

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	79.991 million units (31 May 2018)	Fund Size	RM107.788 million (31 May 2018)
Unit NAV	RM1.3475 (31 May 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-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% of pa fund management charge is applied on the target fund's NAV by CIMB-Principal.

ASSET ALLOCATION OF THE TARGET FUND

Equities	Fixed Income	Liquid Assets
Min 70%; Max 98%	Max 15%	2%

SECTOR ALLOCATION OF THE TARGET FUND

Finance	39.64%
Industrials	14.72%
Consumer	14.18%
Technology	10.61%
Basic Materials	3.86%
Health Care	3.19%
Telecommunications	2.43%
Trading/Services	2.05%
Cash	9.32%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Industrial and Commercial Bank (China)	4.73%
Tencent Hldg Ltd (Hong Kong)	4.41%
AIA Group Ltd (Hong Kong)	4.00%
Autohome Inc (United States)	3.97%
Samsung Electronics Co. Ltd (South Korea)	3.96%
BHP Billiton Ltd (Australia)	3.86%
Ping An Insurance Group Co. (China)	3.38%
Taiwan Semiconductor Manuf (Taiwan)	3.38%
Anhui Conch Cement Co. Ltd -A (China)	2.92%
DBS Group Hldg Ltd (Singapore)	2.45%

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 May 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-0.15	0.50	-1.60	2.15	13.88	13.41	34.75
Benchmark	3.26	0.64	1.94	3.92	8.00	25.97	29.25

* 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

In May, the Fund increased by 50bps. Year-to-date the Fund was downed by 15bps.

Asian ex-Japan equities eased 1.6% (US\$) month-on-month in May on concerns about a stronger US\$ and how fiscal policies by the Five Star-Lega coalition in Italy could be at odds with the EU. China outperformed while Korea and ASEAN underperformed. Topical issues: how will political developments in Italy affect markets? Will OPEC & Russia increase oil production? Asian equities could be range bound in the short term due to the erratic developments in Italy and the trade dispute between US & its key trading partners. The stability of Asian currencies would be a key factor for risk appetite to return. Asian equities remain attractive and are a Buy in the longer term at 13x FY2018 PE, 2% yield with 14% earnings growth. The most exciting areas to invest in are tech companies which can scale (e-commerce and internet platforms, global consumer brands), gaming, consumer discretionary names with a brand that can innovate and financial firms that use tech to get an edge.

Given tail risks and the non-linear negotiation process on trade talks, the portfolio is geared towards strong franchises, dividend yielders and positive earnings revisions. We sold some cyclical names (commodities) and reduced exposure to consumer. Instead we added selective industrials (transport), telecom and tech. Cash level is less than 8%, and we prefer financials and technology in general and consumer in China. We remain cautious on India and the Philippines.

Source : CIMB-Principal Asset Management Bhd

Date : 25 June 2018

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.