

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	101.40 million units (31 May 2019)	Fund Size	RM132.23 million (31 May 2019)
Unit NAV	RM1.3040 (31 May 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% of pa 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
84.93%	15.07%

SECTOR ALLOCATION OF THE TARGET FUND

Financials	19.64%
Real Estate	16.16%
Consumer Discretionary	10.94%
Industrials	10.02%
Communication Services	9.70%
Information Technology	7.96%
Energy	4.14%
Consumer Staples	2.19%
Materials	2.14%
Utilities	1.51%
Health Care	0.52%
Cash	15.07%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

AIA Group Ltd (Hong Kong)	4.69%
Samsung Electronics Co. Ltd (South Korea)	3.90%
HDFC Bank Ltd (India)	3.72%
Link REIT (Hong Kong)	3.42%
Taiwan Semiconductor Manuf (Taiwan)	3.25%
Tencent Hldg Ltd (Hong Kong)	2.65%
Reliance Industries Ltd (India)	2.57%
Singapore Technologies Engine(Singapore)	2.50%
Ascendas Real Estate Inv Trust (Singapore)	2.47%
Industrial and Commercial Bank (China)	2.04%

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 May 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	7.41%	-3.42%	1.50%	4.48%	-3.23%	31.73%	30.40%
Benchmark	3.26%	0.64%	1.94%	3.92%	8.00%	25.97%	39.59%

* 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 3.42% in MYR in May. YTD, the Fund has gained 7.41% or 4.15% above the absolute return benchmark.

Asia Pacific ex-Japan equities fell -8% in May as US-China trade tensions boiled over. MSCI China was the top loser, down -13%, while Australia, boosted by positive reaction to a surprising Liberal-National Coalition victory, was the only market in the region that ended in positive territory. Despite global trade uncertainties, Asia Pacific ex Japan markets still advanced by 4% year to date. Subdued inflation worldwide has allowed central banks to adopt extremely accommodative monetary policies, with the consequent low interest rates across the entire term structure providing ample support for equity valuations. For Asian equities, we see high valuations (2019 PER 13.5x), elevated earnings expectations (2020 consensus growth expectations of 13% yoy), and potential for further escalation in geopolitical tensions, as capping further upside to stock prices. Consequently, we rate Asian equities as a HOLD until either visibility on earnings improve, or valuations become more attractive. We remain positive on the medium-to-longer term outlook for Asia.

Our short term focus is on conservation of capital and we have maintained a barbell strategy. Given the uncertainty arising from trade tensions, we have further reduced our exposure to China and kept the China portfolio defensive. At the same time, we have also increased the exposure to Reits, India and continue our focus on companies with high earnings visibility. We have reduced our exposure to financials as the declining interest rate environment meant that it is harder to get margin expansion. We prefer Singapore and India and sector wise, we prefer real estate and industrials. Our least preferred countries are Malaysia, Korea and Taiwan.

Source : Principal Asset Management Bhd

Date : 31 May 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.