

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	7.72 million units (30 September 2019)	Fund Size	RM10.11 million (30 September 2019)
Unit NAV	RM1.3101 (30 September 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	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	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Equity Income Fund. ▪ Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad.

ASSET ALLOCATION OF THE TARGET FUND

Equities (Local)	Equities (Foreign)	Mutual Fund	Cash
51.09%	42.71%	1.60%	4.60%

SECTOR ALLOCATION OF THE TARGET FUND

Industrials	18.12%
Financials	13.58%
Information Technology	11.40%
Communication Services	10.82%
Consumer Discretionary	9.71%
Real Estate	9.46%
Utilities	6.15%
Materials	5.35%
Energy	3.70%
Health Care	2.76%
Consumer Staples	2.75%
Mutual Fund	1.60%
Cash	4.60%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Tenaga Nasional Bhd (Malaysia)	4.94%
Press Metal Aluminium Hldg Bhd (Malaysia)	3.18%
Malayan Banking Bhd (Malaysia)	3.04%
Taiwan Semiconductor Manuf (Taiwan)	2.90%
Samsung Electronics Co. Ltd (South Korea)	2.90%
Alibaba Group Holding Ltd (Cayman Island)	2.56%
Tencent Hldg Ltd (Hong Kong)	2.55%
CIMB Group Hldgs Bhd (Malaysia)	2.27%
Netlink NBN Trust (Singapore)	2.17%
Lendlease global Commercial (Singapore)	2.15%
Total	28.66%

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 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	5.29	0.04	-2.91	-0.02	-2.90	17.75	31.01
Benchmark	0.76	-0.17	-4.56	-3.76	-7.43	5.41	13.70

* 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 September, the Fund increased 0.04% in MYR terms, outperforming the Benchmark by 21 basis points (bps) contributed mainly by technology. Year-to-date, the Fund rose by 5.29%, outperforming the Benchmark 453 bps.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index declined 1.75% in Sep. As global PMI trend lower, prospect for Malaysia's external demand growth remain weak. With dampened consumer and business sentiment expected to prevail, we believe corporate earnings growth will remain weak due to slower private consumption and investment. We maintain NEUTRAL on Malaysia while await policy clarity post Budget 2020 announcement. With expectation of further OPR cuts over the next 18 months, we continue to like the dividend investment theme, favoring high dividend yielders with earnings resilience. We also look to accumulate selective growth stocks on weakness within the utilities, telecommunication, oil and gas and construction sectors. Our thematic opportunistic trade in the glove and technology sectors has performed well, we are cognizant of diminishing returns and will look to sell into strength.

Asian markets were mixed in September as an initial rebound turned down as signs of weakening economic data coming out of the US compounded growth concerns for the global economy. We have a cautiously benign view of the world with the global economy muddling along into 2020 without a deeper downturn. The larger services sector is holding up despite weakness in the manufacturing sector. The outcome of trade talks between the US & China remains hard to call. There is potential for either a ceasefire in escalation of tensions or a small trade deal. Combining fiscal and monetary policy is a possibility to cope with the next downturn given the lack of monetary policy flexibility especially in countries with negative rates. The current environment requires equity investors to focus on capital preservation and prudent allocation.

Source : Principal Asset Management Bhd

Date : 30 September 2019

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.