

## 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	1.89 million units (30 November 2016)
Fund Size	RM 2.56 million (30 November 2016)
Unit NAV	RM 1.3560 (30 November 2016)
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"> <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>
Taxation	8% of annual investment income

## ASSET ALLOCATION

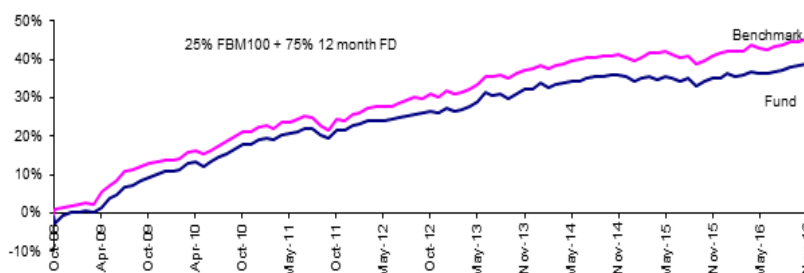
Sun Life Malaysia Conservative Fund	75.20%
Sun Life Malaysia Growth Fund	24.80%

## WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	75.20%
Sun Life Malaysia Growth Fund	24.80%
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>	0.09	-1.56	-1.00	0.31	1.06	3.31	36.72
<b>Benchmark</b>	1.40	-0.68	-0.32	1.20	1.97	4.93	44.34

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 November 2016, the Fund fell by 1.56% underperforming the benchmark by a 0.88%.

FBMKLCI fell 3.2% in November due to global uncertainties arising from the outcomes of the recent US presidential election. The Ringgit weakened 6% m-o-m and 10-year Malaysian Government Securities ("MGS") yield spiked up to 4.35% (+75bps m-o-m), on rising fears of an eventual US rate hike.

We remain cautious going into 1Q2017 as: 1) earnings season in 3Q16 was fairly disappointing and our initial assumption of some form of earnings stability is further delayed; and 2) the Ringgit remains challenged by foreign portfolio outflows. In light of our cautious view, we have extended the bottom end of our asset allocation band. However, if we were to take a longer term view, there is valuation support for the market at 1.7 times price-to-book versus 5-year averages of 2.0 times. In this uncertain environment, stock picking is key and any dips from macro concerns are buying opportunities. We continue to overweight construction and government-linked companies in the services, plantations and utilities sectors that fit into our Malaysian GLC restructuring theme. From a research perspective, we seek alpha in small capitalization companies.

For fixed income, the Malaysian bond market was hit by the surprise result of the U.S. election which triggered heavy selling of MGS in the month of November amidst broad based outflows from emerging markets. The shorter to middle part of the MGS curve the worst hit. Meanwhile, trading volume for corporate bonds amounted to RM10.5 billion in November, down 28% from RM14.5 billion previously, with much of the trading activity concentrated in guaranteed AAA-rated and also AA names.

The local market is expected to still be volatile in December due to continued foreign outflows and lack of liquidity coming into the final month of the year. Investors may prefer to stay on the sidelines until after the US FOMC meeting in December as there is an increased probability that the Fed will hike rates at a faster pace than what was previously expected. The corporate sukuk market is expected to be quiet until MGS stabilizes. We have a preference for sovereign MYR bonds especially as corporate spreads has tightened significantly post US election and also given that we are still cautious of rising risks of rating downgrades and defaults in the credit market amidst the protracted slow environment.

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.