



# Asia Pacific Growth Fund

Fund Update November 2018

## Investment Objective

To seek high capital growth over the medium to long-term period through investments in situational and high growth stocks.

## Fund Details

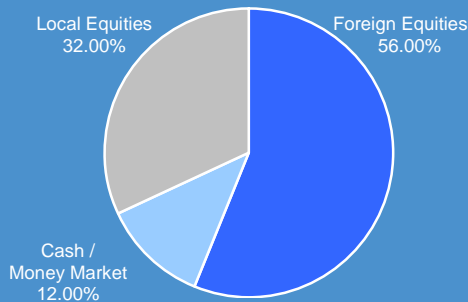
<b>Fund Size</b>	RM37,186,384
<b>Unit NAV @ 30/11/2018</b>	RM2.3291
<b>Valuation Frequency</b>	Daily
<b>Fund Manager</b>	Affin Hwang Asset Management Bhd
<b>Fund Management Fee</b>	1.50% p.a.
<b>Launch Date</b>	25 Sep 2006

## Portfolio Composition and Holdings

### Top Five Holdings

Securities	% Holding
Tencent Holdings Ltd	4.1%
China Construction Bank Corp	4.1%
PetroChina Company Limited	4.0%
Ping An Insurance Grp Co China	4.0%
HKT Trust & HKT Ltd	3.4%

### Portfolio Composition by Category of Investment



## Fund Performance\*

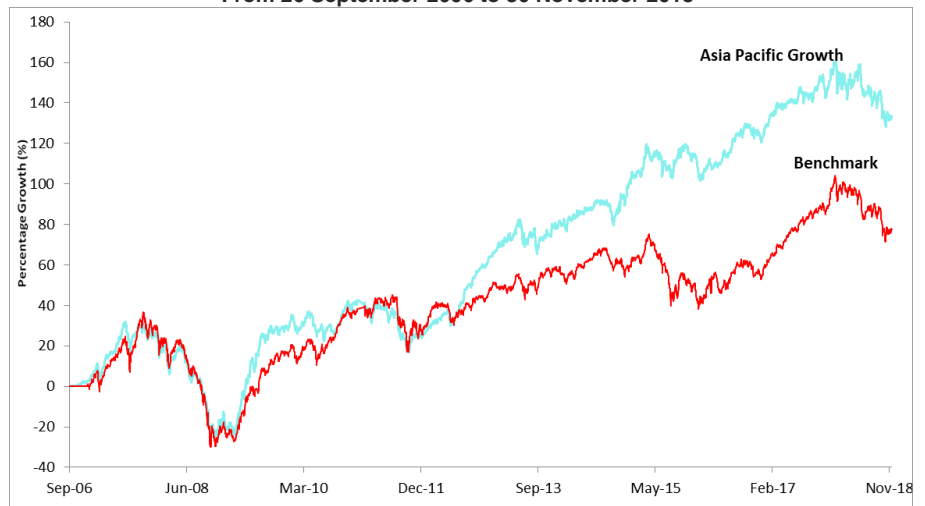
Total Return (%)	1 Month	3 Month	6 Month	1 Year	3 Year	YTD	Since Inception
Fund	1.04	-4.62	-8.03	-5.81	8.15	-7.16	132.84
Benchmark	1.80	-6.25	-7.50	-5.16	17.64	-7.84	77.33
Benchmark (MYR)	1.74	-5.54	-5.22	-4.15	16.60	-6.51	91.97

Annualised Return (%)	1 Year	3 Year	YTD	Since Inception
Fund	-5.81	2.64	-7.80	7.18
Benchmark	-5.16	5.56	-8.54	4.81

Calendar Year Return (%)	2015	2016	2017
Fund	8.00	3.96	12.28
Benchmark	-5.31	2.87	23.93

\*Calculation of performance is based on NAV-to-NAV basis including fund distribution(s), if any. Also, performance for 1-, 3-, 6-months and 1-, 3-years is based on the fund's performance for the respective preceding period.

Fund Performance vs Benchmark  
From 26 September 2006 to 30 November 2018



## Fund Strategy

The Fund Manager will continue to be selective in its strategy by focusing on quality stocks with strong cash flows, and stocks giving attractive dividend yields or the potential to do so. The Fund Manager will also take tactical investments in selected situational stocks with strong fundamentals.

This is a unit-linked fund offered by AXA AFFIN Life Insurance Berhad (AXA AFFIN). This Fund Updates is prepared by AXA AFFIN for information purposes only. The past performance figures shown are not indicative of future performance. Each investment fund is subject to market fluctuations and to risk inherent in all investments. The price of units of any investment fund may go down as well as up. Please refer to the Fund Fact Sheet for further details. While your insurance consultant may provide you with financial information as stated in publications authorised by the Company, you should make your fund allocation based on YOUR OWN judgement and personal circumstance.



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### Market Outlook

MSCI APxJ rose 4.3% in November, outperforming MSCI AC World (1.3%) by 3%. Asian equities rallied ahead of the G20 meeting helped by dovish Fed speak. Removal of the downside risk of a Democrat sweep in the US mid-term elections, lower oil prices, flattish dollar and a better outlook on US-China trade talks were key positive drivers. Indonesia, India and Chinese equities underpinned the regional performance.

Brent crude oil sell-off accentuated in November, declining 21%, post an 11% drop in October, below \$60/bbl for the first time since October 2017. Rising global supplies, especially from the US, and fears of an economic slowdown have driven oil prices lower.

The US 3Q annualized GDP came in at 3.5% compared to 4.2% in 2Q. The NAHB Housing market index declined to 60 in November from 68 in October. Existing home sales expanded 1.4% to 5.2 Million saar in October. Nominal retail sales expanded 0.8% MoM in October, while retail sales excluding autos, gasoline, building materials and food services expanded 0.3% MoM in October. CPI was at 0.3% MoM in October (2.5% oya) and the ex-food and energy core was at 0.2% MoM in October (2.1% oya). The ISM manufacturing composite in October was at 57.7. New orders for durable goods contracted 4.4% in October compared to a contraction of 0.1% in September. The nominal trade deficit expanded to US\$54.0 in September compared to US\$53.3 in August. Unemployment rate was at 3.7% in October.

Some key events which took place during the month included; 1) Democratic victory in the House of Representatives ended the unified

control of Congress and the presidency that the Republican Party had established in the 2016 elections. In the Senate elections, Republicans expanded their majority by two seats and kept their power. 2) Bank Indonesia hiked its policy rate 25bp to 6% and also raised the average reserve requirement to 3% from 2% and also the countercyclical liquidity buffer to 4% from 2%. The policy remains adaptive to CAD adjustment and external conditions. 3) President Trump said he expects to increase tariffs to 25% on \$200bn of Chinese goods at the end of the year, and will levy duties on all Chinese imports if negotiations with Xi at the G20 this weekend fail.

For the Asian region, the month of November was a strong month, gaining back some traction off a low base in October, as markets looked for respite from the upcoming G20 talks in hopes that China-US will come to a truce. Earnings season remained volatile with companies still missing analyst estimates due to currency impacts as well as slowdown in trade impacted most major Asian countries. APxJ 2018E/19E EPS have been revised down by 0.7%/2.1%, respectively, over the month. India, China and Taiwan saw the highest downward revisions MSCI APxJ EPS growth forecast is 10.6% in 2018 led by China, Korea and India.

We remain cautious due to heightened challenges in 2018. While valuations have come off to decent levels, earnings revision downwards continues to be seen, as well as continuous fund outflows from EM space into DM. Asian markets remain vulnerable to trade risks and as such we would wait for valuations to come down to attractive levels.