

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	87.439 million units (31 October 2018)	Fund Size	RM106.549million (31 October 2018)
Unit NAV	RM1.2185 (31 October 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	41.70%
Industrials	14.64%
Consumer	9.39%
Technology	6.21%
Oli & Gas	4.41%
Telecommunications	4.21%
Health Care	3.85%
Basic Materials	3.06%
Cash	12.53%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Taiwan Semiconductor Manuf (Taiwan)	4.41%
AIA Group Ltd (Hong Kong)	4.05%
Samsung Electronics Co. Ltd (South Korea)	3.53%
Ping An Insurance Group Co. – H (China)	3.27%
BHP Billiton Ltd (Australia)	3.06%
Industrial and Commercial Bank (China)	2.99%
TRANSURBAN GROUP (Australia)	2.82%
Link REIT (Hong Kong)	2.46%
DBS Group Hldg Ltd (Singapore)	2.44%
CapitaLand Mall Trust (Singapore)	2.41%

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 October 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-9.70	-7.85	-8.26	-9.12	-9.97	17.31	21.85
Benchmark	6.62	0.64	1.94	3.92	8.00	25.97	33.46

* 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 October, the Fund was down by 7.85%. Year-to-date the Fund is down 9.70%, underperforming the Benchmark by 16.32%.

It was a frightful October with Asian Pac ex-Japan equities falling 10% (US\$) month-on-month. North Asian countries (China, Korea and Taiwan) fell the most as investors fretted about global growth & higher US bond yields. There was no place to hide with all sectors down as fund outflows drove the selling. Topical issues: whether the Chinese Yuan? How will the pledged shares (>20% of onshore China market free float) issue be resolved? How deep will the growth slowdown be? We remained neutral on Asian markets. Asset prices have fallen considerably this year and will probably find a bottom in the first half of 2019. Meanwhile, investors should be defensive as 2019 earnings prospects are difficult to gauge and China's policy options look difficult and complex. However, we are not expecting a hard landing for the China economy. China will ease policy (deleveraging on hold, capital market reforms, supporting private enterprises) and this will help stabilize markets. But it is hard to see a full scale easing like in 2008-09. China's current account was previously a strong buffer supporting the Yuan but this has now turned into a deficit (0.4% in 1H18). Looser credit conditions will depress the Yuan.

In view of the trade friction between the US and China being likely to continue into the new year, the portfolio has increased the exposure to idiosyncratic names that are less correlated to trade frictions & growth risks. We prefer Australia, Singapore and Thailand while the least preferred countries include China, Korea, and Taiwan. Sector wise, we prefer energy, banks in Singapore and Thailand, insurance in China and Hong Kong, REITS in Singapore and industrials like toll roads, defense manufacturing, waste management and domestic infrastructure names.

Source : CIMB-Principal Asset Management Bhd

Date : 31 October 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.