

## 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	5.31 million units (31 December 2016)
Fund Size	RM 8.31 million 31 December 2016)
Unit NAV	RM 1.5660 (31 December 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	<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>
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"> <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

## ASSET ALLOCATION

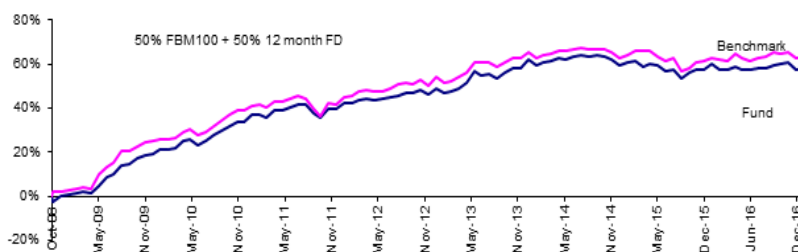
Sun Life Malaysia Conservative Fund	50.26%
Sun Life Malaysia Growth Fund	49.74%

## WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	50.26%
Sun Life Malaysia Growth Fund	49.74%
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>	-1.48	0.42	-1.27	0.06	-1.48	-2.39	57.89
<b>Benchmark</b>	0.40	0.56	-0.48	0.56	0.40	-0.84	63.74

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 December 2016, the Fund gained by 0.42% underperforming the benchmark by a 0.14%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) rebounded by 1.4% in December due to year-end window dressing. For the full year, the market ended down 3%, the third consecutive year of negative returns (2015: -3.9%, 2014: -5.6%).

We think that the FBMKLCI will continue to trade in a tight cautious range going into 1Q2017 as: 1) Malaysian Ringgit (MYR) remains challenged by foreign portfolio outflows, particularly from the Malaysian Government Securities (MGS) market and a weaker Chinese Renminbi (RMB); 2) lack of evidence of any improvements in earnings; and 3) lack of clarity on the macro front from "Trumponomics". However, we do not discount the traditional "January effect" to be in force in the first few weeks of the year and will utilize this rally to book profits. We believe that stock picking will remain key and any dips from macro concerns are buying opportunities. We continue to overweight construction and Government-Linked Companies (GLCs) in the services, plantations and utilities sectors that fit into our Malaysian GLC restructuring theme. We continue to seek growth ideas in the small to mid cap space.

The Malaysian fixed income market was volatile in December with bond yields shifting lower across the yield curve in December. Meanwhile, trading volume for corporate bonds was RM7.5 billion, down 28.5% from RM10 billion previously. Focus remained in the AA and GG segment whereby credit spread widened for the 3 and 5 years as the levels for the government bonds traded lower. It was a mixed action for the other tenures.

We expect the fixed income market to be volatile in the near term driven by external uncertainties from US Fed tightening, political developments in Europe and future US policies under Trump.

We have a preference for sovereign MYR bonds due to the better valuations especially as corporate spreads has tightened significantly post US election. However, weak MYR, longer tenured government bond new issuance and the still high foreign ownership in MGS may prove to be a hurdle to any rallies in the MGS. In the credit segment, we continue to remain selective as downgrades and defaults on credit market may be increasing in 2017 in view of potential slower domestic growth.

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.