

### 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	7.29 million units (29 November 2019)	Fund Size	RM9.74 million (29 November 2019)
Unit NAV	RM1.3353 (29 November 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
49.43%	46.94%	1.53%	2.10%

#### SECTOR ALLOCATION OF THE TARGET FUND

Financials	18.03%
Information Technology	17.96%
Industrials	11.29%
Real Estate	10.02%
Consumer Discretionary	7.81%
Communication Services	7.52%
Materials	5.92%
Utilities	5.69%
Energy	5.19%
Consumer Staples	4.15%
Health Care	2.81%
Mutual Fund	1.53%
Cash	2.10%
Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Malayan Banking Bhd (Malaysia)	4.76%
Tenaga Nasional Bhd (Malaysia)	4.67%
CIMB Group Hldgs Bhd (Malaysia)	3.59%
Alibaba Group Holding Ltd (Cayman Island)	3.33%
Taiwan Semiconductor Manuf (Taiwan)	3.27%
Samsung Electronics Co. Ltd (South Korea)	2.97%
Tencent Hldg Ltd (Hong Kong)	2.53%
Lendlease Global Commercial (Singapore)	2.28%
HDFC Bank Ltd (India)	2.09%
Public Bank Bhd (Malaysia)	2.04%
Total	31.53%

#### 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 November 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	7.31	-1.09	1.96	2.55	5.31	21.17	33.53
<b>Benchmark</b>	2.39	-0.85	1.44	-0.05	0.10	6.78	15.52

\* 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 November, the Fund loss -1.09% in MYR terms, is underperforming the Benchmark by 0.24%. YTD, the Fund rose by 7.31%, outperforming the Benchmark 4.92%.

KLCI dipped 2.3% in Nov (YTD: -7.6%). While this was in line with regional market performance (MSCI ASEAN lost 1.8% in Nov), the local bourse was also dragged by the sharp sell down of TNB (-4.1%) on the last trading day of the month following the announcement of further back taxes imposed by IRB amounting to RM4bn.

Despite lack of growth, we upgrade Malaysia to OVERWEIGHT as we turn constructively more positive going into 2020. KLCI's valuation has now dipped to 15.4x which is at -1SD. We believe earnings downside risk has narrowed significantly following recent cuts which is further supported by undemanding valuation now. Amid moderate economic growth and low interest rate environment, dividend investment theme is still relevant. Meanwhile, cyclical growth stocks in construction, oil and gas, and technology sectors remained in favour

We expect economic growth in Asia to bottom in the near future. Several Asian governments are putting in place fiscal stimulus to provide support to their economies. Earnings recovery is likely to be led by Asia internet, semiconductor and industrial stocks. We reiterate our positive view on Asian equities as the markets should be supported by stable earnings forecast; transmission of monetary easing that was recently implemented and fiscal stimulus. Furthermore, the Fed's resumption of balance sheet expansion places a tailwind for fund flows into Asia. Taiwan and India are seeing pickup in foreign fund inflows recently. The Fund has deployed cash into selected countries which are expected to do well in 2020, including China and India where fiscal stimulus could trigger a new cycle of credit growth. The portfolio has been reducing REITs in favour of cyclicals and growth in the financials and technology sectors.

Source : *Principal Asset Management Bhd*

Date : *29 November 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.