

### 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	7.58 million units (31 October 2019)	Fund Size	RM10.23 million (31 October 2019)
Unit NAV	RM1.3500 (31 October 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"> <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	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Equity Income Fund.</li> <li>▪ Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Equities (Local)	Equities (Foreign)	Mutual Fund	Cash
48.53%	44.18%	1.57%	5.72%

#### SECTOR ALLOCATION OF THE TARGET FUND

Financials	17.01%
Information Technology	14.36%
Industrials	14.30%
Real Estate	11.16%
Communication Services	8.69%
Consumer Discretionary	8.27%
Utilities	6.05%
Energy	4.49%
Materials	3.66%
Consumer Staples	3.13%
Health Care	1.61%
Mutual Fund	1.55%
Cash	5.72%
Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Tenaga Nasional Bhd (Malaysia)	4.87%
Malayan Banking Bhd (Malaysia)	4.71%
CIMB Group Hldgs Bhd	3.57%
Taiwan Semiconductor Manuf (Taiwan)	3.14%
Samsung Electronics Co. Ltd (South Korea)	2.96%
Alibaba Group Holding Ltd (Cayman Island)	2.61%
Tencent Hldg Ltd (Hong Kong)	2.40%
Lendlease Global Commercial (Singapore)	2.28%
Press Metal Aluminium Hldg Bhd (Malaysia)	2.06%
Keppel DC REIT (Singapore)	2.04%
Total	30.64%

#### 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 October 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	8.49	3.05	0.97	0.61	7.71	21.40	35.00
<b>Benchmark</b>	3.27	2.47	-0.09	-3.16	2.96	7.60	16.51

\* 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 October, the Fund gained 3.05% in MYR terms, outperforming the Benchmark by 0.58%. YTD, the Fund rose by 8.49%, outperforming the Benchmark 5.22%.

The KLCI gained 0.9% in Oct (YTD: -5.5%). We view Budget 2020, which was announced recently, positively as the government focuses on reinventing Malaysia in the digital space over the medium term by attracting foreign and domestic investments. Various tax incentives have been proposed to attract these investments which are expected to create high-paying jobs, especially those in the manufacturing and technology sectors. In view of the need to spur the domestic economy amid external challenges, the federal government has also lowered its fiscal deficit target to 3.2% vs 3.0% earlier. We are turning constructively more positive for Malaysia equities going into 2020. We are accumulating selective growth stocks on weakness within the construction, oil and gas, and technology sectors.

Economic growth in Asia is likely to bottom in the near future. Central banks in Asia have been able to cut interest rates in the absence of inflation. Furthermore, several Asian governments are putting in place fiscal stimulus to provide downside support to their economies. Technology spending may surprise to the upside as telcos accelerate spending on building out 5G networks and smartphone manufacturers roll-out new 5G-enabled mobile devices. We expect Asian currencies to be stable in the next few months as all Asian economies have positive real interest rates. Furthermore, pressure from a higher USD is likely to recede with expectations that the Fed not turn hawkish until inflation picks up. We selectively investing into markets which we expect to do well in 2020. These would include India and China, two countries where lower interest rates coupled with fiscal stimulus could trigger a new cycle of credit growth. We are also positive on the technology sector and expect selected companies in Taiwan and Korea to outperform.

**Source :** *Principal Asset Management Bhd*

**Date :** *31 October 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.