

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	1.88 million units (30 April 2017)
Fund Size	RM2.67 million (30 April 2017)
Unit NAV	RM1.4181 (30 April 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"> 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

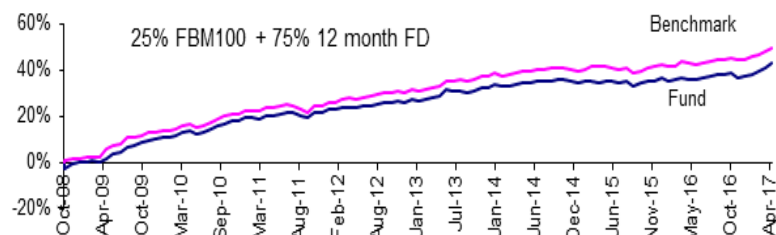
Sun Life Malaysia Conservative Fund	74.24%
Sun Life Malaysia Growth Fund	25.76%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	74.24%
Sun Life Malaysia Growth Fund	25.76%
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*	4.11	1.18	3.25	2.95	4.90	6.38	42.98
Benchmark	3.10	0.71	2.33	2.81	4.39	6.95	49.42

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 FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) rose another 1.6% in April, driven by inflows from foreign funds. The Ringgit (RM) strengthened 1.9% from RM4.425 to RM4.341 during the month. Bank Negara Malaysia (BNM) released their second series of initiatives to develop the onshore financial market by (1) allowing all residents to participate in short-selling activities; and (2) allowing registered non-bank entities to fully hedge their underlying assets. These became effective on 2 May 2017. Malaysia's March headline inflation hit a high of 5.1% y-o-y, fuelled mainly by transport cost.

The local market continues to be bullish, led by net foreign inflows from funds that remain underweight on Malaysia. Year-to-date April 2017, net foreign inflows amounted to RM8.3 billion, with RM2.6 billion inflows in April itself. We will keep our FBMKLCI year end target of 1,820 - 1,850 points as we expect the upcoming 1Q17 results season to drive the market higher. We continue to prefer cyclicals over defensives, maintaining exposure in banks, oil and gas and tourism related-companies. GLC restructuring and e-commerce companies remain core holdings in our portfolios.

For fixed income, the Malaysia Government Securities (MGS) yield curve bull steepened in April with short to medium dated bonds traded between 9 – 31 bps lower. The rally in the short end of the curve were driven by strong buying interest from local and some foreign investors following the recent announcement by BNM to allow flexibility on currency trading on the onshore market. The longer dated bonds were relatively unchanged. Trading volume for corporate bonds decreased to RM6.3 billion from RM11.8 billion the previous month. Trading interest was seen in the Quasi-government issuers, GG and AAA segments. Short end credit spreads saw the most widening due to the rally in sovereign bonds.

Malaysia's inflation surged to 5.1% in March 2017 which has increased the expectation for an OPR hike by BNM. However, we expect BNM to maintain the OPR at current levels this year to support economic growth. Foreign sentiment has improved as a result of new regulations announced by BNM which has resulted in the strengthening of the MYR. Any large inflows due to improvement in sentiment could lead to a significant rally in MGS. We expect a large supply of corporate bonds in the pipeline and target to raise cash by taking profit on existing holdings. We are overweight on corporate bonds and aim to switch into primary issuances that offer attractive spreads. We aim to have a tactical positioning on MGS and will participate in new benchmark government auctions opportunistically where we see value.

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.