

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	1.93 million units (30 June 2016)
Fund Size	RM 2.62 million (30 June 2016)
Unit NAV	RM 1.3558 (30 June 2016)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	25% FBM100 + 75% 12 month FD
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> Want a diversified portfolio in equities but higher exposure in bonds Prefer less volatile performance and want slightly higher gains than bond return
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"> Sun Life Malaysia Growth Fund: 1.5% p.a. Sun Life Malaysia Conservative Fund: 1.0% p.a. There are no other fund management charges on this fund
Taxation	8% of annual investment income

ASSET ALLOCATION

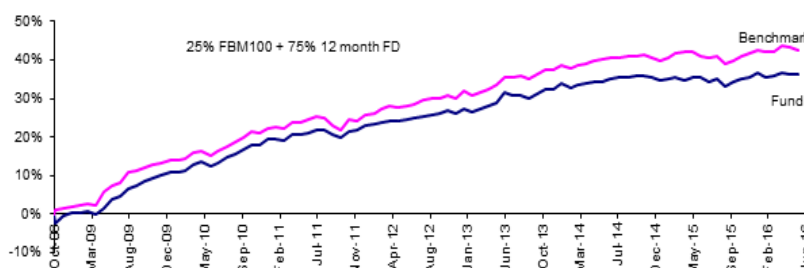
Sun Life Malaysia Conservative Fund	74.90%
Sun Life Malaysia Growth Fund	25.10%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	74.90%
Sun Life Malaysia Growth Fund	25.10%
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
Fund*	0.07	0.30	0.03	0.07	1.80	4.54	36.70
Benchmark	0.76	0.55	-0.20	0.76	2.10	5.76	43.42

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

The Fund's performance for the month of Jun rose by 0.30%. Nevertheless, the fund underperformed the benchmark by 0.25%.

In June, the FBM Kuala Lumpur Composite Index (the "Index") shrugged off the Brexit vote, rising 1.73% m-o-m to 1,654 points, partly due to mid-year window dressing activities. Year-to-date, the Index is still down 2.27%. Post-Brexit, the resulting flight to safety has caused global government bond yields to collapse, signaling deflationary growth concerns. In the US, the likelihood of a rate hike this year has fallen significantly. On the local front, Barisan Nasional's two by-election victories fuelled speculation of early elections.

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. From a research perspective, we seek ideas in e-commerce/logistics that will benefit from rising demand from e-commerce. We also continue to seek bombed out growth stocks at reasonable price (GARP) in the plantations and oil and gas sectors.

For fixed income, the Malaysian Government Securities ("MGS") saw bond yields tightening as concerns of Brexit and its implications triggered a flight to safety for investors. U.S weak non-farm payroll data coupled with Brexit has wiped out the possibility of a U.S Fed rate hike in July resulting in the strengthening of the Ringgit. The MGS curve shifted lower throughout the curve in June. Trading volume for corporate bonds decreased slightly in June with trades centred on GGs, AAAs and AAs. The easing policy stance by the global central banks and potentially BNM should be supportive of sovereign yields. The corporate bond market is expected to be well supported in the near term due to the lack of supply in the primary pipeline and the ample liquidity of local institutional players. 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.