

## 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	3.081 million units (31 December 2016)
Fund Size	RM 3.363 million (31 December 2016)
Unit NAV	RM 1.0915 (31 December 2016)
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"> <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>Management fee: 1.5000% p.a.</li> </ul>
Taxation	<ul style="list-style-type: none"> <li>8% of annual investment income</li> </ul>

## ASSET ALLOCATION

Equities	Min 70% Max 98%	Cash	Min 2%
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## WHERE THE FUND INVESTS

Finance	27.79%	Basic Material	3.15%
Trading/Services	19.24%	Plantations	2.70%
Consumer	14.04%	Mutual Fund	1.28%
Industrials	12.03%	IPC	0.99%
Technology	7.75%	Telco	0.80%
Oil & Gas	3.30%	Others	1.21%
Construction	3.29%	Cash	2.43%

## TOP HOLDINGS OF THE TARGET FUND

Tenaga Nasional Bhd	4.79%
Sime Darby Bhd	3.52%
CIMB Group Hldgs Bhd	3.47%
Malayan Banking Bhd	3.02%
Taiwan Semiconductor Manuf. (Taiwan)	2.97%
Samsung Electronics Co. Ltd (South Korea)	2.94%
China Life Insurance Co. Ltd (China)	2.70%
Tencent Hldg Ltd (Hong Kong)	2.54%
Public Bank Bhd - Local	2.53%
Industrial and Commercial Bank (China)	2.10%

## 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 2016:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
<b>Fund*</b>	1.96	-0.95	-1.90	4.72	1.96	N/A	9.15
<b>Benchmark</b>	2.66	-0.52	-0.21	6.44	2.66	N/A	7.60

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 down 0.95% in December, underperforming its benchmark by 0.43%. The Fund's underperformance came mainly from its exposure in China and Malaysia. In terms of sectors, the Fund's exposure in Financials and Telecommunications contributed negatively. At the stock level, its overweight in China Life Insurance, Hong Kong Exchanges & Clearing, and Sands China contributed to the underperformance. Year-to-date, the Fund is up 1.96%, underperforming the benchmark by 0.7%.

Asian Equities closed the year 2016 up +2.9% in US Dollar terms. The best performing sectors were Materials (+27%), Energy (+15%) and Technology (+15%). Almost all other sectors were down (except for Financials +3%), which showed how narrow markets were. The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMVKLI) rebounded by 1.4% in December due to year-end window dressing. For the full year, the market ended down 3%, the third consecutive year of negative returns (2015: -3.9%, 2014: -5.6%).

We are overweight in China and underweight in Hong Kong, Taiwan and Korea. In sector terms, we are overweight in China internet/technology, Hong Kong, India and Philippines financials and Korean consumer names. We are underweight telecommunications and utilities. We have been trimming our China exposure slightly. For Malaysia, we continue to overweight construction and government-linked companies (GLCs) in the services, plantations and utilities sectors that fit into our Malaysian GLC restructuring theme. We continue to seek growth ideas in the small to mid-cap space.

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.