

### 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	6.17 million units (30 September 2018)	Fund Size	RM10.89 million (30 September 2018)
Unit NAV	RM1.7656 (30 September 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd	Benchmark	50% FBM100 + 50% 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 balanced portfolio between equities and bonds</li> <li>▪ Are risk neutral between bonds and equities</li> </ul>		

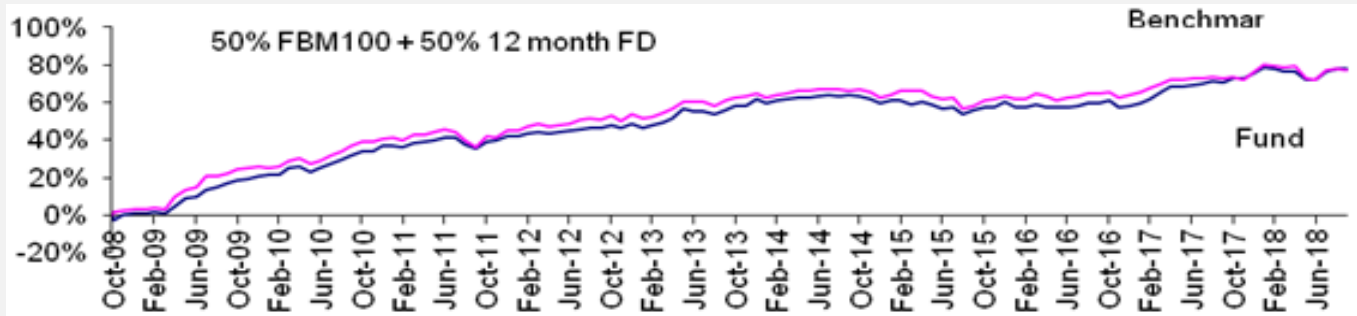
### ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund
49.87%	50.07%

### WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund	Cash	Total
49.87%	50.07%	0.06%	100.00%

## PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	1.26	-0.02	3.47	0.65	4.25	14.12	78.02
<b>Benchmark</b>	0.23	-0.62	2.89	-1.10	2.37	11.68	76.96

\* 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 FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") ended September 2018 lower by 1.45% or 26.5 points to close at 1,793 points. On a year-to-date basis, the FBMKLCI is marginally lower by 0.20%. September saw net buying from foreign investors primarily due to the FTSE rebalancing exercise with cumulative foreign inflow of RM66 million, the first month of inflow since April 2018. Despite net foreign inflow for the month, total outflow for September 2018 amounted to RM8.5 billion vs. net inflow of RM10.8 billion in 2017. During the month, the MYR weakened by 0.7% to close at RM4.14/USD, the 10-Year MGS was higher by 3bps to 4.06% and Brent crude oil skyrocketed to USD82.72 per barrel, higher by 6.8% month-on-month ("m-o-m").

September saw the FBMKLCI succumbed to selling pressure as investors locked in gains made in the previous month on worries that the USD200 million trade tariff imposed on China may impact global growth and Emerging Markets currencies. The downtrend was exacerbated by the financial crisis in Argentina which led investors to flee the Peso, causing worry of a contagion effect in emerging markets. Sentiment in the local bourse was further affected by the announcement of the cancellation of 3 China-backed projects (the ECRL and the 2 gas pipeline projects estimated at USD23 billion) and the deferment of HSR to September 2020, which sent the Construction Index tumbling down by 5.38% m-o-m. On the GLC-related news, a new MCMC head was announced together with new heads at FGV, PUNB, LTAT and MARA.

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

In September 2018, fixed income investors were actively taking profit from the strong performance that started in early July 2018. As a result, the MGS yield curve traded higher across most tenors (between 1 – 13 bps) with the 3-year MGS shifting the most (13 bps) to close at 3.59% from 3.46% previously. At close the 3-, 5-, 10- and 15-year MGS yields ended higher to close at 3.59% (+13 bps), 3.81% (+4 bps), 4.09% (+4 bps) and 4.49% (+2 bps) while the 30-year MGS stay unchanged at 4.91%. Bank Negara Malaysia also updated the August 2018 foreign holdings in MYR bonds. Foreign outflow is still persisting in August 2018 with RM2.4 billion of selling (YTD: -19.3 billion) mainly coming from short-term bills and MGS. As at end August 2018, foreigners held RM153.9 billion of MGS (or 40% of MGS outstanding), RM13.2 billion in MGII and RM2.6 billion in short-term bills. Total foreign holdings of MYR fixed income instruments stood at 24% of outstanding.

September 2018 was filled with public holidays which caused the MYR credit/Sukuk trading volume dropped to RM9.5 billion compared to RM13.5 billion in August 2018. Most of the trades were AAA- and AA-rated instruments. MYR Credit spreads continued to narrow by 1 to 12 bps across the entire credit curve rubbing off the impact from FOMC hike and higher UST yield. Demand for corporate bonds remains healthy despite moderately higher MGS/MGII.

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