

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	3.2326 million units (31 December 2015)
Fund Size	RM3.4606 million (31 December 2015)
Unit NAV	RM1.0705 (31 December 2015)
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	17.36%	Oil & Gas	3.51%
Trading/Services	16.09%	Plantations	2.81%
Consumer	13.96%	Utilities	2.80%
Industrials	11.61%	Construction	2.55%
Finance	11.08%	IPC	1.74%
Telecommunication	5.74%	Others	1.62%
Technology	3.52%	Cash	5.61%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd	4.68%
Malayan Banking Bhd	4.14%
Tenaga Nasional Bhd	3.17%
MISC Bhd	2.14%
Axiata Group Bhd	2.09%
Tencent Hldg Ltd (Hong Kong)	2.08%
Amorepacific Corp (South Korea)	2.02%
Samsung Electronic Co Ltd (South Korea)	1.98%
Petronas Gas Bhd	1.98%
China Mobile Ltd (Hong Kong)	1.92%

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 December 2015:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
Fund*	6.4	0.5	1.0	-0.7	6.4	N/A	7.0
Benchmark	3.0	0.7	3.1	-1.4	3.0	N/A	4.8

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 December 2015, the Fund rose 0.5%, underperforming the benchmark by 0.2%. The Fund's underweight in Malaysia contributed to the underperformance. This was partially offset by its underweight in Thailand. In terms of sectors, the Fund's underweight in Health Care and Basic Materials contributed to the underperformance. At the stock level, its overweight in Ctrip.com and Samsung Securities contributed negatively. Its underweight in Top Glove also contributed negatively. For the year, the Fund is up 6.4%, outperforming the benchmark by 3.4%.

Asian Equities fell -1% in December 2015 and are down -10% for 2015 in USD terms. The outlook for returns is likely to be muted. On the plus side, the pace of earnings downgrades for Financial Year of 2016 ("FY2016") is slowing and expectations appear more reasonable at this point (+5% year-on-year). Valuations look reasonable with Price/Book at 1.4 times and FY2016 Price Earnings Ratio of 13 times. But continued portfolio outflows remain an overhang.

For 2015, the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") shed 3.90%, closing the year at 1,692 points. December 2015 was a volatile month as the FBKMLCI fell to a low of 1,622 points before rebounding to add 20 points or 1.22% for the month. Oil prices dipped after the Organisation of the Petroleum Exporting Countries refrained from setting an official output target. Meanwhile, the much debated US Federal Reserve lift off finally happened as interest rates were raised by 25 basis points.

We are currently neutral on Asian Equities as we judge that the overall outlook is finely balanced between weak prospects for earnings against abundant liquidity. Also

Supportive for Asian Equities is the fact that global funds are generally underweighted emerging market equities. Meanwhile, valuations are reasonable. For Malaysia, continue to like the exporters (Technology, Gloves, Furniture) as they are supported by strong volume growth. While the recent escalation of geopolitical tension in the Middle East may provide some support for oil prices, we do not see any improvement in the excess supply situation. Thus, we remain underweighted Oil & Gas. We also underweight Banks as we expect loans growth to moderate and NPLs to tick up.

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 on the underlying investment.

Any income distribution from the underlying assets of the investment-linked fund will be automatically reinvested into the respective investment-linked fund. The policy owner's total number of units will not change as a result of the reinvestment.