

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	5.13 million units (31 July 2017)
Fund Size	RM8.65 million (31 July 2017)
Unit NAV	RM1.6848 (31 July 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"> Want a balanced portfolio between equities and bonds Are risk neutral between bonds and equities
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

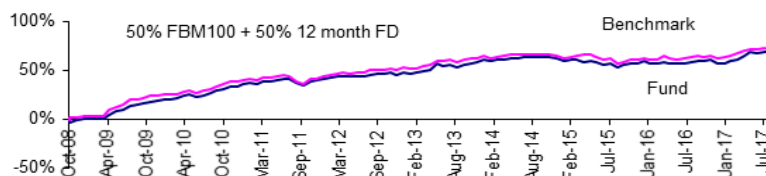
ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	49.78%
Sun Life Malaysia Growth Fund	50.16%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	49.78%
Sun Life Malaysia Growth Fund	50.16%
Cash	0.16%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	7.59	0.42	0.69	6.28	7.23	3.66	69.87
Benchmark	5.34	-0.04	0.11	4.04	5.58	3.24	72.48

* 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 July 2017, the Fund rose by 0.42% outperforming the benchmark by 0.46%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMVKLCI) was lackluster in July, falling 0.21% to close at 1,760 points. The key highlight during the month was the listing of Lotte Chemical Titan (Lotte), the largest initial public offering since 2012. The stock fell at debut due to weak investor demand and suffered another sharp drop after it announced a 72% decline in its second quarter net profit. Lotte closed the month at RM4.70 or 27% below its IPO price of RM6.50. Meanwhile, the key measures announced by the government at this year's Invest Malaysia were: 1) launch of the Leading Entrepreneur Accelerator Platform (LEAP) market; 2) plans to establish an integrity and governance unit at Government-linked Companies (GLCs); and 3) greater gender diversity and corporate governance in Corporate Malaysia.

The local market is in a consolidation stage with foreign inflows moderating as we enter seasonal holiday months in the western world. Investors are now awaiting fresh catalysts before market can resume its uptrend. Key catalysts include: 1) the East Coast Rail Link contracts being announced; 2) an upgrade in earnings estimates following second quarter earnings season; and 3) resumption of foreign flows into the equity market. Nevertheless, we are cautious in the short term in chasing beta stocks given that there may potentially be headwinds from the reduction of the US Federal Reserve balance sheet heading into September. We continue to like construction, tourism and e-commerce/logistics names. GLC restructuring and banks remain core holdings in our portfolios.

The MGS yields traded higher along the belly of the yield curve in July with yields wider by 1 to 6 bps for the 5-year to 15-year MGS. The mild correction continued into July as market players were cautious to the potential tightening of monetary policy by the developed markets. Meanwhile, inflation continued to decelerate to 3.6% y-o-y in June after peaking at 5.1% in March. Inflation is further expected to trend lower in the coming months following the drop in crude oil prices recently. During the month, the central bank kept its policy rate unchanged on 13 July and shows little inclination to adjust monetary policy despite the strong growth and higher inflation in 1Q 2017. Nevertheless, as headline inflation expected to moderate in 2H2017 despite robust domestic demand, BNM is expected to keep its OPR unchanged in 2017.

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.