

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	3.2534 million units (31 May 2016)
Fund Size	RM 3.3808 million (31 May 2016)
Unit NAV	RM1.0391 (31 May 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	18.50%	Telecommunications	2.53%
Consumer	15.78%	Plantations	2.03%
Financials	15.75%	Construction	1.68%
Finance	10.79%	Utilities	1.33%
Industrials	9.52%	IPC	1.22%
Technology	7.01%	Others	2.31%
Oil & Gas	3.55%	Cash	8.00%

TOP HOLDINGS OF THE TARGET FUND

Tenaga National Bhd	4.70%
Public Bank Bhd - Local	4.32%
Tencent Hldg Ltd (Hong Kong)	3.21%
Malayan Banking Bhd	2.36%
AIA Group Ltd (Hong Kong)	2.17%
Amorepacific Corp (S. Korea)	1.99%
Samsung Electronics Co. Ltd (South Korea)	1.98%
Petronas Gas Bhd	1.94%
CIMB Group Hldgs Bhd	1.84%
Telekom Malaysia Bhd	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 May 2016:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
Fund*	-2.93	1.81	3.53	-2.43	-4.30	N/A	3.91
Benchmark	-3.96	0.89	2.57	-3.28	-7.38	N/A	0.66

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 May 2016, the Fund rose 1.81%, outperforming its benchmark by 2.03%. The Fund's underweight in Malaysia and China as well as overweight in the Philippines contributed positively. In terms of sectors, the Fund's underweight in Basic Materials contributed positively. At the stock level, its overweight in Tencent, Metropolitan Bank & Trust and Power Assets Holdings contributed positively. This was partially offset by its overweight in EA Technique and Malakoff, which underperformed the benchmark during the month. Year-to-date, the Fund is down 2.93%, outperforming the benchmark by 1.03%.

Asian Equities dropped -3% (in US\$ terms) in May and are down -1% year-to-date. Outperformers were the Philippines (on post-election buying by locals) and India (BJP widened its base in the recent 5 state elections and the approval of the Bankruptcy Code). We are neutral on Asian equities. The liquidity situation appears mixed: Portfolio inflows have been positive year-to-date but credit growth has generally been anemic, e.g., China's total credit growth slowed in April (after a strong 1Q) and most Asian economies are seeing slower loan growth this year.

In May, the FBM Kuala Lumpur Composite Index fell 2.79% month-on-month to 1,626.00 points, continuing its downtrend from the previous month. Year-to-date, the Index has fallen 3.93%. The disappointing earnings season caused the market to fall in May and was dragged down further by MSCI's trimming of Malaysia's weightage. Cyclical sectors that were notably affected were automobile, oil & gas and banking. Expectations of the US rate hike cycle plus the just-ended underwhelming 1Q16 reporting season led to a foreign equity outflow of RM4.27b in May.

The Fund is overweighted in Financials and Consumer. In the longer term, we expect outperformance from internet and automation companies that will benefit from the 4th industrial revolution. We are also looking at the rising call for social equality across various countries and the implications for policies and stocks (e.g., avoid state-owned banks). For Malaysia, stock picking remains key to alpha generation and we remain selective; we continue to like high dividend yielders such as REITs, conglomerates and utilities. We also continue to maintain our overweight in the construction sector as positive news flow from more fiscal expansion from the government will continue this year.

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.