

#### FUND OBJECTIVE

To provide a balanced exposure into equities and bonds.

#### FUND DETAILS

Launch Date	20 October 2008
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	5.36 million units (31 October 2017)
Fund Size	RM9.20 million (31 October 2017)
Unit NAV	RM1.7155 (31 October 2017)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	50% FBM100 + 50% 12 month FD
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>Want a balanced portfolio between equities and bonds</li> <li>Are risk neutral between bonds and equities</li> </ul>
Fees	<p>The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund which applies the following fund management charges:</p> <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>
Taxation	8% of annual investment income

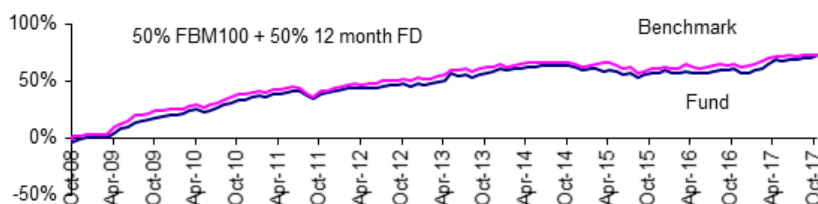
#### ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	49.74%
Sun Life Malaysia Growth Fund	50.26%

#### WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	49.74%
Sun Life Malaysia Growth Fund	50.26%
Cash	0.00%
Total	100.00%

#### PERFORMANCE RECORD



#### NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	9.55	1.29	1.82	2.53	7.51	5.71	72.97
<b>Benchmark</b>	5.90	0.30	0.53	0.65	4.78	3.92	73.40

\* 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

For October 2017, the Fund gained 1.29% outperforming the benchmark by 0.99%.

In October, the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") fell 7.66 points or 0.44% to 1,747.92 points. We saw net foreign outflows of RM0.3 billion, the third consecutive month of outflows. Year-to-date, net foreign inflows are RM9.8 billion, compared with RM3.2 billion outflows in 2016. Brent touched a high of USD61.37/barrel on 31 October, while the Ringgit closed at RM4.23. As expected, Budget 2018, tabled on 27 October, was both expansionary and people-centric. Fiscal discipline was maintained as shown by a smaller deficit target of 2.8% for 2018 from 3.0% this year.

Market continued to drift lower in October. Thus far, global economic data have supported our view of better economic growth in 2018. For our 2018 strategy, we remain positive on the market and will continue to buy on dips on the back of 7% earnings growth forecast. We keep to our key broad themes, with specific focus within each theme, i.e. construction (infrastructure plays, affordable housing), e-commerce/logistics (regional e-fulfillment hub, online payment), Chinese tourism (airport, airline, consumer products), consumer sector (discretionary, durables, personal financing) and technology (smart factory in a rising cost environment, connectivity). Our base case is that there is no political upheaval arising from the 14th General Election expected in the first quarter of 2018.

The Malaysia Government Securities ("MGS") yield curve bear steepened in October taking cue from weakened US Treasuries amid optimism over the progress of tax reforms and the imminent appointment of the next Fed Chair. Bond yields were pressured along the curve and the market was seen in a trimming mode.

Meanwhile, Malaysia's recently tabled Budget 2018 was supportive of growth while still remain focused on fiscal consolidation. The budget is seen to be slight expansionary taking into considerations of the individual tax cuts alongside a host of cash handouts that will boost private consumption. Consequently, the 2018 budget should be able to deliver the expected real GDP growth of 5.0 – 5.5% and meet the fiscal deficit of 2.8% of GDP. Meanwhile, BNM is expected to keep its policy rate unchanged in its next MPC meeting on 9 November.

We continue to remain fully invested with focus on selective primary corporate bond issuance and exposure into the government securities when the opportunity arises.

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.