

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	3.170 million units (31 October 2016)
Fund Size	RM 3.525 million (31 October 2016)
Unit NAV	RM1.1120 (31 October 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"> 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"> Management fee: 1.5000% p.a.
Taxation	<ul style="list-style-type: none"> 8% of annual investment income

ASSET ALLOCATION

Equities	Min 70% Max 98%	Cash	Min 2%
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WHERE THE FUND INVESTS

Financials	25.28%	Basic Material	2.37%
Trading/Services	21.87%	Telecommunication	1.64%
Consumer	14.14%	Construction	1.37%
Industrials	12.42%	REITS	1.28%
Technology	8.39%	Mutual Fund	1.26%
Plantations	2.76%	Others	1.84%
Oil & Gas	2.39%	Cash	2.99%

TOP HOLDINGS OF THE TARGET FUND

Sime Darby Bhd	5.15%
Tenaga Nasional Bhd	3.92%
CIMB Group Hldgs Bhd	3.75%
Tencent Hldg Ltd (Hong Kong)	3.71%
Public Bank Bhd	3.01%
Malayan Banking Bhd	2.60%
Samsung Electronics Co. Ltd (South Korea)	2.55%
China Life Insurance Co. Ltd (China)	2.33%
Petronas Chemicals Group Bhd	2.02%
Taiwan Semiconductor Manuf. (Taiwan)	1.90%

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 2016:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
Fund*	3.88	-0.05	3.53	8.96	2.32	N/A	11.20
Benchmark	3.29	0.40	3.97	8.51	2.12	N/A	8.26

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

The Fund fell 0.05% in October, underperforming its benchmark by 0.45%. Underperformance came mainly from its exposure in Korea and Taiwan. In terms of sectors, the Fund's exposure in Consumer Goods and Basic Materials contributed negatively. At the stock level, its overweight in Korea Kolmar, Amorepacific Corp and Felda Global Ventures contributed to the underperformance. YTD, the Fund is up 3.88%, outperforming the benchmark by 0.59%.

Asian Equities had a volatile month and almost hit the year's high in the first week of October before closing slightly down by -1% in US\$ terms. Asia ex-Jap equities are still +9% year-to-date. Meanwhile, the FTSE Bursa Malaysia Kuala Lumpur Composite Index rose 1.2% in October driven by a mild pre-Budget 2017 run-up despite a weaker Ringgit and slightly lower Brent crude oil price. We continue to be cautiously optimistic going into 2017 as: 1) downgrades in earnings appear to have stabilised; 2) supportive market valuations at 1.7x Price/Book vs 5 year averages of 2.0x. Hence, we view any dips from macro concerns, such as the US elections, as buying opportunities.

For regional equities, we are overweight China. In sector terms, we are overweight in Chinese internet/technology, Hong Kong, Indian and Philippines financials and Korean consumer names. We are underweight telecommunications. For Malaysia, we continue to overweight construction and government-linked companies in the services, plantations and utilities sectors. From a research perspective, we seek alpha in small capitalization companies.

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.