

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	6.450 million units (28 September 2018)	Fund Size	RM8.702 million (28 September 2018)
Unit NAV	RM1.3492 (28 September 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	26.89%
Trading/Services	15.36%
Consumer	12.49%
Technology	10.22%
Industrials	10.19%
Oil & Gas	4.88%
Construction	2.74%
Plantation	1.87%
IPC	1.49%
Mutual Fund	1.48%
Properties	1.37%
Basic Materials	0.90%
Health Care	0.47%
Cash	9.65%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	5.12%
Tenaga Nasional Bhd (Malaysia)	4.07%
Malayan Banking Bhd (Malaysia)	3.83%
Taiwan Semiconductor Manuf (Taiwan)	2.82%
Petronas Chemicals Group Bhd (Malaysia)	2.50%
Samsung Electronics Co. Ltd (South Korea)	2.43%
CIMB Group Hldgs Bhd (Malaysia)	2.00%
Industrial and Commercial Bank (China)	1.99%
Hong Leong Bank Bhd (Malaysia)	1.99%
Genting Malaysia Bhd (Malaysia)	1.83%
Total	28.58%

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 28 September 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-2.37	-0.59	2.76	-1.82	2.01	27.30	34.92
Benchmark	-4.03	-1.21	2.41	-2.96	-0.65	20.75	22.79

* 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 September, the Fund declined by 0.59%, outperforming its benchmark by 0.62%. Malaysian and Hong Kong equities outperformed, while Korean equities underperformed. Year-to-date, the Fund is down 2.37%, outperforming the benchmark by 1.66%.

Asia Pacific ex-Japan equities eased -2% (USD) month-on-month in September. The Chinese market stabilized despite the US levying 10% tariffs on an additional US\$200bn worth of goods. Countries with a twin deficit such as India, Indonesia and Philippines fell the most on worries about tightening liquidity, FX and growth.

We maintain our neutral view on Asian markets and volatility will continue as investors assess the escalating and protracted trade war and the impact on Asian growth and industrial policies. Fundamentally, Asia ex-Japan street earnings growth for 2019 is likely to be downgraded to perhaps 6-8% (from +11%). China will ease policy in a calibrated manner to cushion the economic slowdown. This includes a weaker Yuan which policymakers need to manage judiciously to avoid a repeat of the Aug 2015 devaluation. Technically, US equities are in a late cycle, Asia looks over-sold & inexpensive (FY 19 PE of 12x) and hence there could be buying support even as news flow remains negative. We prefer Asian financials due to capex cycle uptick, beneficiary of higher rates, and steady loan growth, together with stable NPLs, as well as energy (supply response insufficient to offset steady demand growth), and selective REITs. For Malaysia, on the back of all these uncertainties, we reiterated our capital preservation investment strategy with preference on big cap GLCs and companies with strong fundamentals and solid cash flow and dividends in sectors such as Banks, Utilities & Renewable Energy and Industrials. We are also positive on Exporters as US-China trade conflicts may benefit technology-related and Electronics Manufacturing Services ("EMS") players in Malaysia.

Source : CIMB-Principal Asset Management Bhd

Date : 28 September 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.