

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	91.970 million units (31 January 2019)	Fund Size	RM116.663million (31 January 2019)
Unit NAV	RM1.2685 (31 January 2019)	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.	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 CIMB-Principal.

ASSET ALLOCATION OF THE TARGET FUND

Equities (Foreign)	Equities (Local)	Cash
89.02%	1.99%	8.99%

SECTOR ALLOCATION OF THE TARGET FUND

Financials	46.22%
Consumer	15.73%
Industrials	11.47%
Telecommunications	5.77%
Technology	4.29%
Oil & Gas	3.31%
Health Care	2.34%
Basic Materials	1.88%
Cash	8.99%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

AIA Group Ltd (Hong Kong)	4.49%
Samsung Electronics Co. Ltd (South Korea)	3.68%
Ping An Insurance Group Co. -H (China)	3.15%
Link REIT (Hong Kong)	3.13%
CapitaLand Mall Trust (Singapore)	3.06%
TRANSURBAN GROUP (Australia)	2.90%
Bank Central Asia (Indonesia)	2.78%
Ascendas Real Estate Inv Trust (Singapore)	2.68%
Industrial and Commercial Bank (China)	2.63%
Singapore Technologies Enginee (Singapore)	2.55%

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 January 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	4.49%	4.49%	4.10%	-4.50%	-8.15%	36.99%	26.85%
Benchmark	0.64%	0.64%	1.94%	3.92%	8.00%	25.97%	36.05%

***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 January, the Fund increased by 4.49% in MYR terms. Year-to-date the Fund is up 4.49%.

Asia Pacific ex-Japan equities surged +7% (US\$ terms) supported by a dovish shift from the US Federal Reserve, domestic policy easing in China (RRR cuts) and some positive newsflow on the ongoing US-China trade issue. The best performing markets were China (+11%), Korea (+10%), Indonesia (+10%) and Thailand (+10%) with the latter 2 markets helped by currency gains of more than +3%. Key issues: is the stance by the US Fed a temporary dovish one?, will China's macro indicators stabilize or deteriorate less sharply from here? We remained positive on Asian equities. Equity flows into Asia were positive in Jan and thus far in Feb. The Chinese Yuan has stabilized (at Rmb6.75) and Asian currencies (bar the Indian Rupee, Korean Won and Taiwan Dollar) have gained this year. Given the pace of recent gains, returns are likely to accrete more gradually from here. Fundamentally, the US Federal Reserve's pivot to a dovish guidance has buoyed risk assets. Cross-currents that were cited, i.e., slower growth in China and Europe, trade tensions and the risk of a hard Brexit, could persist in the near term. However, Asian central banks have started to ease with the Reserve Bank of India recently delivering a surprise rate cut (25bp) and Australia has also talked about the chance of a rate cut. With a more accommodating liquidity backdrop, growth and real rates could be more important. Valuations are undemanding at 12x PER FY2019. Consensus EPS growth for 2019 in Asia Pac ex-Japan is now a more reasonable +6% yoy. There is now a better appreciation of the extent to which global demand has depended on China given recent earnings commentary from large global companies. For companies to outperform, stability in earnings revision and more clarity on specific growth drivers would be key. As monetary policy in Asia is biased to easing, rate sensitives like REITs should do well. We also like banks as credit growth should gradually improve once consumer and corporate confidence improve. Our other preferences included industrials (toll roads, defence, waste management and domestic infrastructure names). On the other hand, our least preferred countries are Korea, Taiwan and HK/China.

Source : CIMB-Principal Asset Management Bhd

Date : 31 January 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.