

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	4.391 million units (29 June 2018)	Fund Size	RM5.766 million (29 June 2018)
Unit NAV	RM1.3129 (29 June 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	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <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.

ASSET ALLOCATION OF THE TARGET FUND

Equities	Cash
Min 70%; Max 98%	Min 2%

SECTOR ALLOCATION OF THE TARGET FUND

Finance	22.17%
Trading/Services	17.44%
Consumer	16.83%
Industrials	11.70%
Technology	8.57%
Construction	2.97%
Oil & Gas	2.78%
Mutual Fund	1.66%
IPC	1.44%
Properties	1.00%
Basic Materials	0.48%
Cash	12.96%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	6.62%
Tencent Hldg Bhd (Malaysia)	2.78%
Alibaba Group Holding Ltd (Cayman Islands)	2.76%
Hong Leong Bank Bhd (Malaysia)	2.53%
Industrial and Commercial Bank (China)	2.34%
Tenaga Nasional Bhd (Malaysia)	2.13%
Samsung Electronics Co. Ltd (South Korea)	2.11%
Genting Bhd (Malaysia)	2.10%
Taiwan Semiconductor Manuf. (Taiwan)	2.08%
Petronas Chemicals Group Bhd (Malaysia)	2.05%

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 June 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-5.00	-2.58	-4.46	-5.00	4.39	21.78	31.29
Benchmark	-6.28	-2.66	-5.24	-6.28	-1.24	12.77	19.89

* 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 June, the Fund fell 2.58%, outperforming its benchmark by 0.08%. Malaysian equities outperformed, while Regional Equities underperformed. Outperformance came mainly from underweighting Malaysian equities. For regional equities, the main drags were the overweight in China and Singapore. Year-to-date, the Fund is down 5.00%, outperforming the benchmark by 1.28%.

Asian Pac ex-Japan equities fell 5% (US\$) month-on-month in June on rising trade tensions between the US and China and US\$ dollar strength (Dollar Index +3% ytd to 95). Australia outperformed while China, Korea and ASEAN underperformed. The energy sector outperformed as oil prices rallied on continued concerns of a supply shortfall despite the OPEC agreement to boost supply. In June, the FTSE Bursa Malaysia Syariah Index (FBMS) continue to succumb to heavy foreign selling, falling 0.68% or 83pts to close at 12,092pts, as investors to reprice policy risk. Post the 14th General Elections, The FBMS has fallen by 7.5% and on Year-to-date basis the FBMS has lost 9.1%.

We are positive on Asian equities in the longer term. The portfolios have a Beta of ~1 and are geared towards strong franchises and defensive growth ideas. The portfolios have an overweight in Singapore & Indonesia, Underweight Korea, Taiwan and India. For Malaysia, we expect the Malaysia equity market to remain volatile in 2H2018 given a more challenging macro backdrop. Developments in the local front will also remain fluid especially with respect to the changes of GLC management team and the government's fiscal management. Although we remain fairly defensive and cashed up in the last 2 months, we are cognizant of the fact that valuations at selective sectors remain quite compelling. As a result, we have turned more Neutral on Malaysian equities and we will start to deploy cash gradually into quality names with reasonable risk/reward profiles during market retracements.

Source : CIMB-Principal Asset Management Bhd

Date : 29 June 2018

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.