

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	107.26 million units (29 November 2019)	Fund Size	RM146.03 million (29 November 2019)
Unit NAV	RM1.3614 (29 November 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
95.96%	4.04%

SECTOR ALLOCATION OF THE TARGET FUND

Financials	19.86%
Information Technology	17.21%
Real Estate	14.47%
Consumer Discretionary	11.38%
Industrials	11.37%
Materials	8.07%
Communication Services	6.41%
Energy	4.18%
Health Care	1.54%
Utilities	1.47%
Cash	4.04%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Taiwan Semiconductor Manuf (Taiwan)	5.88%
Samsung Electronics Co. Ltd (South Korea)	5.78%
HDFC Bank Ltd (India)	3.93%
AIA Group Ltd (Hong Kong)	3.68%
Alibaba Group Holding Ltd (Cayman Islands)	3.41%
Ping An Insurance Group Co. (China)	2.95%
Reliance Industries Ltd (India)	2.50%
Tencent Hldg Ltd (Hong Kong)	2.38%
Techtronic Industries Co. (Hong Kong)	2.30%
Lendlease Global Commercial (Singapore)	2.15%
Total	34.96%

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 29 November 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	12.14	-0.71	3.64	4.40	9.08	25.57	36.14
Benchmark	7.31	0.64	1.94	3.92	8.00	25.97	45.06

* 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 0.71% in MYR terms in November. YTD, the Fund has gained 12.14% or 483bps above the absolute return benchmark. Sector wise, Industrials contributed positively while Financials and Consumer were drags.

Asia Pacific ex-Japan equities were flat in US\$ terms in November as investors digest the progress of a limited trade deal between US and China. Year-to-date, Asia Pacific ex-Japan equities rose +9.7% in US\$ terms, Australia was the best performing market, benefiting from investors' appetite for high quality dividend yielders, followed by Taiwan. Malaysia was the worst performing market amidst political uncertainty and broad-based slowdown. We expect economic growth in Asia to bottom in the near future. Several Asian governments, including China and India are putting in place fiscal stimulus to provide support to their economies. After reducing policy rates throughout the year, most Asian central banks will probably be on hold for the next 6 months except for India and Philippines. Nevertheless, we expect Asian central banks to remain dovish in the absence of inflation. Earnings recovery is likely to be led by Asia internet, semiconductor and industrial stocks. Asia Pacific ex Japan equity valuation at 13.5x PER FY20 is slightly expensive vs 5-year average of 12.9x. We reiterate our positive view on Asian equities as the markets should be supported by stable EPS forecast revisions, transmission of monetary easing that was recently implemented and fiscal stimulus. Furthermore, the Fed's resumption of balance sheet expansion places a tailwind for fund flows into Asia. Taiwan and India are seeing pickup in foreign fund inflows recently. As such, we are fully invested and had deployed cash into selected countries which are expected to do well in 2020, including India and China, where lower interest rates coupled with fiscal stimulus could trigger a new cycle of credit growth. The portfolio has been reducing REITs in favour of cyclicals and growth in the financials and technology sectors. Our least preferred sectors continued to be utilities and consumer staples.

Source : *Principal Asset Management Bhd*

Date : *29 November 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.