

### 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 | 3.295 million units (31 August 2016)   |
| Fund Size            | RM 3.600 million (31 August 2016)  |
| Unit NAV             | RM1.0927 (31 August 2016)  |
| 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"> <li>Have a medium to long-term investment horizon</li> <li>Target capital appreciation</li> <li>Do not require regular income</li> <li>Comfortable with higher volatility</li> <li>Willing to take higher risk for potential higher gains</li> </ul> |
| Fees                 | Management fee: 1.5000% p.a.   |
| Taxation             | 8% of annual investment income   |

### ASSET ALLOCATION

|          |                    |      |        |
|----------|--------------------|------|--------|
| Equities | Min 70%<br>Max 98% | Cash | Min 2% |
|----------|--------------------|------|--------|

### WHERE THE FUND INVESTS

|                  |        |                   |       |
|------------------|--------|-------------------|-------|
| Trading/Services | 18.34% | Telecommunication | 2.33% |
| Consumer         | 17.20% | Construction      | 1.83% |
| Finance          | 14.52% | Oil & Gas         | 1.81% |
| Financials       | 11.84% | Mutual Fund       | 1.24% |
| Industrials      | 8.99%  | IPC               | 1.02% |
| Technology       | 7.50%  | Others            | 1.99% |
| Plantations      | 2.36%  | Cash              | 9.03% |

### TOP HOLDINGS OF THE TARGET FUND

|   |       |
|---|-------|
| Public Bank Bhd                           | 4.39% |
| Tenaga Nasional Bhd                       | 4.13% |
| CIMB Group Hldg Bhd                       | 4.02% |
| Tencent Hldg Ltd (Hong Kong)              | 3.62% |
| Samsung Electronics Co. Ltd (South Korea) | 2.57% |
| Amorepacific Corp (S. Korea)              | 1.90% |
| Malayan Banking Bhd                       | 1.87% |
| Telekom Malaysia Bhd                      | 1.81% |
| Petronas Gas Bhd                          | 1.79% |
| AIA Group Ltd (Hong Kong)                 | 1.79% |

### 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 August 2016:

| %                | YTD  | 1M   | 3M   | 6M   | 1-Year | 3-year | Since Inception |
|------------------|------|------|------|------|--------|--------|-----------------|
| <b>Fund*</b>     | 2.07 | 1.73 | 5.16 | 8.87 | 5.12   | N/A    | 9.27            |
| <b>Benchmark</b> | 1.63 | 2.30 | 5.82 | 8.55 | 7.01   | N/A    | 6.52            |

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 August 2016, the Fund rose 1.73%, but underperformed its benchmark by 0.57%. The Fund's underperformance came mainly from its stock exposure in Korea and its underweight position in China. In terms of sectors, the Fund's exposure in Industrials and Consumer Goods contributed negatively. At the stock level, its overweight in Metropolitan Bank & Trust Co, Samsung Securities and United U-Li Corp contributed to the underperformance. This was partially offset by its overweight in Felda Global Ventures. Year-to-date, the Fund is up 2.07%, outperforming the benchmark by 0.44%.

We are neutral on Asian equities and expect a range bound market for the rest of the year. The plan is to raise portfolio beta by buying selective growth stocks should markets correct sharply, e.g., macro jitters such as concerns over multiple US rate hikes. Our key assumption is that policymakers would tighten incrementally given concerns about financial conditions (stability of FX, equity and fixed income markets) on the back of high leverage and muted economic growth in Europe and Japan.

In August, the FBM Kuala Lumpur Composite Index (FBMKLCI) rose 1.5%, driven by optimism of early elections in 2017, higher crude oil prices and strong CPO prices. The FBKLCI continues to be on an upward bias with a revised short term range between 1650-1730. Generally, we are slightly more bullish on the market given that: 1) earnings downgrades appear to have stabilized; 2) optimism of new leadership at PNB driving reforms at investee GLC companies; 3) expectations of more government stimulus to support growth especially in Budget 2017; 4) supportive market valuations at 1.8x Price/Book vs. 10-year averages of 2.0x.

We are overweight in Korea and India. In sector terms, we are overweight in Indian and Philippine financials, Chinese internet names, and companies that will benefit from new trends like automation, sharing economy, e-commerce and electric vehicles. For Malaysia, we continue to overweight hi

Source: CIMB Principal Asset Management Bhd

**Disclaimer:**  
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