

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	3.60 million units (31 March 2017)
Fund Size	RM6.91 million (31 March 2017)
Unit NAV	RM1.9182 (31 March 2017)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	75% FBM100 + 25% 12 month FD

Risk Profile	Suitable for investors:
	<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	The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund which applies the following fund management charges:
	<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
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ASSET ALLOCATION

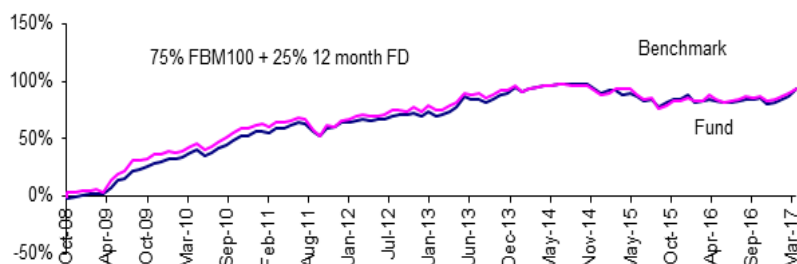
Sun Life Malaysia Growth Fund	75.08%
Sun Life Malaysia Conservative Fund	24.90%

WHERE THE FUND INVESTS

Sun Life Malaysia Growth Fund	75.08%
Sun Life Malaysia Conservative Fund	24.90%
Cash	0.02%
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
Fund*	6.54	3.40	6.54	4.57	4.63	(0.95)	93.41
Benchmark	5.64	2.42	5.64	4.47	3.33	(0.18)	94.33

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 March 2017, the Fund gained 3.40% outperforming the benchmark by 0.98%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLIC) rallied further by 2.73% in March led by inflows from foreign funds. Government-linked Companies (GLC) restructuring remains a key theme – UMW Holdings Bhd and Sime Darby Bhd led gainers for the consumer discretionary and industrials sector.

The local market continues to be bullish, led by huge foreign inflows from funds that remain very underweight on Malaysia. Foreign inflows continue to trend higher with net inflows amounting to RM5.7 billion for the first quarter of 2017 and RM4.4 billion in March itself. Given that our 1,750 target has been reached, we have raised our year end target to 1,820-1,850. The trend remains bullish with local selling remaining well absorbed by foreign buying. We anticipate earnings upgrades to continue to drive the market higher. We continue to overweight cyclical sectors like oil and gas, banks, consumer discretionary and tourism related-companies. GLC restructuring and e-commerce companies remain core holdings in our portfolios.

For fixed income, the Malaysia Government Securities (MGS) yield curve bear flattened in March 2017. The MGS curve had initially bull flattened following the FOMC meeting when the Federal Reserve proved less aggressive than priced in by the market, but uncertainty in the market amid various Fed-speaks and the formalization of Brexit ended the month with rising risk-off sentiment. Trading volume for corporate bonds increased to RM11.82 billion from RM11.08 billion the previous month. Trading interest picked up in Quasi-government issuers, GG and AAA segments. 3 years, 5 years and 10 years credit spread saw the most tightening due to continued weakness in sovereign bonds.

Malaysia's inflation surged to 4.5% in February 2017, more than expected. Nevertheless we expect BNM to maintain the OPR at current levels this year to support economic growth. In view of the large supply of corporate bonds in the pipeline, we will raise cash by taking profit on existing holdings. We are overweight on corporate bonds and aim to switch into primary issuances that offer attractive spreads. We will participate in new benchmark government auctions opportunistically where we see value. Nevertheless, we will be cautious as the 2017 auction calendar for government issuances poses a steepening risk due to the focus on long-tenor issuances and defaults in the credit market and will overweight fundamentals in our portfolio activities.

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.