

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	3.440 million units (31 January 2018)
Fund Size	RM4.898 million (31 January 2018)
Unit NAV	RM1.4240 (31 January 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
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	Management fee: 1.500% p.a.
Taxation	8% of annual investment income

ASSET ALLOCATION

Equity	Min 70% Max 98%	Cash	Min 2%
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WHERE THE TARGET FUND INVESTS

Finance	30.06%	Properties	2.83%
Trading / Services	17.14%	Plantation	2.60%
Consumer	12.40%	Basic Materials	1.97%
Industrials	11.39%	Mutual Fund	1.84%
Technology	7.36%	IPC	0.33%
Construction	4.42%	REITS	0.21%
Oil & Gas	2.94%	Cash	4.51%

TOP HOLDINGS OF THE TARGET FUND

Malayan Banking Bhd (Malaysia)	5.09%
Public Bank Bhd – Local (Malaysia)	4.72%
Tenaga Nasional Bhd (Malaysia)	3.97%
CIMB Group Hldgs Bhd (Malaysia)	3.76%
Tencent Hldg Bhd (Malaysia)	3.40%
Industrial and Commercial Bank (China)	2.42%
Alibaba Group Holding Ltd (Cayman Islands)	2.39%
Taiwan Semiconductor Manuf (Taiwan)	2.27%
Genting Bhd (Malaysia)	2.03%
DBS Group Hldg Ltd (Singapore)	1.95%

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 January 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	3.04	3.04	4.08	9.39	26.44	34.91	42.40
Benchmark	3.56	3.56	4.44	6.84	18.92	25.35	32.48

* 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

The Fund was up 3.04% in January, underperforming its benchmark by 0.52%. The Fund's underperformance came mainly from its exposure in Taiwan, Thailand and Hong Kong. At the stock level, key detractors were Airtac International, Pentamaster and China Construction Bank.

Asia ex-Japan equities got off to a roaring start in January gaining +7.5% (US\$). The rally was broad based with energy, financials and healthcare leading the charge, while telecommunications and utilities underperformed. In Malaysia, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) had a strong start in January, jumping 72 pts or 4.0% to 1,868pts, on the back of a stronger Ringgit, higher oil prices, net foreign inflows, hike in overnight policy rate and overall stronger global economies. In January, foreign investors were net buyers of RM3.4bn vs RM10.3bn in the whole of 2017. Brent crude oil price closed at USD69.05/barrel, while the Ringgit appreciated 3.8% to close at 3.8985.

In Asia, we like companies that are deploying technology to gain competitive advantage and differentiation, e.g., selective names in the banking and mining sector. Other themes that we like include consumer upgrading and high-end discretionary spend and companies that outstep peers in Research & Development for long term growth. In Malaysia, we will stay invested and take the current market pullback as a buying opportunity as we stay on course for the run up to the 14th General Election (GE14). Our base case is that we will not see runaway inflation and that central banks will continue to tighten gradually to ensure that the synchronised global economic recovery stays on course. Nevertheless, we will take advantage of the market volatility to reduce portfolio risk as we approach GE14. Our favoured sectors are financials, e-commerce/ logist ics, tour ism, consumer and technology.

Source: CIMB-Principal Asset Management Bhd

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.