

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	7.24 million units (28 February 2020)	Fund Size	RM9.54 million (28 February 2020)
Unit NAV	RM1.3174 (28 February 2020)	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"> ▪ 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	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Equity Income Fund. ▪ Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad.

ASSET ALLOCATION OF THE TARGET FUND

Equities (Local)	Equities (Foreign)	Mutual Fund	Cash
50.00%	45.40%	1.43%	3.17%

SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	17.57%
Financials	15.02%
Industrials	13.49%
Consumer Discretionary	10.31%
Real Estate	7.96%
Communication Services	7.79%
Materials	5.85%
Consumer Staples	5.40%
Utilities	4.87%
Energy	4.69%
Health Care	2.46%
Mutual Fund	1.43%
Cash	3.17%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Tenaga Nasional Bhd (Malaysia)	4.50%
Malayan Banking Bhd (Malaysia)	3.70%
Samsung Electronics Co. Ltd (South Korea)	3.29%
Alibaba Group Holding Ltd (Cayman Island)	3.14%
Tencent Hldg Ltd (Hong Kong)	3.13%
CIMB Group Hldgs Bhd (Malaysia)	2.85%
Taiwan Semiconductor Manuf (Taiwan)	2.73%
Lendlease Global Commercial (Singapore)	2.17%
Techtronic Industries Co (Hong Kong)	2.07%
Sime Darby Plantation Bhd (Malaysia)	1.96%
Total	29.54%

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 February 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	-5.02	-1.94	0.60	1.58	14.53	23.33	31.74
Benchmark	-5.88	-1.96	-1.61	-5.39	2.05	4.29	12.06

* 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

Asia: With rising uncertainties, asset prices have adjusted quickly and steeply. Nonetheless, we are keeping our positive stance on Asian equities on the heels of a coordinated wave of easing by global central banks, cheaper valuations and the belief that China will be the first to recover from the Covid-19 outbreak. The number of new Covid-19 cases within China has peaked and is falling rapidly. Outside China, we are seeing acceleration in a few countries especially Europe and US. There is a high degree of uncertainty on the evolving crisis. Overall, we are monitoring risks such as: i) the spread of Covid-19 to developed markets; ii) the magnitude and duration of demand slowdown, iii) impact of the drop in oil & equity markets on credit markets and bank loan asset quality, iv) potential funding tightness. With high real rates and buoyant bond markets, Asian policy makers are expected to roll-out monetary and fiscal tools to support the economy and lift business and household sentiment. Pull-backs on virus-related fears should be seen as buying opportunities. We expect stocks in China to benefit from credit and fiscal stimulus. In ASEAN we favor Singapore and Indonesia. Sector-wise, we are overweight Technology, Industrials and selected financials.

In February, the fund declined 2.12% in MYR terms, underperforming the benchmark by 16 bps on the back of political and macro headwinds. Year-to-date the Fund declined 5.50%, outperforming the Benchmark by 38 bps. The performance was mainly driven by the consumer goods, services and industrials. The FTSE Bursa Malaysia Kuala Lumpur Composite Index declined 3.2% in February amid concerns over uncertainty in domestic politics, Covid-19 outbreak and the poor set of lackluster corporate results. Following the shocked resignation of Tun Dr Mahathir as prime minister after losing a majority support in the parliament, the uncertainty of the federal government was short-lived as the King appointed Tan Sri Muhyiddin Yasin as the 8th Prime Minister. During the interim, Tun Dr Mahathir unveiled a RM20bn stimulus package to mitigate the adverse economic impact from the Covid-19 outbreak. BNM has followed through in lowering its Overnight Policy Rate by 25 bps to 2.50% in March. For Malaysia, the strategy will be tilting our barbell approach from growth bias to capital preservation bias. Sector in focus will be on those with defensive and high yielding qualities such as Utilities, Telecommunication, Consumer and REITS.

Source : *Principal Asset Management Bhd*
Date : *28 February 2020*

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.