

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	7.78 million units (29 November 2019)	Fund Size	RM13.82 million (29 November 2019)
Unit NAV	RM1.7751 (29 November 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	50% FBM100 + 50% 12 month FD
Taxation	8% of annual investment income	Other Charges	Inclusive of auditor fee
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 	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

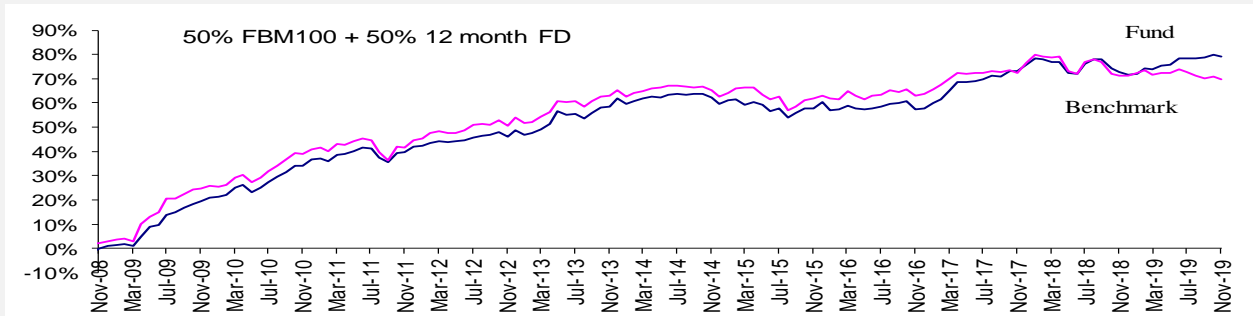
ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund
50.00%	50.00%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund	Cash	Total
49.50%	50.41%	0.09%	100.00%

PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	4.34	-0.46	0.26	1.81	3.70	13.82	78.98
Benchmark	-0.94	-0.81	-0.89	-1.64	-0.96	4.17	69.61

* 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

In November 2019, the Fund's performance decreased by 0.46%, but outperforming the benchmark by 0.35%.

KLCI dipped 2.3% in Nov (YTD: -7.6%). While this was in line with regional market performance (MSCI ASEAN lost 1.8% in Nov), the local bourse was also dragged by the sharp sell-down of TNB (-4.1%) on the last trading day of the month following the announcement of further back taxes imposed by IRB amounting to RM4bn. Malaysian GDP growth slowed to 4.4% in 3Q19 (slowest in a year) vs 4.9% in 2Q19. The slowdown was broad-based amid external headwinds and domestic fiscal consolidation. Private consumption remains the main engine of growth, but its pace has normalized to 7% (2Q19: 7.8%) amid dampened consumer sentiment. Although public investment slump of -14.1% in 3Q19 was not a surprise due to disruption caused by review of mega infrastructure projects, the near-stagnant private investment of +0.3% (2Q19: +1.8%) was a concern. Net external demand growth remains in double digit but has also slowed given the trade tension (3Q19: +15.9%, 2Q19: +22.9%). Going into 2020, we expect Malaysian economic growth to remain moderate as external headwinds are mitigated by more growth-oriented Budget 2020 (higher fiscal deficit, resumption of mega projects) and recent OPR and SRR cuts by BNM.

FUND MANAGER'S COMMENTS (CONTINUED)

Global sentiment surrounding bond flow remained driven by the US-China trade talks as investors watching the progress of the trade development after the prospect of phase one trade agreement turned sour following President Trump signing a controversial bill related to Hong Kong's autonomy status. China is now pushing for US tariff rollback as a condition for the phase one trade deal to happen. Domestically, BNM kept the Overnight Policy Rate ("OPR") unchanged at 3.00% in its final meeting of the year while keeping its still resilient domestic growth forecast for 2019 at 4.3%-4.8% though it reiterated that the global economy is expanding at a more moderate pace. It opines that the slowdown is becoming more synchronized across both the advanced and emerging economies. Overall, BNM expects the Malaysian economy will stay within its 2019 projections and continued to be sustained going into 2020. BNM announced a surprise cut in Statutory Reserve Requirement ("SRR") by 50bps to 3.0% effective 16th November, the first reduction since 2016. The cut in SRR would free up RM7.4 billion to the banking system in terms of better liquidity management and is seen positive for loan growth and economic activities.

Source : *Principal Asset Management Bhd*
Date : *29 November 2019*

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.