

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	4.555 million units (31 July 2018)	Fund Size	RM6.146 million (31 July 2018)
Unit NAV	RM1.3492 (31 July 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	23.02%
Trading/Services	20.33%
Consumer	18.32%
Technology	10.13%
Industrials	8.44%
Construction	4.31%
Oil & Gas	3.84%
Properties	1.59%
Mutual Fund	1.57%
IPC	1.46%
Telecommunications	0.99%
Healthcare & Basic Materials	0.94%
Cash	5.06%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd – Local (Malaysia)	6.30%
Tenaga Nasional Bhd (Malaysia)	3.67%
Taiwan Semiconductor Manuf (Taiwan)	2.70%
Alibaba Group Holding Ltd (Cayman Islands)	2.59%
Malayan Banking Bhd (Malaysia)	2.54%
Samsung Electronics Co. Ltd (South Korea)	2.45%
Tencent Hldg Ltd (Hong Kong)	2.33%
Industrial and Commercial Bank (China)	2.06%
Genting Bhd (Malaysia)	2.02%
Petronas Chemicals Group Bhd (Malaysia)	2.01%

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 July 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-2.37	2.76	-1.56	-5.25	3.64	26.70	34.92
Benchmark	-3.19	3.31	-3.11	-6.52	-0.12	19.16	23.86

* 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 July, the Fund increased by 2.76%, underperforming its benchmark by 0.55%. Malaysian and Singapore equities underperformed, while Korea and Hong Kong equities outperformed. Underperformance of the Fund was mainly contributed by Financials, Cash and Industrials holdings. Year-to-date, the Fund is down 2.37%, outperforming the benchmark by 0.82%.

Telecommunication companies led the increased after the Government provided clarity on the Broadband plans. Industrials companies also outperformed the benchmark after May IPI rose 3.0% Year-on-Year, driven by a rise in manufacturing output. Jun CPI came in at 0.8% YoY, reflecting the zero-rating of the GST. Nevertheless, with the introduction of the Sales and Service Tax (SST) in September, inflation is expected to be higher in 4Q. Meanwhile, on the global front, trade tensions remained a real risk after President Trump announced that the US is ready to impose additional tariffs on all China made goods.

Both external and domestic macro backdrop remain challenging and we do not foresee much improvement in the short-term. 100 days of the New PH government, changes of GLC management team and 2Q2018 reporting season will be key events that investors will be focusing in August. On the fund flow, we are maintaining our view that global outflows from emerging markets, particularly for Malaysia, may be at a tail end in the short term hence we taking the opportunity to deploy cash gradually into the local markets and increasing overall equity exposure. We continue to prefer big cap companies with strong fundamentals in sectors such as Banks, Power & Renewable Energy, Technology and Industrials. We maintain our view that longer term, Malaysia equities could outperform regional peers given better risk premiums as a result of better governance.

Source : CIMB-Principal Asset Management Bhd

Date : 31 July 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.