

### 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	7.61 million units (31 July 2019)	Fund Size	RM10.17 million (31 July 2019)
Unit NAV	RM1.3370 (31 July 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	CIMB Principal Equity Income 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)	Mutual Fund	Cash
46.64%	43.58%	1.68%	8.10%

#### SECTOR ALLOCATION OF THE TARGET FUND

Financials	19.21%
Industrials	15.45%
Real Estate	12.21%
Consumer Discretionary	11.50%
Communication Services	8.16%
Information Technology	6.07%
Utilities	4.96%
Energy	4.78%
Consumer Staples	4.58%
Materials	2.15%
Mutual Fund	1.69%
Health Care	1.14%
Cash	8.10%
Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Tenaga Nasional Bhd (Malaysia)	4.96%
Malayan Banking Bhd (Malaysia)	3.59%
CIMB Group Hldgs Bhd (Malaysia)	2.93%
Tencent Hldg Ltd (Hong Kong)	2.78%
AIA Group Ltd (Hong Kong)	2.25%
Link REIT (Hong Kong)	2.11%
Taiwan Semiconductor Manuf (Taiwan)	2.04%
Genting Malaysia Bhd (Malaysia)	1.99%
Samsung Electronics Co. Ltd (South Korea)	1.97%
ICICI Bank Ltd (India)	1.92%
Total	26.54%

#### 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 July 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	7.45	-0.91	-0.36	4.62	-0.90	24.48	33.70
<b>Benchmark</b>	3.37	-2.09	-3.07	-0.23	-5.86	11.98	16.63

\* 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

Asia: Markets were generally weak in July as economic indicators (particularly in Europe) deteriorated and trade talks between the US and China took a turn for the worse. Politics is trumping economics in influencing the broader economy. Economic tools like tariffs, access to technology, supply chains and currencies are being weaponized. Meanwhile, there is civil unrest in HK and trade animosity between Korea and Japan. Global economic momentum is weak with manufacturing PMI's mostly soft. On the positive side, we expect interest rates to stay lower for longer with the escalation of the trade war creating a deeper drag on global growth against a backdrop of low inflation.

For Malaysia, we expect another mixed set of corporate results in 2Q19 as weak commodity prices dampens the earnings outlook for the petrochemical and plantation sectors. That said, there may be some positive surprises too. After a positive surprise in 1Q, another strong showing in 2Q (if any) will further restore sentiment in the telco space, particularly for fixed line operators. On the regulatory front, uncertainty is fast receding as the federal government is poised to unveil new regulatory frameworks for many regulated industries such as airport, utilities and telco over the next few months.

We anticipate PMI to bottom around 4Q19, coinciding with a troughing of global semiconductor sales. The current environment requires equity investors to focus on capital preservation and prudent allocation. We intend to judiciously deploy cash towards investment opportunities that may arise on market correction. We are currently neutral towards Asian equities as dovish central banks stand ready to mitigate economic and geopolitical downsides with supportive policies.

We make no changes to our core strategy as we maintain our NEUTRAL stance on Malaysia. We will continue with our stock picking and rotational strategy where we will add growth companies with yield support.

*Source : Principal Asset Management Bhd  
Date : 31 July 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.