

### 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	109.42 million units (30 April 2020)	Fund Size	RM138.55 million (30 April 2020)
Unit NAV	RM1.2662 (30 April 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"> <li>▪ Have a medium to long-term investment horizon</li> <li>▪ Want a well-diversified portfolio of Asia Pacific ex Japan region</li> <li>▪ Willing to take moderate risk for potentially moderate capital return over the long-term</li> </ul>	Fees	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Asia Pacific Dynamic Income Fund.</li> <li>▪ 1.8% pa of fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Equities (Foreign)	Cash
91.81%	8.19%

#### SECTOR ALLOCATION OF THE TARGET FUND

Real Estate	17.13%
Consumer Discretionary	15.59%
Information Technology	12.46%
Materials	12.19%
Communication Services	11.57%
Industrials	10.51%
Financials	4.47%
Energy	4.37%
Health Care	1.85%
Utilities	1.67%
Cash	8.19%
Total	100.0%

#### TOP HOLDINGS OF THE TARGET FUND

Tencent Hldg Ltd (Hong Kong)	6.67%
Alibaba Group Holding Ltd (Cayman Island)	5.18%
Samsung Electronics Co. Ltd (South Korea)	4.33%
Link REIT (Hong Kong)	3.91%
Reliance Industries Ltd (India)	3.57%
Keppel DC REIT (Singapore)	3.13%
NetLink NBN Trust (Singapore)	3.06%
BHP Group Ltd (Australia)	2.83%
China Resources Land Ltd (Hong Kong)	2.59%
Mapletree Commercial Trust (Singapore)	2.55%
Total	37.82%

#### 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 30 April 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
<b>Fund*</b>	-9.46	8.37	-7.65	-6.22	7.97	22.58	26.62
<b>Benchmark</b>	2.60	0.64	3.92	8.00	25.97	46.93	49.79

\* 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 8.37% in MYR terms in Apr, outperforming the absolute return benchmark by 773bps.

With several major countries around the globe planning to re-open their economies over the next 2 months, we expect economic activities to begin a recovery from depressed levels beginning in 3Q 2020. We expect governments, businesses and consumers to be tentative and cautious; hence the recovery will be gradual. Sentiment and momentum indicators have recovered and valuations have become more attractive for Asian equities. Fiscal policies should remain expansionary. Worries over a potential 2nd wave of infection is likely to dampen business hiring plans, thus keeping unemployment rates elevated for some time. Hence, the Fed and major central banks can be expected to keep rates very low for an extended period of time. We turned more positive on Asian equities and we prefer North Asia and Singapore over ASEAN. The pace of re-opening would not be uniform but vary widely between sectors and between countries. Beyond the immediate re-opening of economies, there are two emerging trends that would cause performance divergence between Asian economies. Firstly, the Covid-19 disaster is a significant cost to economies and a dent on governments' financial standings. Unlike construction budgets for natural disasters or wars, government expenditure to soften the blow of this pandemic is unlikely to generate longer-term economic spin-offs. Tax revenues would also decline for the next 2 years. Hence, current account deficit as percentage of GDP, and sustainability of public debt level, would become items of scrutiny in the years ahead. Secondly, deglobalization could accelerate as sovereigns become more aware of the importance of domestic supplies of food, pharmaceuticals, basic manufacturing, etc. Within Asia, the larger and more advanced economies like China and Korea look better positioned to navigate and capitalize on these 2 trends. APDI will continue to adopt a barbell strategy by having large cap, high quality growth stocks and an emphasis on high dividend paying companies with relatively visible earnings stream. We will also continue to look for companies that are long-term winners with favourable supply discipline, little competition, or possess significant brand equity. We have increased our exposure to Chinese domestic consumption plays as well as Australian companies that can grow market share. We remain cautious on India.

**Source :** *Principal Asset Management Bhd*

**Date :** *30 April 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.