

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	2.957 million units (31 August 2017)
Fund Size	RM3.906 million (31 August 2017)
Unit NAV	RM1.3208 (31 August 2017)
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	Management fee: 1.500% p.a.
Taxation	8% of annual investment income

ASSET ALLOCATION

Equity	Min 70% Max 98%	Cash	Min 2%
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WHERE THE TARGET FUND INVESTS

Finance	25.79%	Plantations	1.17%
Trading / Services	15.83%	Properties	1.17%
Industrials	13.23%	Preferred Stock	1.08%
Consumer	9.82%	Oil & Gas	1.04%
Technology	7.12%	Mutual Fund	0.94%
Construction	6.08%	Others	1.27%
Basic Materials	1.52%	Cash	13.94%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	5.23%
Samsung Electronics Co. Ltd (South Korea)	3.55%
Malayan Banking Bhd (Malaysia)	3.17%
Tenaga Nasional Bhd (Malaysia)	2.98%
Tencent Hldg Ltd (Hong Kong)	2.32%
Industrial and Commercial Bank (China)	2.31%
Taiwan Semiconductor Manuf (Taiwan)	2.24%
CIMB Group Hldgs Bhd (Malaysia)	2.08%
V.S. Industry (Malaysia)	2.03%
Gamuda Bhd (Malaysia)	1.96%

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 August 2017:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	21.01	1.46	7.25	14.82	20.87	33.55	32.08
Benchmark	16.10	0.74	3.72	9.22	17.27	21.48	24.91

* 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

The Fund was up 1.46% in August, outperforming its benchmark by 0.72%. Outperformance came mainly from its exposure in Malaysia, Singapore and Hong Kong. In terms of sectors, favourable stock selection in Industrials contributed positively. At the stock level, its overweight in Sunny Optical, Venture Corporation and Pentamaster contributed to outperformance. Year-to-date, the Fund is up 21.01%, outperforming the benchmark by 4.91%.

Asian Equities gained 1% in US Dollar terms in August. Materials, Energy and Technology outperformed the market. Within technology, alpha was confined to just a handful of large cap stocks. Topical issues: Would there be war in the Korean peninsula? Can the rally in Asia broaden beyond technology? In Malaysia, the FTSE Bursa Malaysia Kuala Lumpur Composite Index rose 13 points or 0.75% in August despite the geopolitical tension in Korea. Malaysia's macroeconomic fundamentals remain strong as Gross Domestic Product (GDP) for the second quarter came in at 5.8%, following a 5.6% expansion in the first quarter. Consequently, various economists have upgraded their full year GDP forecast for Malaysia to 5.2%-5.5% (government estimate 4.3%-4.8%). Meanwhile, inflation continued to moderate to 3.2% in July after peaking at 5.1% in March. Bank Negara Malaysia is expected to keep the Overnight Policy Rate unchanged at 3.00% for the rest of 2017.

We are overweight Singapore, Malaysia, Indonesia and China and underweight Taiwan and Korea. In sector terms, we are overweight internet/technology in China and Singapore, financials in India, industrials in Singapore, Malaysia and India, and materials in China and Korea. We are underweight energy, health care, telecommunications and utilities. For Malaysia, we are overweight Construction, E-commerce/Logistics and Tourism. In addition, Banks and Government Linked Companies transformation plays remain core holdings in our portfolio.

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.