

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	3.1953 million units (29 February 2016)
Fund Size	RM3.2072 million (29 February 2016)
Unit NAV	RM1.0037 (29 February 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	<ul style="list-style-type: none"> Management fee: 1.5000% p.a.
Taxation	<ul style="list-style-type: none"> 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	17.15%	Plantations	3.30%
Financials	16.92%	Oil & Gas	2.56%
Consumer	13.00%	Construction	3.21%
Finance	10.95%	IPC	1.64%
Industrials	10.51%	Utilities	1.40%
Technology	5.74%	Mutual Fund	1.26%
Telecommunication	4.91%	Cash	7.45%

TOP HOLDINGS OF THE TARGET FUND

Public Bank Bhd	4.41%
Malayan Banking Bhd	3.92%
Tenaga Nasional Bhd	3.42%
Tencent Hldg Ltd (Hong Kong)	2.60%
CIMB Group Hldgs Bhd	2.35%
Petronas Gas Bhd	2.11%
AIA Group Ltd (Hong Kong)	2.05%
Axiata Group Bhd	1.95%
China Mobile Ltd (Hong Kong)	1.93%
Public Bank Bhd	4.41%

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 29 February 2016:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
Fund*	-6.24	-0.35	-5.76	-3.44	-6.04	N/A	0.37
Benchmark	-6.38	-0.22	-5.72	-1.44	-8.65	N/A	-1.87

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 February 2016, the Fund fell 0.35%, underperforming the benchmark by 0.13%. Indonesia and Hong Kong contributed negatively while China and Taiwan contributed positively. In terms of sectors, the Fund's overweight in Industrials and underweight in Basic Materials detracted from performance while its underweight in Health Care and Consumer Goods contributed positively. At the stock level, its overweight in Amorepacific and overweight in CJ Korea Express contributed to the underperformance. Year-to-date, the Fund is down 6.2%, overperforming the benchmark by 0.2%.

Asian Equities fell 1% in February 2016 (US\$ terms) with the best and worst performers being Asean and India respectively. Topical issues were: Has the US\$ peaked and oil prices bottomed; can China avoid a crisis and muddle through; will continued monetary easing be effective given the recent impact on banks (e.g., European & Japanese banks) and growth? Issues to monitor include central bank policies, China foreign reserves, US inflation indicators, Asian high yield markets and commodity prices.

In February 2016, the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") continued its downtrend to close 13 points or 0.78% lower at 1,654.75. In Malaysia, companies reported weak earnings in fourth quarter of 2015 ("4Q15"). The Ringgit weakened slightly from 4.148 to 4.203. The latest 4Q15 Consumer Sentiment Index touched a new low of 63.8. For first half of 2016 ("1H16"), domestic headwinds include Zeti's succession and corporate margin squeeze. Oil will remain in oversupply, while the China slowdown will keep markets volatile.

We have overweight positions in Financials, Industrials and Telecoms. We like companies exhibiting quality earnings growth and with low downside revision risk. Our research efforts will be geared towards identifying beneficiaries of the 4th Industrial Revolution (robotics, artificial intelligence, virtual and sharing economy). For Malaysia, valuation of the FBKLCI remains fair at 16 times forward Price Earnings Ratio. As part of risk management, we continue to reduce our exposure to selective Exporters. We remain underweight in Telecommunications and Banks. Construction remains a sector which we continue to overweight as we believe the government will continue to roll out more high impact infrastructure projects.

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.