

## 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	3.6733 million units (31 May 2015)
Fund Size	RM3.9887 million (31 May 2015)
Unit NAV	RM1.0858 (31 May 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"> <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	Management fee: 1.5000% p.a.
Taxation	8% of annual investment income

## ASSET ALLOCATION

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

Financials	19.97%	Construction	2.89%
Trading/Services	18.33%	Oils & Gas	2.89%
Consumer	12.30%	Utilities	2.06%
Finance	12.15%	IPC	1.92%
Industrials	8.55%	REITS	1.35%
Technology	5.91%	Others	2.30%
Telecommunication	4.17%	Cash	5.21%

## TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd	5.09%
Malayan Banking Bhd	4.20%
Tenaga Nasional Bhd	3.50%
Telekom Malaysia Bhd	2.93%
China Life Insurance Co. Ltd (China)	2.80%
Samsung Electronics Co. Ltd (S.Korea)	2.72%
Amorepacific Corp (S.Korea)	2.65%
MISC Bhd	2.45%
Taiwan Semiconductor Manuf (Taiwan)	2.35%
China Resources Gas Grp Ltd (Hong Kong)	2.06%

## 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 May 2015:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
<b>Fund*</b>	7.88	-2.07	1.65	7.50	8.58	N/A	8.58
<b>Benchmark</b>	6.85	-1.75	1.18	5.65	7.65	N/A	8.75

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 by -2.07% for the month, underperforming the benchmark by 0.32%. Malaysia outperformed but this was offset by the underperformance of Korea and Hong Kong. In Malaysia, the Consumer Goods, Financials and Telecom sectors were responsible for the outperformance. At the stock level, underweight in IOI, KLK, CIMB and overweight in Time.com contributed positively. Year-to-date ("YTD"), the Fund is up 7.88% for an outperformance against the benchmark of 1.03%.

Aggressive actions and liquidity injections by the central banks have boosted investor confidence and resulted in falling systemic risk and higher investment returns. Quantitative Easing ("QE") has driven down risk premium in the fixed income markets but equity risk premium remains elevated above their long runs medians. Given our benign outlook for liquidity conditions, we expect more upside for equity and credit markets.

As for Bursa Malaysia, since peaking out at 1862.80 on 21 April 2015 at 2015 Price Earnings Ratio ("PER") of 16.6 times, the market has fallen 6.75% to 1737.00 at time of writing. The implementation of the Goods and Services Tax has resulted in a consumption slowdown as expected. It is reflected in monetary aggregates for April, 2015. M3 expanded 6.5% year-on-year but contracted 0.6% month-on-month. Earnings disappointed again for the first quarter of 2015 ("1Q15") results season. With downgrades still on-going, Earnings Per Share ("EPS") growth for 2015 has fallen to 4.6% with corresponding PER of 15.8 times. For 2016, EPS growth is currently projected at 9.3% with PER of 14.5 times. With the 5-year average PER of 14.7, the market now looks fair for 2016.

In Asia, we prefer North Asia and India to ASEAN, as earnings downgrades have accelerated in the ASEAN markets. We like stocks with earnings visibility and quality beta names that can adjust to a slow growth environment. In Malaysia, we are positioned in defensive stocks with minimal downside risk and growth stocks that will provide capital gains. We have recently reduced the Telecommunication Sector from Overweight to Underweight due to the threat of competition. We continue to underweight Financials, Plantations and overweight Utilities.

### 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.