by market capitalization (at the time of purchase) listed on the Bursa Malaysia. In terms of its investment strategy, investment ideas are generated through fundamental screening by conducting industrial study, company visit and analyst briefing as well as quantitative screening by looking at company's growth prospects, PE ratio, profitability and valuation. The investment team also conducts technical analysis to select stock composition for the portfolio and decide the timing for entry and exit.

Currently, the fund manager favours the industrial product sector due to the expectation of increasing demand for building materials on the back of rising infrastructure projects in 2018. On the other hand, the fund manager opines that the trading and services sector is likely to receive a boost due to the increase demand in systematic online renewal for foreign workers' permit and insurance, robust construction spending and the recovery of global oil prices throughout 2018.

Investors who have a preference for Shariah-compliant equity fund that invest in Malaysia can consider this fund as it has a strong historical track record and has demonstrated high resilience during market downturns. Although there is little to no currency risk when investing in this fund, investors should be aware of the risk of being overly concentrated in home country investments.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

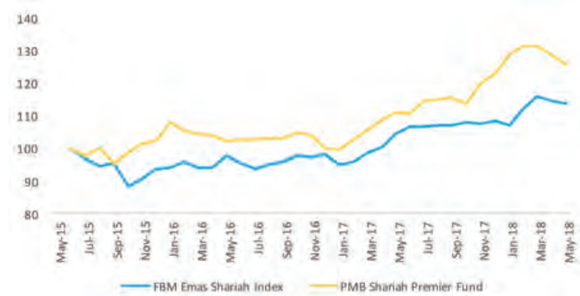
Fund Managers: Encik Isnami bin Ahmad Mohtar and Puan Siti Rafidah Ghazali

Fund Size (as at end-April 2018): RM70.4 million

Fundsupermart Risk Classification: 8-High Risk

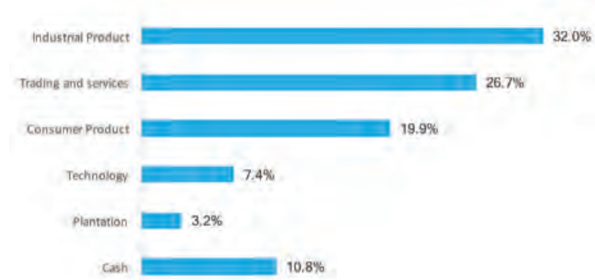
Source: Fundsupermart and PMB Investment Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and PMB Investment Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

SECTOR ALLOCATION AS AT END APRIL 2018



Source: PMB Investment Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	10.5%	-4.7%	16.1%	-7.9%	29.1%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	-1.1%	-5.6%	0.9%	12.2%	24.1%
Annualised Return	N/A	N/A	N/A	12.2%	7.5%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

RECOMMENDED IN 2018 | 2017 | 2016 | 2015

RHB Asian Income Fund

Balanced - Asia ex-Japan

FUNDSUPERMART'S COMMENTS

We recommend RHB Asian Income Fund because of its outstanding performance and strong resilience. Based on our methodology which assesses the fund's overall ranking based on performance (60% weighting), risk and expense ratio (20% weighting each), the fund ranked second under the Balanced - Asia ex-Japan category.

From a performance perspective, the fund performed well as it ranked first for the past four-year and five-year periods respectively on a cumulative basis. In terms of calendar year returns, the fund ranked within the top three positions in 2013, 2014, 2015 and 2016 respectively. The fund exhibited strong resilience by delivering the lowest downside volatility during market downturns amongst its peers over the past three years. However, in terms of expense ratio, the fund's annual expense ratio is the highest among its peers.

The fund seeks to add value through diversified sources of returns, adopting an active management investment style that aims to deliver outperformance through dynamic asset allocation and security selection within the equity and fixed income space. With regards to equity selection, the fund managers believe in companies which pay stable and increasing dividend stream as this is an indication of good future prospect, improving corporate governance and prudent capital management skills. As for bond selection, they focus on relative value and securities with strong credit fundamentals, with consideration being put on the credit issuers' profile as well. Looking ahead, the fund managers believe that the income/yield focus strategy would deliver a better performance as long as interest rates are rising due to strengthening economic growth but not due to a supply-led inflation shock.

Investors who are looking to include a well-diversified fund can consider RHB Asian Income Fund as it is broadly diversified across asset classes (equity, fixed income, money market, etc.) in Asia. While the fund is denominated in RM, investors need to take note that there is foreign currency exposure as the underlying securities that the fund invests in are quoted in their respective local currencies. That being said, currency risks are likely to be mitigated owing to the broad-based geographical allocation of the fund.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

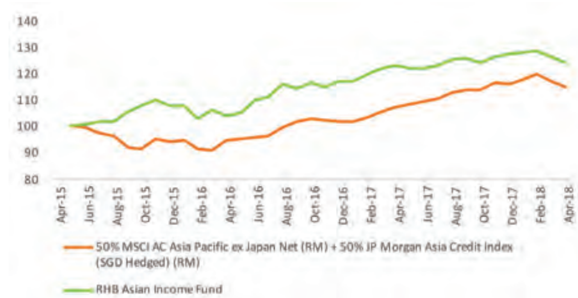
External Fund Managers: Patrick Brenner and Pang Kin Weng, Schroder Investment Management (Singapore) Ltd.

Fund Size (as at end-April 2018): RM3,538.07 million

Fundsupermart Risk Classification: 6-Moderately High Risk

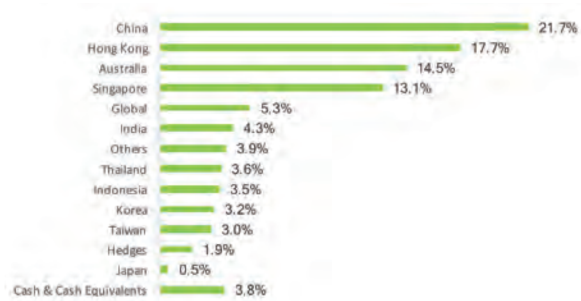
Source: Fundsupermart and RHB Asset Management Sdn Bhd

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END APRIL 2018



Source: Fundsupermart and RHB Asset Management Sdn Bhd
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

COUNTRY ALLOCATION AS AT END APRIL 2018



Source: RHB Asset Management Sdn Bhd

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	6.5%	13.6%	12.3%	8.6%	8.3%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	1.6%	-2.1%	-0.2%	3.3%	25.6%
Annualised Return	N/A	N/A	N/A	3.3%	7.9%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

RECOMMENDED IN 2018 | 2017

KAF Vision Fund

Sector Equity - Malaysia Small to Medium Companies

FUNDSUPERMART'S COMMENTS

We recommend KAF Vision Fund under the Sector Equity - Malaysia Small to Medium Companies category for 2018/19 because of its strong historical track record and resilience. Based on our methodology which determines the fund's overall ranking by assessing performance (60% weighting), risk and expense ratio (20% weighting each), the ranked second out of ten funds under its category.

From a performance perspective, taking into account both cumulative and calendar year returns, the fund delivered a decent track record as it ranked second amongst its peers. The downside volatility and maximum drawdown recorded by the fund over the past three years were 10.7% and -17.7% respectively, significantly lower than the peers average of 11.4% and -21.7% respectively. In terms of expense ratio, the fund's annual expense ratio was slightly lower as compared to its peers.

The fund is managed by an external fund manager, Amundi Malaysia Sdn Bhd and they adopt a bottom-up approach in stock selection with a focus in companies with market capitalisation of not more than RM1 billion. The fund can also invest in companies with market capitalisation of more than RM1 billion, with a maximum limit of 30% of the fund's net asset value. On top of that, the fund manager places a strong emphasis on extensive company visits to identify latest trends and changes in industries. Currently, the fund manager believes that the strong macroeconomic outlook with a higher possibility of positive surprise in the upcoming gross domestic product (GDP) figure and the recovery in consumer sentiment are likely to be the drivers for the local equity market moving forward.

Investors should be cautious that the fund tends to be more volatile compared to the broad-based equity funds as the fund invests in a relatively narrower investment space that focuses on small to medium companies. Thus, we advise investors to include this fund in the supplementary portion of their portfolio, with an allocation of not more than 10% of their overall portfolio.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

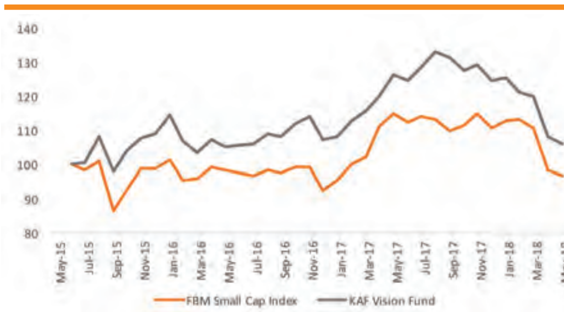
External Fund Manager: Amundi Malaysia Sdn Bhd

Fund Size (as at end-April 2018): RM50.29 million

Fundsupermart Risk Classification: 9-Higher Risk

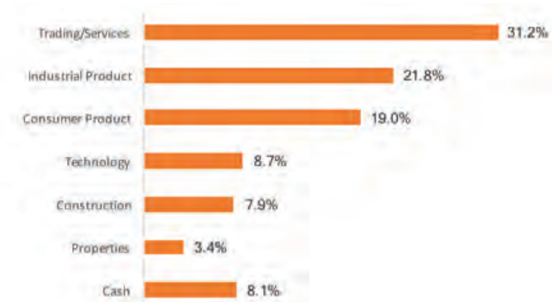
Source: Fundsupermart and KAF Investment Funds Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and KAF Investment Funds Berhad
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

SECTOR ALLOCATION AS AT END APRIL 2018



Source: KAF Investment Funds Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	35.6%	6.6%	34.8%	-5.7%	15.9%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	-6.5%	-17.3%	-20.6%	-20.4%	-1.0%
Annualised Return	N/A	N/A	N/A	-20.4%	-0.3%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

RECOMMENDED IN 2018 | 2017 | 2016 | 2015

Dana Makmur Pheim

Balanced - Malaysia (Islamic)

FUNDSUPERMART'S COMMENTS

We recommend Dana Makmur Pheim because of its exceptional performance and strong resilience. Based on our methodology which assesses the fund's overall ranking based on performance (60% weighting), risk and expense ratio (20% weighting each), the fund ranked first out of ten funds under the Balanced - Malaysia (Islamic) category.

From a performance perspective, the fund fared better in the long-term as it ranked within the top three positions for the past five-year period on a cumulative basis. In terms of calendar year returns, the fund ranked first over the past five years, except in year 2016 where the fund finished third place. Taking into account both cumulative and calendar year returns, the fund ranked first in the performance criterion. The downside volatility and maximum drawdown recorded by the fund during market downturns were lower than its peer average over the past three years. The fund's annual expense ratio was the second highest amongst its peers.

The fund's investment strategy is predominantly based on a value-oriented approach, investing mainly in undervalued stocks which are expected to outperform the market. The fund manager favours companies that have focused management, enjoy high margins and earnings growth, and low debt-equity gearing. At times, the fund manager may choose to employ a combination of value and growth strategies, putting greater focus on growth stocks to take advantage of market business cycles. On the local front, the fund manager is actively monitoring the executions by the new government, holding the view that investors are confident of the abilities of the newly elected government to steer the economy towards reforms and produce high corporate earnings growth. The recent volatilities in the market may also present opportunities to accumulate decent stocks at cheaper valuations.

Investors who seek a fund that derives meaningful long-term returns from Malaysia's capital markets can consider this fund given its solid historical performance and strong resilience during market downturns. However, investors should be aware of the risk of being overly concentrated in home country investments.

Commentary is based on data as of end-March 2018, unless stated otherwise. All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

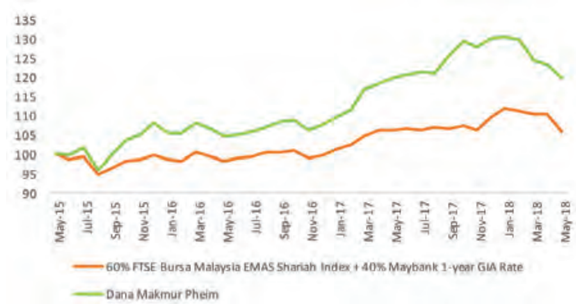
Fund Manager: Dr Tan Chong Koay

Fund Size (as at end-April 2018): RM44.53 million

Fundsupermart Risk Classification: 5-Moderate Risk

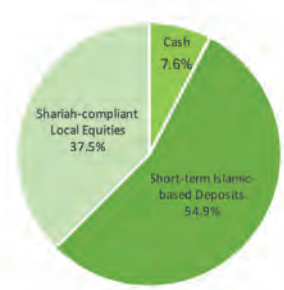
Source: Fundsupermart and Pheim Unit Trusts Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and Pheim Unit Trusts Berhad Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM

ASSET ALLOCATION AS AT END APRIL 2018



Source: Pheim Unit Trusts Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	26.5%	5.3%	12.1%	-0.1%	20.7%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	-0.9%	-5.6%	-4.7%	4.3%	23.3%
Annualised Return	N/A	N/A	N/A	4.3%	7.2%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

Fundsupermart.com Recommended Unit Trusts Awards 2018/19

RECOMMENDED IN 2018 | 2017 | 2016 | 2015 | 2014

TA European Equity Fund

Sub Regional Equity - Europe

FUNDSUPERMART'S COMMENTS

Based on our methodology which assesses the fund's performance (60% weighting), risk and expense ratio (20% weighting each), the Recommended Unit Trusts award for the Sub Regional Equity - Europe category goes to TA European Equity Fund as the fund exhibited outstanding ability in managing its downside volatility and maximum drawdown against its only peer, namely AmSchroder European Equity Alpha.

From a performance perspective, the fund outperformed its peer for the past four-year and five-year periods respectively on a cumulative basis. The fund also managed to deliver relatively better returns as compared to its peer in 2014 and 2015 respectively. The fund exhibited relatively strong resilience compared to its peer during market downturns as it posted lower downside volatility (7.7%) than its peer (13.9%) over the past three years. The fund also managed its maximum drawdown well, posting -9.7% as compared to its peer's -14.5%.

In terms of investment strategy, this fund of funds subscribes to a combination of growth and value investing, allocating monies into various collective investment schemes which have the best equity strategies that suit the market condition at the point of investment. In 2Q and 3Q 2017, the fund manager has switched its USD-denominated funds into the EURO-denominated funds as market conditions in the European countries began showing stronger signs of recovery. They have also switched out from the riskier small cap funds into bigger cap funds given the increasing volatility and greater uncertainty in the global market. Moving forward, the fund manager believes that the continuing recovery in the overall European economy will be a key catalyst for the equity performance. Hence, the stock market will be supported by the global economic expansion and low interest rates.

Investors who would like to have exposure in European market can consider this fund as the fund is structured as a fund of funds that will invest in a broad range of European equity funds, hence it could provide greater resilience.

Commentary is based on data as of end-March 2018, unless stated otherwise.
All returns are based on NAV prices, adjusted for dividends re-invested and in RM terms.

FUNDS INFO

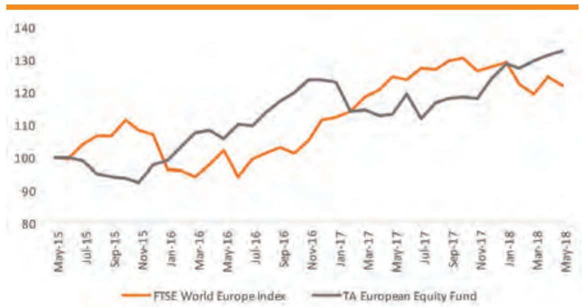
Fund Manager: Choo Swee Kee

Fund Size (as at end-April 2018): RM90.71 million

Fundsupermart Risk Classification: 8-High Risk

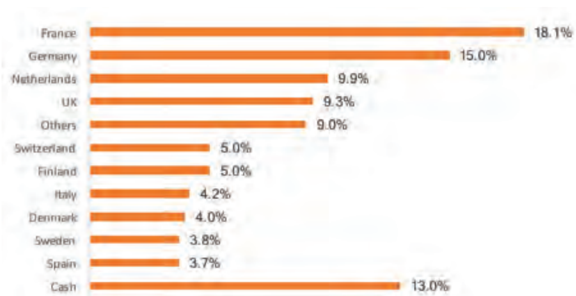
Source: Fundsupermart and TA Investment Management Berhad

PRICE INDEXED PERFORMANCE OVER THE LAST 3 YEARS AS AT END MAY 2018



Source: Fundsupermart and TA Investment Management Berhad
Performance figures are based on NAV prices,
adjusted for dividends re-invested and in RM

COUNTRY ALLOCATION AS AT END APRIL 2018



Source: TA Investment Management Berhad

PERFORMANCE AS AT END MAY 2018

PERIOD	2013	2014	2015	2016	2017
Calendar Year Return	31.3%	2.6%	24.5%	4.5%	3.5%
PERIOD	**1 MONTH**	**3 MONTHS**	**6 MONTHS**	**1 YEAR**	**3 YEARS**
Cumulative Return	1.1%	4.0%	12.2%	17.1%	32.7%
Annualised Return	N/A	N/A	N/A	17.1%	9.9%

Source: Performance figures are based on NAV prices, adjusted for dividends re-invested, in RM and compiled by Fundsupermart

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2018/19 RECOMMENDED UNIT TRUSTS AWARDS

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BOOMING INTEREST IN ISLAMIC FUNDS

Gerald Ambrose, CEO of Aberdeen Islamic Asset Management Sdn Bhd

Award Category
• Core Equity – Global (Islamic)

Winner Fund
Aberdeen Islamic World Equity Fund

Aberdeen Islamic Asset Management Sdn Bhd (AIAMSB) is a locally incorporated foreign financial institution involved in Islamic asset management. Its goal is to manage global funds in accordance with Shariah requirements by leveraging the international presence of its parent company, Aberdeen Asset Management Sdn Bhd.

Gerald Ambrose, CEO of AIAMSB, shares his thoughts on the outlook for the Malaysian unit trust market.

Smart Investor (SI): How would AIAMSB able to ride on the bullish prospect of Malaysia's Shariah-compliant fund industry?

Gerald Ambrose (GA): Product offerings in the Islamic financial market have evolved from traditional commercial banking to sukuk (Islamic bond), liquidity management tools and structured alternative assets. Moody's Investors Services believes the industry could eventually top US$5 trillion.

In terms of equity strategy, our preference is geared towards the consumption theme. Consumer preferences are evolving globally with consumption spending patterns of baby boomers and the middle class being one of the most-watched trends among investors including ourselves.

Biopharmaceuticals is another industry that we see evolving and innovating globally, hence a heavy weighting of our investing strategy is geared towards companies that are stepping up investments in drug research and innovation.

SI: Kindly elaborate on the expertise and experience of your management team in charting the desirable growth trajectory for your funds.

GA: We have considerable expertise having invested in Malaysian stocks since 1997. We manage Shariah-compliant investments for our clients as well as conventional pooled and segregated funds.

Our Aberdeen Islamic World Equity Fund is a portfolio of around 60 stocks which we know intimately, while the Aberdeen Islamic Asia Pacific ex Japan Equity Fund owns about 40 stocks.

Stock selection is what sets us apart. Good corporate governance; balance sheet strength; an easily defendable competitive advantage, and respect for minority shareholders are core principles when investing in Malaysia and in any market.

In our Shariah-compliant equity strategy, the underlying investments are managed either in Kuala Lumpur in the case of Malaysian assets and/or sub-advised from one of our global investment centres, namely Singapore, London, Edinburgh and Philadelphia.

SI: What is the current state of reception for your Shariah-compliant funds? What is the value of funds that you currently managed (kindly list them) and are there plans to roll out more funds in the near future?

GA: The total size of our Islamic assets is US$611 million as of 30 April 2018. Our core investment is in Shariah-compliant equities. In Malaysia, we have two ringgit-domiciled Islamic equity funds, namely the Aberdeen Islamic World Equity Fund and the Aberdeen Islamic Asia Pacific Ex Japan Equity Fund.

For sukuk, while our team in Kuala Lumpur provides research for the onshore local currency market, we also draw upon our global resources to invest in offshore US dollar-denominated sukuk.

The Shariah-compliant real estate investment trusts (REITs) was a recent innovation in Islamic finance. We may invest in these, as well as shares of listed property companies via the equity markets.

In the non-listed space, we can make direct investments in buildings which we then manage to create value or invest in property funds run by third-party managers. We may also invest in a diverse range of Shariah-compliant real estate investment avenues. SI

2018/19 RECOMMENDED UNIT TRUSTS AWARDS

fundsupermart.com

STRONG GROWTH TRAJECTORY INTACT

Award Category	Winner Fund
• Core Equity – Asia ex-Japan	**Affin Hwang Select Asia (ex Japan) Opportunity Fund**
• Balanced – Asia ex-Japan	**Affin Hwang Select Asia Pacific (ex Japan) Balanced Fund**
• Balanced – Malaysia	**Affin Hwang Select Balanced Fund**
• Fixed Income – Asia	**Affin Hwang Select Bond Fund**
• Private Retirement Scheme – Moderate	**Affin Hwang PRS Moderate Fund**

Chan Ai Mei, Chief Marketing & Distribution Officer of Affin Hwang Asset Management

One of the top-five largest asset managers in Malaysia, Affin Hwang Asset Management emerged strongly from the recent Fundsupermart Awards 2018/2019. Affin Hwang AM which manages over RM48.30 billion in total assets under administration (AUA) as of end-May 2018 is also on track to meet its RM50 billion target by 2018.

Chief Marketing & Distribution Officer Chan Ai Mei shares with ***Smart Investor*** her thoughts on how Affin Hwang AM is rising to industry challenges.

Smart Investor (SI): Kindly elaborate on your business philosophy in the context of how it has enabled Affin Hwang AM to be in the forefront of Malaysia's unit trust industry today.

Chan Ai Mei (CAM): Our business philosophy is premised on growing sustainably through careful planning and well-executed strategies by capitalising on gaps within the market to meet our clients' investment needs.

We have a risk management committee that is responsible for establishing a proper framework in place, as well as putting-in controls to ensure that the company's quick growth pace does not come at the cost of destabilising the whole business.

Likewise, we are also cognisant of not jumping into the digital bandwagon and to innovate for innovation's sake. Instead, we want to ensure that the technology is sustainable and able to fulfil a key gap within the market by offering solutions that enhances our client's experience.

SI: What are the key challenges encountered by fund managers in emerging markets amid the current state of global economic uncertainties?

CAM: Investing in emerging markets (EMs) is typically more challenging than investing in developed markets, given that the higher-growth profile of EMS is usually paired with higher risk and uncertainty.

To address these challenges, we have put in placc robust investment processes and controls to manage our portfolios. Our investment philosophy is premised on delivering returns based on an absolute return target.

We also invest based on fundamentals as opposed to hugging the benchmark. This strategy is meant to deliver consistent returns regardless of market direction, while aiming for superior returns to the benchmark over the longer-term.

SI: How would you convince potential clients that returns from Shariah-compliant funds can be as competitive if not perform better than conventional funds?

CAM: We expect sustained demand for Islamic funds and other Shariah-compliant offerings with the release of the Securities Commission Malaysia's Five-Year Islamic Fund and Wealth Management Blueprint.

Structurally, we also see the landscape of the industry changing over the longer-term. Changing demographics and trends have created a greater awareness of sustainability issues, especially among a new generation of investors who are more conscious of the wider challenges that we face in the world today.

As these individuals assume decision-making positions and become resource-allocators, we expect them to favour more socially-responsible and sustainable forms of investment. This would spur growth for the industry and by extension the Shariah and ESG (environmental, social and governance) space that have increasingly inter-lapped in terms of shared values and principles. SI

OPTIMISM INTACT

Award Category	Winner Fund
• Core Equity – Asia ex-Japan (Islamic)	**CIMB Islamic Asia Pacific Equity Fund**
• Core Equity – Asia ex-Japan	**CIMB-Principal Asia Pacific Dynamic Income Fund**
• Core Equity – Developed Markets	**CIMB-Principal Global Titans Fund**
• Sub Regional Equity – Greater China	**CIMB-Principal Greater China Equity Fund**
• Private Retirement Scheme – Conservative	**CIMB-Principal PRS Plus Conservative**
• Private Retirement Scheme – Growth	**CIMB-Principal PRS Plus Growth**

Patrick Chang, CIO of CIMB-Principal Asset Management

One of the largest asset management companies in Malaysia with regional footprint covering Singapore, Indonesia and Thailand, CIMB-Principal Asset Management Bhd boasts an integrated team of dedicated investment professionals with expertise ranging from equity, fixed income, cash management, and Shariah-compliant fund management. It is also one of the largest private retirement scheme providers in Malaysia.

Its chief investment officer Patrick Chang shares with ***Smart Investor*** what the prospects hold for funds under its stable.

Smart Investor (SI): The government is currently undertaking various market reforms to further revitalise Malaysia's capital markets. In your opinion, what type of market reforms are desirable to further spur the country's unit trust industry?

Patrick Chang (PC): An area that can shape the unit trust industry over the long term is the remuneration structure for sales professionals. In general, current remuneration structures are biased towards front-end loaded. Ideally, sales professionals should be remunerated on a trailing basis based on assets retained. Via this approach, sales professional will be encouraged to advise investors to take longer term views for their investment, in line with the notion of unit trust being a long-term investment instrument.

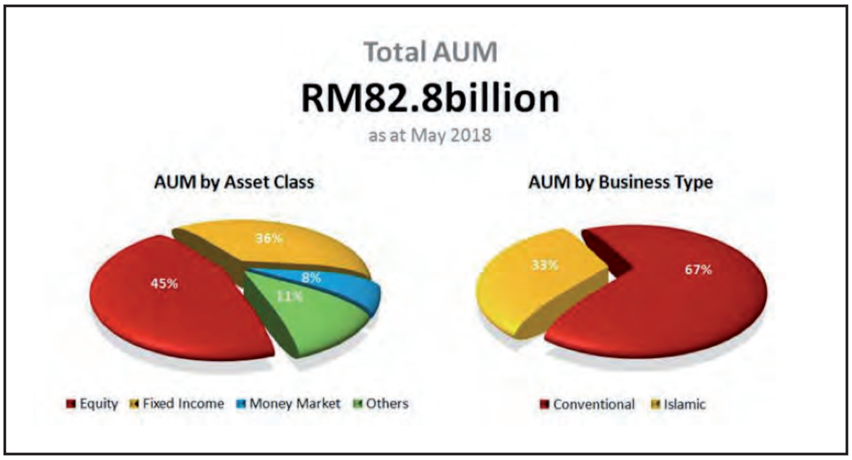
IDEALLY, SALES PROFESSIONALS SHOULD BE REMUNERATED ON A TRAILING BASIS BASED ON ASSETS RETAINED.

SI: You boast both a diverse fund category, range and type as well region coverage and are in fact, one of Malaysia's largest asset management companies. What are the strategies you put in place to ensure each and every of your fund achieve their annual targeted returns?

PC: Our investment methodology is process-driven, based on a combination of top down and bottom up processes of "early identification of fundamental change". Our periodic house view on global economic and investment outlook is collectively derived from our integrated investment team spread across the region. Individual portfolio managers are guided by this strategic asset allocation strategy which encompasses risk parameters which depend on assumptions of economic and investment cycles.

SI: Kindly share with us your fund management style (in particular risk management) as well as business philosophy which have been instrumental in enabling your company to be a market leader in diverse fund categories.

PC: Integral to CIMB-Principal's investment philosophy is the "early identification of fundamental change" by which our portfolio



managers could regularly be the first movers for new opportunities. For example, we were very early in identifying opportunities in the onshore "A" share market in China in early 2017.

Our strengths lie with independent thinking, conviction calls and a team culture which have yielded significant portfolio outperformance over the long term.

AFTER MANY YEARS OF LOW VOLATILITY IN BOTH GLOBAL BOND AND EQUITY MARKETS, THE KEY CHALLENGE IS HOW TO NAVIGATE AROUND A PERIOD OF HIGHER VOLATILITY.

An iterative process is also integral to ensure long term consistency to fund performance. Portfolio risk budgets are well-defined from the onset and periodically reviewed, and continuously monitored with various risk management tools.

SI: What are the key challenges encountered by fund managers in emerging markets amid the current state of global economic uncertainties? What strategies has CIMB-Principal put in place to circumvent all those challenges?

PC: After many years of low volatility in both global bond and equity markets, the key challenge is how to navigate around a period of higher volatility.

As mentioned above, a rigorous top down process to identify future "turning points" in areas such as politics, macroeconomics and earnings momentum are key to preserving capital and ensuring consistent returns.

These "top down" assumptions, are then translated into our sector and stock allocation calls.

In short, early identification of fundamental change both at macro and stock levels as well as portfolio diversification are key success factors in an environment of heightened volatility.

SI: Against concerns over the Dow's sustainability, the US-China trade disputes, and more recently, a Syrian War, what would be the short-, medium- and long-term prospects for your funds?

PC: Volatility driven by news flows will invariably affect short-term fund performance. However, our proven fundamentally-driven investment strategy and processes have consistently outperformed in the medium-term to long term horizon.

SI: What is the current state of reception for funds under your stable (in relation to their target market)? What is the value of funds that you currently managed (kindly list them) and are there plans to roll out more funds in the near future?

PC: The reception of our funds in the first half of 2018 has been very positive, in particular for regional funds despite the heightened volatility. Asia Pacific centric funds continue to garner strong interest from investors seeking to diversify their portfolios. Our CIMB-Principal China Direct Opportunity Fund which was launched in May this year sold close to US$100 million in less than two months in line with the inclusion of A-Shares into the MSCI global indices.

We will continue to assess investment outlook and market demand to plan future product rollouts.

BANKING ON DISTINCTIVE FEATURES

Award Category	Winner Fund
• Fixed Income – Malaysia	**Eastspring Investments Bond Fund**
• Core Equity – Malaysia (Islamic)	**Eastspring Investments Dana al-Ilham**
• Balanced – Malaysia (Islamic)	**Eastspring Investments Dana Dinamik**
• Core Equity – Malaysia	**Eastspring Investments Equity Income Fund**
• Core Equity – Global Emerging Markets	**Eastspring Investments Global Emerging Markets Fund**
• Sector Equity – Malaysia Small to Medium Companies	**Eastspring Investments Small-cap Fund**

As the Asian asset management business of Prudential plc, an international financial services group, Eastspring Investments manages investments of US$188 billion (as of end-December 2017) on behalf of institutional and retail clients.

Smart Investor speaks to Eastspring Investments Bhd's Chief Executive Officer Raymond Tang on how the company intends to further solidify its position in the Malaysian unit trust industry.

Smart Investor (SI): The government is currently undertaking various market reforms to further revitalise Malaysia's capital markets. In your opinion, what type of market reforms are desirable to further spur the country's unit trust industry?

Raymond Tang (RT): As the unit trust industry penetration rate is still relatively low, incentives in the likes of tax relief can be considered to further boost the industry. The growing need for KYC (Know Your Customer) and AMLA (Anti-Money Laundering Act) checking has also make the sales onboarding more time consuming and not efficient if an investor buys funds from different providers.

As such, an initiative to have a centralised depositary of KYC for all capital markets product may further help to make the entire sales process more efficient.

The growing market developments have seen more interest into robo-advisory, artificial intelligence and even the digital platform which are areas where the develop market are making a head start. However, such developments are still very much under-developed in Malaysia. To encourage participation from the local players, special grants can be given to local players who wants to develop in this area.

SI: You have a myriad of funds that range from both conventional and Shariah-compliant as well as those targeting emerging markets and fixed income. What are strategies put in place to ensure each and every of the fund achieve their annual targeted returns?

RT: Fundamental analysis is the basis of our valuation with emphasis placed on the behavioural aspects. We focus on questions such as "what could happen" and "what has been discounted". Such an approach sheds light on mispricing of stocks which can be crucial to establishing a competitive advantage.

We adopt the same investment process for all the funds, but individual fund managers would have discretions on stocks to be included in their respective funds based on the fund's mandates and internal pre-set exposure limit.

We monitor the fund performance and risk characteristics

Raymond Tang, Chief Executive Officer of Eastspring Investments

THE GROWING MARKET DEVELOPMENTS HAVE SEEN MORE INTEREST INTO ROBO-ADVISORY, ARTIFICIAL INTELLIGENCE AND EVEN THE DIGITAL PLATFORM.

of our funds closely. The team also reviews the contributors and detractors of fund performance as well as risk characteristics of our funds on a monthly basis.

SI: Kindly share with us your fund management style and philosophy which have been instrumental in enabling your company to be a market leader in diverse fund categories.

RT: Our strategies are as follows:

Equity

Our investment philosophy is based on the following beliefs:

• We believe our disciplined, valuation and research-driven investment style can generate attractive returns for our clients over the long run.

• We are able to estimate that intrinsic value through our proprietary research by understanding the business of the companies we invest in, how they generate free cash flow, and what their reinvestment plans will be.

• Security mispricing driven by investor "greed and fear" is an enduring phenomenon. This can be successfully exploited through our long-term investment approach.

Fixed Income

The team's investment philosophy is based on the following beliefs:

• Adopt an investment style based on fundamental, valuation and technical analysis.

• Follow a disciplined, medium-term approach.

• Seek to identify value opportunities created by cyclical extremities in interest rate and credit markets or shifts in investor risk perception which result in the mispricing of assets relative to fundamentals.

SI: How is Eastspring able to control its portfolio risk and prudently time its investments to maximise its returns?

RT: Every month the investment risk manager produces risk report for discussion in the portfolio oversight meeting. Through this forum, the investment risk manager shares the findings for discussion and will investigate if there are any areas of risk. Soon after, if any escalation is required, it will be cascaded to senior management and risk management committee.

There are also ad-hoc meetings and informal discussions between investment risk and investment management as and when required. The manager has in place local risk management manual which highlights the risk assessment process that is aligned to the Prudential Group's risk policy that aims to proactively identify, evaluate, manage and monitor risks including investment restrictions and risk management at a portfolio level.

SI: What is the current state of reception for funds under your stable (in relation to their target market)? What is the value of funds that you currently managed (kindly list them) and are there plans to roll out more funds in the near future?

RT: Our stable of funds has been very well-received, especially our domestic funds given that a number of our local funds have been winning the Lipper fund awards consistently. As such, our consistent track performance has been one of the key selling points for our funds.

In addition to the local funds, we also have funds like our Eastspring Investments Dinasti Equity Fund which fills up the product gap in the market as there are limited Islamic Greater China funds in the market.

Our Eastspring Investments Asia Select Income Fund is also unique as it combines Malaysia's fixed income and both China and India equities. Such unique Malaysia-China-India mixed asset fund also stands out as this is also the only mixed asset fund with such a combination. SI fundsupermart.com

A CLASS ACT IN DIVERSIFICATION

Award Category	Winner Fund
• Fixed Income – Malaysia with Foreign Exposure	**AmDynamic Bond**
• Fixed Income – Malaysia (Short Duration)	**AmIncome Plus**

Goh Wee Peng, acting CEO of AmInvest

AmInvest is the brand name for the funds management business of AMMB Holdings Bhd comprising AmFunds Management Bhd and AmIslamic Funds Management Sdn Bhd. Currently, AmInvest manages assets worth around RM36 billion (as of end-May 2018), in both conventional and Shariah-compliant retirement funds across various asset classes and geographical exposures in the market. This includes a total of 73 unit trust funds, 10 Private Retirement Schemes funds, two Exchange-traded schemes as well as institutional mandates for customised investment solutions.

Smart Investor speaks to AmInvest's acting CEO Goh Wee Peng on what it takes to soar in the unit trust industry.

Smart Investor (SI): The government is currently undertaking various market reforms to further revitalise Malaysia's capital markets. In your opinion, what type of market reforms are desirable to further spur the country's local equity market?

Goh Wee Peng (GWP): We think it is important to deepen the market for small and mid-cap stocks given there are many promising private enterprises that can be important pillars for the country's growth.

One initiative we can consider is to introduce small and mid-cap ETFs and sector-based ETFs which can serve as conduits for investors to gain a diversified exposure into the small/mid cap segments without the challenge of specific company research.

These ETFs can also support the emerging trend of the robo-advisory segment which mainly targets to serve the young investor segment.

SI: Kindly elaborate on your risk management profile in the context of how it has enabled AmInvest to be in the forefront of Malaysia's unit trust industry today.

GWP: Our approach to portfolio management focuses on a combination of top-down macro analysis and a bottom-up company research. The top-down process involves analysis of the economy and market conditions, while bottom-up process involves selecting the best companies or instruments to invest based on a combination of fundamental and technical perspectives.

Based on this overall approach, our fund managers will then manage each portfolio in accordance to the objectives and risk appetites of a particular fund. In the event we think that we have certain positions that do not meet the portfolio objectives or exhibit poor risk to reward profile, we will strive to exit from such position to minimise the downside of the portfolio.

SI: What are the strategies AmInvest have put in place to meet the challenges of the current state of global economic uncertainties?

GWP: The key challenges mainly revolve around the unpredictability of political development and actions taken by world leaders, which caused high volatility in the financial market. We keep a close track of macro development such as the US dollar trend, which may dictate fund flows between developed markets and emerging markets. Amidst these uncertainties, our approach is to have the optimal mix of structural longer term holdings, coupled with tactical shorter-term trading positions to strive for good total return for investors at all times.

SI: What is the current state of reception for funds under your stable (in relation to their target market)?

GWP: Our assets under management (AUM) comprising unit trust funds and institutional mandates have remained stable with some investors taking their investments out mainly due to regulatory changes on our wholesale money market funds. However, we have seen an encouraging one-year growth of 41% (to March 2018) in our AmInvest's PRS funds while our Islamic funds' asset under management posted an annualised growth of 12% over the past five years and three months (from end-December 2012). SI

A CAUTIOUS BUT OPTIMISTIC BEAT

Elyzza Syazreen Zailan, Libra Invest Bhd's Head of Fixed Income

Award Category	Winner Fund
• Fixed Income – Malaysia (Islamic)	**Libra ASnitaBOND Fund**

A member of the ECM Libra Group, Libra Invest Bhd (LIB) manages 13 unit trust funds, four wholesale funds and privately managed funds with a total fund size of RM6.56 billion as of end-2017. LIB's clientele includes institution and corporate clients, high net worth individuals and retail investors.

Smart Investor speaks to LIB's Head of Fixed Income Elyzza Syazreen Zailan on what the future holds for the company with specific reference to the Libra ASnitaBOND Fund.

Smart Investor (SI): What strategies does Libra Invest Bhd have in place to circumvent key challenges encountered by fund managers in emerging markets amid the current state of global economic uncertainties?
Elyzza Syazreen Zailan (ESZ): For 2018, geopolitical risks may continue to contribute to volatility in the market. While we remain sanguine about the overall global growth prospects going forward, central banks may continue to maintain accommodative monetary policies to support growth.

Despite the recent improvement in US economic data, the Fed may continue to normalise interest rates gradually as raising them too aggressively will increase borrowing costs for households and businesses at a time when US corporations and consumers may not have fully recovered from the aftermath of the 2008 global financial crisis.

Nevertheless, as part of our investment strategy, we maintain sufficient liquidity in the funds and a flexible duration strategy to allow us to respond quickly to changes in market environment and sentiment.

SI: Kindly share with us your fund management style and philosophy which have been instrumental in enabling your company to be a market leader in diverse fund categories.
ESZ: For fixed income, we practise an active portfolio management strategy by constantly monitoring global economic data, capital flows and movements in equity, fixed income and currency markets to anticipate future market direction.

In addition, we continue to place strong emphasis on the credit strength of our bond investments, e.g. consistent and visible cash flows, stringent bond structure, and an experienced and credible management team, to name a few.

SI: What is the short-, medium- and long-term outlook for the Islamic fund market? How would you convince potential clients that returns from Shariah-compliant funds can be as competitive, if not perform better than conventional funds?
ESZ: In Malaysia, the majority of government and corporate bond issuances are Shariah-compliant. Going forward, Sukuk issuance volume is expected to continue growing in order to meet rising demand, amid an expanding pool of investors who prefer Shariah-compliant investments. With the larger and more developed Sukuk market, the liquidity of Shariah-compliant assets is expected to improve.

SI: What is the value of funds that you are currently managing (kindly list them) and are there plans to roll out more funds in the near future?
ESZ: Our total assets under management grew by a strong 50% to RM6.56 billion as of end-2017 from RM4.37 billion as of end-2016. Given the current market conditions, we are not looking to launch any new investment products in the near future.

We will continue to channel our resources into maintaining our consistent performance and growing our assets under management. SI

RIDING ON CONSISTENT RETURNS

Award Category	Winner Fund
• Balanced – Malaysia	**Kenanga Balanced Fund**
• Core Equity – Malaysia	**Kenanga Growth Fund**

Lee Sook Yee , CIO of Kenanga Investors

Kenanga Investors Group comprises of both conventional and Islamic entities, Kenanga Investors Berhad (KIB) and Kenanga Islamic Investors Berhad (KIIB). KIB provides investment solutions ranging from collective investment schemes, portfolio management services as well as segregated private mandates and alternative investments for retail and high net-worth individuals, corporate and institutional clients.

Smart Investor speaks to Kenanga Investors' chief investment officer Lee Sook Yee on strategies laid out by the company to strengthen its presence in Malaysia's unit trust industry.

Smart Investor (SI): The government is currently undertaking various market reforms to further revitalise Malaysia's capital markets. In your opinion, what type of market reforms are desirable to further spur the country's unit trust industry?

Lee Sook Yee (LSY): We understand that the newly elected government is focused on institutional reform and better corporate governance. We believe the efforts to reform government-linked companies (GLCs) where professionals will replace politicians at the top management level will spur better economic development for the country. As for the banking sector, it will likely benefit from a gradual rising interest rate environment with higher consumer spending from the Goods and Services Tax (GST) removal. We also look forward to stronger corporate earnings growth for the next one to two years to be underpinned by solid gross domestic product (GDP) and private consumption growth. Finally, the roll-out of a comprehensive fiscal plan to address the country's fiscal consolidation could be a re-rating catalyst to the market and currency in the medium to long term. These are the key investment themes that we will be watching and intending to leverage on in future.

SI: What are the key challenges encountered by fund managers in emerging markets amid the current state of global economic uncertainties? What strategies does KIB have in place to circumvent those challenges?

LSY: The potential faster-than-expected US rate hikes, political turmoil in Italy which may threaten the EU-bloc stability and US-China trade tensions are the uncertainties clouding global economy and financial markets.

THE EFFORTS TO REFORM GOVERNMENT-LINKED COMPANIES (GLCS) WHERE PROFESSIONALS WILL REPLACE POLITICIANS AT THE TOP MANAGEMENT LEVEL WILL SPUR BETTER ECONOMIC DEVELOPMENT FOR THE COUNTRY.

Financial markets including the stock market and forex market is expected to remain volatile as long as these uncertainties persist.

During periods of high uncertainties, we may adopt more defensive investment strategies which may include keeping higher cash level or switching into defensive sectors such as consumer and healthcare.

> WE RELIED HEAVILY ON IN-DEPTH RESEARCH BEFORE PROCEEDING AS WE WANTED TO BRING TO THE TABLE NEW PRODUCTS THAT COULD TRULY CATER TO INVESTORS.

SI: You have a myriad of funds that range from both conventional and Shariah-compliant as well as those targeting emerging markets and fixed income. What are your success recipes to ensure each and every of the fund achieve their annual targeted returns?

LSY: We have always adhered to a bottom-up stock picking strategy with focus on undervalued stocks where their fundamentals are deemed superior and sustainable. These stocks are normally not the typical "index stocks".

In addition to analysis done on these companies, we also prefer to keep close to the ground by interviewing corporate managements to have a thorough understanding of the business model, management quality, certainty of earnings growth and the potential risks of the companies we invest in.

These are some of the standard strategies we adopt, as it is simply not logical to change our strategies every year. Unexpected incidents or geopolitical events happen pretty frequently and mostly without much advance warning, thus we rely on consistency in our quest to ride those market highs and to weather the lows.

SI: Are there plans to roll out more funds in the near future?

LSY: Recently, some asset classes such as fixed income and other high-yield products have begun to attract renewed interest. Clients are also looking towards absolute returns type of strategies but what is more important to us is consistent performance over a long-term period. We focus on actual demand and future prospects before we launch any new products.

There is also demand for alternative forms of investment vehicles. To cater to this, one of the funds we launched last year is the Kenanga Global Multi Assets Fund (KGMAF) in response to the increasing influence of fintech and artificial intelligence (AI) that has enveloped the industry. Having said that, we did not want to merely jump onto the bandwagon when it comes to trends that may come and go.

We relied heavily on in-depth research before proceeding as we wanted to bring to the table new products that could truly cater to investors. We also recently launched Kenanga Growth Fund Series 2 (KGFS2). This is to address growing demand due to the success of our flagship Kenanga Growth Fund (KGF).

To date, KGF's fund size stands at RM1.42 billion (the fund was launched in 2000). It was indeed exciting for us to do this since many investors have asked us about the potential of launching a new series. KGFS2 will be focusing on companies with strong fundamentals and proven track records as well as having up to 30% regional exposure as part of its asset allocation strategy. The fund will be available in both ringgit and the greenback classes to provide more options for investors to invest in their preferred currency. All-in-all, we look forward to continuing to fill in the gaps when it comes to meeting investors' needs.

SI: What are the potential events/return draggers that would detract fund performance?

LSY: In general, renewed ringgit weakness will benefit exporter holdings. However, potential delays of infrastructure projects will pose a negative effect on construction holdings. We believe that construction stocks have been oversold as we think that some infrastructure projects are likely to proceed, scaled-down or re-scheduled versus the market expectation of an outright cancellation by the new government.

That said, this may be healthy for the construction sector in that it ensures more sustainable growth going forward. SI

POSITIVE ON SINGAPORE EQUITIES

Lai Yeu Huan, Senior Portfolio Manager (Asian Equity) at Nikko Asset Management in Singapore

Award Category
- Single Country Equity – Singapore

Winner Fund
Singapore Dividend Equity Fund

Nikko Asset Management is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of Equity, Fixed Income and Multi-Asset strategies. In addition, its complementary range of passive strategies covers more than 20 indices and includes some of Asia's largest exchange-traded funds (ETFs).

Smart Investor speaks to Singapore-based Lai Yeu Huan who is Senior Portfolio Manager (Asian Equity) at Nikko Asset Management for his take on the outlook of Singapore's equity market.

Smart Investor (SI): Can you highlight any major changes you made to your portfolio over the course of the last 12 months? Were there any particular holding(s) that drove the fund's performance?

Lai Yeu Huan (LYH): At the start of 2017, we had anticipated a more favourable outlook for Singapore equities, driven by a reset of earnings expectations and low valuations, better-than-expected economic data, and an expectation of a turnaround in corporate earnings growth. As such, one of the key changes to our portfolio was the addition to our holdings in export-driven names, particularly in the tech sector.

Throughout 2017, the holdings have been a strong contributor to performance. In 2018, we took profit on some of our tech sector holdings, and now hold a more modest position.

Aside from the tech sector, our holdings in the Singapore banks also contributed strongly as the sector performed well amidst fading asset quality worries and expectations of higher interest rates as well as higher dividends.

Our holdings in the real estate sector also performed well. Developer stocks rallied as residential sector activity picked up, particularly after a perceived loosening of property measures. REITs also performed well in 2017 as long bond yields remained benign and the growth environment began to improve.

However, we lightened slightly our REIT holdings in 2018 in anticipation of higher long bond yields.

SI: What is your outlook going into the second half of 2018 specific to the markets you cover, and how are you positioned to take advantage of opportunities and/or mitigate potential risks?

LYH: We remain optimistic on Singapore equities in 2018, with the most recent consolidation in stock prices as being in line with our more moderate expectations for investment returns in 2018 following the strong performance in 2017. We remain positive on earnings expectations and see potential for continued upgrades, supported by steady global economic growth, coupled with firmer domestic demand.

As we enter a more mature phase of the economic and stock market recovery, we are convinced that there will be strong opportunities for bottom-up security selection, driven by wider bifurcation in returns between sector, stock and size factors. We favour cyclical industries such as technology, capital goods, real estate and selected commodity names. We are light in the domestic transportation and telecom sectors, which remain pressured by competition and business model disruption.

We also maintain our long-held conviction in companies which embody the New Singapore. These are companies that are reinventing their business models to succeed in the future economic landscape. We believe that these New Singapore companies will tend to be in industries like technology, healthcare, logistics, tourism and consumer services. Corporate restructuring will also continue to be a driver, in our opinion, as companies look to exploit inorganic opportunities to further profit from the ongoing economic recovery. SI

ISLAMIC FUNDS POST COMMENDABLE PERFORMANCE

Award Category
• Core Equity – Malaysia (Islamic)

Winner Fund
PMB Shariah Premier Fund

Isnami Ahmad Mohtar, Acting Chief Investment Officer, PMB Investment

PMB Investment Berhad is dedicated to providing sustainable returns from investment to its valued investors. The wholly-owned subsidiary of Pelaburan MARA Berhad, is one of the unit trust industry pioneers in Malaysia with more than five decades of experience.

Smart Investor speaks to Isnami Ahmad Mohtar, PMB Investment's acting chief investment officer, about the company's positioning in the local unit trust industry.

Smart Investor (SI): Malaysia's Shariah-compliant fund industry is gaining momentum on the back of a global surge in the Islamic fund and wealth management sector. How would PMB Investment able to scale greater heights by leveraging such bullish prospect?

Isnami Ahmad Mohtar (IAM): Awareness and demand for Islamic products particularly in unit trust funds are increasing among investors in Malaysia. We aim to increase our brand visibility by stimulating growth in the sales of our funds and the number of investors. In reaching out to investors, we have budget allocation for print media which covers newspapers and magazines as well as electronic, outdoor and digital channels.

In today's customer-empowered world, we will seize every opportunity to build relationships, generate goodwill and earn trust of prospective investors. To strengthen our sales force, we are increasing the number of our unit trust consultants as well as collaborating with both the corporate and institutional unit trust advisers.

To add breadth to the list of unit trust funds offering, we had recently launched a regional Shariah-compliant fund named PMB Shariah ASEAN Stars Equity Fund. This will provide opportunity for our existing as well as potential clients to invest in a totally new category of fund vis-à-vis the diversification of their investments for optimum return.

SI: Kindly elaborate on the expertise and experience of your management team in charting the desirable growth trajectory for your funds.

IAM: Each of our management team member has the required expertise and relevant experience to perform her duties. The management team members are responsible for the departments that they lead and also involved in the planning and monitoring of the company's business and activities. Each team member shares the responsibility for the achievement of the company's bottom line.

Stock selection by the team is done using fundamental and technical analysis. In technical analysis, we also employ proprietary relative strength methodology in managing some of our portfolios.

SI: What is the short-, medium- and long-term outlook for the Islamic fund market?

IAM: While we acknowledge that markets may ease off and turn increasingly volatile in the near term after the 14th General Election, we think market conditions over the medium to longer term will remain encouraging, underpinned by improving global growth and earnings. Any significant market weaknesses should be taken as opportunities to accumulate.

The change in government is longer-term positive as Malaysia is already being touted as a "reform play". In the immediate term, however, a few stocks have seen some weakness given their inclination towards government-linked contracts under the previous administration.

People tend to perceive that the conventional market will always outperform its Shariah-compliant counterpart. However, record showed that the Shariah-compliant market, as measured by the FBM Emas Shariah Index, performed better than the conventional market during four out of the six years between 2012 and 2017 (refer table below). SI

	2012	2013	2014	2015	2016	2017
FBM Emas Shariah Index	11.85%	13.29%	4.17%	2.35%	-6.14%	10.72%
FBM KL Composite Index	10.32%	10.54%	5.66%	-3.90%	-3.00%	9.45%

Source: Lipper Investment Management

INDIA FUNDS PERFORMING WELL

Award Category	Winner Fund
• Single Country Equity – India	**Manulife India Equity Fund**
• Sector Equity – Global Resources	**Manulife Global Resources Fund**

Rana Gupta, Managing Director of India Equities, Manulife Asset Management (Singapore) Pte Ltd

Manulife Asset Management Services Berhad (MAMSB MAMSB is a wholly owned subsidiary of Manulife Holdings Bhd which is majority owned by Canada-based Manulife Financial Corporation. Its fund offerings have expanded to 46 unit trust and private retirement scheme funds in the asset classes of equity, fixed income and money market.

Smart Investor catches up with Goh Yin Foo, the designated Fund Manager for MAMSB's Manulife India Equity Fund & Rana Gupta, Managing Director of India Equities, Manulife Asset Management (Singapore) Pte Ltd to gauge their opinions on the sustainability aspect of Manulife Global Fund – India Equity Fund (Target Fund).

Smart Investor (SI): What are the key challenges encountered by fund managers in emerging markets amid the current state of global economic uncertainties? What strategies do you have in place to circumvent those challenges?

Rana: In the context of India and more specifically to Target Fund, the biggest risk is over oil prices that stay stronger for longer. As oil prices keep on appreciating, this puts negative pressure on the trade deficit and upward pressure on the consumer price index (CPI).

However, we are looking at fairly strong earnings growth at operating level – even with some Indian rupee depreciation and moderation in price-to-earnings ratio – which should mean decent returns with one-year investment horizon.

SI: Against concerns over the Dow's sustainability, the US-China trade disputes, and more recently, a Syrian War, how is the global outlook for your funds?

Rana: Volatility in Dow can reduce risk appetite, which will impact equities. If US-China trade war were to happen, India is less directly exposed but risk appetite will reduce. Among all global factors, appreciating oil prices will have the most negative impact on Indian fundamentals.

SI: What are the value-added features of your funds offer? What are your success recipes to ensure each and every of the fund achieve their annual targeted returns?

Yin Foo: Manulife India Equity Fund invests principally in the Target Fund whereby the investment strategies are employed at the Target Fund level. Rana will elaborate on the Target Fund as my duties as a designated Fund Manager is to oversee the local Feeder Fund.

Rana: The Target Fund's investment style is to invest in growth at a reasonable price across all industry sectors in India by seeking out more structural and secular investment opportunities. As a bottom-up, research-driven manager, stock selection is expected to be the primary source of value add over the long term.

The team believes the following key core strengths to differentiate itself from its competitors:

- The team adopts a collaborative and dynamic investment process with a focus on performance and alpha generation.
- Its team-based approach promotes empowerment and accountability.
- ts on-the-ground resources are extremely important in capturing real-time information from a semi-efficient market. The team's investment process is adhered to by all members of the equity investment team from across the region.
- ts organisational culture provides an environment of collaboration and partnership across and within asset classes, it has a client centric orientation, and its long-term incentive structure is aligned with both client and business needs. SI

EMPHASIS ON CREDIT RESEARCH

Award Category	Winner Fund
• Balanced – Asia Ex Japan	**RHB Asian Income Fund**
• Fixed Income – Asia	**RHB Asian Total Return Fund**
• Fixed Income – Malaysia	**RHB Bond Fund**
• Fixed Income – Emerging Markets	**RHB Emerging Markets Bond Fund**
• Fixed Income – Malaysia (Islamic)	**RHB Islamic Bond Fund**


Michael Chang Wai Sing , CIO of RHB Asset Management

A wholly-owned subsidiary of RHB Investment Bank Bhd, RHB Asset Management Sdn Bhd (RHBAM) enjoys a significant presence in the ASEAN and Greater China region with offices in Malaysia, Hong Kong, Indonesia, and Singapore. The company bagged four awards in the fixed income categories of the recent Fundsupermart.com Awards.

Michael Chang Wai Sing, RHBAM's chief investment officer (fixed income) shares the recipe of success.

Smart Investor (SI): The government is currently undertaking various market reforms to further revitalise Malaysia's capital markets. In your opinion, what type of market reforms are desirable to further spur the country's unit trust industry?

Michael Chang Wai Sing (MCWS): From a fund manager's perspective, the development of a mature capital market centres on a highly liquid market that is able to capture a significant balance of onshore and offshore investors' participation.

Crucial to this participation is a committed governance framework for all capital markets in Malaysia which would then spur the country's unit trust industry further. RHBAM believes Malaysia already has this market infrastructure but what needs to improve further is the liquidity factor, especially in the local bond market. Improved liquidity will provide more investable choices for investors and access.

SI: What are the key challenges encountered by fund managers in emerging markets amid the current state of global economic uncertainties? What strategies does RHBAM have in place for fixed income to circumvent those challenges?

MCWS: The key challenges would no doubt be the tightening cycle expected by most of the developed market economies that may spark a re-pricing of risk, especially for global investors who are holding on to emerging market risk exposure.

Our strategy would be to shorten the duration in view of the imminent interest rate risk and concerted efforts by global central banks to embark on the normalisation of interest rates by reducing liquidity in their respective markets.

RHBAM has also raised higher cash buffers to tap opportunities that may avail in the event of a sell off amid the increase in global markets volatility.

SI: You have a myriad of funds that range from both conventional and Shariah-compliant as well as those targeting domestic, emerging markets and global fixed income. What are your success recipes to ensure each and every fund achieves their annual targeted returns?

MCWS: Our success recipe pivots on an active strategy where RHBAM will deploy both a top-down as well as a bottom-up approach to our investments. RHBAM emphasises considerably on credit research towards our fixed income investments in the global and local currency spaces. In order to complement this objective, we are supported by a team of 10 credit analysts spanning across Malaysia, Singapore, Indonesia and Hong Kong where each analyst has a niche sector of coverage and strengths.

This is evident in achieving the outperformance for investors in our award-winning funds. As key highlights, our RHB Islamic Bond has returned 29.36% as of end-May 2018 over a five-year period (registering an outperformance of 11.71% over the benchmark index), while our RHB Bond fund has returned 26.09% cumulatively over the same period, beating the benchmark by over 9% (Source: Lipper IM as of end-May 2018). SI