

## 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 (28 February 2017)
Fund Size	RM2.62 million (28 February 2017)
Unit NAV	RM1.3838 (28 February 2017)
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

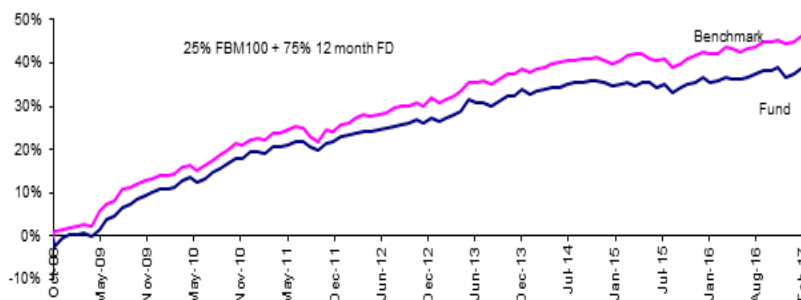
Sun Life Malaysia Conservative Fund	75.10%
Sun Life Malaysia Growth Fund	24.86%

## WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	75.10%
Sun Life Malaysia Growth Fund	24.86%
Cash	0.04%
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>	1.59	0.75	2.05	1.03	2.75	4.53	39.52
<b>Benchmark</b>	1.38	0.63	1.79	1.47	3.39	6.07	46.93

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 February 2017, the Fund gained 0.75% outperforming the benchmark by 0.12%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) rallied further by 1.33% in February led by inflows from foreign funds. Government-linked companies (GLC) restructuring remains a key theme as UMW and Sime Darby led gainers for the consumer discretionary and industrial sectors.

The local market remains well bid with bullish undertones led by foreign flows that remain very underweight on Malaysia. Year-to-date foreign inflows continued to trend higher with inflows amounting to USD293 million. We anticipate that corrections would be shallow and the market is likely to scale to 1,750 points in the short term. 4Q16 earnings season has just ended in a mixed bag, but the earnings revision ratio remains much higher than in the previous quarter, indicating very low earnings expectations. We anticipate upgrades will continue to drive the market higher. Sector rotation remains a key strategy and we have started to rotate towards more cyclical sectors like oil and gas, banks, consumer discretionary and aviation in anticipation of a cyclical economic recovery in Malaysia. GLC restructuring and e-commerce plays remain core holdings in our portfolios.

For fixed income, the Malaysia Government Securities (MGS) yield curve flattened in February as market regained its conviction to extend duration. However, the sovereign market ended the month on a softer note due to weakened sentiments ahead of Trump's first address to a joint session of Congress and heightened expectations of a possible March Fed hike. Trading volume for corporate bonds was RM11.08 billion, slightly lower than the previous month's volume of RM11.2 billion. Focus remained in the AA and GG segment. During the month, credit spreads tightened across most tenors especially for the AAA segment. The shorter 3 and 5 years paper saw the most tightening as the Government bonds there were sold off.

We expect the market to be volatile and investors to adopt a cautious stance in the near term ahead of further news on Trump's budget and tax plans, the FOMC meeting slated for mid March, as well as the sizeable MGS maturities in March. In view of the large supply of sovereign and corporate bonds in the pipeline, we will raise cash by taking profit on existing holdings and participate in new benchmark government auctions and primary corporate issuances opportunistically where we see value. In the corporate bond space, we will focus on corporate bonds from the primary and secondary market that offer better spreads. Nonetheless, we remain aware of rising risks of rating downgrades 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.