

## 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	3.4720 million units (30 September 2015)
Fund Size	RM3.6801 million (30 September 2015)
Unit NAV	RM1.0599 (30 September 2015)
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% Max 98%	Cash	Min 2%
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## WHERE THE FUND INVESTS

Financials	16.29%	Technology	2.61%
Trading/Services	14.23%	Construction	2.24%
Finance	11.49%	Oil & Gas	2.08%
Consumer	11.22%	IPC	1.85%
Telecommunication	8.94%	REITS	1.26%
Industrials	8.78%	Others	0.90%
Technology	2.95%	Cash	15.16%

## TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd	4.63%
Malayan Banking Bhd	4.26%
China Mobile Ltd (Hong Kong)	3.26%
Tenaga Nasional Bhd	2.86%
MISC Bhd - Local	2.18%
Petronas Gas Bhd	1.98%
Amorepacific Corp (South Korea)	1.89%
ComfortDelGro Corp Ltd (Singapore)	1.86%
Telekom Malaysia Bhd	1.85%
China Life Insurance Co. Ltd (China)	1.84%

## 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 30 September 2015:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
<b>Fund*</b>	5.31	1.96	-1.69	-2.77	7.55	N/A	5.99
<b>Benchmark</b>	-0.09	2.14	-4.36	-6.85	0.29	N/A	1.75

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 2015, the Fund rose 1.96%, underperforming the benchmark by 0.18%. The Fund's underweight on Malaysia and overweight on Singapore contributed to the underperformance. This was partially offset by its underweight on China and Thailand. In terms of sectors, the Fund's underweight in Consumer Goods and Technology contributed to the underperformance. At the stock level, its overweight in CTBC Financial and China Merchants contributed negatively. However, this was offset by its underweight in CIMB. Year-to-date ("YTD"), the Fund is up 5.56%, outperforming the benchmark by 5.65%.

Asian equities suffer from sharply slowing growth leading to round after round of earnings downgrades, tight liquidity (falling foreign reserves, rising bond yields in some countries) and volatile currencies. Policy options look limited currently: Exports (who will be the next big marginal buyer?), public domestic spending (still waiting for some countries to adjust from over-dependence on China) and private domestic spending (in a post-boom mode with elevated household debt in many countries). We stay cautious on Asian equities: Economies are being weaned off their dependence on credit and exchange rates for some countries are breaking new multi-year lows.

Overall, there are growing concerns of a sharper than expected slowdown in global growth and deflationary pressures as China releases weak macro data. The Ringgit hit a new low of 4.457 on September 29 before closing the month at 4.395. Net foreign outflows amounted to RM2.3 billion for the month, with YTD net foreign outflows ballooning to RM18.1 billion. Based on our database, Earnings Per Share growth is now 1.9% and 6.6% for 2015 and 2016, with corresponding Price Earnings Ratios of 17 times and 16 times. We think there is still room for more earnings downgrades. Thus, the FBMKLCI continues to look fair for 2016.

We are overweight Telecoms. We are mindful that some business models could be disrupted by new technologies, e.g., the "sharing economy", electric vehicles, new type of batteries. We will invest in quality companies with growth, a low-risk balance sheet and good operating cashflows. We are also preparing to buy selective names on any significant correction. In Malaysia, we continue to be positioned in Exporters (Technology, Gloves, Furniture), Ports and Utilities. We remain underweighted in Oil & Gas, Plantations and Financials. The upcoming Budget 2016 is expected to be market neutral.

### 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 on the underlying investment.

Any income distribution from the underlying assets of the investment-linked fund will be automatically reinvested into the respective investment-linked fund. The policy owner's total number of units will not change as a result of the reinvestment.