

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	3.5783 million units (31 October 2015)
Fund Size	RM3.8890 million (31 October 2015)
Unit NAV	RM1.0868 (31 October 2015)
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: 1.5000% p.a.
Taxation	8% of annual investment income

ASSET ALLOCATION

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

Financials	17.67%	Oil & Gas	2.76%
Trading/Services	16.57%	Plantation	2.49%
Consumer	13.01%	Construction	2.36%
Finance	10.98%	Technology	1.93%
Industrials	10.28%	IPC	1.57%
Telecommunication	8.46%	Others	1.10%
Utilities	2.90%	Cash	7.92%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd	4.64%
Malayan Banking Bhd	4.09%
Tenaga Nasional Bhd	3.38%
China Mobile Ltd (Hong Kong)	3.13%
Axiata Group Bhd	2.02%
Petronas Gas Bhd	2.01%
MISC Bhd	1.98%
Tencent Holding Ltd (Hong Kong)	1.93%
Samsung Securities Co. Ltd (South Korea)	1.88%
Amorepacific Corp (South Korea)	1.83%

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 October 2015:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
Fund*	7.98	2.54	2.06	-1.98	8.81	N/A	8.68
Benchmark	4.23	4.26	2.00	-4.16	3.47	N/A	6.08

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 October 2015, the Fund rose 2.54%, underperforming the benchmark by 1.72%. The Fund's underweight on China contributed to the underperformance. This was offset by its underweight on Malaysia and overweight on Singapore. In terms of sectors, the Fund's overweight in Telecommunications and underweight in Technology contributed to the underperformance. At the stock level, its underweight in Samsung Electronics and overweight in Hutchison Telecommunications contributed negatively. Year-to-date ("YTD"), the Fund was up 7.98%, outperforming the benchmark by 3.81%.

Asian Equities gained 12% in October 2015 in USD terms as expectations of a US Federal Reserve tightening receded and Asian currencies recovered. The risk-reward outlook for Asian equities is balanced with initial signs of improving liquidity (stabilizing Emerging Market ("EM") currencies and equity fund inflows) and underweight investor positioning in EM balanced against earnings risks. Markets will be increasingly narrow as growth becomes scarcer.

Locally, the Prime Minister presented a market-neutral Budget 2016 on 23 October. Gross Domestic Product ("GDP") is expected to grow by 4.5-5.5% and 4.0-5.0% for 2015 and 2016 respectively. The 2015 and 2016 deficit targets of 3.2% and 3.1% (vs earlier guidance of 3.0%), reflect gradual fiscal consolidation. The 2016 deficit projection is dependent on the expected rise in Goods and Services Tax ("GST") revenues to mitigate the decline in oil revenue. The sectors related to construction and exports are seen as beneficiaries of the budget's incentives, balanced by higher costs from an 11% hike in minimum wages.

We are neutral on Asian equities as the recent round of competitive easing from major central banks is stabilising exchange rates and confidence. We favour stocks with quality growth, earnings visibility and improving cashflow. In a low inflation environment, commodity users and companies with pricing power will benefit. We are looking for companies which may see earnings bottoming in 2015/16 as well as those that grow earnings per share by buying back shares or saving cost (via restructuring or M&A). For Malaysia, we continue to be positioned in Exporters (Technology, Gloves, Furniture), Ports and Utilities. We remain underweighted in Oil & Gas and Financials. We have recently upgraded Plantations to Neutral as we brace for a stronger-than-expected El-Nino. We continue to seek alpha as we position ahead for 2016.

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 on the underlying investment.

Any income distribution from the underlying assets of the investment-linked fund will be automatically reinvested into the respective investment-linked fund. The policy owner's total number of units will not change as a result of the reinvestment.