

#### 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	68.764 million units (31 December 2016)
Fund Size	RM 73.806 million (31 December 2016)
Unit NAV	RM1.0733 (31 December 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

Finance	20.44%	Basic Materials	7.21%
Technology	15.44%	Utilities	3.14%
Consumer	15.17%	Telecommunication	0.90%
Industrials	13.24%	Cash	8.29%
Oil & Gas	8.84%	-	-
Health Care	7.33%	Total	2.91%

#### TOP HOLDINGS OF THE TARGET FUND

Taiwan Semiconductor Manuf (Taiwan)	5.58%
BHP Billiton Ltd (Australia)	4.69%
Bank Central Asia (Indonesia)	4.59%
Reliance Industries Ltd (India)	4.01%
Samsung Electronics Co. Ltd (South Korea)	3.82%
Tencent Hldg Ltd (Hong Kong)	3.45%
Terena International ADR (Cayman Island)	3.44%
AGL Energy (Australia)	3.14%
Housing Development Fin. Corp Ltd (India)	3.04%
FRASERS LOGISTICS & INDUSTRI (S'pore)	3.01%

#### 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 2016:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
<b>Fund*</b>	6.16	-1.01	-0.23	8.74	6.16	N/A	7.33
<b>Benchmark</b>	8.00	0.64	1.94	3.92	8.00	N/A	15.89

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 2016, the Fund decreased 1.01%. Our stock selections in Oil & Gas and Financials contributed to the returns. On a country basis, India, Indonesia and Australia performed well. Year-to-date, the Fund is up 6.16%.

Asian Pacific ex Japan Equities closed the year 2016 up +3.74% in United States Dollar terms. The outperformers came from a narrow few sectors of Materials (+27%), Energy (+15%) and Tech (+15%) while others were down. 2016 was full of black swan events such as Brexit and Trump. Looking forward into 2017, the topical issues are: how will Trump's policies pan out in US and how it will affect the United States Dollar and rest of the world?

We are neutral on Asian equities. United States equities might correct in the short term due to the policies need time to roll out. A United States-induced market correction in Asia should be seen as an opportunity to buy. Street earnings estimates of +11% in 2017 still look a bit too high vs. our estimate but the divergence is not excessive. It is also true that the 2016 earnings base is low given earnings growth from 2014-2016 was only up +4%. We are not keen on adding aggressively to cyclicals given that commodity prices could be capped and range-bound. China is the marginal buyer of most commodities and growth will slow in 2017 as it eases back on reflationary policies particularly in the real estate sector. Finally, the retreat of globalisation could make domestic consumer, infrastructure companies look interesting. The dynamic income fund is ~90% invested. In sector terms, we are overweight in China internet/tech, India and Indonesia.

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.