

FUND OBJECTIVE

To provide a mixed exposure into equities and bonds, with higher allocation into equities.

FUND DETAILS

Launch Date	20 October 2008
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	3.47 million units (31 January 2018)
Fund Size	RM7.35 million (31 January 2018)
Unit NAV	RM2.1189 (31 January 2018)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	75% FBM100 + 25% 12 month FD
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> Want a portfolio with higher exposure in equities Preference to higher equity exposure for potentially higher capital appreciation Need to reduce risk by investing in diversified bond portfolio Prefer investing in bonds to cushion fund volatility
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

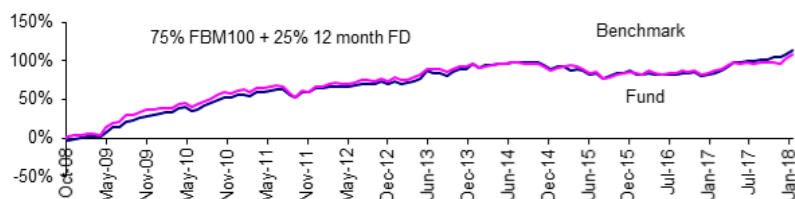
ASSET ALLOCATION

Sun Life Malaysia Growth Fund	75.07%
Sun Life Malaysia Conservative Fund	24.85%

WHERE THE FUND INVESTS

Sun Life Malaysia Growth Fund	75.07%
Sun Life Malaysia Conservative Fund	24.85%
Cash	0.08%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	2.06	2.06	4.35	6.79	15.83	11.16	113.64
Benchmark	2.73	2.73	5.27	5.72	11.34	9.47	108.39

* 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 January 2018, the Fund increased 2.06%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) had a strong start in January, jumping 72 basis points (bps) or 4.0% to 1,868 bps, on the back of a stronger Ringgit, higher oil prices, net foreign inflows, hike in overnight policy rate and overall stronger global economies. In January, foreign investors were net buyers of RM3.4 billion vs RM10.3 billion in the whole of 2017. Brent crude oil price closed at USD69.05/barrel, while the Ringgit appreciated 3.8% to close at MYR3.8985. Despite this, the FBMKLCI still underperformed the MSCI Asia Pacific ex-Japan, which gained 6.7% in January.

There is no change to our positive view on Malaysia. We expect better corporate earnings in the upcoming results season to provide further support to the market. We will stay invested and take the current market pullback as a buying opportunity as we stay on course for the run up to the 14th General Election (GE14). External market risks will come if central banks tighten more aggressively than anticipated, in reaction to stronger-than-expected core inflation. Our base case is that we will not see runaway inflation and that central banks will continue to tighten gradually to ensure that the synchronised global economic recovery stays on course. Nevertheless, we will take advantage of the market volatility to reduce portfolio risk as we approach GE14. Our favoured sectors are financials, e-commerce/logistics, tourism, consumer and technology.

BNM delivered 25 bps of anticipated rate hike in January and market is expecting the central bank to pause for the rest of 2018. Further interest rate direction will depend on the second half of 2018 outlook. Post BNM announcement, the government bond yield curve bear flattened slightly which saw short-dated bonds traded relatively higher. Yield on the 1 - 5-year were higher by 8 - 28 bps while the longer dated government bonds were relatively unchanged. Credit spreads tightened as a consequence following the movement in MGS, more apparent on the 3 - 5-year buckets.

We prefer to maintain our investment in credit segment for stable and higher total return but will participate in the government bond market if trading opportunity arises. On technical note, we prefer AA-rated fixed income investment as supply is expected to be less compared to Government Guaranteed securities.

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.