

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	96.138 million units (29 March 2019)	Fund Size	RM126.339 million (29 March 2019)
Unit NAV	RM1.3141 (29 March 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)	Cash
94.43%	5.57%

SECTOR ALLOCATION OF THE TARGET FUND

Financials Services	30.39%
Real Estate	13.05%
Consumer Discretionary	11.12%
Industrials	10.29%
Communication Services	8.89%
Information Technology	8.02%
Energy	4.23%
Materials	3.50%
Health Care	2.17%
Utilities	1.42%
Consumer Staples	1.34%
Cash	5.57%

TOP HOLDINGS OF THE TARGET FUND

AIA Group Ltd (Hong Kong)	4.74%
Samsung Electronics Co. Ltd (South Korea)	4.09%
Ping An Insurance Group Co. -H (China)	3.46%
HDFC Bank Ltd (India)	3.42%
Link REIT (Hong Kong)	3.18%
Taiwan Semiconductor Manuf (Taiwan)	3.00%
Bank Central Asia (Indonesia)	2.56%
Reliance Industries Ltd (India)	2.53%
Ascendas Real Estate Inv Trust (Singapore)	2.48%
CapitaLand Mall Trust (Singapore)	2.44%

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 29 March 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	8.25%	2.29%	8.25%	-0.62%	-1.15%	39.32%	31.41%
Benchmark	1.94%	0.64%	1.94%	3.92%	8.00%	25.97%	37.81%

***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 delivered a third consecutive month of gains. The Fund gained 2.29% in MYR terms in March 2019. This was above the target absolute return of 0.64% over the one month period. This beat the benchmark by 1.65%. YTD, the Fund has gained 8.25% or 6.31% above the benchmark. Hong Kong and Australia contributed positively while Philippines was a detractor.

Sector wise, Financials and Industrials contributed positively while Utilities was a detractor. Asia Pacific ex-Japan equities rose a further +1.6% (US\$ terms) in March, supported by the latest Chinese PMI data which indicated a rebound towards economic expansion, as well as by the strong bond market as bond yields fell to fresh lows. Central bankers have already successfully talked down bond yields, with their assurance that they stand ready to act should confidence falter. We expect central banks in developed markets to continue their accommodative monetary policies, and Asian countries seem poised to enter a rate cut cycle with inflation subdued. A trade deal between US and China would arrest further erosion to economic growth. We remain a buy call on Asian equities over the medium term. Earnings growth in Asia has bottomed and would probably register 4% yoy increase in 2019. However, the strong equity price surge of 12% YTD has in part discounted a recovery in earnings in 2H19. Valuations for Asia are now at 13.3x forward earnings, above the 5-year average. Such rapid increase in price warrant a measure of caution as the likelihood of a correction increases. Hence we would not be adding further risk weights to the portfolios in the near term. Instead, we have been taking profit on stocks that have done well and re-deployed the cash to other dividend yield stocks that have lagged. We continue to adopt a barbell strategy with high dividend yield stocks as well as growth stocks to capture the cyclical upturn. We have incrementally increased the exposure to China and India. We continue to prefer rate sensitives like Singapore REITs, as well as Australia and Singapore industrials and financials, while our least preferred sector is consumer. Our least preferred countries are Korea and Taiwan.

Source : CIMB-Principal Asset Management Bhd
Date : 29 March 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.