

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	5.43 million units (28 February 2018)
Fund Size	RM9.58 million (28 February 2018)
Unit NAV	RM1.7649 (28 February 2018)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	50% FBM100 + 50% 12 month FD
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
Taxation	8% of annual investment income

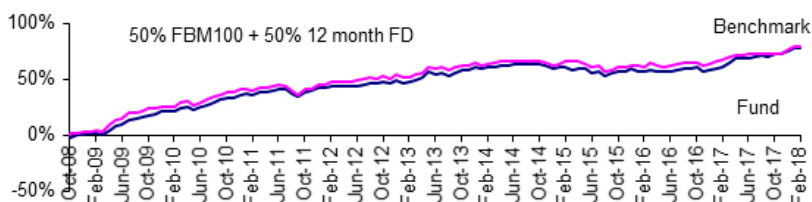
ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	50.01%
Sun Life Malaysia Growth Fund	49.99%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	50.01%
Sun Life Malaysia Growth Fund	49.99%
Cash	0.00%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	1.22	-0.25	2.89	4.00	10.14	10.20	77.95
Benchmark	1.48	-0.41	3.90	3.39	7.01	7.99	79.18

* 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 2018, the Fund decreased 0.25%.

February 2018 was a volatile month as investors began re-pricing more interest rate hikes in the United States, earlier than expected, on the back of higher inflation expectations. In line with the global rout, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) corrected 12.38 points or 0.66% to 1,856.20 points. The FBMKLCI had fallen sharply from a high of 1,870 points (2nd February 2018) to a low of 1812 (6th February 2018), before recouping most its losses by month end. Consumer price inflation eased in January 2018 to 2.7% (3.5% y-o-y in December 2017) due to currency gains and a higher base, as fuel prices and electricity tariffs were raised a year ago. In February 2018, foreign investors net sold RM1.1 billion bringing year-to-date net inflows to RM2.2 billion.

We remain optimistic on the Malaysian market. Market will remain volatile as investors digest the recent corporate earnings, monitor inflation expectations and watch global central banks dial back their balance sheets, while waiting for our own 14th General Elections (GE14) to be called. While markets may correct, we are of the view that these corrections are not the start of a bear market. Hence, we will stay invested, but continue to trim portfolio risk by reducing exposure to stocks which have risen exponentially, as we approach GE14. These include selective Construction stocks, as well as some politically-linked names. We will rotate into more liquid large cap names to raise portfolio liquidity. We continue to like Financials, Tourism and Industrials. We have also lowered our exposure to selective e-commerce/logistics names.

In February 2018, MGS yield curve saw a mild realignment as the 10-year MGS auctioned at 10bps higher at 4.06%. Yields were mostly higher by 2 – 10 bps on the 7- to 15-year bucket while the long-dated yields closed tighter by 1 – 5 bps - especially the 30-year which ended 5 bps lower at 4.86%. On domestic credit market, trading volume was lower at RM6.8 billion in February 2018 due to the festive season. This was also lower than similar period previous year's RM11 billion. Most of the trades remain focused on AA Corporates as well as Government Guaranteed. On credit spread, we saw mixed action with spreads narrowing for the 10- and 15-year across ratings while the rest saw widening. Credit spreads are narrower than the 3 years average for 10 years and longer tenure across all ratings.

On fixed income strategy and outlook, we prefer to maintain our investment in credit segment for stable and higher total return but will participate in the government bond market if trading opportunity arises. On technical note, we prefer AA-rated fixed income investment as supply is expected to be less compared to Government Guaranteed securities. Lastly, we maintain our neutral call on duration as interest rates environment globally is still on hawkish tone.

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.