

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	3.120 million units (30 June 2017)
Fund Size	RM3.924 million (30 June 2017)
Unit NAV	RM1.2577 (30 June 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	30.80%	Plantations	1.65%
Trading / Services	15.98%	Properties	1.41%
Industrials	12.28%	Mutual Fund	1.14%
Consumer	11.35%	Oil & Gas	1.06%
Technology	6.05%	Telecommunication	0.69%
Construction	4.85%	IPC	0.48%
Basic Materials	1.95%	Cash	10.31%

TOP HOLDINGS OF THE TARGET FUND

Samsung Electronics Co. Ltd (South Korea)	4.28%
Malayan Banking Bhd (Malaysia)	3.84%
Tenaga Nasional Bhd (Malaysia)	3.51%
Public Bank Bhd – Local (Malaysia)	3.29%
Sime Darby Bhd (Malaysia)	2.64%
Taiwan Semiconductor Manuf (Taiwan)	2.55%
Industrial and Commercial Bank (China)	2.48%
Tencent Hldg Ltd (Hong Kong)	2.35%
CIMB Group Hldgs (Malaysia)	2.29%
Alibaba Group Holding Ltd (Cayman Islands)	2.05%

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 June 2017:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	15.23	2.13	5.88	15.23	20.67	27.40	25.77
Benchmark	12.82	0.79	3.08	12.82	20.09	18.68	21.37

*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 2.13% in June, outperforming its benchmark by 1.34%. The Fund's outperformance came mainly from its exposure in China, Hong Kong and Malaysia. In terms of sectors, favorable stock selection in Industrials, Technology and Telecommunications contributed positively. At the stock level, its overweight in Hangzhou Hikvision, AAC Technologies, and Sunny Optical contributed to the outperformance. Year-to-date, the Fund is up 15.23%, outperforming the benchmark by 2.41%.

Asian Equities gained 1% in USD terms in June 2017. Technology outperformed again in June and accounts for about half of the gains of the broader market year-to-date. Topical issues: how long can technology continue to outperform? Will shrinking central bank balance sheets (like the US Federal Reserve) be problematic for risk assets? In Malaysia, the FTSE Bursa Malaysia Kuala Lumpur Composite Index continued to drift sideways in June, falling marginally by 0.12%. For 1H17, the FBMKLCI has risen 7.4%. Notable events during the month include: 1) UK Election resulting in a minority government 2) Macron victory in French Election 3) Qatar being sanctioned by its neighbours for alleged terrorism funding 4) Brent breaking below USD50/barrel to a low of USD44.82/barrel 5) United States Federal Reserve raising rates by 0.25 bps and impending balance sheet normalisation 6) China A-shares inclusion in MSCI in 2018 6) Speculation of ECB QE tapering by 2018.

We are Overweight India, Malaysia, Singapore and Indonesia and Underweight Taiwan and Korea. In sector terms, we are overweight China internet/technology, financials in India and Malaysia, industrials in Singapore and India, and materials in Korea. We are underweight energy, telecommunications and utilities. For Malaysia, we will rotate into laggards with better upside within our preferred sectors, such as banks, construction and tourism. GLC restructuring and e-commerce companies remain core holdings in our portfolios.

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.