

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	60.333 million units (31 July 2017)
Fund Size	RM78.045 million (31 July 2017)
Unit NAV	RM1.2936 (31 July 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"> 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.
Taxation	8% of annual investment income

ASSET ALLOCATION

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

WHERE THE FUND INVESTS

Finance	29.98%	Telecommunications	2.26%
Industrials	20.12%	Utilities	1.66%
Technology	14.72%	Trading / Services	1.20%
Consumer	10.38%	Oil & Gas	0.80%
Basic Materials	6.80%	Cash	6.77%
Health Care	5.31%	Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Industrial and Commercial Bank (China)	4.70%
Tencent Hldg Ltd (Hong Kong)	4.56%
BHP Billiton Ltd (Australia)	4.46%
Samsung Electronics Co. Ltd (S. Korea)	3.96%
Hangzhou Hikv (China)	3.38%
Midea Group Co Ltd -A (China)	3.33%
AIA Group Ltd (Hong Kong)	3.28%
Hon Hai Precision Industry Co. (Taiwan)	3.10%
Terena International Inc. ADR (Cayman Islands)	3.09%
Housing Development Finance Corp Ltc (India)	3.00%

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 July 2017:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	20.53	4.23	10.31	16.69	24.15	N/A	29.36
Benchmark	4.59	0.64	1.94	3.92	8.00	N/A	21.22

* 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 July, the Fund increased by 4.23%, bringing year-to-date returns to 20.53%.

Asia Pacific ex Japan Equities gained 4.8% in US\$ terms in July 2017. Market leadership rotated to materials and real estate in July while tech continue to be strong. Asian equities remain a BUY: Global GDP growth is picking up, positive earnings revisions are continuing, excess liquidity via expanding G4 central bank balance sheets remains (unlikely to contract until 3Q2018) and valuations are reasonable. The macro backdrop is benign with low bond yields (US 10 year yields at 2.2%-2.50%) and the US Dollar has been soft (DXY at 92-100). Asia is reasonably priced at 14x/13x FY2017/18 PE with 20%/11% earnings growth. We would be concerned if US bond yields go above 3%, US wages accelerate, credit spreads widen or China's loan growth slows sharply.

As signaled last month, we trimmed our technology exposure in July. We remain Overweight but will be selective and focused on companies with sustainable growth drivers, e.g. e-commerce/ mobile payments/ social/ games, potential hardware enhancement of smartphones. The Asia ex-Japan tech sector surged 42% year-to-date but excluding Samsung Electronics, SK Hynix and Alibaba, upward earnings revision for the sector would have only been ~3% ytd. The Fund is ~95% invested. We have interest in China and India, in terms of sectors, we have interest in internet/technology, financials, materials. We have reduced exposure in health care. We have no position or minimum position in energy and telecom.

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.