

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	3.273 million units (31 July 2016)
Fund Size	RM 3.515 million (31 July 2016)
Unit NAV	RM1.0741 (31 July 2016)
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: 1.5000% 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

Trading/Services	18.38%	Plantations	2.00%
Consumer	16.19%	Oil & Gas	1.88%
Finance	12.80%	Construction	1.83%
Financials	12.35%	Mutual Fund	1.26%
Industrials	9.25%	REITS	1.10%
Technology	7.48%	Others	2.70%
Telecommunication	2.67%	Cash	10.11%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd	4.48%
Tenaga Nasional Bhd	4.17%
Tencent Hldg Ltd (Hong Kong)	3.46%
Samsung Electronics Co. Ltd (South Korea)	2.52%
CIMB Group Hldgs Bhd	2.49%
Malayan Banking Bhd	1.99%
Amorepacific Corp (S. Korea)	1.97%
Telekom Malaysia Bhd	1.87%
Petronas Gas Bhd	1.85%
AIA Group Ltd (Hong Kong)	1.81%

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 2016:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
Fund*	0.34	3.05	5.24	6.64	0.86	N/A	7.41
Benchmark	-0.65	3.01	4.37	5.88	0.18	N/A	4.12

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 2016, the Fund rose 3.05%, outperformed its benchmark by 0.04%. The Fund's underweight in China and Taiwan contributed negatively. This was offset by its underweight in Malaysia. In terms of sectors, the Fund's underweight in Telecommunications and Technology contributed negatively. At the stock level, its overweight in Amorepacific Corporation, E.A. Technique and CJ Korea Express Corporation contributed to the underperformance. This was partially offset by its overweight in Kasikornbank and Éclat Textile. Year-to-date, the Fund is up 0.34%, outperforming the benchmark by 0.99%.

We are neutral on Asian equities but would look to buy on weakness. Previously, jitters from large macro events (like a sharp China slowdown and "Brexit") have been buying opportunities and this would probably continue to be the case as long as policymakers are concerned about muted economic growth and high leverage.

In July, the Malaysian equity market remained flat for the month despite oil prices receding by 13.9% to USD41.6/barrel and heightened political noise. We maintain the view that the FBM Kuala Lumpur Composite Index (FBMKLCI) will continue to trade in a range between 1620-1720 in the short term with key catalysts being: 1) stabilisation of earnings in the upcoming 2Q16 results; 2) speculation of early elections in 1H17; and 3) more stimulus by the government to support growth. On July 13, Bank Negara cut the overnight policy rate earlier than expected by 25 basis points from 3.25% to 3.00%.

We are overweight in Thailand, Indonesia, the Philippines and Korea. In sector terms, we are overweight in Indian, Thai and the Philippine financials, Chinese internet names, and companies that will benefit from the automation trend. For Malaysia, we continue to like high dividend yielders such as REITs, construction, utilities and selective services companies. From a research perspective, we seek ideas in the Malaysian GLC restructuring story, which will be an ongoing

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.