

### 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	7.528 million units (31 January 2019)	Fund Size	RM9.621 million (31 January 2019)
Unit NAV	RM1.2780 (31 January 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"> <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: 1.500% p.a.

### ASSET ALLOCATION OF THE TARGET FUND

Equities (Local)	Equities (Foreign)	Preferred Stock	Cash
51.12%	44.67%	0.03%	4.18%

#### SECTOR ALLOCATION OF THE TARGET FUND

Financials	38.57%
Consumer Products & Svc	23.32%
Industrials Products & Svc	5.85%
Telecommunications/Media	4.75%
Technology	3.87%
Utilities	3.79%
Plantation	3.43%
Construction	2.41%
Oil & Gas	1.90%
Mutual Fund	1.80%
Transportation/Logistics	1.71%
Energy	1.69%
Health Care	1.65%
REIT	1.05%
Property	0.03%
Cash	4.18%
Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	5.35%
Malayan Banking Bhd (Malaysia)	4.44%
Tenaga Nasional Bhd (Malaysia)	3.57%
CIMB Group Hldgs Bhd (Malaysia)	3.11%
Samsung Electronics Co. Ltd (South Korea)	2.52%
Link REIT (Hong Kong)	2.11%
Hong Leong Bank Bhd (Malaysia)	2.10%
AIA Group Ltd (Hong Kong)	2.08%
Genting Bhd (Malaysia)	1.96%
Reliance Industries Ltd (India)	1.90%
Total	29.14%

#### 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 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	2.71%	2.71%	1.97%	-5.28%	-10.25%	26.89%	27.80%
<b>Benchmark</b>	3.61%	3.61%	3.30%	-5.64%	-11.79%	18.83%	16.89%

**\*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

For January, the Fund was up 2.71% underperforming the benchmark by 90 bps. The underperformance was due to drag from financials, consumer goods and cash. For Malaysia, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) ended January marginally lower by 0.40% to close at 1,684pts due to profit-taking and concerns over corporate earnings and global growth. During the month, the KLCI underperformed the FTSE Bursa Emas, and the FTSE Small-cap Index. The KLCI also underperformed the MSCI Asia Pacific ex-Japan Index (MXASJ) by 3.7%.

For Asia, Asia Pacific ex-Japan equities surged supported by a dovish shift from the US Federal Reserve, domestic policy easing in China (RRR cuts) and some positive news flow on the ongoing US-China trade issue. The best performing markets were China, Korea, Indonesia and Thailand with the latter 2 markets helped by currency gains of more than 3%. Equity flows into Asia has been resurgent and was positive in January. The Chinese Yuan has stabilized along with other Asian currencies this year.

We continue to reiterate our cautious stance on the domestic market for 2019 given moderating GDP growth, tepid corporate earnings growth and regulatory uncertainty. On the back of all these uncertainties, we reiterate our capital preservation investment strategy with preference on big cap GLCs and companies with strong fundamentals and solid cash flow and dividends in sectors such as Utilities & Renewable Energy, REITs, Consumer Staples and Industrials. We remain positive on Asian equities. Valuations are undemanding at 12x PER FY2019. Consensus EPS growth for 2019 in Asia Pac ex-Japan is now a more reasonable +6% yoy. We also like banks as credit growth should gradually improve once consumer and corporate confidence improve. Our other preferences included industrials. On the other hand, our least preferred countries are Korea, Taiwan and HK/China which are technology centric and export dependent.

Source : CIMB-Principal Asset Management Bhd  
Date : 31 January 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.