

### 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	1.60 million units (30 April 2020)	Fund Size	RM2.46 million (30 April 2020)
Unit NAV	RM1.5403 (30 April 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	25% FBM100 + 75% 12 month FD
Taxation	8% of annual investment income	Other Charges	Inclusive of auditor fee
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>Want a diversified portfolio in equities but higher exposure in bonds</li> <li>Prefer less volatile performance and want slightly higher gains than bond return</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>

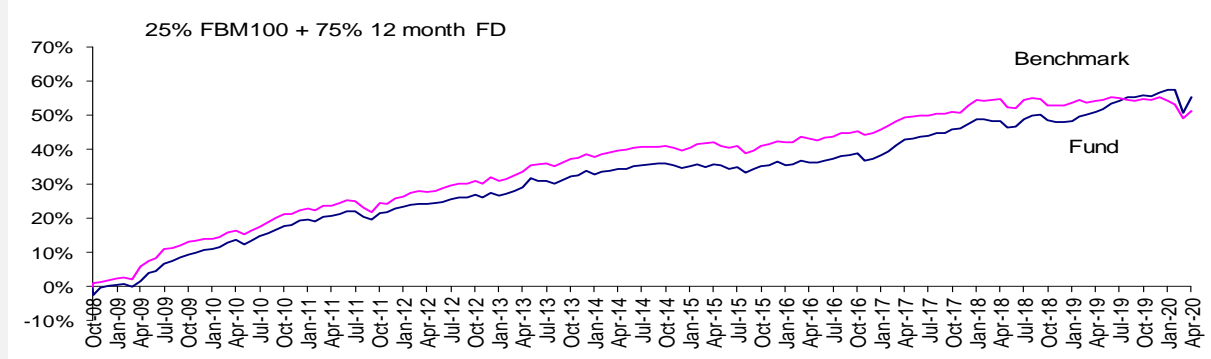
### ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund
75.00%	25.00%

### WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund	Cash	Total
74.84%	25.26%	-0.09%	100.00%

## PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund*</b>	-0.94	3.00	2.74	8.62	14.49	36.77	55.30
<b>Benchmark</b>	-2.59	1.55	-1.87	1.35	6.55	30.06	51.43

\* 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

In April 2020, the Fund's performance increased by 3.00%, outperforming the benchmark by 1.45%.

A liquidity driven relief rally lifted The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") by 4.2% in Apr, trimming YTD loss to 11.4%. Small and mid-cap stocks, led mainly by technology stocks, staged a much stronger rebound as the FBM Small Cap Index surged 20.2% in Apr. The sharp turnaround in investors' sentiment was driven by coordinated fiscal and monetary responses globally following the Covid-19 outbreak which led to a sharp recession as economic activities came to a halt. Within the energy market, sentiment has also improved as OPEC+ agreed to cut production by 9.7m bpd although it remains doubtful whether it is enough to stem the near-term supply glut which led to continued volatility in the commodity market. The Malaysian federal government has started easing its movement control order (MCO), which was implemented almost 7 weeks ago on 18 Mar, as it transitioned into conditional movement control order (CMCO) phase from 4 May with more relaxed social distancing rules. Note that since MCO was implemented, new cases have peaked in end Mar and has been on a declining trend since. Nevertheless, the increasing number of new cases detected among foreign workers is a concern which led to the government calling for mandatory screening of all foreign workers. Malaysia has also implemented RM250bn fiscal stimulus package as well as cut its overnight policy rate (OPR) by 100bps YTD to 2.0% to counter the effect of MCO and Covid-19.

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

In April 2020, the Government announced the third stimulus package of another RM10 billion targeted to provide financial relief to the SMEs. The additional fiscal spending is estimated to increase the fiscal deficit by 0.7% to 4.7% of GDP. In conjunction with the release of BNM's 2019 Annual Report, BNM revised the 2020 real GDP forecast to a range of -2.0% and +0.5%. BNM sees overall risks to 2020 growth tilted to the downside arising from (1) prolonged and wider spread of COVID-19, (2) larger drags to external demand from weaker global economy, (3) recurring supply disruptions in commodities and (4) tighter financial conditions. Further, the domestic economy is expected to be affected by decline in crude oil prices on the assumption 2020 oil prices averaging \$25 - \$35/bbl. Meanwhile, Fitch has reaffirmed Malaysia's rating at A-but lowered the outlook to negative from stable. For MYR fixed income strategy, we expect at least one more rate cut on the OPR by BNM in the May meeting. As such, we are looking to extend duration in the near-term, though we are in no rush to do this given the looming uncertainties on COVID-19, the potential widening of Malaysia's fiscal deficit and additional supply of government bonds. We remain cognizant that credit metrics for corporates may weaken in the near-term and we will continue our bottom-up approach on credit selection to avoid any risk on credit migration.

Source : *Principal Asset Management Bhd*  
Date : 30 April 2020

**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.