

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	109.66 million units (29 May 2020)	Fund Size	RM140.35 million (29 May 2020)
Unit NAV	RM1.2799 (29 May 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
90.08%	9.92%

SECTOR ALLOCATION OF THE TARGET FUND

Consumer Discretionary	16.76%
Real Estate	16.65%
Materials	12.01%
Information Technology	11.63%
Communication Services	11.59%
Industrials	9.70%
Energy	5.92%
Financials	4.03%
Utilities	1.80%
Cash	9.92%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Tencent Hldg Ltd (Hong Kong)	7.44%
Alibaba Group Holding Ltd (Cayman Island)	7.27%
Reliance Industries Ltd (India)	5.00%
Samsung Electronics Co. Ltd (South Korea)	4.27%
Keppel DC REIT (Singapore)	3.42%
BHP Group Ltd (Australia)	3.08%
Link REIT (Hong Kong)	2.93%
Mapletree Commercial Trust (Singapore)	2.59%
NetLink NBN Trust (Singapore)	2.55%
China Resources Land Ltd (Hong Kong)	2.49%
Total	41.04%

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 29 May 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	-8.48	1.08	-5.99	-1.85	8.16	24.82	27.99
Benchmark	3.26	0.64	3.92	8.00	25.97	46.93	50.75

* 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 1.08% in MYR terms in May, outperforming the absolute return benchmark by 44bps. Sector wise, Materials and Industrials contributed positively, while Technology and Real Estate were the main drags.

MSCI Asia Pacific ex Japan ended almost flat in USD terms in the month of May. Positive confirmation has recently come from economic data that is beginning to reflect the huge stimulus coupled with businesses reopening. The better than expected US unemployment figures for May helps the external demand picture and China's economy has started to recover in both the manufacturing and services sectors. Global economic activities, proxied by PMI, would likely accelerate rapidly over 2Q-3Q 2020 as major countries begin to re-open their markets. Fueled by generous fiscal spending, record low interest rates, and aggressive Quantitative Easing from the central banks of the developed world, the initial pace of reflation would likely be strong, providing a positive backdrop for equities throughout the Asian region. A second wave of virus infection could arise, but this risk would be ameliorated by better awareness and preparedness. The low death rate arising from the virus in its current form, and possible vaccines for the virus, are also reassuring factors. Deterioration of US-China trade relations remains a key risk for Asian equities, as political rhetoric could be ratcheted up leading to the November presidential elections in the US. However, we expected trade issues to recede as a headline risk as we enter 4Q20 and 2021. Asia Pacific ex Japan equities trade at 13.8x forward-12M PER, above the 5-year average of 13.0x. Recovery in business prospects and equity performances would continue to broaden across sectors and regions.

We remain positive on Asian equities. In the near term, immediate beneficiaries of this broadening would be ASEAN and sectors relating to gaming, financials, industrials, and the service sectors. We have thus reduced our exposure to REITs and increase the tilt to cyclical names such as industrials, energy and financials. On a country basis, we still prefer China and Singapore, but have increased our exposure to Indonesia, Australia and India. On sector basis, we have the least exposure to consumer staples and utilities.

Source : *Principal Asset Management Bhd*

Date : *29 May 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.