

## 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 | 3.2099 million units (31 March 2016)                                                                                                                                                                                                                                                                                   |
| Fund Size            | RM3.2984 million (31 March 2016)                                                                                                                                                                                                                                                                                       |
| Unit NAV             | RM1.0275 (31 March 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                 | <ul style="list-style-type: none"> <li>Management fee: 1.5000% p.a.</li> </ul>                                                                                                                                                                                                                                         |
| Taxation             | <ul style="list-style-type: none"> <li>8% of annual investment income</li> </ul>                                                                                                                                                                                                                                       |

## ASSET ALLOCATION

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

## WHERE THE FUND INVESTS

|                   |        |              |       |
|-------------------|--------|--------------|-------|
| Trading/Services  | 19.35% | Construction | 2.81% |
| Financials        | 16.19% | Oil & Gas    | 2.62% |
| Consumer          | 14.80% | Plantations  | 2.50% |
| Finance           | 12.07% | IPC          | 1.38% |
| Industrials       | 10.09% | Utilities    | 1.36% |
| Technology        | 6.53%  | Others       | 2.14% |
| Telecommunication | 4.23%  | Cash         | 3.93% |

## TOP HOLDINGS OF THE TARGET FUND

|                                      |       |
|--------------------------------------|-------|
| Public Bank Bhd                      | 4.38% |
| Tenaga Nasional Bhd                  | 4.05% |
| Malayan Banking Bhd                  | 4.03% |
| CIMB Group Hldgs Bhd                 | 2.91% |
| Tencent Hldg Ltd (Hong Kong)         | 2.87% |
| Samsung Electronics Co.Ltd (S.Korea) | 2.05% |
| AIA Group Ltd (Hong Kong)            | 2.05% |
| Petronas Gas Bhd                     | 2.04% |
| Axiata Group Bhd                     | 1.88% |
| Amorepacific Corp (S.Korea)          | 1.87% |

## 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 March 2016:

| %                | YTD   | 1M   | 3M    | 6M    | 1-Year | 3-year | Since Inception |
|------------------|-------|------|-------|-------|--------|--------|-----------------|
| <b>Fund*</b>     | -4.02 | 2.37 | -4.02 | -3.06 | -5.74  | N/A    | 2.75            |
| <b>Benchmark</b> | -3.22 | 3.37 | -3.22 | -0.25 | -7.09  | N/A    | 1.43            |

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 March 2016, the Fund rose 2.37% but underperformed its benchmark by 1.00%. China detracted from performance while Malaysia contributed positively. In terms of sectors, the Fund's underweight in Consumer Services contributed negatively while its underweight in Consumer Goods and Health Care contributed positively. At the stock level, its overweight in XL Axiata and Kasikornbank contributed negatively. In addition, its underweight in Genting also detracted from performance. Year-to-date, the Fund is down 4.02%, underperforming the benchmark by 0.80%.

Asian Equities gained 10% in March (US\$ terms) and is now unchanged year-to-date. The gains were driven by currency appreciation, recovery in sentiment on China, value/deep cyclical stocks and oil prices. Topical issues were: How long will the US Fed remain dovish and hence support risk appetite; and can monetary policy continue to spur growth?

In March, the FBM Kuala Lumpur Composite Index (FBMKLCI) rallied 3.8% to close at 1,717.58 points on the back of higher oil prices, stronger Ringgit and increasing investor optimism that the Federal Reserve may delay its future Fed Funds rate hike. The confluence of these positive macro factors led to a RM6.1bn net foreign equity inflow into the Malaysian market. While earnings momentum remains negative, the downgrade momentum at -0.4% remains less severe than our regional peers.

We are in the process of identifying beneficiaries of the 4th Industrial Revolution (automation/robotics, artificial intelligence, virtual and sharing economy). We are also thinking about industries that can benefit from cuts in capital expenditure. For Malaysia, we believe large caps currently offer more value than small caps. As large cap banks now offer relative value vs. other sectors, we have upgraded banks from underweight to neutral. We also maintain our overweight in Construction.

**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 is given in summary form and does not purport to be complete and should not be considered as advice or recommendation in relation to your holding, purchasing or selling securities or other financial products or instruments and does not take into account your 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 consider the appropriateness of the information having regard to these matters, any relevant documentation and in particular, you should seek independent financial advice from your Sun Life Malaysia Financial Advisor.