

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	99.116 million units (30 April 2019)	Fund Size	RM133.822 million (30 April 2019)
Unit NAV	RM1.3502 (30 April 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
94.41%	5.59%

SECTOR ALLOCATION OF THE TARGET FUND

Financials	29.59%
Real Estate	13.58%
Consumer Discretionary	12.18%
Communication Services	9.95%
Industrials	9.90%
Information Technology	8.33%
Energy	4.20%
Health Care	2.17%
Materials	1.58%
Utilities	1.47%
Consumer Staples	1.46%
Cash	5.59%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

AIA Group Ltd (Hong Kong)	4.79%
Samsung Electronics Co. Ltd (South Korea)	4.03%
Taiwan Semiconductor Manuf (Taiwan)	3.43%
HDFC Bank Ltd (India)	3.35%
Link REIT (Hong Kong)	3.13%
Ping An Insurance Group Co. -H (China)	3.12%
Tencent Hldg Ltd (Hong Kong)	2.96%
Bank Central Asia (Indonesia)	2.61%
Reliance Industries Ltd (India)	2.53%
Singapore Technologies Engine (Singapore)	2.41%

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 30 April 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	11.22%	2.75%	6.44%	10.80%	0.70%	44.82%	35.02%
Benchmark	2.60%	0.64%	1.94%	3.92%	8.00%	25.97%	38.69%

* 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 gained 2.75% in MYR terms in April 2019, outperforming the target absolute return of 0.64% by 2.11%. YTD, the Fund has gained 11.22% or 8.62% above the 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 rose a further +1.6% (US\$ terms) in April, supported by the Fed's accommodative stance and benign inflationary outlook globally. Singapore was the best performing market rising 6.8% on the back of strong bank earnings and demand for high-yield stocks. Malaysia and Philippines were laggards on lack of foreign inflows. Macro data in Asia mostly show stabilization but not acceleration. Now that trade disputes have resurfaced, the global economy is unlikely to gather momentum and upside to risk assets are likely to be capped. Asia's export oriented economies will need a revival in domestic consumption or fiscal stimulus to drive growth. Rate cuts in developed markets are unlikely since the PMIs have stabilized and the US economy accelerated to +3.2% GDP growths in 1Q19. In Asia, expectations of monetary easing in China and India have peaked. On earnings front, expectations for full year 2019 EPS growth of 4.7% for Asia is reasonable, but earnings revision remains negative following 1Q19 reporting season. Valuations for Asia are now at 13.6x forward earnings, above the 5-year average.

We are downgrading Asia Pacific Ex Japan equities to a HOLD as we think further upside in the near term would be capped by high valuations and a lack of positive earnings revision. We would not be surprised if profit-taking sets in as the market has gone up strongly within a short time. We expect to be buyers on any dip, as our medium-to-longer term outlook remains positive. A low and falling interest rate environment, a global economy that has troughed, all point to longer-term structural overweight in Equities. We will continue to take profit on stocks that have done well and maintain the barbell strategy. Specifically we have reduced our exposure to Australia, and more marginally in India and Thailand. We prefer Singapore (REITs, banks, and industrials) as well as financials sector in general. Our least preferred sector is consumer staples and we have reduced our exposure to materials. Our least preferred countries are Malaysia, Korea and Taiwan.

Source : *Principal Asset Management Bhd*

Date : *30 April 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.