

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	3.6645 million units (31 July 2015)
Fund Size	RM3.9024 million (31 July 2015)
Unit NAV	RM1.0649 (31 July 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"> 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"> Management fee: 1.5000% p.a.
Taxation	<ul style="list-style-type: none"> 8% of annual investment income

ASSET ALLOCATION

Equities	Min 70% Max 98%	Cash	Min 2%
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WHERE THE FUND INVESTS

Financials	19.17%	Technology	3.90%
Trading/Services	15.16%	Construction	2.18%
Finance	12.43%	IPC	1.80%
Industrials	12.31%	Utilities	1.30%
Consumer	9.51%	REITS	1.26%
Telecommunication	6.28%	Others	2.09%
Oil & Gas	4.07%	Cash	8.54%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd	5.45%
Malayan Banking Bhd	4.46%
Tenaga Nasional Bhd	2.52%
China Life Insurance Co. Ltd (China)	2.21%
Cahaya Mata Sarawak Bhd	1.95%
Petronas Gas Bhd	1.93%
MISC Bhd - Local	1.88%
Samsung Electronics Co. Ltd (S.Korea)	1.87%
China Mobile Ltd (Hong Kong)	1.86%
Samsung Securities Co Ltd (S.Korea)	1.78%

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 July 2015:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
Fund*	5.80	-1.22	-3.95	0.89	6.85	N/A	6.49
Benchmark	2.12	-2.24	-6.04	-1.60	0.30	N/A	4.01

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 July 2015, the Fund fell 1.22%, outperforming the benchmark by 1.02%. Hong Kong, Taiwan and Malaysia outperformed but this was partially offset by the underperformance of Korea and Thailand. In Malaysia, the Fund's underweight in Consumer Goods detracted from performance. At the stock level, overweight in Cahya Mata Sarawak, HeveaBoard and Kossan Rubber contributed positively. However, this was offset by its overweight in China Life and LG Chem. Year-to-date ("YTD"), the Fund is up 5.80%, outperforming the benchmark by 3.68%.

Asian Equities suffered a sharp 7% correction in July 2015, led by China-H shares which lost 10% in value. Investor confidence was shaken by the plunge in China domestic A-share market due to margin calls. Other Asian markets also sold off in sympathy, partly due to worries over possible impact of slowing China economic growth. Faster-than-expected deceleration in the Chinese economy introduces a risk factor for Asian Equities. China's credit has expanded too rapidly in the past decade, resulting in high debt levels in the system. As the nation deleverages, the effectiveness of monetary easing would be diminished. A prolonged slowdown in the Chinese economy would have negative consequences for trade and aggregate demand for goods throughout the Asian region.

On 28 July, our Prime Minister announced a Cabinet reshuffle, which is seen as a decisive move to ensure a united Government as the 1MDB probe continues. The Malaysian Ringgit ("MYR") hit a high of 3.83 on 31 July 2015, amid a sharp drop in forex reserves to USD100.5bn in July 2015 from USD105.5bn in June 2015. We expect the Malaysia Ringgit ("MYR") to remain under pressure. Net foreign selling rose to RM11.7bn as at end July 2015. Earnings per Share ("EPS") growth is at 7.0%-9.2% with corresponding Price Earnings Ratios ("PER") of 16.1 times-14.8 times for 2015 and 2016 respectively. With the 5-year average PER of 14.7 times, the market continues to look fair.

While we remain broadly sanguine on equity returns for 2015, our expectations are tempered by the possibility of a weaker-than-expected economic growth environment in Asia. We would be cautious on China-centric stocks and countries, commodities and energy. In Malaysia, we continue to find defensive growth in Exporters (Technology, Gloves, and Furniture), Ports and Utilities. We remain underweighted in Oil & Gas, Plantations, Telcos and Financials.

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.