

## 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 January 2017)
Fund Size	RM6.59 million (31 January 2017)
Unit NAV	RM1.8293 (31 January 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:

- 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:

- 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

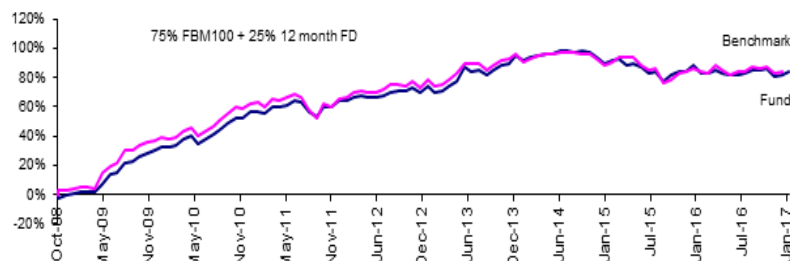
Sun Life Malaysia Growth Fund	75.17%
Sun Life Malaysia Conservative Fund	24.83%

## WHERE THE FUND INVESTS

Sun Life Malaysia Growth Fund	75.17%
Sun Life Malaysia Conservative Fund	24.83%
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*	1.60	1.60	-1.04	0.87	1.08	-3.84	84.44
Benchmark	1.75	1.75	-0.12	1.44	1.91	-2.07	87.17

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 January 2017, the Fund gained 1.60% underperforming the benchmark by 0.15%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLIC) rebounded by 1.8% in January 2017 as local funds deployed their excess cash to reposition for the new year. Corporate news on GLC reforms particularly PNB related companies have increased optimism that the GLC restructuring is gathering momentum. We maintained the view that the local market will remain choppy and will trade between 1,650 - 1,750 points with a slight upward bias. Potential positive catalysts are: 1) 4Q16 earnings season does not disappoint followed by earnings upgrades for 2017, 2) further evidence of corporate exercise on GLC restructuring to unlock values, 3) speculation of early elections. Foreign investors still have an underweight exposure in Malaysia and from a valuation and currency perspective, Malaysia remains fairly compelling. We have recently upgraded plantations to an overweight and continue to be constructive on companies that will benefit from GLC restructuring theme in sectors such as Telecommunications, Plantations and Services. We continue to seek growth ideas in the aviation and tourism related sectors.

For fixed income, The MGS yield curve normalized in January 2017 following an inverted yield curve in December 2016 as 30-year MGS was traded lower versus the 20-year MGS. Consequently, yield curve bull steepened as demand on the shorter end from 15-year below pushed the yields lower versus a month ago. Trading volume for corporate bonds was higher than previous month as market players start to rebuild portfolios for the new financial year. Focus remained in the AA and GG segment. During the month, credit spread widened for the 3 and 5 years with mixed action for the other tenures. We see continued risk and volatility to come from uncertainties with regards to the tightening by the US Fed, future US policies/rhetoric under Donald Trump and political developments in the Eurozone. Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) unchanged at 3.00% as expected during its first meeting of the year in January. The tone of the Monetary Policy Committee's (MPC) statement was broadly neutral. Despite the recent rally in sovereign market in December 2016 and January 2017, the MGS and MGII valuations are still relatively attractive taking into consideration OPR is expected to stay unchanged for 2017. For corporate bonds, we expect corporate bonds spread to move wider with new issuances coming into the market.

We will be looking to put money to work in MGS and GIIIs with preference on the short to medium tenors. We will be cautious as the large and more frequent 2017 MGS/MGII issuances could see longer dated yields remain elevated. We will participate in the MGS/MGII auctions for opportunistic trade based on attractive valuations. We also propose to switch into re-priced short to medium lower rated corporate bonds from the primary and secondary market for yield pickup.

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.