

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	1.85 million units (30 June 2017)
Fund Size	RM2.63 million (30 June 2017)
Unit NAV	RM1.4247 (30 June 2017)
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

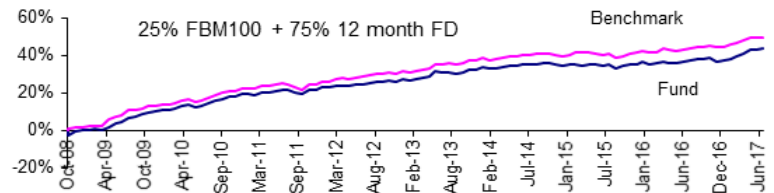
ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	74.92%
Sun Life Malaysia Growth Fund	25.04%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	74.92%
Sun Life Malaysia Growth Fund	25.04%
Cash	0.04%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	4.60	0.31	1.66	4.60	5.08	6.36	43.65
Benchmark	3.43	0.23	1.04	3.43	4.52	6.71	49.90

*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 June 2017, the Fund gained 0.31% outperforming the benchmark by 0.08%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") continued to drift sideways in June, falling marginally by 0.12%. For the first half of 2017, the FBMKLCI has risen 7.4%. Notable events during the month include: 1) UK Election resulting in a minority government; 2) Macron victory in French Election; 3) Qatar being sanctioned by its neighbours for alleged terrorism funding; 4) Brent breaking below USD50/barrel to a low of USD44.82/barrel; 5) United States Federal Reserve (Fed) raising rates by 0.25 bps and impending balance sheet normalization; 6) China A-shares inclusion in MSCI in 2018; 6) Speculation of ECB QE tapering by 2018. Meanwhile, the local market was negatively surprised by the suspension of Felda Global Venture's CEO and CFO. The Ringgit ("MYR") touched a low of 4.2580 before closing the month at 4.2928 (weakened 0.3% m-o-m).

The local market turned slightly cautious as foreign net buying tapered off to RM0.4m in June, with cumulative six months of 2017 net inflows at RM10.7 billion. As valuations have expanded, we are watching for earnings recovery to support a higher market in the second half of 2017, provided that commodity prices remain stable. We expect Chinese presence to continue to feature prominently in Malaysia across various sectors, e.g. banking, automotive, construction and tourism. We see Government-linked Companies ("GLC") restructuring switching into execution gear in the second half of 2017 as market awaits actual delivery. While valuations have expanded, we will rotate into laggards with better upside within our preferred sectors, such as banks, construction and tourism. GLC restructuring and e-commerce companies remain core holdings in our portfolios.

The Malaysia Government Securities ("MGS") yield curve in general moved higher across the curve. Market was relatively quiet with thin liquidity throughout the whole month due to the festive season. There was a mild sell-off which largely occurred towards the last trading day of the month. Some of the sell-off was due to portfolio rebalancing as there were some changes to the index. Meanwhile, foreign sentiment continues to improve in May. The Malaysian inflation continued to decelerate for its second month to 3.9% y-o-y in May after peaking at 5.1% in March, lending credence to BNM's view that the current inflationary pressure is temporary. Inflation is further expected to trend lower in the coming months following the drop in crude oil prices recently. With decent GDP growth we expect the central bank to keep the current policy rate unchanged throughout the year.

We continue to remain fully invested with focus on 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.