

## FUND OBJECTIVE

To provide a mixed exposure into equities and bonds, with higher allocation in bonds.

## FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	1.73 million units (30 November 2018)	Fund Size	RM2.54 million (30 November 2018)
Unit NAV	RM1.4698 (30 November 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd	Benchmark	25% FBM100 + 75% 12 month FD
Taxation	8% of annual investment income	Fees	The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund which applies the following fund management charges: <ul style="list-style-type: none"> <li>▪ Sun Life Malaysia Growth Fund: 1.5% p.a.</li> <li>▪ Sun Life Malaysia Conservative Fund: 1.0% p.a.</li> <li>▪ There are no other fund management charges on this fund</li> </ul>
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>▪ Want a diversified portfolio in equities but higher exposure in bonds</li> <li>▪ Prefer less volatile performance and want slightly higher gains than bond return</li> </ul>		

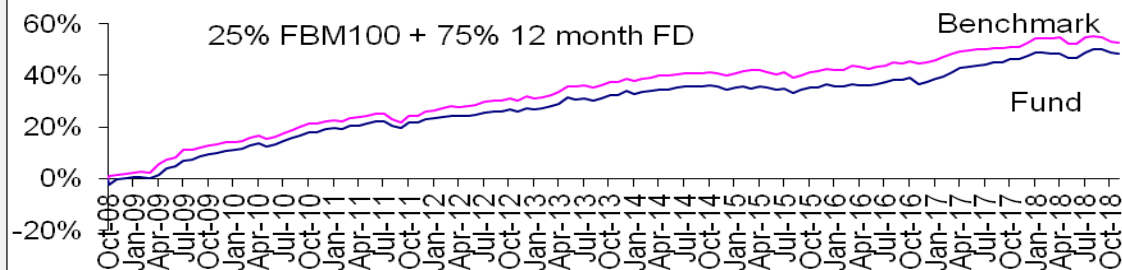
## ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund
75.37%	24.59%

## WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund	Cash	Total
75.37%	24.59%	0.04%	100.00%

## PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	0.45	-0.30	-1.19	1.13	1.37	9.54	48.20
<b>Benchmark</b>	0.00	-0.11	-1.52	0.29	1.31	7.93	52.78

\* 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 November 2018, the Fund's performance dropped by 0.30%, underperforming the benchmark by 0.19%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) ended November down by 1.72% or 29 points to close at 1,679.86 points. On a year-to-date basis, the FBMKLCI is lower by 6.51%. During the month, the Ringgit was flat at MYR4.18/USD while the 10Y MGS rose by 5bps to 4.13%. Brent crude oil tumbled to USD58.71 per barrel, down by 22.2% M-o-M. November saw Khazanah selling a 16% stake in IHH to Mitsui Group. This could be part of the rationalisation programme by Khazanah to increase its contribution to the federal government. 3Q18 GDP came in lower than consensus forecast at 4.4% Y-o-Y, driven by domestic demand. Moody's affirmed the A1 domestic issuer and foreign currency senior unsecured ratings of Petronas, but changed its outlook to negative from stable. November saw foreign investors net sell RM0.70bil versus RM1.5bil in the previous month. Total outflow for 11M2018 amounted to RM10.7bil vs. net inflow of RM10.8b in 2017.

#### FUND MANAGER'S COMMENTS (CONTINUED)

During the month, the sentiment in the local bond space continued to be mostly on a cautious tone. There was some selling pressure on the belly of the yield curve attributable to the increased supply (on the back of higher fiscal deficit). Overall, the MGS yield curve bear flattened with yields from short to belly rising by 2-7bps while the back end of the curve dropping by 2-5bps. The 3-, 5-, 10-year MGS yields closed higher at 3.70% (+4bps), 3.92% (+7bps), 4.16% (+3bps) respectively at end of November. Meanwhile, the longer tenure 15- and 30-year MGS ended lower at 4.55%(-5bps) and 4.92% (-3bps) respectively. On the economic front, Malaysia's 3Q18 GDP continued to moderate further to 4.4% YoY (2Q: +4.5% and consensus: +4.6%). Growth was dampened by negative net exports even as domestic demand picked up. Exports contracted 0.8% YoY (2Q: +2% YoY) due partly to supply side disruptions in the mining sector while aggregate domestic demand remained robust as it grew at a faster pace of +6.9% YoY in 3Q18 (2Q:+5.6%). October CPI accelerated to 0.6% YoY (matching consensus: 0.6%) from 0.3% YoY in September. The higher CPI was mainly driven by quicker gains in food and beverages and transportation costs. During the month, we saw the oil price hitting the 2018 low which has translated to Ringgit weakness with USDMYR breaking 4.2000 level for a brief period of time. As expected, BNM kept the OPR steady at 3.25% in its November meeting and the monetary policy statement was overall neutral. Policymakers maintained that domestic economy is on steady growth path but noted there is risk to growth from the global front amid trade tensions. Hence, we expect interest rate to stay pat on subdued inflation and moderating economic growth. Budget 2019 saw a delayed in fiscal consolidation path. 2018 fiscal deficit will widen to 3.7% of GDP (from 2.8%) and gradually reduce to 3.4% in 2019, 3.0% in 2020 and 2.8% in 2021.

Source : *CIMB-Principal Asset Management Bhd*  
Date : *30 November 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.