

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	3.675 million units (30 March 2018)
Fund Size	RM5.050 million (30 March 2018)
Unit NAV	RM1.3742 (30 March 2018)
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%
--------	--------------------	------	--------

WHERE THE TARGET FUND INVESTS

Finance	30.03%	Basic Materials	2.18%
Trading / Services	17.28%	Oil & Gas	1.83%
Consumer	15.14%	Mutual Fund	1.74%
Industrials	14.19%	Properties	1.49%
Technology	8.18%	Cash	2.68%
Construction	2.77%		
Plantation	2.49%	Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	5.44%
Malayan Banking Bhd (Malaysia)	4.81%
Tenaga Nasional Bhd (Malaysia)	4.31%
CIMB Group Hldgs Bhd (Malaysia)	3.45%
Tencent Hldg Bhd (Malaysia)	3.13%
Alibaba Group Holding Ltd (Cayman Islands)	2.53%
Venture Corp Ltd (Singapore)	2.53%
Taiwan Semiconductor Manuf (Taiwan)	2.30%
Industrial and Commercial Bank (China)	2.30%
Samsung Electronics Co. Ltd (South Korea)	2.16%

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 30 March 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-0.56	-2.24	-0.56	3.90	15.68	26.06	37.42
Benchmark	-1.10	-1.72	-1.10	2.38	7.44	15.90	26.51

* 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 downed 2.24% in March, underperforming its benchmark by 0.52%. The Fund's underperformance came mainly from its exposure in Malaysia, Korea and Taiwan. In terms of sectors, Industrials, Technology and Consumer Goods contributed negatively. At the stock level, the key detractors were V.S. Industry, Inari Amertron and Globetronics. Year-to-date, the Fund is down 0.56%, outperforming the benchmark by 0.54%.

Asia ex-Japan equities eased 3.4% (US\$) in March with trade tensions and tech weakness pushing global equity markets down. The sell-off was broad-based with underperformance in materials, consumer discretionary and financials, while utilities was the only gainer. On trade, our view is that the US is using tariffs as a means of negotiating for intellectual property protection and more market opening measures in China. For Malaysia, March was a positive month as the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) added 7 pts or 0.4% to 1,863 pts despite rising concerns of escalating US-China trade disputes. For the first quarter of 2018, the FBMKLCI rose 3.7%, supported by net foreign inflows of RM2.2bn.

Asian equities are a Buy. Asian equities are in a consolidation phase after last year's stellar performance and the investment positives are forecast earnings growth of 14% in 2018, reasonable earnings multiple of 13x and rising return on equity. We are Overweight ASEAN and China, and Underweight Korea, Taiwan and India. In Malaysia, we remain constructive on equities and will look to selectively add to our preferred stocks opportunistically in market corrections. We will stay invested, and continue to prefer large caps to small caps, to maintain portfolio liquidity. We continue to like Financials, Tourism and Industrials. We will also re-look at sectors which have retraced substantially.

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.