

FUND OBJECTIVE

The Fund aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long-term.

FUND DETAILS

Launch Date	13 February 2015	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	104.18 million units (30 August 2019)	Fund Size	RM136.86 million (30 August 2019)
Unit NAV	RM1.3136 (30 August 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	CIMB-Principal Asia Pacific Dynamic Income Fund
Benchmark	Target return of 8% p.a.	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> ▪ Have a medium to long-term investment horizon ▪ Want a well-diversified portfolio of Asia Pacific ex Japan region ▪ Willing to take moderate risk for potentially moderate capital return over the long-term 	Fees	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Asia Pacific Dynamic Income Fund. ▪ 1.8% pa of fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd.

ASSET ALLOCATION OF THE TARGET FUND

Equities (Foreign)	Cash
86.38%	13.62%

SECTOR ALLOCATION OF THE TARGET FUND

Real Estate	18.36%
Financials	17.01%
Industrials	10.94%
Information Technology	10.61%
Communication Services	9.90%
Consumer Discretionary	8.49%
Materials	3.89%
Energy	3.51%
Utilities	1.72%
Consumer Staples	1.34%
Health Care	0.61%
Cash	13.62%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Samsung Electronics Co. Ltd (South Korea)	4.92%
Taiwan Semiconductor Manuf (Taiwan)	4.85%
AIA Group Ltd (Hong Kong)	4.12%
HDFC Bank Ltd (India)	3.44%
Link REIT (Hong Kong)	3.29%
FRASERS LOGISTICS & INDUSTRI (Singapore)	2.78%
Ascendas Real Estate Inv Trust (Singapore)	2.67%
CapitaLand Mall Trust (Singapore)	2.54%
Tencent Hldg Ltd (Hong Kong)	2.33%
Singapore Technologies Enginee (Singapore)	2.16%
Total	33.10%

PERFORMANCE RECORD

This fund feeds into CIMB-Principal Asia Pacific Dynamic Income Fund ("target fund") with the objective to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long-term.

Table below shows the investment returns of Sun Life Malaysia Asia Pacific Dynamic Income Fund versus its benchmark as at 30 August 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	8.20	-1.75	0.74	2.25	-1.58	25.57	31.36
Benchmark	5.26	0.64	1.94	3.92	8.00	25.97	42.30

* Calculation of past performance is based on NAV-to-NAV

Notice: Past performance of the fund is not an indication of its future performance which may differ. The fund performance is not guaranteed.

FUND MANAGER'S COMMENTS

The Fund was down 1.75% in MYR terms in August. YTD, the Fund has gained 8.20% or 294bps above the absolute return benchmark. Sector wise, Consumer Staples contributed positively while Financials were a drag on performance.

Asia Pacific ex-Japan equities fell -4.3% in USD terms in the month of August, as worries over the lack of progress in US-China trade talks overshadowed interest rate cuts by central banks of US and Asia. Hong Kong was the worst performing market in Asia as the territory entered its third month of civil unrest. We also saw risk aversion amongst investors picking up leading to some outflows from Asia in the recent weeks. As highlighted last month, we continue to think that there are several developments with unpredictable outcomes that could have an adverse impact on equity fundamentals. For example, the chance of a meaningful resolution to the trade impasse between US and China appears dim. Civil tensions in HK and trade animosity between Japan and Korea are also clouding the horizon. Moreover, global economic momentum is weak. On a positive note, subdued inflation worldwide has allowed central banks to adopt extremely accommodative monetary policies, with the consequent low interest rates across the entire term structure providing ample support for equity valuations. With anemic economic growth globally, we expect interest rates to stay lower for longer and liquidity would become more available for financial assets. Asia Pacific ex Japan equity valuation, at 12m forward PER of 13x, is in line with the 5 year average but 2020 consensus earnings growth expectation of +13% yoy would be at risk if US-China trade issues are not resolved. Negative earnings revision is still persistent particularly for Korea, India and Thailand. Prudent allocation and a tilt towards capital preservation are paramount. On country allocation, we still prefer Singapore for the attractive dividends in REITs and industrials, and Indonesia where the secular growth theme remains strong. We have been reducing exposure to China and Hong Kong and adding some exposure to Australia and telecom sector. Our least preferred sectors are utilities and consumer staples. We intend to judiciously deploy cash towards investment opportunities on market corrections.

Source : Principal Asset Management Bhd

Date : 30 August 2019

Disclaimer:

The benchmark performance is not a guide to future performances which may differ. The performance of the fund is not guaranteed. The value of the fund will fluctuate and may fall below the amount of premiums paid and the fund value depends on the actual performance of the underlying investment. This material is for information purposes only and is subject to change at any time without notice. Sun Life Malaysia does not guarantee its accuracy, completeness, correctness or timeliness for any purpose or reason. This information should not be considered as advice or recommendation in relation to your account or particular investment objectives, financial situation or needs. You may not revise, transform, or build upon this material without prior written consent of Sun Life Malaysia. Before acting on any information you should seek independent financial advice.