

FUND OBJECTIVE

To provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

FUND DETAILS

Launch Date	20 May 2014
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	3.567 million units (31 December 2017)
Fund Size	RM4.930 million (31 December 2017)
Unit NAV	RM1.3820 (31 December 2017)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Target Fund	CIMB Principal Equity Income Fund
Benchmark	50% FBM100 Index + 50% MSCI AC Asia ex-Japan Index
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> Have a medium to long-term investment horizon Target capital appreciation Do not require regular income Comfortable with higher volatility Willing to take higher risk for potential higher gains
Fees	Management fee: 1.500% p.a.
Taxation	8% of annual investment income

ASSET ALLOCATION

Equity	Min 70% Max 98%	Cash	Min 2%
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WHERE THE TARGET FUND INVESTS

Finance	28.43%	Properties	2.64%
Trading / Services	16.69%	Oil & Gas	2.21%
Consumer	13.34%	Mutual Fund	1.89%
Industrials	10.96%	Basic Materials	1.69%
Technology	6.88%	Telecommunications	0.53%
Construction	4.92%	Others	0.58%
Plantation	2.80%	Cash	6.44%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	5.01%
Samsung Electronics Co. Ltd (South Korea)	3.71%
CIMB Group Hldgs Bhd (Malaysia)	3.54%
Malayan Banking Bhd (Malaysia)	3.18%
Tenaga Nasional Bhd (Malaysia)	3.03%
Tencent Hldg Bhd (Malaysia)	2.58%
Industrial and Commercial Bank (China)	2.23%
Alibaba Group Holding Ltd (Cayman Islands)	2.19%
Taiwan Semiconductor Manuf (Taiwan)	2.17%
Airasia Bhd (Malaysia)	1.87%

PERFORMANCE RECORD

This fund feeds into CIMB Principal Equity Income Fund (“target fund”) with the objective to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

Table below shows the investment returns of Sun Life Malaysia Equity Income Fund versus its benchmark as at 31 December 2017:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	26.61	2.57	4.49	9.88	26.61	37.31	38.20
Benchmark	18.90	2.98	3.52	5.39	18.90	25.70	27.92

* 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 2.57% in December, underperforming its benchmark by 0.41%. Underperformance came mainly from its exposure in India, Indonesia and Singapore. In terms of sectors, Industrials and Healthcare dragged performance. At the stock level, key detractors were Sunny Optical, Venture Corporation and Digi. For 2017, the Fund gave a return of 26.61%, outperforming the benchmark by 7.71%.

Asia ex-Japan equities rose 2.5% (US\$) in December 2017, capping a huge run of 39% year-to-date. Performance across sectors was mixed with consumer, materials, energy and healthcare outperforming, while technology underperformed. In Malaysia, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) jumped 79 pts or 4.6% to 1,796.81 pts on the back of window dressing activities, driven by banking and technology stocks. For the year, the FBKLCI rose 155 pts or 9.45%, but underperformed the broader market and the region. Foreign investors were net buyers of RM10.3bn in 2017 versus net sellers of RM3.2bn in 2016. Brent crude oil price rose 5.2% m-o-m or 17.7% y-o-y to USD67/barrel, while the Ringgit closed the year stronger at 4.0465, up 10% y-o-y.

We are positive on Asian equities, preferring economically sensitive stocks and cyclicals to defensives, e.g., selective Financials, Industrials, Energy and Materials. In Malaysia, we like banks to play the interest rate hike theme and selective large caps that give us exposure to improving fundamentals in cyclicals like autos and heavy equipment. We will also participate selectively in GE14 plays. In addition, we will hold on to our longer-term themes, i.e. construction, e-commerce/logistics, Chinese tourism, consumer and technology. Our base case is that there is no political upheaval arising from GE14.

Source: CIMB-Principal Asset Management Bhd

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.