

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 | 103.53 million units (31 July 2019) | Fund Size | RM138.42 million (31 July 2019) |
| Unit NAV | RM1.3370 (31 July 2019) | Dealing | Daily (as per Bursa Malaysia trading day) |
| Fund Manager | 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% pa of fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd. |

ASSET ALLOCATION OF THE TARGET FUND

| | |
|--------------------|-------|
| Equities (Foreign) | Cash |
| 93.57% | 6.43% |

SECTOR ALLOCATION OF THE TARGET FUND

| | |
|------------------------|--------|
| Financials | 21.51% |
| Real Estate | 18.85% |
| Consumer Discretionary | 12.42% |
| Information Technology | 10.51% |
| Industrials | 10.07% |
| Communication Services | 9.47% |
| Materials | 3.81% |
| Energy | 3.44% |
| Utilities | 1.65% |
| Consumer Staples | 1.25% |
| Health Care | 0.59% |
| Cash | 6.43% |
| Total | 100.0% |

TOP HOLDINGS OF THE TARGET FUND

| | |
|--|--------|
| AIA Group Ltd (Hong Kong) | 5.11% |
| Samsung Electronics Co. Ltd (South Korea) | 4.98% |
| Taiwan Semiconductor Manuf (Taiwan) | 4.70% |
| HDFC Bank Ltd (India) | 3.47% |
| Tencent Hldg Ltd (Hong Kong) | 2.96% |
| Link REIT (Hong Kong) | 2.93% |
| Singapore Technologies Engine (Singapore) | 2.70% |
| Frasers Logistics & Industri (Singapore) | 2.65% |
| Ascendas Real Estate Inv Trust (Singapore) | 2.57% |
| Henderson Land Development (Hong Kong) | 2.22% |
| Total | 34.29% |

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 2019:

| % | YTD | 1M | 3M | 6M | 1-Year | 3-Year | Since Inception |
|------------------|-------|-------|-------|------|--------|--------|-----------------|
| Fund* | 10.13 | -1.71 | -0.98 | 5.40 | 0.65 | 28.31 | 33.70 |
| Benchmark | 4.59 | 0.64 | 1.94 | 3.92 | 8.00 | 25.97 | 41.39 |

* 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

The Fund was down 1.71% in MYR terms in July. YTD, the Fund has gained 10.13% or 5.54% above the absolute return benchmark. Sector wise, Consumer Staples contributed positively while Financials were a drag on performance.

Asia Pacific ex-Japan equities fell -1.3% in USD terms, as disappointment over the lack of progress in US-China trade talks was partially offset by dovish actions from developed world central banks. Taiwan was the best performing market following positive guidance from TSMC, while India performed worst on signs of economic slowdown. Several developments with unpredictable outcomes could have adverse impact on equity fundamentals. For the moment, the chance of a successful resolution to the trade impasse between US and China appears dim. Civil tensions in HK and trade animosity between Japan and Korea are also clouding the horizon. Global economic momentum is weak with manufacturing PMI's mostly soft. On the positive side, we expect interest rates to stay lower for longer with the escalation of the trade war creating a deeper drag on global growth against a backdrop of low inflation. China, Indonesia, Thailand, India are forecast to be proactive in fiscal stimulus aimed at reforms and infrastructure. Asian equities are looking less expensive after the big sell-off in early August. Earnings revisions for Asia Pacific ex-Japan continue to be negative and earnings expectations for FY2020 appear too optimistic at +14% yoy growth. The current environment requires equity investors to focus on capital preservation and prudent allocation. The hunt for yield will continue and this favors equities with dividend growth. As such, we prefer Singapore for its attractive dividends in REITs and industrials, while we have been reducing our exposure to China and Hong Kong. Our least preferred sectors are utilities and consumer staples. Our least preferred countries are Malaysia, Korea and Taiwan. We intend to judiciously deploy cash towards investment opportunities that may arise on market correction. We rate Asian equities a HOLD as dovish central banks stand ready to mitigate economic and geopolitical downsides with supportive policies.

Source : *Principal Asset Management Bhd*

Date : *31 July 2019*

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.