

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	85.941 million units (30 August 2018)	Fund Size	RM114.710 million (30 August 2018)
Unit NAV	RM1.3347 (30 August 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	41.90%
Industrials	14.81%
Consumer	12.28%
Technology	7.87%
Health Care	4.06%
Basic Materials	3.76%
Oil & Gas	3.42%
Telecommunications	3.02%
Cash	8.88%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Samsung Electronics Co. Ltd (South Korea)	4.75%
Taiwan Semiconductor Manuf (Taiwan)	4.35%
AIA Group Ltd (Hong Kong)	4.13%
BHP Billiton Ltd (Australia)	3.76%
Industrial and Commercial Bank (China)	3.68%
Ping An Insurance Group Co. – H (China)	3.00%
Anhui Conch Cement Co. Ltd – A (China)	2.65%
CSL Ltd (Australia)	2.61%
CNOOC Ltd (Hong Kong)	2.45%
DBS Group Hldg Ltd (Singapore)	2.35%

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 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-1.09	0.49	-0.95	-2.53	3.31	32.35	33.47
Benchmark	5.26	0.64	1.94	3.92	8.00	25.97	31.76

* 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 August, the Fund rose 0.49% in MYR terms, underperforming the Benchmark by 15 basis points ("bps"). Healthcare and Oil & Gas contributed positively while Basic Materials and Consumer Services was a drag. In country terms, Taiwan and Korea contributed positively while China and India were detractors. Year-to-date, the Fund declined 1.09% underperforming the Benchmark by 635bps.

Asian Pac ex-Japan equities eased 0.8% (US\$) month-on-month in August. ASEAN outperformed while China & HK equities were pressured by concerns over US imposing an additional tariff on US\$200bn worth of goods and weak macro data for July like Total Social Financing (+10.3% yoy, lowest ever) and infrastructure Fixed Asset Investment (+5.7% yoy, lowest since 2012). We expect range-bound markets as odds of an escalating trade conflict and the impact on confidence from events in Turkey and Argentina are assessed. Asia ex-Japan currencies need to stabilize as this is crucial for maintaining business confidence and investment growth. Investors would be watching the Chinese Yuan (-5% ytd) and FX reserves (stable thus far) as the economy tackles narrowing interest rate differentials with the US, slowing credit creation, moderating consumption growth (e.g. auto sales) and high debt levels.

We have tilted the portfolio from China towards Australia and Singapore, by increasing our exposure to retail and industrial REITs, toll-roads, construction and energy. In the energy space, strong oil demand is helping to rebalance the market. In China, we have reduced the exposure to internet companies due to regulatory tightening and consumer discretionary companies on the back of slowing private consumption. Our preference for quality names and dividend yielders with some growth remains. In sector terms, we prefer financials in general, REITs in Singapore, and materials in Australia and China. Our least preferred sectors include utilities and consumer staples.

Source : CIMB-Principal Asset Management Bhd

Date : 30 August 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.