

### 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	7.06 million units (29 May 2020)	Fund Size	RM8.82 million (29 May 2020)
Unit NAV	RM1.2483 (29 May 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Titans Income Plus Fund
Benchmark	50% FBM100 Index + 50% MSCI AC Asia ex-Japan Index	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>▪ Target capital appreciation</li> <li>▪ Do not require regular income</li> <li>▪ Comfortable with higher volatility</li> <li>▪ Willing to take higher risk for potential higher gains</li> </ul>	Fees	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Equity Income Fund.</li> <li>▪ Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Equities (Local)	Equities (Foreign)	Cash
48.06%	45.23%	6.71%

#### SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	15.36%
Consumer Discretionary	12.11%
Financials	10.31%
Communication Services	10.26%
Industrials	9.99%
Consumer Staples	7.78%
Real Estate	6.78%
Health Care	6.27%
Materials	5.15%
Utilities	4.64%
Energy	4.63%
Cash	6.71%
Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Alibaba Group Holding Ltd (Cayman Islands)	4.45%
Tenaga Nasional Bhd (Malaysia)	4.25%
Public Bank Bhd (Malaysia)	3.86%
Malayan Banking Bhd (Malaysia)	3.78%
Tencent Hldg Ltd (Hong Kong)	3.72%
Reliance Industries Ltd (India)	3.09%
Top Glove Corp Bhd (Malaysia)	2.93%
Samsung Electronics Co. Ltd (South Korea)	2.87%
Taiwan Semiconductor Manuf (Taiwan)	2.84%
Techtronic Industries Co (China)	2.03%
Total	33.82%

#### 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 29 May 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
<b>Fund*</b>	-10.01	1.70	-6.52	-4.13	1.36	14.97	24.83
<b>Benchmark</b>	-7.13	3.09	-4.29	-4.33	-8.22	1.71	10.57

\* 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

In May, the fund rose 1.70% in MYR terms, underperforming the benchmark by 139bps. Year-to-date the Fund declined 10.01%, underperforming the Benchmark by 288bps. The underperformance was driven by healthcare, oil & gas and technology.

The FTSE Bursa Malaysia Composite Index ("KLCI") gained 4.65% in May, outperforming the markets in the region (vs MSCI ASEAN +1.3%). The positive performance was driven entirely by glove stocks as Hartalega and Top Glove gained 65% and 83% respectively during the month on the back of rising ASP amid tight global supply of medical gloves. Excluding the glove stocks, the benchmark index would have been flat in May.

Despite elevated equity valuation and earnings risk, we are cognizant that equity risk premium are not excessive following the sharp decline in risk-free rates and that the capital market is flushed with liquidity now following coordinated interest rate cuts by central banks while governments try to revive their economies with massive fiscal stimulus. We adopt a tactical approach to buy selective value stocks as proxy for post-pandemic recovery.

Asia: We rate Asian equities a BUY over a 12-month horizon. We add to ASEAN in anticipation of a broadening of economic recovery. We like China and Singapore. Our stock investments are geared towards companies which are long-term winners with favourable supply discipline, little competition, or possess significant brand equity. We also like stocks which are beneficiaries of super-low interest rates and discount rates which would likely persist for a long time after the pandemic.

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.