

#### 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	72.464 million units (30 September 2016)
Fund Size	RM 77.955 million (30 September 2016)
Unit NAV	RM1.0758 (30 September 2016)
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	<ul style="list-style-type: none"> <li>8% of annual investment income</li> </ul>

#### ASSET ALLOCATION

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

#### WHERE THE FUND INVESTS

Financials	22.59%	Finance	5.82%
Industrials	19.68%	Oil & Gas	5.13%
Technology	13.72%	Telecommunication	3.71%
Consumer	9.08%	Basic Materials	3.33%
Health Care	8.91%	Cash	2.04%
Utilities	5.99%	Total	100.0%

#### TOP HOLDINGS OF THE TARGET FUND

Tencent Hldg Ltd (Hong Kong)	5.78%
Taiwan Semiconductor Manuf (Taiwan)	4.49%
Bank Central Asia (Indonesia)	4.46%
CK Hutchison Holdings Ltd (Hong Kong)	4.31%
Reliance Industries Ltd (India)	4.12%
Ramsay Health Care Ltd (Australia)	4.07%
Housing Development Fin. Corp Ltd (India)	3.53%
Netease INC (Cayman Island)	3.45%
TRANSURBAN GROUP (Australia)	3.26%
Samsung Electronics Co. Ltd (S.Korea)	3.11%

#### 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 September 2016:

	%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
<b>Fund*</b>		6.41	2.84	9.00	14.06	5.11	N/A	7.58
<b>Benchmark</b>		5.94	0.64	1.94	3.92	8.00	N/A	13.69

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 2016, the Fund was up 2.84%. Our stock selections in technology and consumer services contributed to the returns. On a country basis, Hong Kong and Singapore performed well. Year-to-date, the Fund is up 6.41%.

MSCI Asia Pac ex Japan was up 1% in USD terms in September. This month, investors rotated out of some ASEAN countries to China, HK and Taiwan. The perception of tail risk in China has improved significantly after the government controlled capital outflows and kept GDP growth steady through higher fiscal spending and credit expansion. Topical issues were: would OPEC's move to curtail production structurally move prices higher? Could long bond yields have bottomed should fiscal stimulus take off?

We are neutral on Asian equities. As long as unconventional monetary policy is maintained, we expect equity prices to behave similarly as in recent past: equity cycles have become shorter, more violent over short intervals with different factors driving each move and with each move having less persistence (e.g., worries about China's capital outflows, Brexit did not last long). Like the previous month, the strategy is to buy selective cyclicals and tech on market corrections. Valuations for Asia ex-Japan is fair at a FY2017 PE valuation of 13x and EPS growth of 12%. We are trying to widen our investment scope to find beneficiaries of a bottoming of inflationary forces, e.g., energy, materials and tech. We are looking for areas where pricing power can improve via market consolidation. The dynamic income fund is fully invested. The portfolio is tilted towards growth stocks and reduced dividend plays. We have selectively added materials stocks that have benefited from rising commodity prices.

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.