

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	7.201 million units (31 October 2018 2018)	Fund Size	RM9.025 million (31 October 2018)
Unit NAV	RM1.2534 (31 October 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	31.23%
Trading/Services	15.99%
Consumer	13.44%
Industrials	10.34%
Technology	6.75%
Oil & Gas	4.50%
Plantations	2.06%
Mutual Fund	1.59%
IPC	1.48%
REITS	1.04%
Telecommunications	0.98%
Basic Materials	0.86%
Health Care	0.50%
Cash	9.24%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND	
Public Bank Bhd – Local (Malaysia)	560%
Malayan Banking Bhd (Malaysia)	4.66%
Tenaga Nasional Bhd (Malaysia)	4.30%
CIMB Group Hldgs Bhd (Malaysia)	2.82%
Petronas Chemicals Group Bhd (Malaysia)	2.78%
Taiwan Semiconductor Manuf (Taiwan)	2.65%
Samsung Electronics Co. Ltd (South Korea)	2.43%
Hong Leong Bank Bhd	2.22%
Dialog Group Bhd (Malaysia)	1.90%
AIA Group Ltd (Hong Kong)	1.88%
Total	31.24%

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 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-9.31	-7.10	-7.10	-8.55	-8.39	15.33	25.34
Benchmark	-11.56	-7.85	-8.65	-11.49	-10.81	6.72	13.15

* 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 October, the Fund declined by 7.10%, underperforming its benchmark by 0.75%. Malaysian, Hong Kong and US equities underperformed, while Korea equities and Cash outperformed. Year-to-date, the Fund is down by 9.31%, outperforming the benchmark by 2.25%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) ended October lower by 4.68% or 84 pts to close at 1,709 pts. On Year-to-Date basis, the FBMKLCI is lower by 4.88%. The release of the mid-term review of the austere 11th Malaysia Plan offered no reprieve as investors further locked in gains made due to rising economic risk and uncertainties. October saw foreign investors sold RM1.5bil versus net buy of RM0.1bil in the previous month. Total outflow for 10M2018 amounted to RM10.0bil vs. net inflow of RM10.8b in 2017.

For Malaysian equities, we continue to reiterate our short-term cautious stance on the domestic market for rest of 2018 and 1Q2019. We deemed the recent Budget as progressive for the future but having Neutral impact to the market in the short-term. Focus for domestic investors will now turn to global, especially the US Mid-Term Election and FED. 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 : 31 October 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.