

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	1.94 million units (31 July 2016)
Fund Size	RM 2.64 million (31 July 2016)
Unit NAV	RM 1.3618 (31 July 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"> Want a diversified portfolio in equities but higher exposure in bonds Prefer less volatile performance and want slightly higher gains than bond return
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

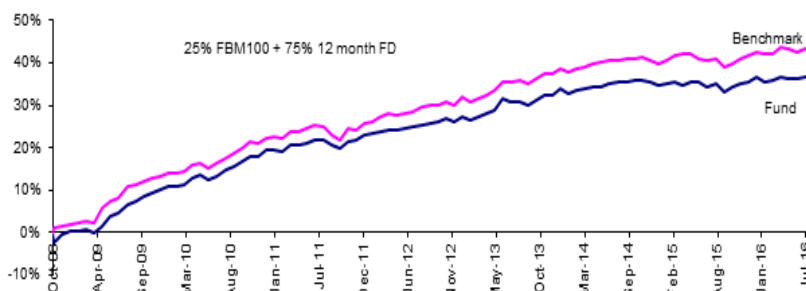
Sun Life Malaysia Conservative Fund	74.90%
Sun Life Malaysia Growth Fund	25.10%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	74.90%
Sun Life Malaysia Growth Fund	25.10%
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*	0.52	0.44	0.74	1.35	1.72	4.90	37.31
Benchmark	1.05	0.30	0.50	1.27	1.95	5.86	43.85

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

The Fund's performance for the month of July 2016 rose by 0.44%. Nevertheless, the Fund outperformed the benchmark by 0.14%.

In July 2016, the Malaysian equity market remained flat for the month despite oil prices receding by 13.9% to USD41.6 per barrel and heightened political noise. We maintain the view that the FBM Kuala Lumpur Composite Index ("FBMKLCCI") will continue to trade in a range of 1620 – 1720 points in the short term with key catalysts being: 1) stabilisation of earnings in the upcoming second quarter of 2016 results; 2) speculation of early elections in first half of 2017 and 3) more stimulus by the government to support growth. On 13 July 2016, Bank Negara Malaysia ("BNM") cut the Overnight Policy Rate ("OPR") earlier than expected by 25 basis points ("bps") from 3.25% to 3.00%. From a regional perspective, Malaysia continues to be a laggard market and may see inflows from foreigners.

Stock picking remains key to alpha generation and we remain selective; we continue to like high dividend yielders such as REITs, Construction, Utilities and selective services companies. From a research perspective, we seek ideas in the Malaysian Government Linked Companies ("GLC") restructuring story, which will be an ongoing theme within Corporate Malaysia in the next 12 months, especially when revenues and profitability remain challenging. These include companies in the Plantation, Property and Services sectors. For fixed income, the Malaysian Government Securities ("MGS") saw bond yields tightening post-Brexit and on the back of the surprise 25 bps OPR by BNM. The MGS curve shifted lower throughout the curve in June 2016. Trading volume for corporate bonds decreased in July 2016 due to the holiday shortened month with trades centred around GGs and AAs space. The expected easing policy stance by the global central banks should be supportive of Malaysian sovereign yields. The corporate bond market is 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.