

#### 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	75.445 million units (31 December 2017)
Fund Size	RM101.810 million (31 December 2017)
Unit NAV	RM1.3495 (31 December 2017)
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.
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>Have a medium to long-term investment horizon</li> <li>Want a well-diversified portfolio of Asia Pacific ex Japan region</li> <li>Willing to take moderate risk for potentially moderate capital return over the long-term.</li> </ul>
Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Asia Pacific Dynamic Income Fund.</li> <li>1.8% of pa fund management charge is applied on the target fund's NAV by CIMB-Principal.</li> </ul>
Taxation	8% of annual investment income

#### ASSET ALLOCATION

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

#### WHERE THE FUND INVESTS

Finance	30.20%	Telecommunications	3.54%
Consumer	18.02%	Trading/Services	0.62%
Industrials	16.42%	Cash	9.59%
Technology	10.26%		
Oil & Gas	6.55%		
Basic Materials	4.80%	Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Tecent Hldg Ltd (Hong Kong)	5.78%
Samsung Electronics Co. Ltd (S. Korea)	4.39%
Industrial and Commercial Bank (China)	3.90%
Hangzhou Hikv (China)	3.82%
Midea Group Co Ltd –A (China)	3.70%
BHP Billiton Ltd (Australia)	3.19%
Xinyi Glass Hldg Co. Ltd (Hong Kong)	2.92%
Autohome Inc – ADR (United States)	2.64%
CNOOC Ltd (Hong Kong)	2.61%
CIMB Group Holdings Bhd	2.60%

#### 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 December 2017:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	25.73	2.30	6.12	8.73	25.73	N/A	34.95
<b>Benchmark</b>	8.00	0.64	1.94	3.92	8.00	N/A	25.17

\* 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 December, the Fund rose by +2.3% mainly contributed by China and Australia. In sector terms, Financials and Industrials performed well. For the full year, the Fund rose by +25.73%.

Asia Pac ex-Japan equities rose +2.9% (US\$) in Dec 2017 capping a huge run of +33.5% year-to-date. Performance across sectors was mixed with consumer, materials, energy and healthcare outperforming while tech underperformed. 2018 we see a continued compressed yield curve and weakening USD despite 3 times of Fed raising rate. Asia earnings continue to revise upwards, led by China and Korea. We continue to have a buy rating for Asian equities, mainly because the fundamental remains strong, earnings forecast is still in the upward revision, 2018 earnings growth of ~13% is attractive vs. US S&P 500 at +11%, valuation is lower compared to US and EU. We have around 9% cash by end of December due to strong inflows.

We are actively looking for investment opportunities and have deployed the cash within first 3 days in Jan 2018. We continue the trend observed in 2017, which is focusing on companies that benefit from product upgrade, automation, internet, industrial 4.0, and supply reform. We think these sectors will continue to see earning upgrade.

Source: CIMB-Principal Asset Management Bhd

#### 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.