

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	4.100 million units (31 May 2018)	Fund Size	RM5.525 million (31 May 2018)
Unit NAV	RM1.3476 (31 May 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	26.00%
Trading/Services	16.56%
Consumer	15.18%
Industrials	12.63%
Technology	9.48%
Construction	1.89%
Mutual Fund	1.70%
Oil & Gas	1.57%
IPC	1.49%
Plantation	0.84%
Basic Materials	0.49%
Properties	0.32%
Cash	11.85%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	5.41%
Tenaga Nasional Bhd (Malaysia)	3.39%
Tencent Hldg Bhd (Malaysia)	3.21%
Alibaba Group Holding Ltd (Cayman Islands)	2.81%
Industrial and Commercial Bank (China)	2.48%
Samsung Electronics Co. Ltd (South Korea)	2.26%
DBS Group Hldg Ltd (Singapore)	2.21%
Genting Bhd (Malaysia)	2.13%
Taiwan Semiconductor Manuf. (Taiwan)	2.09%
Malayan Banking Bhd (Malaysia)	2.07%

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 May 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-2.49	-1.67	-4.13	0.02	9.43	24.12	34.76
Benchmark	-3.72	-3.64	-4.33	-0.85	2.27	13.33	23.16

* 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 May, the Fund fell 1.67%, outperforming its benchmark by 1.97%. Malaysian equities outperformed, while Regional equities underperformed. Outperformance came mainly from underweighting Malaysian equities. For regional equities, the main drags were the underweight in Hong Kong and Taiwan. Year-to-date, the Fund is down 2.49%, outperforming the benchmark by 1.23%.

The MSCI Asia ex-Japan Index declined 1.6% (USD) in May on concerns about a stronger USD curtailing fund flows and the loosening of fiscal policies by the Five Star-Lega coalition in Italy which could be at odds with the EU fiscal targets. During the month, China equities outperformed, while Korea and ASEAN equities underperformed. In Malaysia, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) succumbed to heavy foreign selling, falling 6.9% to close at 1,740 as investors repriced policy risk. The period after the 14th General Elections accounted for 5.7% of that fall. Year-to-date, the FBMKLCI has lost 3.1%.

Asian equities are a Buy in the longer term at 13x FY2018 PE and 2% yield with 14% earnings growth. The fund is geared towards strong franchises, dividend yielders and positive earnings revisions. We have recently added selective industrials (transport), telecommunications and technology. The fund is overweight ASEAN and underweight Korea, Taiwan and India. For Malaysia, we take a more defensive view for capital protection in this risk-off period. We have sold into strength to raise cash for future deployment into quality names with reasonable risk/reward profiles during market retracements. We continue to prefer big cap companies with strong fundamentals in sectors such as Banks, Consumer, Technology and Industrials. We maintain our view that, despite the short term volatility, investors should position for the longer term, where risk premiums may potentially reduce as a result of better governance.

Source : CIMB-Principal Asset Management Bhd

Date : 21 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.