

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	5.07 million units (31 August 2016)
Fund Size	RM 8.04 million (31 August 2016)
Unit NAV	RM 1.5843 (31 August 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	Suitable for investors:
	<ul style="list-style-type: none"> Want a balanced portfolio between equities and bonds Are risk neutral between bonds and equities

The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund which applies the following fund management charges:

Fees	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

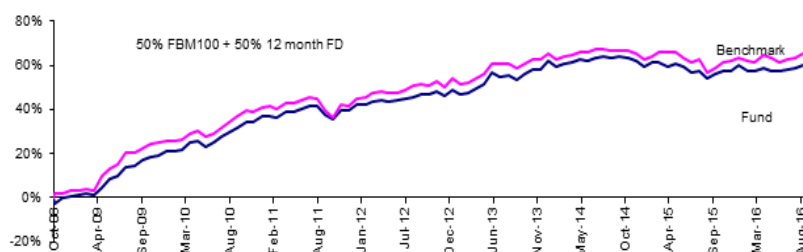
Sun Life Malaysia Conservative Fund	50.13%
Sun Life Malaysia Growth Fund	49.87%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	50.13%
Sun Life Malaysia Growth Fund	49.87%
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
Fund*	-0.33	0.83	1.49	1.44	3.86	3.97	59.74
Benchmark	1.25	1.07	2.25	2.14	5.25	4.14	65.11

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 August 2016, the Fund gained 0.83%. Nevertheless, the fund underperformed the benchmark by 0.24%.

In August 2016, the Malaysian equity market rose by 1.5% driven by optimism of an early elections in 2017, crude oil prices increased 7.5% month-on-month ("m-o-m") and CPO prices up 18% m-o-m. The FBM Kuala Lumpur Composite Index ("FBMKLCI") continues to be on an upward bias with a revised short term range between 1650 and 1730 points. We are generally slightly more bullish on the market given; (1) downgrades in earnings appears to have stabilized, (2) optimism of new leadership at PNB driving reforms at investee GLC companies, (3) expectations of more stimulus by the government to support growth especially in the upcoming budget 2017, and (4) supportive valuations at 1.8 times Price/book ratio versus 10 year averages of 2.0 times. From a regional perspective, Malaysia remains defensive and could continue to benefit from more inflows from foreigners. Year-to-date ("YTD") foreign inflows only recorded RM2.3 billion YTD and RM1.6 billion month-to-date.

We continue to overweight on high dividend yielders such as REITs, construction, utilities and selective services companies and underweight banks. We have been adding more into GLC companies in the services, plantations and property companies that will fit into our Malaysian GLC restructuring theme which was mentioned last month. We continue to seek ideas in the affordable property sector and areas in the selective services sectors that have both growth and yield.

For fixed income, the Malaysian Government Securities ("MGS") traded lower by 1 - 8 bps along the curve with yields lower on the longer end and relatively unchanged on the short to mid of the curve. The MGS yields rallied in the early part of the month before profit taking activities pushed the levels back closer to the previous month's closed in respond to the hawkish statements by some of the U.S FOMC members. Trading volume for corporate bonds increased in August and credit spreads tightened across the curve due to strong demand and from lack of supply. The prospect of a Fed hike in September is back following hawkish rhetoric by some of the FOMC members despite mixed US economic data. We expect the local sovereign market to be volatile ahead of the FOMC meeting but the accommodative monetary policy by the other global central banks should provide some support. The corporate bond market is also expected to be well supported in the near term due to the lack of supply in the primary pipeline and the ample liquidity of local institutional players. We will focus on both corporate bond primary and repriced secondary issuances especially the AA rated issuances for yield pick up.

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.