

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	108.26 million units (31 March 2020)	Fund Size	RM126.50 million (31 March 2020)
Unit NAV	RM1.1684 (31 March 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	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
89.38%	10.62%

SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	18.51%
Real Estate	17.33%
Materials	11.22%
Consumer Discretionary	10.48%
Communication Services	10.30%
Industrials	8.52%
Financials	6.15%
Energy	2.90%
Health Care	2.42%
Utilities	1.54%
Cash	10.62%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Samsung Electronics Co. Ltd (South Korea)	6.58%
Tencent Hldg Ltd (Hong Kong)	6.13%
Alibaba Group Holding Ltd (Cayman Island)	5.40%
Link REIT (Hong Kong)	4.03%
Taiwan Semiconductor Manuf (Taiwan)	4.02%
Keppel DC REIT (Singapore)	2.91%
China Resources Land Ltd (Hong Kong)	2.84%
Mapletree Commercial Trust (Singapore)	2.56%
CSL Ltd (Australia)	2.42%
Reliance Industries Ltd (India)	2.33%
Total	39.22%

PERFORMANCE RECORD

This fund feeds into 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 March 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	-16.45	-12.81	-12.06	-11.09	0.38	15.57	16.84
Benchmark	1.94	0.64	3.92	8.00	25.97	46.93	48.83

* 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 12.81% in MYR terms in Mar, underperforming the absolute return benchmark by 1345 bps. Sector wise, Financials, Industrials and Real Estate were the main drags.

The outlook for Asia has deteriorated significantly over the past month as the Covid-19 outbreak progressed from a China-centric event to a global pandemic. With major countries across the world now in almost total shutdown, and some still relatively early in moving up the infection curve, we expect post-outbreak recoveries to be more labored and patchy. Asia, along with the world, is likely to see the deepest recession in modern history. We currently expect the global lockdown to last 3 months, with a gradual return to normalcy in 4Q2020. We expect Asian earnings decline of -5% for 2020. Given near-term uncertainties, we are rating Asian Equities neutral pending more visibility on the duration and severity of the crisis. Longer-term investors would do well to ride out the near-term volatility with a view that equities would be the most attractive asset class once economic activity resumes. Historically low interest rates would be the norm for an extended period of time, with central banks providing balance sheet support for risk assets. Equity valuations are becoming attractive relative to historical levels and earnings growth in 2021 will be attractive compared to yields on other asset classes like bonds. APDI will adopt a barbell strategy by having large cap, high quality defensive growth stocks and an emphasis on high dividend paying companies with relatively visible earnings stream. We have reduced exposure to companies which present relatively higher risk to the downside should the virus pandemic persist for longer-than-expected. On a country basis, we prefer China and Singapore at the expense of South Asia as they are likely to emerge earlier from the crisis, and have fiscal and monetary stimuli in place to cushion the recession. Our current focus is on companies that will benefit from the new way of living after Covid-19 and companies with potential to gain share at the expense of weaker competitors as the economic recovery takes hold. We also prefer beneficiaries of super-low interest rates which would likely persist for a long time after the pandemic. Hence we have increased exposure to selective Reits and Chinese internet stocks. Our least preferred sectors are financials and utilities.

Source : *Principal Asset Management Bhd*

Date : *31 March 2020*

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.