

## 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	5.19 million units (31 October 2016)
Fund Size	RM 8.28 million (31 October 2016)
Unit NAV	RM 1.5956 (31 October 2016)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	50% FBM100 + 50% 12 month FD

Risk Profile	Suitable for investors:
	<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	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>

Taxation	8% of annual investment income
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## ASSET ALLOCATION

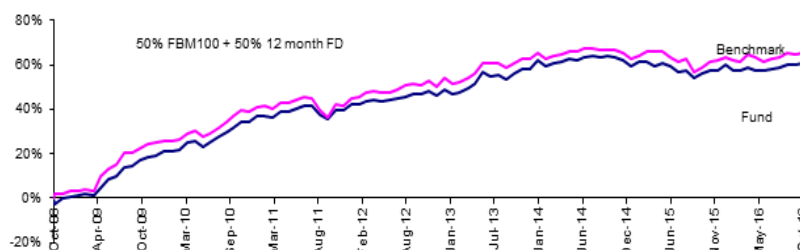
Sun Life Malaysia Conservative Fund	49.98%
Sun Life Malaysia Growth Fund	50.02%

## WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	49.98%
Sun Life Malaysia Growth Fund	50.02%
Cash	0.00%
Total	100.00%

Source: CIMB-Principal Asset Management Bhd

## PERFORMANCE RECORD



Source: CIMB-Principal Asset Management Bhd

## NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	0.38	0.59	1.55	2.02	1.99	1.87	60.88
<b>Benchmark</b>	1.47	0.58	1.30	1.49	2.72	1.68	65.48

Source: CIMB-Principal Asset Management Bhd

\*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 the month of October 2016, the Fund gained 0.59% outperforming the benchmark by a marginal 0.01%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") rose 1.2% in October 2016 driven by a mild pre-Budget 2017 run-up despite a weaker Ringgit and slightly lower Brent crude oil price. Financials outperformed, led by CIMB Group and Alliance Financial Group on company-specific drivers. Industrials outperformed, led by Sime Darby, on expectations of a Permodalan Nasional Berhad-led change. Meanwhile, the defensive telecommunications and utilities sectors underperformed. We continue to be bullish going into 2017 as: 1) downgrades in earnings appear to have stabilised; 2) commodity prices like crude oil and palm oil have rebounded which will improve our fiscal position; and 3) supportive valuations at 1.7x Price/Book vs 5 year averages of 2.0x. Catalysts for a rerating could come from: 1) stronger Ringgit and 2) improved 3Q16 earnings reporting season. We view any dips from macro concerns such as the upcoming US presidential election as buying opportunities.

In light of our positive view, we have been on a net buy basis with portfolio positioning between 90-95%. We continue to overweight construction and government-linked companies (GLCs) in the services, plantations and property sectors that fit into our Malaysian GLC restructuring theme. From a research perspective, we are doing more work on the small capitalisation companies to add more alpha to our portfolios.

For fixed income, the Malaysian Government Securities ("MGS") curve sold off in the month of October 2016 by 7-20 bps along with the Ringgit due to better than expected US third quarter GDP and hawkish FOMC minutes triggered a flight of capital as market participants increased bets that the Federal Reserve will hike the federal funds rate in its next meeting. The longer end of the MGS curve saw the brunt of the selloff. Trading volume for corporate bonds was RM14.5 billion, down 11% from RM16.5 billion previously. Focus remains in the AA and GG segment and players were seen taking profit as we move into the final quarter for the year. In October 2016, the prospect of the US Federal Reserve hiking rates and the path of the Fed Funds Rate remain as driving factors in the movement of both the ringgit and the MGS. Furthermore, the uncertainty of the expected result of the US Presidential Election will drive the volatility into the Malaysian fixed income market. The release of 3Q16 Malaysia GDP number on 11th November 2016 will be closely watched as it is one of the factors guiding BNM's Monetary Policy Committee meeting on the 23rd November 2016. If the number falls below the 4% mark, we can expect that market participants will be pricing in a higher probability of a cut in the meeting. We will focus on both corporate bond primary and repriced secondary issuances especially the AA rated issuances for yield pick up.

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.