

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	102.40 million units (28 June 2019)	Fund Size	RM139.30 million (28 June 2019)
Unit NAV	RM1.3602 (28 June 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
89.63%	10.37%

SECTOR ALLOCATION OF THE TARGET FUND

Financials	20.53%
Real Estate	17.76%
Consumer Discretionary	12.07%
Industrials	10.25%
Communication Services	9.87%
Information Technology	8.30%
Energy	3.46%
Materials	3.15%
Consumer Staples	2.11%
Utilities	1.60%
Health Care	0.53%
Cash	10.37%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

AIA Group Ltd (Hong Kong)	5.14%
Samsung Electronics Co. Ltd (South Korea)	4.24%
Link REIT (Hong Kong)	3.67%
HDFC Bank Ltd (India)	3.61%
Taiwan Semiconductor Manuf (Taiwan)	3.21%
Tencent Hldg Ltd (Hong Kong)	2.74%
Singapore Technologies Engine (Singapore)	2.57%
Ascendas Real Estate Inv Trust (Singapore)	2.56%
Henderson Land Development (Hong Kong)	2.27%
Galaxy Entertainment Grp Ltd (Hong Kong)	2.06%
Total	32.07%

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 28 June 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	12.04	4.31	3.51	12.04	3.64	37.81	36.02
Benchmark	3.92	0.64	1.94	3.92	8.00	25.97	40.48

* 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 up 4.31% in MYR terms in June. YTD, the Fund has gained 12.04% or 8.12% above the absolute return benchmark. Hong Kong and Singapore contributed positively while Thailand was a detractor. Sector wise, Financials and Consumer Discretionary contributed positively.

Asia Pacific ex-Japan equities staged a rebound, rising 6.4% in USD terms, backed by rate cut expectations and the belief that the US would reach a truce with China on trade relations. Singapore, with its REIT-heavy market, was the prime beneficiary of falling rate expectations, rising 8.4% in the month. India, the worst performer with a loss of -1.2%, was hit by worries over its non-bank financial companies. 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. With anemic economic growth globally, we expect interest rates to stay lower for longer and liquidity would become more available for financial assets. We saw fund flows into Asia are turning positive, and should be supported by the end of central bank balance sheet contraction. On the other hand, Asian equity valuation at PER 14.6x 2019 earnings is elevated, while consensus earnings growth expectation of 13% yoy for 2020 is looking optimistic. We believe the risk-reward profile for the markets is currently balanced, hence our HOLD call on Asia Pacific Ex Japan equities. Though valuations are not cheap, we think the low interest rate trend serves as an anchor for lower-than-usual equity risk premium. Our strategy is to deploy cash for investments with good long-term growth and to buy on market dips. On country allocation, we prefer Singapore for the attractive dividends paid by companies and we have added exposure to Indonesia where growth remains a strong theme and a source of investment opportunities. We have taken opportunity of the correction in the Hong Kong market to buy companies with good fundamentals. We maintain our barbell strategy, with focus on companies paying good dividends and have good earnings visibility. Sector wise, we still prefer real estate and industrials. Our least preferred countries are Malaysia, Korea and Taiwan.

Source : *Principal Asset Management Bhd*

Date : *28 June 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.