

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	106.41 million units (31 October 2019)	Fund Size	RM145.89 million (31 October 2019)
Unit NAV	RM1.3711 (31 October 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
94.08%	5.92%

SECTOR ALLOCATION OF THE TARGET FUND

Financials	17.88%
Real Estate	17.36%
Information Technology	14.17%
Industrials	11.06%
Communication Services	10.92%
Consumer Discretionary	9.65%
Materials	5.99%
Energy	3.92%
Utilities	1.77%
Health Care	1.36%
Cash	5.92%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Samsung Electronics Co. Ltd (South Korea)	5.70%
Taiwan Semiconductor Manuf (Taiwan)	5.59%
HDFC Bank Ltd (India)	3.72%
AIA Group Ltd (Hong Kong)	3.57%
Ping An Insurance Group Co. (China)	2.39%
Techtronic Industries Co. (Hong Kong)	2.33%
Reliance Industries Ltd (India)	2.32%
Tencent Hldg Ltd (Hong Kong)	2.23%
Aristocrat Leisure Ltd (Australia)	2.18%
Singapore Technologies Enginee (Singapore)	2.17%
Total	32.20%

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 31 October 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	12.94	3.20	2.55	1.55	12.52	29.26	37.11
Benchmark	6.62	0.64	1.94	3.92	8.00	25.97	44.13

* 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 up 3.20% in MYR terms in October. YTD, the Fund has gained 12.94% or 632bps above the absolute return benchmark. Sector wise, Information Technology and Consumer Discretionary contributed positively.

Asia Pacific ex-Japan equities rose close to 4% in USD terms in Oct 19 on expectations that a limited trade deal could be signed between US and China. Meantime, central banks around the world are easing monetary policies as inflation remained tame. North Asia performed well, especially China and Taiwan. Thailand, dragged down by poor results from the banking sector, was the weakest market. With a partial US-China trade deal close to resolution and improving global growth prospects, we do not expect policy rates in developed markets to fall further. The US Fed is unlikely to cut further as they wait to see the impact of previous cuts, some improvement in data and trimming of global tail risks. This means US Treasury yields probably bottomed in early September. In Asia, we expect only India and Philippines to ease further. We are also of the opinion that economic growth in Asia is likely to bottom in the near future. Several Asian governments, including China, India and Thailand are putting in place fiscal stimulus to provide downside support to their economies. We are now more positive 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. As such, the portfolio has been reducing REITs in favour of cyclicals and growth in the financials, technology and materials sectors. Technology spending may surprise to the upside as telcos accelerate spending on building out 5G networks and smartphone manufacturers roll-out new 5G-enabled mobile devices. We also increased our exposure to India and China where lower interest rate environment and fiscal stimulus could trigger a new credit cycle. Our least preferred sectors continued to be utilities and consumer staples.

Source : *Principal Asset Management Bhd*

Date : *31 October 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.