

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	7.780 million units (29 March 2019)	Fund Size	RM10.194 million (29 March 2019)
Unit NAV	RM1.3103 (29 March 2019)	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	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	Management fee: 1.500% p.a.

ASSET ALLOCATION OF THE TARGET FUND

Equities (Local)	Equities (Foreign)	Preferred Stock	Cash
45.38%	44.98%	1.66%	7.98%

SECTOR ALLOCATION OF THE TARGET FUND

Financials Services	20.71%
Consumer Products & Svc	12.85%
Industrials	11.39%
Real Estate	8.36%
Information Technology	7.47%
Communication Services	7.13%
Consumer Staples	7.02%
Energy	6.67%
Utilities	4.48%
Materials	3.18%
Mutual Fund	1.66%
Health Care	1.10%
Cash	7.98%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Tenaga Nasional Bhd (Malaysia)	4.26%
Malayan Banking Bhd (Malaysia)	3.24%
Reliance Industries Ltd (India)	2.77%
Petronas Chemicals Group Bhd (Malaysia)	2.63%
Samsung Electronics Co. Ltd (South Korea)	2.29%
AIA Group Ltd (Hong Kong)	2.21%
Link REIT (Hong Kong)	2.16%
Taiwan Semiconductor Manuf (Taiwan)	1.99%
Huazhu Group Ltd (United States)	1.85%
Alibaba Group Holding Ltd (Cayman Islands)	1.85%
Total	25.25%

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 29 March 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	5.30%	1.03%	5.30%	-2.88%	-4.65%	27.52%	31.03%
Benchmark	4.70%	-0.26%	4.70%	-3.81%	-6.66%	16.43%	18.13%

***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 March, the Fund was up 1.03%, outperforming the Benchmark by +129 bps. Year-to-date the Fund is up 5.30% underperforming the Benchmark by 60 basis points.

Asia Pacific ex-Japan equities as measured by MSCI Asia ex-Japan Index rose 1.5% in March supported by the recent Chinese data which suggested a more positive economic backdrop. It was also supported by the strong bond market as bond yields fell to recent lows. India was the best performing market as confidence rose that President Modi would be successful in the upcoming elections. Domestically, the downgrade in BNM's growth forecast also weighed on sentiments, stoking expectation of a policy rate cut as early as May.

Over the medium to longer term, Asian equities' outlook remains positive, as the central banks in developed markets continue their accommodative monetary policies, and Asian countries appears poised to enter a rate cut cycle with inflation subdued. A trade deal between US and China would arrest further erosion to economic growth. Earnings growth in Asia has bottomed

and would probably register 4%yoy increase in 2019. However in the near term, we are more circumspect. The strong equity price surge of 12% YTD has in part discounted a recovery in earnings in 2H19. A valuation for Asia is now at 13.3x forward earnings which are above the 5-year average. Such rapid increase in price warrants a measure of caution as the likelihood of a correction increases. Hence we would not be adding further risk weights to the portfolios in the near term.

For Malaysia, we are hopeful that more pro-growth government policies will be forthcoming; bottoming of earnings estimates and very underweight positioning by foreign investors may provide some impetus for the market to rebound. Hence, we have turned more neutral on the market and would maintain a high asset allocation and add alpha in sectors such as oil and gas and possibly selective banks.

Source : CIMB-Principal Asset Management Bhd

Date : 29 March 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.