

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	87.168 million units (28 September 2018)	Fund Size	RM115.263 million (28 September 2018)
Unit NAV	RM1.3223 (28 September 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	42.48%
Industrials	14.91%
Consumer	9.88%
Technology	7.98%
Oil & Gas	4.74%
Basic Materials	3.94%
Health Care	3.76%
Telecommunications	2.67%
Cash	9.64%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Taiwan Semiconductor Manuf (Taiwan)	4.53%
AIA Group Ltd (Hong Kong)	4.31%
BHP Billion Ltd (Australia)	3.94%
Industrial and Commercial Bank (China)	3.68%
Samsung Electronics Co. Ltd (South Korea)	3.59%
Ping An Insurance Group Co. – H (China)	3.19%
CNOOC Ltd (Hong Kong)	2.77%
TRANSURBAN GROUP (Australia)	2.56%
DBS Group Hldg Ltd (Singapore)	2.48%
CSL Ltd (Australia)	2.32%

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 28 September 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-2.02	-0.93	0.75	-0.53	3.98	29.19	32.23
Benchmark	5.94	0.64	1.94	3.92	8.00	25.97	32.60

* 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 September, the Fund was down by 0.93%, underperforming the required returns of 0.64% by 1.57%.

Asia Pacific ex-Japan equities eased -2% (USD) month-on-months in September. The Chinese market stabilized despite the US levying 10% tariffs on an additional US\$200bn worth of goods. Countries with a twin deficit such as India, Indonesia and Philippines fell the most on worries about tightening liquidity, FX and growth. Topical issues: will the trade war escalate come Jan 2019?, how much will growth slow in Asia?, when will investors look to diversify out of US stocks into Asia? We maintain our neutral view on Asian markets and volatility will continue as investors assess the escalating and protracted trade war and the impact on Asian growth and industrial policies. Fundamentally, Asia ex-Japan street earnings growth for 2019 is likely to be downgraded to perhaps 6-8% (from +11%). By sectors, technology, materials, real estate and consumer discretionary could see downgrades. Markets may want to have a sense on where the sequence of US Fed rate hikes could end before being comfortable with liquidity & FX in Emerging Markets. China will ease policy in a calibrated manner to cushion the economic slowdown. This includes a weaker Yuan which policymakers need to manage judiciously to avoid a repeat of the Aug 2015 devaluation. Technically, US equities are in a late cycle, Asia looks over-sold & inexpensive (FY19 PE of 12 x) and hence there could be buying support even as news flow remains negative.

The portfolio is 92% invested. We prefer Asian financials due to capex cycle uptick, beneficiary of higher rates, and steady loan growth, together with stable NPLs, as well as energy (supply response insufficient to offset steady demand growth), industrials (infra spending by countries with healthy government budgets) and selective REITs. Our least preferred sectors are utilities and consumer staples. In terms of country, we prefer Australia and Singapore.

Source : CIMB-Principal Asset Management Bhd

Date : 28 September 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.