

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	7.66 million units (28 June 2019)	Fund Size	RM10.33 million (28 June 2019)
Unit NAV	RM1.3493 (28 June 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
48.14%	41.60%	1.69%	8.57%

SECTOR ALLOCATION OF THE TARGET FUND

Financials	19.86%
Industrials	15.82%
Real Estate	12.04%
Communication Services	8.86%
Consumer Discretionary	8.58%
Energy	6.41%
Utilities	5.03%
Information Technology	4.96%
Consumer Staples	4.87%
Materials	2.12%
Mutual Fund	1.69%
Health Care	1.18%
Cash	8.57%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Tenaga Nasional Bhd (Malaysia)	5.03%
Malayan Banking Bhd (Malaysia)	3.73%
CIMB Group Hldgs Bhd (Malaysia)	3.14%
Tencent Hldg Ltd (Hong Kong)	2.70%
Reliance Industries Ltd (India)	2.54%
AIA Group Ltd (Hong Kong)	2.38%
Link REIT (Hong Kong)	2.25%
Henderson Land Development (Hong Kong)	2.01%
Taiwan Semiconductor Manuf (Taiwan)	1.91%
Singapore Technologies Engineering (Singapore)	1.86%
Total	27.55%

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 28 June 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	8.44	3.62	2.98	8.44	2.77	29.45	34.93
Benchmark	5.58	3.07	0.84	5.58	-0.67	17.81	19.12

* 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 June, the Fund rose by 3.62% in MYR terms, outperforming the Benchmark by 55 basis points (bps). Year-to-date, the Fund rose by +8.44% outperforming the Benchmark by 286 bps.

The KLCI closed marginally higher (+1.3% m-o-m) to end at 1,672. Defensive Utilities and Telcos outperformed. Despite higher Brent crude oil, Energy and Financials underperformed. We remain NEUTRAL on Malaysia. We are taking a balanced approach on the domestic market for the remaining part of 2019 given moderating GDP growth, tepid corporate earnings growth and regulatory uncertainty on one hand and potential stronger consumption from China which can help drive exports and commodity prices on the other. Having said that, we believe value is emerging in Malaysian equities as Malaysia tend to be more defensive when volatility in global equity markets rises. 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.

Asian stocks staged a sharp rebound last month. This could be attributed to by rate cut expectations and the truce in the US-China trade war. Looking ahead, with anemic economic growth globally, expect interest rates to stay lower for longer. We expect China, Indonesia, Thailand, India to be proactive in fiscal stimulus aimed at reforms and infrastructure. The risk-reward profile for the Asian markets is currently balanced, hence our neutral on Asia Pacific Ex Japan equities. Though valuations are not cheap, we think the low interest rate trend serves as an anchor for higher valuation. Our strategy is to deploy cash for investments with good long-term growth and to buy on market dips. On a country basis, we like Singapore for the attractive dividends paid by companies there. We also favor India and Indonesia where growth remains a strong theme.

Source : Principal Asset Management Bhd

Date : 28 June 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.