

## 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 | 3.249 million units (30 June 2016)   |
| Fund Size            | RM 3.386 million (30 June 2016)  |
| Unit NAV             | RM1.0423 (30 June 2016)  |
| 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   |
| Risk Profile         | <p>Suitable for investors:</p> <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: 1.5000% p.a.   |
| Taxation             | 8% of annual investment income   |

## ASSET ALLOCATION

|          |                    |      |        |
|----------|--------------------|------|--------|
| Equities | Min 70%<br>Max 98% | Cash | Min 2% |
|----------|--------------------|------|--------|

## WHERE THE FUND INVESTS

|                   |        |              |        |
|-------------------|--------|--------------|--------|
| Trading/Services  | 18.11% | Oil & Gas    | 2.50%  |
| Consumer          | 14.78% | Plantations  | 2.00%  |
| Financials        | 13.66% | Construction | 1.79%  |
| Finance           | 11.25% | IPC          | 1.35%  |
| Industrials       | 10.06% | Utilities    | 1.25%  |
| Technology        | 7.01%  | Others       | 3.41%  |
| Telecommunication | 2.51%  | Cash         | 10.32% |

## TOP HOLDINGS OF THE TARGET FUND

|   |       |
|---|-------|
| Public Bank Bhd - Local                   | 4.49% |
| Tenaga Nasional Bhd                       | 4.12% |
| Tencent Hldg Ltd (Hong Kong)              | 3.27% |
| CIMB Group Hldgs Bhd                      | 2.49% |
| Samsung Electronics Co. Ltd (South Korea) | 2.26% |
| AIA Group Ltd (Hong Kong)                 | 2.21% |
| Amorepacific Corp (S. Korea)              | 2.13% |
| Malayan Banking Bhd                       | 2.04% |
| Telekom Malaysia Bhd                      | 1.87% |
| Petronas Gas Bhd                          | 1.85% |

## 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 June 2016:

| %                | YTD   | 1M   | 3M    | 6M    | 1-Year | 3-year | Since Inception |
|------------------|-------|------|-------|-------|--------|--------|-----------------|
| <b>Fund*</b>     | -2.63 | 0.31 | 1.44  | -2.63 | -3.32  | N/A    | 4.23            |
| <b>Benchmark</b> | -3.55 | 0.42 | -0.35 | -3.55 | -4.92  | N/A    | 1.08            |

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 2016, the Fund rose 0.31%, but underperformed its benchmark. The Fund's overweight in Indonesia and the Philippines contributed positively. This was partially offset by its overweight in Korea and underweight in Taiwan. In terms of sectors, the Fund's underweight in Telecommunications contributed negatively. At the stock level, its overweight in Tiong Nam Logistics, Power Root and Ulicorp contributed positively. This was offset by its overweight in Sands China, Power Assets, Eclat Textile and E.A. Technique which underperformed the benchmark during the month. Year-to-date, the Fund is down 2.63%, outperforming the benchmark by 0.92%.

Asian Equities gained 2% (in US\$ terms) in June and are up 2% year-to-date. Outperformers were mainly ASEAN countries due to better growth prospects. We are neutral on Asian equities. Due to high leverage and tepid growth, the developed world appears crisis-prone which suggests policy makers will remain vigilant and accommodative. This means that equity markets will probably remain choppy and outperformers will be a narrow group of stocks. Asia ex-Japan looks relatively better as economies still appear responsive to conventional monetary policy and fiscal stimulus. Liquidity flows to Asia, especially ASEAN have improved recently.

In June, the FBM Kuala Lumpur Composite Index (Index) shrugged off the Brexit vote, rising 1.73% month-on-month to 1,654 points, partly due to mid-year window dressing activities. Year-to-date, the Index is still down 2.27%. Post-Brexit, the resulting flight to safety has caused global government bond yields to collapse, signalling deflationary growth concerns. In the US, the likelihood of a rate hike this year has fallen significantly. On the local front, Barisan Nasional's two by-election victories fuelled speculation of early elections.

The Fund is overweighted in Financials and Consumer. We have exposure to companies that will benefit from the 4th industrial revolution, e.g., int

Source: CIMB Principal Asset Management Bhd

### 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.