

### 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	81.435 million units (29 June 2018)	Fund Size	RM106.878 million (29 June 2018)
Unit NAV	RM1.3124 (29 June 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"> <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>

### 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	36.59%
Consumer	14.98%
Industrials	14.38%
Technology	10.74%
Basic Materials	3.99%
Telecommunications	3.79%
Health Care	3.21%
Oil & Gas	2.05%
Trading/Services	0.71%
Cash	9.56%

### TOP HOLDINGS OF THE TARGET FUND

Tencent Hldg Ltd (Hong Kong)	4.47%
BHP Billiton Ltd (Australia)	3.99%
AIA Group Ltd (Hong Kong)	3.91%
Industrial and Commercial Bank (China)	3.82%
Samsung Electronics Co. Ltd (South Korea)	3.62%
Taiwan Semiconductor Manuf (Taiwan)	3.30%
Anhui Conch Cement Co. Ltd – A (China)	2.84%
Autohome Inc – ADR (United States)	2.81%
Housing Development Finance Corp Ltd (India)	2.42%
Galaxy Entertainment Grp Ltd (Hong Kong)	2.42%

## 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 29 June 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	-2.75	-2.60	-1.28	-2.75	5.75	27.51	31.24
<b>Benchmark</b>	3.92	0.64	1.94	3.92	8.00	25.97	30.08

\* 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 June, the Fund decreased by 260bps. Year-to-date the Fund is downed by 275bps.

Asian Pac ex-Japan equities fell 5% (USD) month-on-month in June on rising trade tensions between the US and China and US\$ dollar strength (Dollar Index +3% ytd to 95). Australia outperformed while China, Korea and ASEAN underperformed. The energy sector outperformed as oil prices rallied on continued concerns of a supply shortfall despite the OPEC agreement to boost supply. Topical issues: how will the US-China trade tiff be resolved? Could Asian currencies weaken materially from here? We are Neutral on Asian equities in the short term. A range-bound scenario is likely due to the ongoing US-China trade rift and US\$ strength. Asian currencies, especially the Chinese Yuan (weakened -2% ytd) are an important indicator of trade & capital flows and sentiment. Our view is that the trade rift is more about intellectual property protection than just tariffs on goods and hence any softening of the stance on the former should be taken positively. Meantime, Asian corporate earnings are expected to grow by +11% and +9% in 2018 & 2019 which should underpin longer term returns. While this is a downgrade from consensus estimates of +13% and +10%, it should not be a surprise given how markets have been de-rated. We are positive on Asian equities in the longer term.

The portfolio has a Beta of 1 and is geared towards strong franchises and defensive growth ideas. We have recently added selective energy, industrials (transport) and telecom. The portfolio is 91% invested and our preference in terms of country is China/Hong Kong and Singapore. We remained cautious on India and the Philippines due to the current account deficit. In sector terms, we prefer financials in general; tech in China and materials in China and Australia.

Source : CIMB-Principal Asset Management Bhd

Date : 29 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.