

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	5.412 million units (30 August 2018)	Fund Size	RM7.346 million (30 August 2018)
Unit NAV	RM1.3573 (30 August 2018)	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	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	Management fee: 1.500% p.a.

ASSET ALLOCATION OF THE TARGET FUND

Equities	Cash
Min 70%; Max 98%	Min 2%

SECTOR ALLOCATION OF THE TARGET FUND

Finance	25.14%
Trading/Services	17.92%
Consumer	15.44%
Technology	10.63%
Industrials	9.46%
Oil & Gas	4.64%
Plantation	3.30%
Construction	3.04%
Mutual Fund	1.55%
Properties	1.50%
IPC	1.50%
Basic Materials	1.02%
Telecommunications	0.50%
Healthcare	0.49%
Cash	3.87%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	5.30%
Tenaga Nasional Bhd (Malaysia)	4.25%
Malayan Banking Bhd (Malaysia)	3.15%
Taiwan Semiconductor Manuf (Taiwan)	2.80%
Petronas Chemicals Group Bhd (Malaysia)	2.61%
Samsung Electronics Co. Ltd (South Korea)	2.59%
Industrial and Commercial Bank (China)	2.05%
Hong Leong Bank Bhd	2.05%
CIMB Group Hldgs Bhd	2.04%
Genting Bhd (Malaysia)	1.98%

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 August 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-1.79	0.60	0.71	-3.45	2.76	30.57	35.73
Benchmark	-2.85	0.35	0.91	-3.46	-0.51	24.85	24.29

* 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 August, the Fund increased by 0.60%, outperforming its benchmark by 0.25%. India and Korea equities underperformed, while US and Hong Kong equities outperformed. Underperformance of the Fund were mainly contributed by Financials and Industrials holdings, while Technology outperformed. Year-to-date, the Fund is down 1.79%, outperforming the benchmark by 1.06%.

Asian equities as measured by the MSCI Asia ex-Japan Index declined 1.5% in August. Besides the trade dispute, investors remain concerned with the weakening China economy and EM weakness especially in Turkey, Argentina, South Africa among others. This has resulted in more earnings downgrades this month as a result of the slower regional economies as well. Domestically, with the announcement on toll abolishment is deferred pending restoration of government financials has provided a short-term lift to sentiment which led the Index to three-month high. Corporate earnings for 2Q2018 were rather mixed and meeting street's expectation with fewer corporations reporting earnings misses as compared to 1Q2018.

In the short term, we are Neutral on Asian equities. We expect range-bound markets as odds of an escalating trade conflict and the impact on confidence from events in Turkey and Argentina are assessed. Asia ex-Japan currencies need to stabilize as this is crucial for maintaining business confidence and investment growth. Investors would be watching the Chinese Yuan (-5% ytd) and FX reserves (stable thus far) as the economy tackles narrowing interest rate differentials with the US, slowing credit creation, moderating consumption growth (e.g. auto sales) and high debt levels. Domestically, investors are awaiting fresh leads on pro-growth initiatives by the new government and the 2019 budget. Our investment preference will be on big cap GLCs and companies with strong fundamentals and solid cash flow in sectors such as Banks, Power & Renewable Energy, Technology and Industrials.

Source : CIMB-Principal Asset Management Bhd

Date : 30 August 2018

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.