Fundsupermart.com's Recommended Unit Trusts Awards 2014

July 5-11, 2014

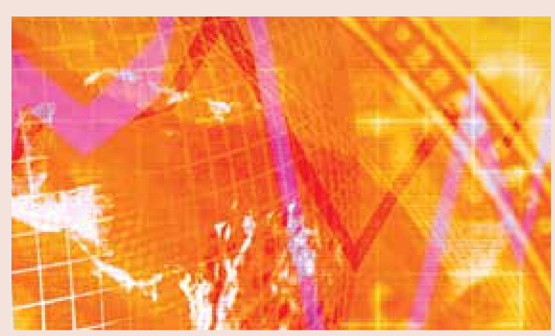
HAVING A FUND TIME... (L-R): Pacific Mutual Fund Bhd Business Development, General Manager Daniel Chua, Pheim Unit Trusts Berhad Chief Executive Officer Ong Kheng Liat, AmInvestment Services Berhad Chief Executive Officer Datin Maznah Mahbob, Kenanga Investors Berhad Chief Investment Officer Lee Sook Yee, Hwang Investment Management Berhad Chief Marketing Officer Chan Ai Mei, Amanah Mutual Berhad Chief Executive Officer Sheila Halim, iFAST Capital Sdn Bhd Managing Director Dennis Tan, RHB Asset Management Sdn Bhd Chief Executive Officer Ho Seng Yee, RHB Asset Management Sdn Bhd Chief Investment Officer Hoe Cheah How, Maybank Asset Management Sdn Bhd Head of Products and Marketing Christopher Geh, Eastspring Investments Berhad Chief Investment Officer Yvonne Tan, CIMB-Principal Asset Management Berhad Unit Trusts Assistant Director Harry Leong, KAF Investment Funds Berhad Sales and Marketing Vice President Lee Chee Ming and TA Investment Management Berhad Analyst Ng Choong Yi

Striking gold: The rise of online unit trust channels

pg 3

Celebrating the best in asset management

pg 4



Fund highlights

pg 5-10

ORGANISER'S MESSAGE

Helping hand for global investment

Dear readers,

Not everyone is a fan of investing, especially after the great financial crisis where some investors suffered fourth degree burns. It is unfortunate because investing is paramount in wealth preservation amid an inflationary environment. Some may have traumatic experiences of losing some monies in the past financial crisis due to misplaced trust on "experts". Others are overwhelmed by the complexity of investing and the sheer multitude of investment products. However, investing in unit trusts is not as risky or as arcane as most perceive but investors do have to put in some effort in doing their homework.

At Fundsupermart.com, we believe in helping investors around the world invest globally and profitably. This is why we work with 24 esteemed unit trust management companies to bring you more than 230 unit trusts. We know that a wider range of products gives rise to a greater range of opportunities and we would like to pass them on to investors.

Our in-house research team also provides our investors with global market research and fund analysis so that investors can make informed decisions. In fact, we understand that navigating the range of funds might be intimidating for investors and therefore, we publish a recommended unit trusts list on a yearly basis to further help investors focus on the best selection of funds we have in our stable. It is like the chef's recommendation; definitely helpful when you have no idea what to order in a new restaurant.

Given the advanced technology and dynamism of investment markets, investors should be discerning on the platform that they choose to invest with. We believe that a good platform should empower investors with the right tools and information to take the decision of which products to invest in into their own hands. That is the direction we strive towards, to being the smart way to trade.

Yours sincerely,
Wong Weiyi
FSM General Manager

Towards a more rewarding world

Up close with Fundsupermart.com

ESTABLISHED with the vision of helping investors around the world manage their assets globally and profitably, the Singapore-based Fundsupermart.com (FSM) has worked tirelessly over the past 14 years to bring this goal to fruition.

In line with its goals, the company formulated the Recommended Unit Trusts Awards to highlight the achievements of the top funds in the industry, as well as to enhance appreciation for the sector overall.

"The Recommended Unit Trusts are returning for the sixth year in Malaysia. We developed the programme to assist intermediate investors in focusing on a smaller selection of funds, as it can be hard to digest the amount of information relating to the full range of offerings in the country," said FSM Malaysia General Manager Wong Weiyi.

The online business-to-consumer distribution arm of iFAST Financial Pte Ltd, FSM has been present in Malaysia since 2000, having amassed a wide array of awards and milestones in the meantime.

Currently, the company is partnered with 24 fund houses and 237 funds domestically, with two offering wholesale funds to qualified investors and more coming onboard in the near future. As of May 2014, it manages more than 200,000 client accounts in the region, representing a net value of more than SGD4.7 bil (RM12.1 bil).

Its efforts have already been recognised on the international stage, taking home various accolades in the Best in Class and Outstanding Achiever in Online Usability — Independent categories at the Benchmark Wealth Management Awards in Hong Kong over the past few years. iFAST was also ranked second in 2008 at Singapore's Enterprise 50 Awards.

While rapidly gaining traction, the client pool that FSM serves still has ample room to grow, with local investors representing a smaller market relative to their counterparts in Hong Kong and Singapore, despite the nation having a much larger population. Wong attributes this to the comparatively recent uptake of online trading in Malaysia, a trend which FSM seeks to encourage.

"We utilise a variety of methods to reach out to the public. Every year, we have two flagship events, the first being the Recommended Unit Trusts, which includes two talks held after the event which are open to the public.

The other event, called *What and Where to Invest*, is usually held towards the start of the year, where we publish our findings and invite high-profile speakers to participate," he said.

Acknowledging the growing appetite for greater flexibility in service solutions among consumers and clients, the FSM Mobile app was also developed completely in-house to cater to investors on the go.

Available for both iOS and Android, the company's commitment to detail is evident in its additional support for the iPad platform through FSM Mobile+ at a time when few developers have taken full advantage of the format.

The company's innovations in the mobile fund distribution space have won acclaim at the Mob-Ex Awards this year, taking home the silver in the Most Informative Use of Mobile category. FSM Mobile has already reached more than 85,000 downloads, and is regularly updated to maintain relevance and stability.

"We differentiate ourselves through the amount of attention and resources we dedicate to our interfaces and user experiences. Much of our content is done in-house, from our online site to the FSM app, and we're constantly improving to make it more attractive for investors to come in. We also work with fund houses to provide frequent seminars on current market outlooks and investment guidelines," said Wong. — **By Aliff Yusri**

Recommended Unit Trusts Awards 2014

INITIATED in 2008, the Recommended Unit Trusts Awards represents another avenue in which FSM has made investing easier for newcomers. The awards recognise achievements among bonds and equities, as well as balanced and supplementary funds, with this year's event acknowledging 33 winners.

Prospective candidates are selected through a stringent evaluation process which balances criteria ranging from performance and expense ratio to risk and other qualitative factors, and are further differentiated by region and compliance with Islamic Shariah regulations.

"You can think of the Recommended Trusts as a chef's recommendation when you walk into a restaurant, a guideline you should try if you're not quite decided on what to order. The research process is quite robust to ensure that these funds are achievers among their categories," said Wong.

Consistency is emphasised, and a three-year track record is prefered for selected funds. Intangibles such as the departure of key personnel and the stability of the management team, as well as movements in currency values for funds that invest in assets denominated in foreign currencies, are also weighted.

In addition, FSM's approach to risk evaluation takes into account the kinds of securities a fund invests in, its sector diversification and how derivatives are used, with money market funds investing in RM-denominated bank deposits and short-term money market instruments rated at the low end of the risk spectrum and funds with interests in riskier emerging markets at the higher end.

Striking gold: The rise of online unit trust channels to spur investment

An increasingly mobile and wired workforce is the corollary of online unit trust distribution gaining ground in Malaysia. Given their nature, the finance sector and its stakeholders have traditionally been late adopters when it comes to online options — but as society and technology march on in tandem, distributors such as Fundsupermart.com (FSM) have already laid the stepping stones that will lead to the future of decentralised fund trading in Malaysia.

"We believe that nobody should be more concerned about your money than yourself. Independent channels like ours provide research materials and tools to empower investors to do their own analysis, whereas traditional channels are more dependent on agents for both market information and interpretation. In addition, portfolio monitoring and transactions can be managed at the time and place of your choice," said FSM Malaysia General Manager Wong Weiyi.

The underlying assumption is that the average Malaysian investor is sufficiently informed, empowered and motivated to keep abreast of current developments in the money market, to draw his or her own conclusions and to act upon them. A number of factors have made this somewhat tall order a reality, with recent price pressures as the cost of living and property creep upwards and threaten retirement and homebuilding plans accounting for an increased domestic motivation to save, while concerted and consistent education efforts on the part of FSM and its kin foster enhanced awareness and sophistication in the market.

In doing so, the questions they most frequently come across among those exploring the possibility of investing online usually relate to comparative advantage and security. Put simply: why should you choose an independent platform such as FSM over traditional channels, and how can you be sure it's safe to do so?

"Being an online channel, the biggest benefit to consumers would be in our pricing. Online channels typically charge a maximum of 2% in sales charge, instead of the conventional 5%. We don't need extensive office facilities or a large sales force, so our cost structure is lean. We share these savings with investors through lowered sales charges, and they can be subsequently invested to maximise returns over time," said Wong.

The abstract beauty of the equation is made explicit and accessible through the transparency guidelines that govern the industry, which also act as a downward force on prices as every charge, fee and percentage point is accounted for and this information is provided to the consumer, allowing for value comparisons and educated choices.

Online fund distribution platforms in the country must also comply with the legal and regulatory requirements of the Securities Commission, and in FSM's case, undergo additional supervision from the Federation of Investment Managers Malaysia in the form of audits.

Online fund distributors leverage on the strengths of lowered operation costs and varied product ranges

PHOTO BY ANWAR FAIZ

Further consumer protection is supplied through a bevy of security measures incorporating both software and hardware policies such as user access rights controls, data protection, backup databases and annual vulnerability tests by external consultants, but perhaps the most reliable indicator of the viability of the online business model is the sheer number of established fund houses that have partnered with FSM and similar offerings in the market, including institutes such as Maybank Asset Management Sdn Bhd, Pacific Mutual Fund Bhd and Hwang Investment Management Berhad.

"Risk mitigation is a must. Internally, we practise sound hiring processes with background and reference checks, as well as additional controls which we adopt from the Group's best practices derived from regional finance hubs such as Singapore and Hong Kong. Our relationship with some of the biggest names in the industry, cultivated over much of the past decade, also speaks for itself; such collaborations would not be possible without a mutual feeling of trust," said Wong.

With competition within the burgeoning online fund distribution space gradually heating up in the domestic context, its constituents have adopted a variety of market strategies to stand out from the crowd, ranging from sales pricing to quality customer support. FSM has taken the latter approach, banking on the strength of personal connections to overcome the inherent detachment of online transactions.

"We're dealing with finances, so it helps a great deal when the customer knows where their money is going. We make sure they always have someone to reach out to; our email support turnaround time is within four hours. When giving advice, we also ensure that our Client Investment Specialists are able to effectively communicate a well-rounded portfolio, and not just a single product," concluded Wong. **— By Aliff Yusri**

The methodology behind our fund selection

Performance

The most objective way to determine the quality of the fund manager is to assess the fund's historical performance, a factor we weigh heavily in our fund selection exercise. For this, we consider both the magnitude of performance as well as the consistency of returns.

In the case of new funds which feed into their overseas target funds with a longer track record, we may assess the target fund's performance. We recommend funds which have at least a three-year track record.

Expense Ratio

The expense ratio is what investors pay for the management of their fund on an annual basis. This charge is deducted from the value of the unit trust, and it takes into account all the operating expenses that a fund incurs, including its annual management fee, administration costs as well as trustee and custodian fees. Generally speaking, the lower the expense ratio, the better it is for you, because you are incurring less costs.

Risk

Instead of purely using standard deviation as the measure of risk, we believe that it is more appropriate to focus on how well a fund holds up during periods when the relevant markets saw substantial decline.

As such, in our assessment of risk, we focus on the maximum decline of a fund over a given period, and also incorporate a measure of downside volatility, which tells us how volatile a fund is over periods when it is losing value.

Bond Funds

Equity funds usually track well-known stock market benchmarks, making it easier to compare funds invested in a similar region or country.

Bond funds are less comparable, given their differentiated focus on credit, country selection, currency and duration. To reflect the emphasis on stability in fixed income investments, we assign different weightings to the three quantitative parameters as shown below.

Other Qualitative Criteria

In addition to looking at the above-mentioned qualitative parameters, we also consider other qualitative factors in our analysis, including the fund manager's consistency in their investment approach, the departure of key personnel as well as the stability of the management team. We also incorporate our outlook on the fixed income market to assess the merits and disadvantages of a bond fund.

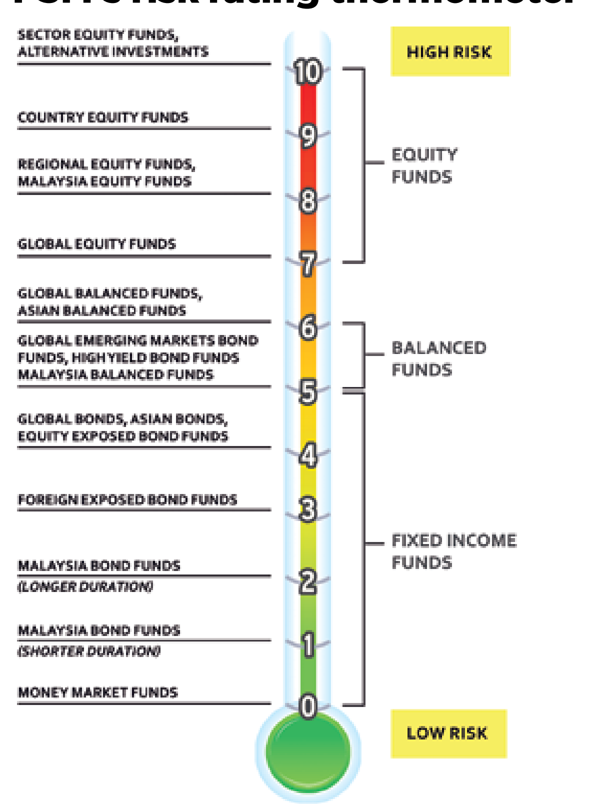
As most of the funds which invest in other regions buy companies that predominantly have their assets and earning streams denominated in foreign currencies, there is currency risk involved.

A gain in the MYR against another currency may reduce the returns of the funds exposed to other currencies, while a drop in the MYR against other currencies would increase the returns.

Thus, qualitative analysis is a necessary step to distinguish funds with superior management ability from those which were beneficiaries of strong market or currency movements.

As we take into account the qualitative factors, the highest-scoring fund based on quantitative assessment in a particular category may not necessarily be the fund we recommend, although fund performance remains a significant factor. — **Fundsupermart Research Team**

FSM's risk rating thermometer



Disclaimer: The above risk rating methodology is based on our research, and may differ from other rating methodologies. As this only serves as a guideline, it is up to the investor to decide on its suitability. Also, as the risk categories are broad categories, there may be differences in risk from one fund to another even if they have the same risk rating. If in doubt, please seek professional advice.

PHOTO BY ANWAR FAIZ

Celebrating the best in asset management

FSM outlook for the year emphasises 40% upside potential for Asia ex-Japan and global emerging markets by end 2016

FiMM Chief Executive Officer Mohamed Niza

Fundsupermart.com (FSM) held the Recommended Unit Trusts Awards 2014 at the One World Hotel, Petaling Jaya, recognising 33 unit trusts which recorded superlative performances from 12 established fund houses including Eastspring Investments Berhad, AmInvestment Services Berhad, Hwang Investment Management Berhad and Maybank Asset Management Sdn Bhd.

"The Recommended Unit Trusts Awards are held on a yearly basis to really appreciate the efforts of our partners in delivering such outstanding performances that have helped our investors greatly. Only funds with exemplary track records in terms of performance, risk and expense ratio make it to our list," said FSM General Manager Wong Weiyi.

The event was attended by the crème de la crème of the asset management industry in Malaysia, such as Federation of Investment Managers Malaysia (FiMM) Chief Executive Officer Mohamed Niza, who presented the opening speech for the ceremony, as well as top management from the winning fund houses including RHB Asset Management Sdn Bhd Chief Executive Officer Ho Seng Yee, Pacific Mutual Fund Bhd Business Development, General Manager Daniel Chua and CIMB-Principal Asset Management Berhad Unit Trusts Assistant Director Harry Leong.

RHB Asset Management Sdn Bhd was honoured during the event with a total of eight awards, including distinctions in the Core Equity — Global, Balanced — Global, Sub Regional Equity — BRIC and Bond — Global Emerging Markets categories. Eastspring Investments Berhad, Hwang Investment Management Berhad and AmInvestment Services Berhad also excelled, with seven of Eastspring Investments Berhad's funds winning accolades and three each from Hwang Investment Management Berhad and AmInvestment Services Berhad receiving recognition.

After the ceremony, iFAST Capital Sdn Bhd Managing Director Dennis Tan and Wong elaborated on FSM's outlook on the market for the year. With MSCI AC Asia ex-Japan Index trading at 12.1X price/earnings multiple as of 24 June 2014 based on a fair 14.5X price/earnings multiple, FSM foresees that the region has an upside potential of more than 40% by end-2016.

"We continue to favour Asia ex-Japan and global emerging markets over the developed equity markets due to their attractive valuations, but remain cognisant of the risks of further increases in interest rates, and suggest for investors to avoid longer-duration developed sovereign debt which is the most susceptible to rising yield," he said.

In terms of single country markets, FSM favours China, according it a five-star "Very Attractive" rating. "China, which is a large part of emerging markets, Asia ex-Japan and BRIC strategies, sports some of the strongest potential upside amongst all markets under our coverage, owing to the market's immensely depressed valuations at this juncture," concluded Wong. **— By Aliff Yusri**

iFAST Capital Sdn Bhd Managing Director Dennis Tan (left), RHB Asset Management Sdn Bhd Chief Executive Officer Ho Seng Yee (centre) and RHB Asset Management Sdn Bhd Chief Investment Officer Hoe Cheah How (right)

Maybank Asset Management Sdn Bhd Head of Products and Marketing Christopher Geh (right)

AmInvestment Services Berhad Chief Executive Officer Datin Maznah Mahbob

KAF Investment Funds Berhad Sales and Marketing Vice President Lee Chee Ming (right)

TA Investment Management Berhad Analyst Ng Choong Yi (right)

Pheim Unit Trusts Berhad Chief Executive Officer Ong Kheng Liat (right)

Pacific Mutual Fund Bhd Business Development, General Manager Daniel Chua (right)

Amanah Mutual Berhad Chief Executive Officer Sheila Halim (right)

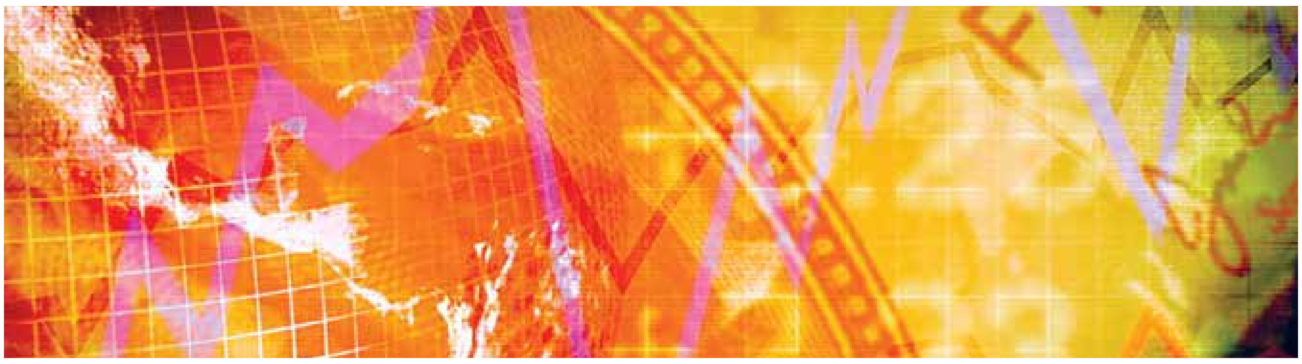
Hwang Investment Management Berhad Chief Marketing Officer Chan Ai Mei (right)

Eastspring Investments Berhad Chief Investment Officer Yvonne Tan (right)

Kenanga Investors Berhad Chief Investment Officer Lee Sook Yee (right)

CIMB-Principal Asset Management Berhad Unit Trusts Assistant Director Harry Leong (right)

Equity	
Award Category	**Fund**
Core Equity — Global	RHB-OSK Global Equity Yield Fund
Core Equity — Global	RHB-OSK Global Fortune Fund
Core Equity — Global Emerging Markets	Eastspring Investments Global Emerging Markets Fund
Core Equity — Asia ex-Japan	AmAsia Pacific Equity Income
Core Equity — Asia ex-Japan	Eastspring Investments Asia Pacific Equity MY Fund
Core Equity — Asia ex-Japan (Islamic)	Pheim Asia Ex-Japan Islamic Fund
Core Equity — Asia ex-Japan (Islamic)	Eastspring Investments Asia Pacific Shariah Equity Fund
Core Equity — Malaysia	Kenanga Growth Fund
Core Equity — Malaysia	Eastspring Investments Equity Income Fund
Core Equity — Malaysia (Islamic)	Hwang AIIMAN Growth Fund
Core Equity — Malaysia (Islamic)	Kenanga Syariah Growth Fund
Bond	
Award Category	**Fund**
Bond — Malaysia (Short Duration)	AmIncome Plus
Bond — Malaysia	KAF Bond Fund
Bond — Malaysia	Eastspring Investments Bond Fund
Bond — Malaysia (Islamic)	AMB Dana Arif
Bond — Malaysia (Islamic)	Pacific Dana Murni
Balanced	
Award Category	**Fund**
Balanced — Global	RHB-OSK Global Multi Manager Fund
Balanced — Asia ex-Japan	Pheim Emerging Companies Balanced Fund
Balanced — Malaysia	Hwang Select Balanced Fund
Balanced — Malaysia	CIMB-Principal Balanced Fund
Balanced — Malaysia (Islamic)	Eastspring Investments Dana Dinamik
Balanced — Malaysia (Islamic)	AMB Dana Ikhlas
Supplementary	
Award Category	**Fund**
Sub Regional Equity — BRIC	RHB-OSK-GS BRIC Equity Fund
Sub Regional Equity — Greater China	CIMB-Principal Greater China Equity Fund
Sub Regional Equity — Europe	TA European Equity Fund
Sub Regional Equity — Indonesia	RHB-OSK Indonesia Equity Growth Fund
Sub Regional Equity — US	RHB-OSK-GS US Equity Fund
Sector Equity — Global Resources	AmCommodities Equity
Sector Equity — Asia ex-Japan Small to Medium Companies	Hwang Select Asia (ex Japan) Quantum Fund
Sector Equity — Malaysia Small to Medium Companies	Eastspring Investments Small-cap Fund
Bond — Asia	RHB-OSK Asian Total Return Fund
Bond — Global Emerging Markets	RHB-OSK Emerging Markets Bond Fund
Bond — Global	Maybank Global Bond Fund



RHB-OSK Global Equity Yield Fund

Core Equity — Global

We recommend RHB-OSK Global Equity Yield Fund because of its exceptional performance and low expense ratio. Through our methodology which decides the fund's overall ranking based on performance (60% weighting), risk and expense ratio (20% weighting each), the fund took the lead out of nine funds under the Core Equity — Global category.

By comparing performance, the fund ranked second for the past three-year and four-year periods respectively (all ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund outperformed the peer average in 2011, 2012 and 2013 respectively. Taking into account both cumulative and calendar year returns, the fund ranked second under the performance criterion. The losses and annualised volatility recorded by the fund during market downturns over the past three years (ended May 2014) were lower than the peer average, ranking it second for risk. Another advantage is that the fund's annual expense ratio is the lowest among its peers, indicating that the fund is able to deliver stellar performance without incurring high costs for the investors.

The fund has an overweight position in the financial sector, particularly in European banks, as the fund manager believes that the banks are cheap whilst going through restructuring processes. The fund manager also prefers the consumer discretionary sector as this sector will benefit from discretionary spending due to optimism on the economic outlook and higher wages. Moving forward, the fund manager believes that the fund will continue to deliver strong returns over the long run as the global economy moves out of the recovery stage into expansion owing to the economic recovery of the US, a more balanced fiscal policy in Europe as well as a stablising China economy.

With its broad geographical allocation, the fund is well positioned to take advantage of opportunities across the globe while achieving the purpose of diversification. As such, 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 holds are quoted in their respective local currencies, although currency risks are likely to be mitigated due to the diversified nature of the fund.

Fund Manager: Tracy Cheong

Fundsupermart Risk Classification: 7 - Moderately Higher Risk

Annual Expense Ratio: 1.86% (as of end-June 2013)

Annual Returns (%)/Year			
2010	2011	2012	2013
0.58	-5.36	5.33	31.16

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

AmAsia Pacific Equity Income

Core Equity — Asia ex-Japan

AmAsia Pacific Equity Income comes recommended because of its outstanding performance. However, as the fund has not passed our three-year threshold since conception, our review and comments are based on the historical performance of the target fund, the BlackRock Global Funds — Asia Pacific Equity Income Fund.

Based on our methodology which determines the fund's overall ranking by assessing performance (60% weighting), risk and expense ratio (20% weighting each), the fund outclassed its seven peers under the Core Equity — Asia ex-Japan category.

From a performance perspective, the fund topped its class for the past two-year and four-year periods respectively (all ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund boasts a near-perfect record by ranking first in 2010, 2011 and 2013 respectively. The fund also consistently outclassed the peer average for the past four years since 2010. With both cumulative and calendar year returns in consideration, the fund stands dominant in its category. Losses and downside volatility recorded by the fund over the past three years (ended May 2014) were in line with the peer average. The fund's annual expense ratio was lower than the peer average.

The fund adopts a value-driven contrarian investment approach that aims to deliver superior performance to broader regional indices with lower downside volatility over the long term. At the time of writing, the fund manager has an overweight position in the Information Technology sector as the stocks in this sector are cheap and have exposure to export growth from the improving US and Europe economies. Looking ahead, the fund manager believes that the markets have become very short-term and consensus-driven but the fund's constant emphasis on finding attractive opportunities using valuation as a guide can give the fund an edge moving forward.

Investors who are looking to invest in an Asia ex-Japan equity fund that focuses more on North Asia and Australia can consider including this fund in their portfolio. While the fund is denominated in RM, there is foreign currency exposure as the underlying securities which the fund holds are quoted in their respective local currencies. However, the currency risk is likely to be mitigated due to the geographically-diversified allocation of the fund.

Target Fund Manager: Joshua Crabb

Fundsupermart Risk Classification: 8 - High Risk

Annual Expense Ratio: 2.01% (as of end-May 2013)

Fund Size as of end-April 2014: RM773.42 million

Source: Fundsupermart and AmInvest

Pheim Asia Ex-Japan Islamic Fund

Core Equity — Asia ex-Japan (Islamic)

Pheim Asia Ex-Japan Islamic Fund has won the award for the Core Equity — Asia ex-Japan (Islamic) category in 2010/11, 2012/13 and 2013/14. Unsurprisingly, it has made it back to our Recommended Funds list for 2014/15 due to its continued stellar performance. We methodically assessed the fund's and gave it an overall ranking based on performance (60% weighting), risk and expense ratio (20% weighting each). It ranked first out of five funds under the Core Equity — Asia ex-Japan (Islamic) category.

Based on performance, the fund consistently outperformed its peers for the past one-year to five-year periods respectively (all ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund ranked first in 2009, 2010, 2011 and 2013 as compared to its peers. As a result, the fund ranked top in the performance criterion. In terms of the fund's resilience, it recorded a downside volatility that was on par with its peers. The fund's annual expense ratio was also on par with the peer average.

The fund managers practise value investing that suits the Asian environment and adopt a defensive strategy of trimming equity exposure near market peaks for capital preservation and investing fully near market troughs. The fund managers have an overweight position in the plantation sector as the fund managers believe that crude palm oil prices are expected to rise owing to higher demand for biodiesel in Indonesia. They also prefer the technology sector as they expect that the earnings momentum of this sector would remain positive in tandem with the growing demand and capacity. Looking ahead, the fund managers believe that economies in the Asia ex-Japan region would remain robust backed by a combination of expansionary fiscal and monetary policies.

Investors who are looking for meaningful long-term returns should consider including this fund in their portfolio due to its stellar historical performance. However, investors need to be cautious of the small fund size of RM9.9 mil (as of end-May 2014) because a huge redemption could result in a high expense ratio which may adversely impact the performance of the fund. While the fund is denominated in RM, there is foreign exposure as the underlying securities which the fund holds are quoted in their respective local currencies.

Fund Managers: Dr Tan Chong Koay & Cheong Yew Huan

Fundsupermart Risk Classification: 8 - High Risk

Annual Expense Ratio: 2.24% (as of end-December 2013)

Annual Returns (%)/Year			
2010	2011	2012	2013
6.93	-7.59	7.42	15.42

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

Hwang AIIMAN Growth Fund

Core Equity — Malaysia (Islamic)

Hwang AIIMAN Growth Fund has been the incumbent under Core Equity — Malaysia (Islamic) category since 2012/13. This year, it retains its position on our Recommended Unit Trusts list for 2014/15 because of its continued strong performance, high resilience and low expense ratio. Ranking it using our methodology based on performance (60% weighting), risk and expense ratio (20% weighting each), the fund outclassed twenty-seven other funds under the Core Equity — Malaysia (Islamic) category.

In terms of performance, the fund ranked third for the past one-year, two-year, four-year and five-year periods respectively (all ended May 2014) on a cumulative basis. Its calendar year returns are more impressive, taking first place in 2009 and second in 2012 respectively. The fund also outperformed its peer average from 2011 to 2013. The downside volatility recorded by the fund during market corrections and downturns over the past three years (ended May 2014) were one of the lowest out of the twenty-eight funds, being significantly lower than the peer average. The fund's annual expense ratio was the second lowest compared to its peers, indicating that the fund is able to deliver strong performance without incurring higher costs for investors.

The fund manager adopts a multi-perspective approach in stock selection and is more growth-oriented with a preference for a Growth At A Reasonable Price (GARP) approach, selecting stocks that are undervalued and have sustainable growth potential. The fund manager maintains an interest in the plantations sector as the sector is expected to be supported by the encouraging crude palm oil prices. The fund manager also prefers the oil and gas sector as the sector is expected to have a strong outlook given the capital expenditures due to the Economic Transformation Programme (ETP). Looking forward, the fund manager remains optimistic that the improvement of global growth, along with the long lifeline of government investment projects, will act as a growth booster to Malaysia.

Fund Manager: Akmal Hassan

Fundsupermart Risk Classification: 8 - High Risk

Annual Expense Ratio: 1.59% (as of end-August 2013)

Annual Returns (%)/Year

2010	2011	2012	2013
20.84	4.75	16.57	24.48

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

Investors who would like to invest in Malaysia can consider this fund as it has a commendable historical performance and has exhibited high resilience during market downturns. There is minimal to no currency risk when investing in this fund as the fund is invested wholly in Malaysian capital markets. However, investors should be aware of the risk of being overly concentrated in home country investments.

Kenanga Growth Fund

Core Equity — Malaysia

Kenanga Growth Fund is no stranger to the Recommended Unit Trusts Awards, being the winner of the Core Equity — Malaysia category since 2010/11. This year, the fund defended its position in the Recommended Unit Trusts list owing to its astounding performance 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 fund once again climbed to the pinnacle of the thirty-five strong list in this category.

From a performance point of view, the fund boasts a remarkable long-term performance track record as it ranked first for the past three-year to five-year periods respectively (all ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund was on top in 2010 and 2011 respectively. The losses and downside volatility recorded by the fund during market corrections over the past three years were significantly lower than the peer average, ranking it within the top five positions out of thirty-five funds under the risk criterion.

The fund adopts a bottom-up approach in stock selection with emphasis on the companies' sustainable business model, competent management and dislocation between stock price and intrinsic value.

Currently, the fund manager has an overweight position in the oil and gas sector as she believes that this sector will benefit from the robust capital expenditure programme underpinning earnings growth. Looking forward, the fund manager believes that Malaysia remains an attractive investment choice in the long term with a firmer US economy, coupled with the recovery of EU and Japan.

Investors who would like to invest in Malaysia can consider this fund as it has a remarkable historical performance and has demonstrated high resilience during prior market downturns. There is minimal currency risk when investing in this fund. However, it carries the risk of being overly concentrated in home country investments.

Fund Manager: Lee Sook Yee

Fundsupermart Risk Classification: 8 - High Risk

Annual Expense Ratio: 1.88% (as of end-December 2012)

Annual Returns (%)/Year

2010	2011	2012	2013
32.71	19.07	13.95	26.48

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

Eastspring Investments Equity Income Fund

Core Equity — Malaysia

We recommend Eastspring Investments Equity Income Fund because it showcased solid performance and staunch resilience. The fund's overall ranking is determined based on performance (60% weighting), risk and expense ratio (20% weighting each). The fund outranked every fund save for one out of thirty-five funds under the Core Equity — Malaysia category.

From a performance point of view, the fund ranked second for the past four-year period and third for the past three-year period (all ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund was above average in 2011, 2012 and 2013. Taking into account both cumulative and calendar year returns, the fund placed fourth under the performance criterion. The losses and downside volatility recorded by the fund during market corrections over the past three years (ended May 2014) were significantly below the peer average. Consequently, the fund ranked third for risk. The fund's annual expense ratio was also kept below the peer average.

Currently, the fund manager holds an overweight position in technology and manufacturing sectors as these sectors are beneficiaries of a stronger USD. She prefers the technology sector due to her confidence that this sector will benefit from the global economic recovery and the growth in new consumer products. She also holds an interest in the manufacturing sector especially in companies that are globally competitive and have succeeded in increasing their market presence. Looking ahead, the fund manager believes that Malaysia's young population and rising income growth should underpin domestic consumption and the gradual recovery in the country's balance sheet and increased commitment in removing subsidies should attract more foreign investors into the country. The fund manager maintains that capital appreciation and dividend income should continue to drive the fund's performance going forward.

Investors who are looking to invest in Malaysia equity funds should consider including this fund in their portfolio because of its outstanding historical performance and high resilience during market downturns. There is minimal currency risk at most as the fund is invested wholly in Malaysian equities. However, investors should be aware of the risk of concentrating investments in one country.

Fund Manager: Tung Yin Wai

Fundsupermart Risk Classification: 8 - High Risk

Annual Expense Ratio: 1.62% (as of end-June 2013)

Annual Returns (%)/Year

2010	2011	2012	2013
20.41	10.65	18.83	20.14

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

Pacific Dana Murni

Bond — Malaysia (Islamic)

We recommend Pacific Dana Murni because of its high resilience and low expense ratio. Basing the selection on our methodology which assesses performance (40% weighting), risk and expense ratio (30% weighting each), the fund ranked second out of seven Shariah-compliant funds under the Bond — Malaysia (Islamic) category.

Performance-wise, the fund was not the strongest, but still clinched the top three positions for the past one-year period (ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund ranked third in 2013 amongst its peers. The fund exhibited strong resilience as it recorded the lowest losses of -0.4% during market corrections over the past three years (end-May 2011 to end-May 2014) as compared to its peer average of -1.2%. The fund was able to deliver consistent returns regardless of market conditions over the past three years. Correspondingly, the fund ranked first out of seven Shariah-compliant funds for risk. The fund's annual expense ratio of 1.09% (as of end-March 2014) was also significantly lower than its peer average of 1.54%.

In terms of bond selection, the fund's concentration is mainly in the investment grade area of the corporate bond market with emphasis on diversity and durability of companies. The fund actively seeks opportunity in bonds with credit re-rating potential in the long run. As at end-March 2014, the fund recorded a yield of 4.21% and an average duration of 3.11 years, with AA-rated Islamic Private Debt Securities (IPDS) accounting for 84.4% of the fund's total net asset value. The fund's heavy allocation in AA-rated IPDS entails higher credit risk; however, judging from the fund's strong resiliency in the past, this has not resulted in excessive volatility.

Malaysia bond funds are vital in capital preservation. As bonds are typically lowly correlated with equities, we advise investors to include bond funds in their portfolio to enhance risk-adjusted returns in the long term. The fund has little to no currency risk as the fund invested wholly in Malaysian bonds and is managed in a RM-perspective.

Fund Manager: Oh Jo Ann

Fundsupermart Risk Classification: 2 - Low Risk

Annual Expense Ratio: 1.09% (as of end-March 2014)

Annual Returns (%)/Year			
2010	2011	2012	2013
4.22	3.73	3.54	2.35

Source: Fundsupermart and Pacific Mutual Fund Bhd
Performance figures are based on NAV prices, adjusted for dividends re-invested and in RM.

AMB Dana Arif

Bond — Malaysia (Islamic)

We recommend AMB Dana Arif because of its strong performance and unwavering resilience. Based on our methodology which sets the fund's overall ranking with regards to performance (40% weighting), risk and expense ratio (30% weighting each), the fund topped the list of seven Shariah-compliant funds under the Bond — Malaysia (Islamic) category.

On a cumulative basis, the fund outperformed its peers for the past one-year to five-year periods respectively (all ended May 2014). In terms of calendar year returns, the fund ranked first in 2013 and 2011 respectively.

The fund exhibited staunch resilience as it recorded lesser losses and downside volatility compared to the peer average during the Malaysian bond market downturns over the past three years (all ended May 2014). Consequently, the fund came in second out of seven Shariah-compliant funds under the risk criterion.

The fund's annual expense ratio of 1.82% (as at end-May 2013) was the second highest among its peers; it was also significantly higher than its peer average of 1.54%. As such, a caveat is that the high annual expense ratio could pose a negative impact if the fund delivers sub-par returns.

As at end-March 2014, the fund recorded a yield of 4.41% and an average duration of 3.44 years, with more than half of the total net asset value invested in debt securities (permissible under Shariah Principles) with AA ratings. The fund also invested in Talam Transform Berhad's bond paper with a rating of BB3s (as at end-March 2014). Investors should take note that the fund's investment in a riskier bond segment entails higher risk and greater volatility and with a chance of further escalating volatility in the future.

Malaysian bond funds play an important role in capital preservation as bonds typically have a low correlation with equities. We advise investors to include bond funds in their portfolio to enhance risk-adjusted returns in the long run. Furthermore, there is little to no currency risk as the fund is invested wholly in Malaysian bonds which are denominated in RM.

Fund Managers: Wong Loke Chin & Muhammad Zulfadzlie Zulkifli

Fundsupermart Risk Classification: 2 - Low Risk

Annual Expense Ratio: 1.82% (as of end-May 2013)

Annual Returns (%)/Year			
2010	2011	2012	2013
5.41	8.83	3.84	2.88

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

KAF Bond Fund

Bond — Malaysia

KAF Bond Fund comes recommended because of its strong performance and low expense ratio. Based on our methodology which ranks the fund by weighing performance (40% weighting), risk and expense ratio (30% weighting each), the fund ranked second out of eight funds under the Bond — Malaysia category.

From a performance perspective, the fund fared better over the long term as it ranked second for the past five-year period and third for the past four-year period (all ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund still placed within the top three positions for the past five years since 2009. However, the fund recorded higher losses compared to its peers over the past three years (ended May 2014). Its annualised volatility during market downturns was the highest compared to the other seven funds under the category. The fund's annual expense ratio (0.47%) was significantly lower than the peer average (1.13%) and it was the lowest compared to its peers.

Fund Manager: Thariq Usman bin Ahmad

Fundsupermart Risk Classification: 2 - Low Risk

Annual Expense Ratio: 0.47% (as of end-August 2013)

Annual Returns (%)/Year			
2010	2011	2012	2013
9.25	7.64	1.84	6.57

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

The fund is primarily invested in medium to long term Malaysian Private Debt Securities (PDS), sovereign bonds and other fixed income securities with credit ratings of no lower than A3 by RAM/A- by MARC. As at end-March 2014, the fund recorded a yield of 5.39% and an average duration of 5.52 years, with AA-rated fixed income securities making up 82.2% of the fund's net asset value. Investors should be aware that the fund's exposure to riskier segments comes with higher associated risks. Investors should also take note that the fund comes with another layer of risk (duration risk) with its investments in longer duration bonds. Looking ahead, the fund manager believes that an overweight stance in higher quality papers should drive the portfolio's return over the long term.

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

Eastspring Investments Dana Dinamik

Balanced — Malaysia (Islamic)

Eastspring Investments Dana Dinamik emerges triumphant once again in defending its title for the Balanced — Malaysia (Islamic) category for five years running. This year, the fund made a return to our Recommended Unit Trusts list for 2014/15 because of its continued solid performance and low expense ratio. Based on our methodology which ranks funds by assessing performance (60% weighting), risk and expense ratio (20% weighting each), the fund stood above thirteen funds under the Balanced — Malaysia (Islamic) category.

From a performance point of view, the fund placed second for the past two-year, three-year and five-year periods respectively (all ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund secured a place on the podium from 2010 to 2013. As a result of superior performance, the fund came first under the performance criterion. While the fund scored well in terms of performance, the fund was lacklustre when it came to risk, recording higher losses and downside volatility compared to its peers over the three year period ended May 2014. However, the fund's annual expense ratio was the lowest among the thirteen funds in the category.

Fund Managers: Yvonne Tan (Equity) & Ahmad Iskandar Bin Onn (Fixed Income)

Fundsupermart Risk Classification: 5 - Moderate Risk

Annual Expense Ratio: 1.42% (as of end-September 2013)

Annual Returns (%)/Year			
2010	2011	2012	2013
13.77	10.08	15.13	18.25

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

The fund holds a highly flexible position in asset allocation, allowing it to invest up to 100% of its total net asset value either in Shariah-compliant equities or sukuk and Islamic liquid assets. At this juncture, the fund managers reveal that they favour equities over bonds. As at end-March 2014, the fund holds a large overweight position (85.38% of its total NAV) in stocks. The decision to have a heavier allocation in equities may allow the fund to post a stronger performance; however, investors should bear in mind that this large overweight position could be a source of higher volatility in the fund's performance in the future.

Investors who are looking for meaningful long-term returns should consider including this fund in their portfolio due to its strong historical performance and its flexible position in asset allocation. There is little to no currency risk as the fund is invested wholly in Malaysia capital markets. However, investors should note the risk of concentrating solely on home country investments.

RHB-OSK Global Multi Manager Fund

Balanced — Global

We recommend RHB-OSK Global Multi Manager Fund over its only peer, namely the RHB-OSK Muhibbah Income Fund, because of its superior performance. Based on our methodology which weighs the fund's performance (60% weighting), risk and expense ratio (20% weighting each), the fund ranked above its peer under the Balanced — Global category.

From a performance perspective, the fund has been consistently outperforming its peer over the past one-year to five-year periods (ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund also outclassed its peer from 2009 to 2013. While the fund has demonstrated superior performance, the fund has shown relatively lower resilience during market corrections and market returns (over the past three years ended May 2014) as compared to its peer. However, the fund's annual expense ratio was significantly lower than its peer's.

The fund, as a fund-of-funds, aims to provide investors with long-term capital growth with reduced levels of risk by investing in a minimum of five international and domestic collective investment schemes. As such, investors who are looking to hold a well-diversified fund should consider this fund as it is broadly diversified across asset classes (equities, fixed incomes, money markets, etc) as well as various regions across the world. However, investors should be cautious of the small fund size (RM11.19 mil as at end-May 2014) as a huge redemption could adversely impact the performance of the fund if expenses are not kept in check.

Fund Manager: Mike Lai

Fundsupermart Risk Classification: 6 - Moderately High Risk

Annual Expense Ratio: 1.01% (as of end-July 2013)

Annual Returns (%)/Year			
2010	2011	2012	2013
5.98	-2.60	8.90	18.02

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

While the fund is denominated in RM, investors need to take note that there is foreign currency exposure as the underlying funds are invested in securities that are quoted in their respective local currencies. However, currency risk is likely mitigated owing to the broad-based geographical allocation of the fund.

CIMB-Principal Balanced Fund

Balanced — Malaysia

We recommend CIMB-Principal Balanced Fund because of its excellent performance. Based on our methodology which positions the fund on a ranking based on performance (60% weighting), risk and expense ratio (20% weighting each), the fund outperformed its peers to place second out of nineteen under the Balanced — Malaysia category.

Judging from performance, the fund fared well over the long term as it ranked second for the past five-year period (ended May 2014) on a cumulative basis. It demonstrated stronger calendar year returns, consistently outperforming the peer average in 2009, 2010, 2011 and 2013 respectively. As such, the fund made the top five under the performance criterion. The losses and downside volatility recorded by the fund during market downturns over the past three years (ended May 2014) were on par with the peer average. In terms of expense ratio, the fund's annual expense ratio was slightly higher than the peer average.

Currently, for equities, the fund managers have an overweight position in the utility sector and oil and gas sector as they believe that the utility sector offers stable earnings visibility while the oil and gas sector will outperform in the long term. As for bond selection, they prefer primary issues that have already priced in the risks going forward as well as higher coupon bonds to cushion the impact of increasing yields. Looking ahead, the fund managers expect that there will be a continuation of growth for the Malaysian equity market but at a more moderate rate. As for fixed income space, they expect interest rates to rise in the near future and the yield curve to flatten.

Fund Managers: Loke Wei Wern (Equity) & Ahmad Raziq Abdul Rahman (Fixed Income)

Fundsupermart Risk Classification: 5 - Moderate Risk

Annual Expense Ratio: 1.98% (as of end-December 2013)

Annual Returns (%)/Year			
2010	2011	2012	2013
21.09	4.65	8.55	12.95

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

Investors seeking a fund that derives meaningful long-term returns from Malaysia's capital markets can consider this fund given that it has no foreign exposure. However, investors should bear in mind the risk of concentrating investments in their home country.

AMB Dana Ikhlas

Balanced — Malaysia (Islamic)

AMB Dana Ikhlas made the list of Recommended Unit Trusts because of its satisfactory performance, unyielding resilience and low expense ratio. Based on our methodology which decides the fund's overall ranking by weighing performance (60% weighting), risk and expense ratio (20% weighting each), the fund claimed second position of thirteen funds under the Balanced — Malaysia (Islamic) category.

Performance-wise, the fund fared better in the long term as it came in third for the past five-year period (ended May 2014) on a cumulative basis. Its calendar year returns fell short in comparison but still managed to secure it first place in 2010 and second in 2011 respectively. On the other hand, the losses and downside volatility recorded by the fund during market downturns over the past three years were significantly lower than the peer average so the fund took second spot out of thirteen funds under the risk criterion. In terms of expense ratio, the fund's annual expense ratio was the second lowest in this category.

With regards to stock selection, the fund managers emphasise on the companies' sustainable business fundamentals, relative valuations and increasing investor expectations. As for bond selection, they focus on the issuers' credit evaluation, duration and spread analysis. Currently, the fund managers prefer the oil and gas sector as they believe that this sector will benefit from Petronas' capital expenditure programme as well as the RAPID project.

They also hold an overweight position in the telecommunications sector because of its stable cash flows and oligopolistic market structure. Looking ahead, the fund managers expect that continued capital expenditure spending in the oil and gas industry, implementation of various ETP projects and a buoyant property market are the key drivers for the fund's performance.

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

Fund Managers: Dennis Lee (Equity) & Muhammad Zulfadzlie Zulkifli (Fixed Income)

Fundsupermart Risk Classification: 5 - Moderate Risk

Annual Expense Ratio: 1.51% (as of end-November 2013)

Annual Returns (%)/Year

2010	2011	2012	2013
16.98	7.03	6.29	12.50

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

Hwang Select Asia (ex Japan) Quantum Fund

Sector Equity — Asia ex-Japan Small to Medium Companies

In line with our methodology which determines the fund's overall ranking based on performance (60% weighting), risk and expense ratio (20% weighting each), we recommend Hwang Select Asia (ex Japan) Quantum Fund for the Sector Equity — Asia ex-Japan Small to Medium Companies category. We choose this fund over its only peer, namely the RHB-OSK Asian Growth Opportunities Fund for this category because of its superior performance, higher resilience and lower expense ratio.

Looking at performance, the fund consistently outperformed its peer over the past one-year to five-year periods (all ended May 2014) on a cumulative basis. In terms of calendar year returns, the fund had the same edge over its peer average over the past five years since 2009. Aside from having superior performance, the fund exhibited resilience during market downturns over the past three years (ended May 2014), posting lesser losses compared to its peer in 2010 and 2011. The fund also has the advantage of having a lower annual expense ratio than its peer.

The fund adopts a multi-perspective approach in stock selection and is more growth-oriented with preference towards a Growth At A Reasonable Price (GARP) approach. Apart from that, the fund focuses on an absolute return strategy through tactical asset allocation, granting the fund manager the flexibility to adjust cash and equity exposures during adverse market conditions to preserve capital and minimise losses. The fund manager maintains an interest in the plantation sector as the sector is expected to be supported by the encouraging crude palm oil prices. The fund manager also leans towards the oil and gas sector as it is expected to have a strong outlook given the capital expenditures due to the Economic Transformation Programme (ETP).

As the fund invests in a relatively narrower investment space that focuses on small to medium companies, it tends to have higher volatility compared to the broad-based equity funds. Thus, investors are advised to include this fund as part of their supplementary portfolio. While the fund is dominated in RM, there is foreign currency exposure as the underlying securities which the fund holds are quoted in their respective local currencies. However, currency risk is likely mitigated due to the fund's geographically-diversified allocation.

Fund Manager: Gan Eng Peng

Fundsupermart Risk Classification: 10 - Highest Risk

Annual Expense Ratio: 1.67% (as of end-December 2013)

Annual Returns (%)/Year

2010	2011	2012	2013
27.74	6.17	27.42	21.49

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

TA European Equity Fund

Sub Regional Equity — Europe

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. We choose this fund over its only peer, namely AmSchroder European Equity Alpha, because of its higher resilience and lower expense ratio.

Performance-wise, the fund outperformed its peer for the past four-year and five-year periods respectively (all ended May 2014) on a cumulative basis. The fund exhibited relatively strong resilience compared to its peer during market downturns over the past three years (ended May 2014) as it posted lesser losses (-9.4%) than its peer (-16.3%) in 2011. Looking at expense ratio, the fund also has a lower annual expense ratio as compared to its peer.

In terms of stock selection, the fund manager subscribes to a combination of growth and value investing, seeking stocks with lower-than average price to book and price to earnings ratios that have strong cash flows and stable income. During adverse market conditions, the fund will scale back its equity exposure and increase its bond and cash positions to preserve capital and enhance its resilience. Looking ahead, the fund manager believes that the key catalyst that will drive the performance of the fund is the recovery of the European economy.

As the fund invests at least 90% of its total net asset value in collective investment schemes, it tends to have a lower volatility due to its broad-based diversification across the equity space in the European region. For investors who would like to invest in Europe, we advise them to include this fund as part of their supplementary portfolios. While the fund is denominated in RM, there is foreign currency exposure as the underlying securities which the fund holds are quoted in their respective local currency, primarily the Euro.

Fund Manager: Choo Swee Kee

Fundsupermart Risk Classification: 8 - High Risk

Annual Expense Ratio: 2.02% (as of end-June 2013)

Annual Returns (%)/Year

2010	2011	2012	2013
-8.08	-9.37	13.57	31.26

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

Maybank Global Bond Fund

Bond — Global

As the Maybank Global Bond Fund has less than a three-year track record, our review and comments are based on the historical performance of the target fund, the Templeton Global Bond Fund. In line with our methodology which places the fund on an overall ranking based on performance (60% weighting), risk and expense ratio (20% weighting each), we recommend the Maybank Global Bond Fund for the Bond — Global category due to its stronger performance and higher resilience compared to its benchmark.

Based on performance, the fund consistently outperformed its benchmark for the past one-year to three-year periods respectively (ended March 2014) on a cumulative basis. Over the past three years (ended March 2014), it delivered a cumulative return of 23%, significantly higher than its benchmark's 14%. Other than delivering strong performance, the fund also demonstrated higher resilience as compared to its benchmark during market corrections, posting a positive return of 11.7% while its benchmark posted a negative return of -2.3% in 2012 over the past three years (ended March 2014). The fund's three-year annualised volatility (4.3%) is also significantly lower than its benchmark (7.1%).

Target Fund Manager: Michael Hasenstab

Fundsupermart Risk Classification: 4 - Moderately Low Risk

Fund Size: RM23.46 mil (as of end-April 2014)

Source: Fundsupermart and Maybank Asset Management Sdn Bhd

The fund manager believes that applying a fundamental, research-driven investment approach that focuses on identifying potential sources of high current income worldwide and that seeks to capitalise on duration, currency, and sovereign credit opportunities will provide the best potential for solid risk-adjusted returns. As at end-March 2014, the fund recorded a yield of 4.77% and an average duration of 1.56 years, with A-rated and BBB-rated bonds accounting for more than half of the fund's total net asset value. The fund also invested 14.53% of its total net asset value in bonds with credit ratings below BBB. Investors should take note that the fund's exposure to riskier bond segments comes with higher associated risk; however, judging from the fund's strong resilience in the past, this has not resulted in excessive volatility.

Given that this bond fund is primarily invested in the global bond market, it will have exposure to foreign currency risk; while a broad-based geographical allocation should mean that currency risks are diversified somewhat, investors should note that currency is employed as a key return driver for the fund — the fund usually has large active currency positions which can introduce additional volatility to the fund's performance. In addition, investors should note that the Maybank Global Bond fund feeds into the SGD-hedged class of the Templeton Global Bond Fund — this means that adverse movements of the SGD against the RM could result in higher volatility in the fund's performance. Investors who want exposure to this more-actively managed global bond strategy should include this fund as part of their supplementary portfolio.

RHB-OSK Asian Total Return Fund

Bond — Asia

Based on our methodology which ranks the fund by weighing performance (60% weighting), risk and expense ratio (20% weighting each), we recommend RHB-OSK Asian Total Return Fund for the Bond — Asia category due to its consistent performance and strong resilience.

From a performance perspective, the fund outperformed the benchmark for the past one-year period (ended May 2014) on a cumulative basis. In term of calendar year returns, the fund also outclassed its benchmark in 2013. The fund exhibited stronger resilience than its benchmark over the past three years (end May 2014), posted a three-year annualised volatility of 5.5% as compared to its benchmark's 6.5%.

UOB Asset Management adopts an investment philosophy that aims to achieve consistent performance through independent fundamental research, diversified strategies along with active risk management to generate sustainable total return for fixed income portfolios. The fund is primarily invested in debt securities issued by Asian corporations, financial institutions, governments and their agencies. The fund emphasises on fixed income securities that provide yield at an acceptable risk premium and focusing on credit spread as the main source of incremental return. Looking ahead, the fund manager maintains that fixed income should become an increasingly important asset class among investors with the aging demographics in Asia.

Target Fund Manager: Chia Tse Chern

Fundsupermart Risk Classification: 4 - Moderately Low Risk

Annual Expense Ratio: 1.55% (as of end-December 2013)

Annual Returns (%)/Year

2010	2011	2012	2013
-4.86	-1.81	8.40	2.81

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

While the fund is denominated in RM, investors are likely to have exposure to other Asian currencies (as well as the USD) due the underlying securities that the fund holds. Investors should also note that the fund is managed from an SGD-perspective, which means that adverse movements of the SGD against the RM may result in higher volatility in the fund's performance, particularly if the manager has employed currency hedges in the underlying portfolio. Investors who seek to take advantage of the opportunities in the fixed income markets of the Asia ex-Japan region should consider including this fund in their supplementary portfolio.

Eastspring Investments Small-cap Fund

Sector Equity — Malaysia Small to Medium Companies

Eastspring Investments Small-cap Fund makes the list of Recommended Unit Trusts because of its impressive performance and low expense ratio. Through our methodology which ranks the fund based on performance (60% weighting), risk and expense ratio (20% weighting each), the fund topped the list of six funds under the Sector Equity — Malaysia Small to Medium Companies category.

Judging its performance, the fund stood the test of time, generating the highest returns for one-year to five-year periods (ended March 2014) on a cumulative basis. In terms of calendar year returns, the fund ranked first in 2009, 2010 and 2013 respectively. While the fund has posted remarkable performance, it has demonstrated relatively low resilience compared to its peers as it declined more than its peers during market downturns over the past three years (ended May 2014). The fund's downside volatility over the past three years (17.6% as of end-May 2014) was also significantly higher than its peer average of 12.2%. In terms of the expense ratio criterion, the fund's annual expense ratio was in line with the peer average.

The fund's investment strategy is to invest up to 99% of the fund's net asset value in equities of listed companies with market capitalisation of no more than RM2 bil at the point of acquisition. In terms of sector weighting, the fund manager maintains an overweight position in the technology sector as she believes that this sector will benefit from the global economic recovery and the growth in new consumer products. She also prefers the manufacturing sector with an inclination for companies that succeeded in increasing their market presence during the recent financial crisis and have global competitive potential. Looking ahead, the fund manager agrees that capital appreciation and dividend income will be the key drivers that will drive the fund's performance.

Investors should be cautious that the fund tends to have greater risk and higher volatility 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 as part of their supplementary portfolio. There is little to no currency risk as the fund is wholly invested in Malaysia. On the flipside, investors should be wary of over-concentration in home country investments.

Fund Manager: Tung Yin Wai

Fundsupermart Risk Classification: 9 - Higher Risk

Annual Expense Ratio: 1.73% (as of end-December 2013)

Annual Returns (%)/Year

2010	2011	2012	2013
30.39	-8.68	11.06	64.02

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

All fund highlight commentaries are courtesy of the Fundsupermart Research Team.
***Disclaimer:** This information is not to be construed as an invitation or solicitation for the subscription, purchase or sale of any fund. Investment involve risks. Past performance and any forecast are not necessarily indicative of the future or likely performance of the fund. Investors should read the fundís prospectus and if necessary, consult financial or other professional advisers.*

The beautiful game of investing

WHO will win the World Cup? If you don't like football, the obvious answer is "Who cares?" Four years come around too often.

For fans of the "beautiful game", however, this is an occasion of sublimity and torture in equal measure.

A lot of the stress of watching, or at least wondering who might win, can be eliminated if, first, you do not bet, and, second, you can grasp the many analogies between football and investing.

The first one to note is that of history. In the World Cup the same teams nearly always win: Brazil, Germany and Italy. It's not hard to see why. Like any good corporate enterprise they stick to what they do and they do it well.

The Germans are organised, their players are fit and no one moans. They are like your favourite utility stock — reliable dividend payers that keep their heads down. A lock-and-leave stock.

Italy has elevated tactical brilliance to a higher level. Its team is built on solid defence, at least one gifted midfielder and someone up front who remembers how to score.

Paulo Rossi did that in 1982; the "divine ponytail", Roberto Baggio, in 1994 — until he ballooned a shoot-out penalty.

Italy, then, is like one of the oil majors: solid foundations, slight worries over safety and the players can be combustible; still, it churns out the results.

Brazil stands for creativity. Even when they are down with a 0-2 score, you sense the team will still win. It delights as well as achieves. Once upon a time you might have likened them to Sony; perhaps now a Samsung or Apple.

Certainly a brand.

Of course these favourites have to meet occasionally, which leads to stylistic clashes, but the point is this: if this was a portfolio, you'd take all three.

First, because sensible diversification is the bedrock of good investment; second, because what unites them are their good foundations (or, in investment terms, fundamentals).

Boring, you may say.

Of course the World Cup is also about dreams. That is the way of the market too. Capitalism is dynamic: there are industries and companies that fall out of reckoning, and new ones emerge all the time.

In football terms, two teams have emerged to challenge the established order. No one can forget the Dutch of the early 1970s. Total football? The Cruyff turn? At the time it was like watching the game for the first time.

Today's Spain is similar. The national side is built around just two clubs. It passes the ball — and keeps possession. Spain rescued the last tournament from tedium in 2010. You have to like it.

These teams, then, are like new-found momentum stocks. You just go with them and hope the results keep continuing and, as it were, the earnings justify the multiples.

But sooner or later you know, deep down, it will end, and you must get out in time. The Dutch lost to arch-rivals Germany in the '74 final. Barcelona is trophy-less this year. Consequently, Spain may not be the force it was.

Some teams just barge their way into consciousness. England is often the sentimental favourite, despite having won the cup just once, on home soil, 48 years ago.

Their greatest match was actually in 1970, when they lost to Brazil, a moment of startling grace. It has been downhill ever since.

This is easily explained. While today's English Premier League is a global showcase for English football, it is dominated by foreign players, increasingly under foreign managers. The "product" is better because of that.

Yet the English look gauche when they actually play as a national team. Remarkably for professionals paid upwards of USD50,000 (RM161,000) a week, they struggle to control the ball.

When they seem in danger of losing, the home media invokes "fighting spirit" as if the last world war had just ended. The manager is then dismissed.

So, backing England is like clinging to an ailing but familiar index stock. A vote for history.

In recent World Cups, the finals have been expanded to 32 teams. Football's governing body FIFA is greedy for the revenues that the big leagues enjoy thanks to global TV audiences.

What a bigger tournament means is more chances of an upset. Each tournament creates unexpected heroes. Cameroon was the "nearly" man of 1990; first time qualifier Senegal in 2002.

Both teams kept beating ones that were better on paper — better, that is, only because the Euro-centric press had no idea how good the upstarts were.

When they won, they did so joyously, with an unhinged freedom that made you misty-eyed, with a briefly inspired belief in the goodness of man, an end to poverty - a better life.

Alas, like the penny stock that tumbles once every private investor owns it, the run always ends.

When this year's contest gets under way, that surprise team might be Iran or Ghana. Someone with an unpronounceable name will first be celebrated for a fluke goal. And be soon forgotten.

There is one other team category, which belongs uniquely to France.

When France plays you have no idea which team will show up. Nor does it. Will it be that of the Zinedine Zidane who could create space out of nothing? Or his head-butting double?

France reminds you that the World Cup, indeed any elite sport, is a mental game. Yes, France won once. But those with fragile temperaments generally do not progress the whole way.

And here is an important point for investing too. There will be punditry galore these next several weeks. So-called experts will analyse every replay of every goal.

They will say, from their suites at the Copacabana, that "this is the best World Cup ever" (even though the stadiums are only half-ready).

Similarly, for investors, there is endless hype every day on what stocks to buy. Something is always cheap or a golden opportunity.

Beware. Investing is unlike the World Cup because football is only a game — and upsets happen. For the true diehard fan that is part of the appeal. Your team always has a chance.

An investor who places the same faith in stocks would be foolish. Instead, be dispassionate in the way a supporter is not. Study the form and find those companies akin to Italy or Brazil with superior fundamentals.

Simply by spreading your choices and being long term, you will automatically become a better investor.

And if you can find some up and coming stars and avoid over-paying then, as every manager knows, your squad — or portfolio — will be stronger.

That is how, we at Aberdeen, approach investing. Believe us, it works.

Aberdeen
Simply asset management.

Aberdeen Islamic Asset Management Sdn Bhd, Company Number 827342W

(L-R) iFAST Capital Sdn Bhd Managing Director Dennis Tan and Maybank Asset Management Sdn Bhd Head of Products and Marketing Christopher Geh

Maybank global bond fund navigates global sovereign debt

MAYBANK Asset Management Sdn. Bhd ("Maybank AM Malaysia") launched its maiden Global Bond fund — Maybank Global Bond Fund ("the Fund") on 9 November 2013 in partnership with award winning global fund manager, Franklin Templeton Investments.

The birth of the Fund was premised on the conviction that investors should consider global sovereign bonds as part of their portfolio diversification.

The Fund is an income type feeder fund which aims to maximise investment returns by investing in the Templeton Global Bond Fund ("Target Fund"). The Target Fund provides total investment returns through interest income, capital appreciation and currency gains.

Global Sovereign Bonds

The Fund provides access to sovereign debts with attractive valuations across the globe, allowing investors to potentially gain from a combination of interest income, currency gains and capital appreciation. This may improve the risk return profile of their existing portfolios given the steady income generation features of bonds as well as the diversification benefits from the diverse currency and country exposures.

Sound & Proven Investment Strategy

The Target Fund, managed by award winning global fund manager Franklin Templeton, invests in countries with strong macroeconomic fundamentals. The Fund is currently overweight select emerging markets that are not reliant on foreign capital and have sound monetary policies.

The Target Fund employs a strategy of active management based on the 3 'C's — curve, currency and credit. Based on this strategy, the target fund has delivered annualised returns in US Dollars of 3.4 percent over the past three years and 7.0 percent over the past five years, ending 31 May 2014, and consistently demonstrated first quartile performance. Despite the unprecedented volatility of markets, the Target Fund posted positive returns in five out of the past six calendar years as of 31 December, 2013.

Award Winning Global Expertise

A global leader in investment management over 65 years, Franklin Templeton Investments manages over USD908.3 billion worldwide as at 31 May 2014, with over 150 investment professionals spread across 36 research offices across the globe.

Maybank
Asset Management

Absolute return performance is achievable over a three-to-five year rolling basis, says HwangIM Chief Marketing Officer Chan Ai Mei

Absolute return focused performance

Hwang Investment Management Berhad takes a personalised approach to investment

IN the world of asset management, personal connections are paramount. Taking this to heart, Hwang Investment Management Berhad (HwangIM) has refined a philosophy that adopts a key tenet of Peter Lynch's classic guidelines: buy only what you know, and why you own it.

"Relationships are very important to us, both our relationships with our partners and our relationships with our clients. As such, we built our business on one simple principle: trust. Our promise is to remain transparent and honest, in good and tough markets, and on top of it all, to deliver positive and absolute performance without taking excessive risks," said HwangIM chief marketing officer Chan Ai Mei.

This approach has taken HwangIM from managing accounts with a total asset under management (AUM) of just RM20 mil in 2001 to its current AUM of more than RM26 bil — a thousand-fold increase amounting to consistent double-digit growth over more than a decade.

Its philosophy sees ultimate expression to investors in the form of a commitment to absolute return performance: delivering positive performance through various market conditions (and not merely outperforming the benchmark). In striving for this goal, the company has foregone the short-term allure of purchases based on speculation in favour of quality stocks.

"It's a research-intensive approach. We interview the companies we're interested in, and our analysts evaluate their cash flows, their management teams and the people running it. That's very important to us, and we believe that absolute return performance is achievable over a three-to-five year rolling basis," said Chan.

HwangIM's portfolio began with domestic equities in Malaysia, expanding to Asian equities such as the Select Asia (ex Japan) Quantum Fund, which is active in the regional small- and mid-cap space, while the Select Asia (ex Japan) Opportunity Fund focuses on the large-cap arena.

The former was recognised at the Recommended Unit Trusts Awards 2014 in the Sector Equity category for its superior performance, high resilience and low expense ratio. The company's AIIMAN Growth Fund and Select Balanced Fund also took home distinctions in the Core Equity — Malaysia (Islamic) and Balanced — Malaysia categories respectively.

The company's other offerings are no less impressive, running the gamut from unit trust funds such as equities, bond, money market, capital protected and Islamic equities to cash and wealth management products and services. Its Select Series sub-brand of eight in-house managed funds are of particular note, with proven track records in a variety of sectors.

"Our Select Series started in 2001, when we launched our Select Opportunity Fund on 7 September, just a few days before September 11. Despite the challenging global outlook at the time, its performance has been fantastic, returning 16% per annum since inception," said Chan.

In times of market uncertainty, the company raises cash as a defensive measure to maintain the price value of its funds and to protect investments, while keeping clients informed through its i-Access portal. This active approach has allowed HwangIM to maintain consistent placement in the top quartile among its peers.

"The target returns for all our equity funds are between 10-12% per annum, and for our balanced fund series, we're looking at 8-10%. We also have unique products such as our Hwang AUD Income Fund and Hwang SGD Income Fund, which allow our clients to invest in assets denominated in these two currencies, leveraging on the close ties between Malaysia, Singapore and Australia," said Chan.

The company's assets under management have grown from RM20 mil in 2001 to more than RM26 bil currently

While she acknowledges the growing import of the online trading space, Chan highlights the continued need for face-to-face interaction, particularly given the company's emphasis on trust and relationships. There also exists a preference in the current investor base for conventional platforms, though this balance will likely find a new equilibrium as younger, tech-savvy investors gradually amass more capital.

HwangIM attributes its success at the Recommended Unit Trusts Awards and overall to its willingness to be aware of benchmark ratings while looking beyond them, as well as a strong core team. The company's fixed income and equity divisions work hand-in-hand, supported and guided by an established management line-up with decades of combined experience in the industry.

Private Retirement Schemes (PRS) also feature extensively in its portfolio, with HwangIM's line-up emphasising simplicity and flexibility for optimal peace of mind when planning for the future. The company organises frequent roadshows and collaborates with the Private Pension Administrators under the Securities Commission as well as its partners to promote PRS awareness in the nation.

"We were happy to be the first to launch PRS solutions back in November 2012. We've seen a definite increase in uptake recently, and the Government is also doing its part, especially with the PRS Youth Incentive campaign where the Government contributes a one-off RM500 to 20- to 30-year olds who invest a minimum of RM1,000 in a PRS over the next five years," said Chan.

As always, HwangIM advised investors to read and understand the contents of the Product Highlights Sheet, Master Prospectus or Prospectus, its Supplemental Master Prospectus or Supplemental Prospectus (if any) and/or Disclosure Document of the respective fund(s). There are fees and charges involved when investing in the fund(s) and investors are advised to consider the fees and charges carefully before investing. The price of units and distribution payable, if any, may go down as well as up and past performance of the fund(s) should not be taken as indicative of its future performance.

Amanah Mutual Berhad (AMB) Chief Executive Officer Sheila Halim

Eye on the prize

Monitoring the direction of developed economies and emerging markets

KEEPING abreast with market and economic situation in Malaysia, regionally and globally, has put Amanah Mutual Berhad (AMB) ahead of its game.

As a fund house under the flagship of Permodalan Nasional Berhad (PNB) and Amanah Saham Nasional Berhad (ASNB), AMB is well-positioned to be a commercially driven unit trust management company.

It has a solid team structure that works in cohesion and a way forward, aiming to deliver consistency in AMB's fund performance and to achieve total returns exceeding benchmarks.

"Since 2008, AMB has successfully launched four new innovative funds and introduced the Multi-Class series into our existing funds, namely the AMB Value Trust Fund and AMB Dana Arif, which has enabled us to promote our products overseas," said AMB's CEO Sheila Halim, who is responsible for charting out a clear business plan and strategy to bring the company to greater heights.

For two years running, in 2012 and 2013, AMB Dividend Trust Fund won the Fundsupermart.com Recommended Unit Trusts Awards in the Malaysia Equity Category. This year, Fundsupermart.com Recommended Unit Trusts Awards went to AMB Dana Arif in the Malaysia Bond Category and AMB Dana Ikhlas for the Malaysia Balanced Category.

Sheila stated that AMB's tactical asset allocation with a strong portfolio composition has been the key to ensure volatility is managed within a reasonable level while still generating acceptable returns.

Currently, AMB's total net asset value stands at RM2.32 bil and according to Sheila, they expect this figure to increase from RM3 bil to RM4 bil in the medium term.

"To achieve this growth trajectory, AMB is exploring new opportunities locally and internationally, and by promoting our funds in Singapore and Japan with business partners in these countries as well as through the PNB offices in Singapore and Japan. We will continue to develop new funds and new channels to sustain our relevance in the industry here and eventually, regionally."

Sheila added that AMB funds have a dedicated investment committee primarily responsible for formulating, implementing and monitoring the investment management strategies of the Funds in accordance with the investment objective set out for the Fund, the Deed, the prospectus, the Guidelines and securities laws. The Investment Committee reviews and approves the universe of securities of the fund's portfolio underlying assets recommended by the management and the investment manager that meet once a month. On top of this, they review the monthly funds performance to ensure our target income distribution and total returns are achievable.

"Apart from that, we also have a product development team whose main responsibility lies in producing innovative, distinctive and viable products that earn over and above average returns suitable for the prevailing market and meet client needs."

AMB advocates "ethical investing" for its portfolio at all times. This includes its conventional funds. All underlying securities invested by their respective funds are in ethical businesses and therefore, AMB funds do not invest or subscribe into business where majority portion of their income are derived from the sales of alcohol, gambling, tobacco, military equipment and weaponry, and the likes. This philosophy and approached has successfully worked for AMB, bring about consistent outperformance with acceptable volatility.

On some of the crucial issues faced by fund houses today, Sheila expressed that AMB was one of the industry players caught by surprised when Prime Minister Datuk Seri Najib Tun Abdul Razak announced the liberalisation of the local unit trust industry at Invest Malaysia.

However, she said that despite the challenges it posed, this could also be a big step forward for the industry. She hopes that this shift will set a higher standard for local unit trust management companies (UTMC).

"In a snapshot, foreign-owned houses are now able to tap into the retail business on their own by showcasing their own brand name. Previously, foreign house can only own up to 70% stake in a UTMC and the focus was mainly on institutionalmandate. However, we think this is a push in the right direction, a call for further enhancement in unit trust education to retail investors to help them understand the merit of investing in unit trusts," said Sheila.

"We expect that our industry will become more efficient in terms of accessibility, to offer wider range of products and engage more professionals in their business."

Diversified portfolios

CONVENTIONAL

Equity Funds:
- AMB Unit Trust Fund
- AMB Index-Linked Trust Fund
- AMB SmallCap Trust Fund
- AMB Ethical Trust Fund
- AMB Value Trust Fund
- AMB Dividend Trust Fund

Bond Funds:
- AMB Income Trust Fund
- AMB Enhanced Bond
- Trust Fund

Fixed Income:
- AMB Lifestyle Trust Fund Today

Balanced Funds:
- AMB Balanced Trust Fund
- AMB Lifestyle Trust Fund 2014

SHARIAH

Equity Funds:
- AMB Dana Yakin

Bond Funds:
- AMB Dana Arif

Balanced Funds:
- AMB Dana Ikhlas

Protected:
- AMB Dana Aqeel-Capital Protected

Money Market Fund:
- AMB Dana Nabeel

Active management key to achieving class-leading returns

KAF Investment Funds Berhad's structured investment philosophy takes it to the top

KAF Investment Funds Berhad (KIFB) has received distinctions in the Bond – Malaysia category at the Recommended Unit Trusts Awards 2014 in recognition of the strong performance of its KAF Bond Fund. A subsidiary of KAF Seagroat & Campbell Bhd, the company attributed its success to its active management strategy coupled with team-based shared expertise.

"Our investment philosophy and strategy based on a top-down approach combined with a bottom-up perspective allow the portfolio managers to maintain the portfolio directional based on strong convictions. Should any change in market conditions turn out to be sustained and should the portfolio need adjustments, the portfolio managers have the ability and flexibility to reassess the portfolio directional in an adaptive way to reposition the portfolio," said KIFB chief executive officer Yong Yit Hin.

KIFB Chief Executive Officer Yong Yit Hin

KIFB was formerly known as Alliance Investment Management Berhad and was formed in 2007 through the merger of Alliance Unit Trust Management Bhd and Alliance Capital Asset Management Sdn Bhd. The company's investment philosophy is a well-defined set of five combined determinants, incorporating an active management style, macro focus, credit selection, investment horizon and a team-based approach.

At heart, it relies on fundamental company and sector analysis, credit research and company visits in order to identify the best investment opportunities within each asset class. In order to ensure its commitment to asset quality, KIFB constantly monitors both qualitative and quantitative factors and credit metrics while balancing portfolio quality with consistent and excess returns through a proprietary pricing structure.

"We do not particularly focus on any sectors, but rather focus on our internal parameters for the portfolio construction process. The portfolio components are defined by liquidity, core, core plus, strategic and tactical and high-yield or yield enhanced. The allocation of each segment relies upon risk-on, risk-off directionals and the stock selection is thereafter conducted accordingly," said Yong.

Key members of the Amundi investment team that manages the KAF Bond Fund include head of Malaysian Fixed Income Thariq Usman, portfolio manager Idaf Harun, investment manager Stephanie Lau and product specialist Caroline Pierre, representing a wealth of industry experience between them. The company prioritises the allocation of resources to provide quality service, delivering personalised services and class-leading returns for its investors.

Despite its success, KIFB is not sitting on its laurels. The greatest challenge facing the industry currently is meeting investors' expectations who have become increasingly sophisticated and are seeking ever higher returns. To meet this demand, the company will look at product innovation while maintaining the long-term and sustainable growth of the company.

"Equally important is to ensure that investors are adequately informed on the products through our product highlight sheet and to understand investors' profile and risk tolerance through suitability assessment. This will ensure product recommendations are made in a responsible manner," said Yong.

KIFB currently features fifteen local funds and four global funds in its portfolio, with the latter co-managed by international investment managers such as Fullerton Fund Management company Ltd and HSBC Global Asset Management. The Islamic Banking and Finance Institute of Malaysia (IBFIM) provides Shariah advisory for its Shariah-compliant funds.

Key products include its KAF First Fund, a balanced income and growth fund, KAF Dana Adib, an Islamic equity fund catering to the Shariah-compliant market, and the KAF Global Equities Fund, suitable for clients seeking long-term capital growth on investments.

"Our funds are available through institutional unit trust advisers such as Maybank Bhd, Affin Bank Bhd and Standard Chartered Bank Malaysia Bhd. In addition, KIFB has collaborated with iFast Capital Sdn Bhd to distribute nine of KIFB's funds online, and our management is able to draw upon the resources of the KAF Group of companies, including investment research, to enhance the quality of services that is provided to clients," said Yong.

Moving forward, KIFB anticipates market uncertainties that are driven by concerns regarding the sustainability of the developed market recovery as well as the slowdown of China's economic growth momentum. The fund manager is expected to bank on an overweight stance in higher quality papers with appropriate duration to propel the portfolio return over time.

"With costs rising but without a proportionate increase in the fee chargeable, fund management has become a volume game. With the recent liberalisation to allow 100% foreign owned companies to operate here, more competition will be introduced in an already overcrowded market, but more choices can only be good for investors who will be able to look for the funds in the segment that offers them the risk return profile they are looking for," said Yong.

For the future, KIFB will maintain the investment philosophy and drive that has achieved strong returns for its KAF Bond Fund as well asthe rest of its portfolios, while exploring avenues to build on this success by further developing other products in its stable.

KAF

"We do not particularly focus on any sectors, but rather focus on our internal parameters for the portfolio construction process."


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PHOTO BY SHARIL AMIN

(L-R) RHB Asset Management Sdn Bhd Chief Executive Officer Ho Seng Yee and RHB Asset Management Sdn Bhd Chief Investment Officer Hoe Cheah How

Award-winning performances

RHB Asset Management Sdn Bhd stays on top of market trends with constant innovations

BEING quite the innovator, RHB Asset Management Sdn Bhd (RHBAM) has gone from strength to strength since it began its operations in 1989 and enhanced further with the recent merger with OSK-UOB.

The fund house recorded RM40.52 bil in assets under management as of 31 May 2014. This marked a growth of 6% in six months after the investment arm of RHB Capital merged with OSK-UOB Investment Management Berhad. Currently, the RHBAM's asset is split between the retail and institutional business where 44.7% makes up the retail segment and 55.3% in institutional.

"Our long-term plan is to expand our combined synergies, in terms of institutional and retail business in Malaysia, as well as regionally," said Ho Seng Yee, CEO of Malaysia & Regional Head of Retail Distribution Group Asset Management, RHB Asset Management Sdn Bhd.

According to Ho, the industry has grown by leaps and bounces since the early 1990s. Then, the fund houses were confined to local investments. Today, it functions on a global scale with smarter and more sophisticated investors, searching for diversified investment choices. Now with platforms such as Fundsupermart.com, it is even easier to do-it-yourself. Ho adds that knowledgeable investors today are aware of country risk diversification. They want product differentiation; they seek new investment opportunities and potential returns enhancement.

"You can see that the asset management industry and unit trust industry is being liberalised and we are here to cater to the investment needs of discerning Malaysian investors, providing them with more differentiated products and services."

The company has a huge range of innovative products with 112 funds in the menu for selection, covering local, regional, emerging market and global funds. RHBAM is also a Private Retirement Scheme (PRS) provider, one of the eight in Malaysia. The fund house believes that its PRS solutions will complement its other funds to help investor's plan and achieve their desired lifestyle.

"We have experts managing a full range of investment instruments, customised according to investor risk profile including Shariah-compliant investments, so we have both Islamic and conventional funds under our wings."

RHBAM also has in place a robust investment team covering both equity and credit research. There are 13 professional analysts and nine fund managers, whose functions and roles are well-defined. The investment team is headed by Chief Investment Officer, Hoe Cheah How, who is responsible for the supervision of conventional investments, equity and fixed income research, and central dealing teams. Hoe's primarily roles are that of strategic and tactical portfolio strategy formulation and execution.

"We adopt a very holistic 'top-down and bottom-up' approach when it comes to investments, constructing portfolios that consist of well-managed companies with strong fundamentals. We make high conviction security selection decisions with an active portfolio management style without taking excessive risk. We aim to deliver consistent out-performance that exceeds expectations within the specific risk-return parameters. Every investment solution is tailor-made to suit each and every one of our clients," said Hoe.

Hoe stressed that their main aim is to deliver consistent performance for client-given risk parameters and this approach has definitely paid off as vindicated with their funds performances. Hoe attributed the company's success to their ability to identify key market trends. "We have to be early in terms of positioning the funds to take full advantage of that market movement. We always believe in investing based on fundamentals rather than take on speculative or excessive risks. Our consistent performance helps us achieve our clients' investment objectives."

RHBAM has won numerous fund awards and their robust investment processes currently in place are serving them well. Recently, the fund house triumphed again by snatching up eight awards from various categories of the Fundsupermart.com's Recommended Unit Trusts Awards 2014. "This says quite a lot about the way we manage our fund and how we take care of our customers' investments," said Ho.

The fund house is always on the lookout for investment ideas and considers its presence in Indonesia, Hong Kong and Singapore as having a leverage over its peers. Collectively as a group, the investment team is relatively large, which translates into a wealth of input, knowledge and ideas from the best of investment professionals across Asia.

"Our funds will allow you to take advantage of both fundamentally strong, local and regional economy. We often invest in Asean countries. In fact, RHBAM aspires to be an Asean fund house with Asian capabilities, so we are focused largely on this part of the world," said Ho, who added that RHBAM also has global funds to cater to the need of its investors.

According to Hoe, regional investments are country-specific and their sector specialists provide the assessments and analysis on the dynamics and attractiveness of the respective sectors to generate sector outlook call. "Our analysts identify hidden gems via in-depth fundamental research on the management quality, business model and financial health of companies/issuers, arriving at fair valuation via proprietary valuation models. Specifically, for Malaysia, we are still favouring the oil and gas, construction, and utilities sectors."

RHB OSK
RHB Asset Management

OUR WINNING PERFORMANCE CONTINUES

We are proud of the latest recognition for RHB Asset Management. Over a 3-year period*, 27 RHB-OSK funds have delivered better than 20% returns for our investors.

Let our expertise work for you.

Disclaimer :-
A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Replacement Master Prospectus (Blue) dated 1 December 2013, Master Prospectus (Navy Blue) dated 1 December 2013, Master Prospectus (Smart) dated 15 June 2014 and its supplementary(ies) (if any) (collectively known as "Master Prospectuses"), before investing. The Master Prospectuses have been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Any issue of units to which the Master Prospectuses relates will only be made on receipt of a form of application referred to in the Master Prospectuses. A copy of the PHS and the Master Prospectuses can be obtained from any of our offices. The Manager wishes to highlight the specific risks of the Funds are elaborated in the respective Master Prospectuses.

Past performance is not an indication of future performance.

Effective 1 December 2013, RHB Islamic Asset Management Sdn Bhd has been merged with RHB Islamic International Asset Management Berhad (formerly known as OSK-UOB Islamic Fund Management Berhad), the Islamic asset management arm of the RHB Asset Management Group.

*3 years period ending 31 December 2013

RHB Asset Management Sdn Bhd (174588-X) (Formerly known as RHB Investment Management Sdn Bhd)

RHB

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Investing for greener pastures

Eastspring Investments Berhad driven to sustain its long-term goal

Eastspring Investments Berhad Chief Sales and Marketing Officer Yap Siok Hoon: "...our success in this business is largely dependent on fostering strong relationships with our intermediaries."

EASTSPRING Investments Berhad has striven since its incorporation back in 2000 as Prudential Unit Trusts Bhd to become a household brand in the eyes of the investment community. Today, it has a diverse portfolio of unit trust funds and tailor-made investment solutions to meet the needs of the country's increasingly sophisticated market.

Its efforts have seen it receive seven awards at the sixth Recommended Unit Trusts Awards 2014 including distinctions in the Core Equity — Asia ex-Japan, Sector Equity — Malaysia Small to Medium Companies and Bond — Malaysia categories.

TEAMWORK AND PRUDENCE

"We believe our success is attributed to a combination of team effort and our investment philosophy, where we emphasise on fundamentals and valuations. We have a very experienced fund management team with most of the team members having more than 10 years' experience in the industry.

The fund managers are given freedom to pursue investment ideas and exercise their own judgment. We also adopt a team approach where the team will challenge and debate over the stock ideas presented by individual fund managers. The team approach provides a check and balance so that we look at different perspectives before investing in a stock," commented Eastspring Investments Bhd chief sales and marketing officer Yap Siok Hoon.

Eastspring Investments' adopts a well-organised, valuation-driven investment style, which the firm considers to be the lynchpin of generating greater long-term returns. Through internal research and portfolio supervision, irrational investor behaviours in various markets cause pricing inefficiencies, which can then be utilised for the benefit of the portfolio. With controlled application of its valuation-driven approach and incorporation of conservative assumptions to earnings forecasts, the behavioural biases that lead to mis-pricing in the first place can eventually be eliminated.

HERITAGE & SYNERGY

The company's extensive experience in the industry has seen it being a part of and contributing to the Malaysian unit trust fund market's growth of approximately 300% in terms of net asset value in the last decade, providing a comprehensive range of unit trust funds and administering customized portfolio mandates for corporations and institutions as well as government and pension funds amounting to over RM25 bil (as at 31 March 2014).

Eastspring Investments is part of Prudential Corporation Asia, Prudential plc's asset management business in Asia. It is one of Asia's largest asset managers, with operation in 14 markets (including sales and corporate offices in the US, UK and Luxemburg), more than 2,000 employees and about US$ 105 billion in assets under management. (as at 31 March 2014). The company ability to leveraging and tapping this breadth of expertise along with its know-how of the local market allows it to effectively fulfil the country's investors' demands.

Driven by its competitive advantage to synergise its groups' strengths,

Eastspring Investment is committed to supply investors with dependable long-term consistent returns and build trust amongst investors, and eventually loyalty.

While the company does not guarantee or project returns, its track record has shown consistent growth for the majority of its funds over longer periods; for example, in the three-year period ending 31 May, close to 95% of Eastspring Investments Malaysia-managed funds ranked in the top two quartiles against their peers. Amongst its client base, the greatest interest has been shown in its equity funds, such as the Eastspring Investment Dana al-Ilham, Eastspring Investments Small-cap Fund, Eastspring Investments MY Focus Fund and Eastspring Investments Equity Income Fund.

INTERMEDIARY RELATIONSHIP IS KEY

"Fund performance is one thing, but our success in this business is largely dependent on fostering strong relationships with our intermediaries.

We leverage on our intermediaries, such as agents, the banks and financial institutions like Fundsupermart to provide product visibility coupled with tactical print and broadcast media placements. More often than not, effort is spent on supporting our intermediaries by offering quality and efficient sales support and after sales services," said Yap.

ROBUST INDUSTRY

"Locally, we see a booming industry that is becoming saturated with products, with only a handful having products with long-term consistent good performance. The recent liberalization of the regulations allowing full foreign ownership of fund management companies will only attract more competition and add on to the proliferation of products. Differentiation in product, value-add services and distribution model will become increasingly important amongst industry players to stay ahead of the game," Yap noted.

"Moving forward I think unit trust companies with strong proprietary distribution force would certainly have the most competitive advantage.

I also believe that fees will continue to be a perennial issue, where investors are constantly looking for better value and fund houses seeking to increase scale in order to have better efficiency in pricing their fees," said Yap.

With the industry evolving, investor education will become ever increasingly important. The regulators and governing bodies have paved the way by making financial literacy a permanent element in our schools curricular syllabus and introducing education tools and programmes to our youths, such as the Invest Smart, launched by the Securities Commission Malaysia. Making investor education part of our business strategy is just good business sense and ultimately would contribute to the overall development of our capital market. We are playing an important part by not only going on the ground to educate investors but also our distributors. This is so that investors will make informed investment decisions.

"This industry is vibrant, ever evolving and developing at a fast pace. It is exciting and I wouldn't have it any other way," Yap concluded.

eastspring investments

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WE DON'T SEE AWARDS
WE SEE SATISFIED INVESTORS

Our funds have been awarded as Fundsupermart.com's Recommended Unit Trusts this year, but as always, finding investment opportunities that bring you a brighter future is what truly drives us.

With over **RM25.4 billion** in assets under management (as at 31 March 2014) in Malaysia, we will continue to raise the bar. After all, **no one sees Asia like we do.**

FUNDSUPERMART.COM'S RECOMMENDED UNIT TRUSTS AWARDS 2014/15*

Funds	Category	Returns (%)		
		1-Year	3-Years	5-Years
Eastspring Investments Global Emerging Markets Fund	Core Equity - Global Emerging Markets	6.26	0.28	23.53
Eastspring Investments Asia Pacific Equity MY Fund	Core Equity - Asia ex-Japan	11.35	1.25	41.08
Eastspring Investments Asia Pacific Shariah Equity Fund	Core Equity - Asia ex-Japan (Islamic)	0.11	3.00	34.29
Eastspring Investments Equity Income Fund	Core Equity - Malaysia	14.07	59.08	140.71
Eastspring Investments Bond Fund	Bond - Malaysia	1.57	15.14	30.63
Eastspring Investments Dana Dinamik	Balanced - Malaysia (Islamic)	14.85	48.33	97.46
Eastspring Investments Small-cap Fund	Sector Equity – Malaysia Small to Medium Companies	47.19	90.05	214.74

2014/15 RECOMMENDED UNIT TRUSTS AWARDS

Fund performance are sourced from Lipper for Investment Management, 31 May 2014. Past performance is not necessarily indicative of future performance.
***Source:** Fundsupermart.com's Recommended Unit Trusts Awards 2014/15, announced on 26 June 2014.

eastspringinvestments.com.my

Investors are advised to read and understand the contents of the Eastspring Investments Master Prospectus dated 15 July 2013 ("MP") and the funds' Product Highlights Sheet ("PHS") before investing. The MP and PHS are available at the offices of Eastspring Investments Berhad or its authorised distributors and investors have the right to request for a copy of the MP and PHS. The MP has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Units will only be issued upon receipt of the application form accompanying the MP. Past performance of the funds is not an indication of the funds' future performance. Unit prices and distributions payable, if any, may go down as well as up.

Investments in the funds are exposed to the specific risks as stated in the table below. Investors are advised to consider these risks and other general risks as elaborated in the MP as well as fees and charges involved before investing.

- **Eastspring Investments Global Emerging Markets Fund**
  Security risk, countries/foreign securities risk, currency risk, management of target fund risk, errors in calculation of the net asset value of the target fund, liquidity risk, emerging market risk, initial public offering risk, smaller companies risk and technology related company risk.
- **Eastspring Investments Asia Pacific Equity MY Fund**
  Security risk, countries/foreign securities risk and currency risk.
- **Eastspring Investments Asia Pacific Shariah Equity Fund**
  Security risk, countries/foreign securities risk, currency risk, credit/default risk, interest rate risk, license risk and reclassification of Shariah status risk.
- **Eastspring Investments Bond Fund**
  Credit/default risk and interest rate risk.
- **Eastspring Investments Dana Dinamik**
  Security risk, credit/default risk, interest rate risk and reclassification of Shariah status risk.
- **Eastspring Investments Equity Income Fund & Eastspring Investments Small-cap Fund**
  Security risk.

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