

### 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	8.24 million units (31 March 2020)	Fund Size	RM13.69 million (31 March 2020)
Unit NAV	RM1.6604 (31 March 2020)	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	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>▪ Want a balanced portfolio between equities and bonds</li> <li>▪ Are risk neutral between bonds and equities</li> </ul>	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"> <li>▪ Sun Life Malaysia Growth Fund: 1.5% p.a.</li> <li>▪ Sun Life Malaysia Conservative Fund: 1.0% p.a.</li> <li>▪ There are no other fund management charges on this fund</li> </ul>

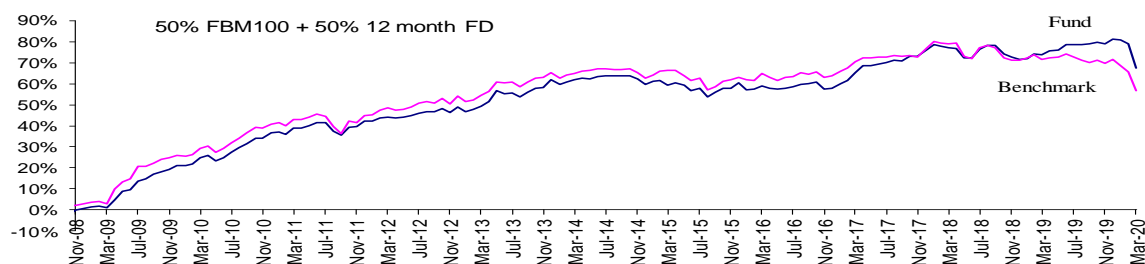
### ASSET ALLOCATION

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
48.13%	51.63%	0.24%	100.00%

### PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund*</b>	-7.52	-6.42	-3.68	1.24	5.22	34.00	67.41
<b>Benchmark</b>	-8.68	-5.40	-8.81	-8.07	-5.89	21.21	56.53

\* 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 March 2020, the Fund's performance decreased by 6.42%, underperforming the benchmark by 1.02%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") declined 8.9% in March (YTD: -14.9%) amid concerns over uncertainty in domestic politics, Covid-19 outbreak and the poor set of lackluster corporate results. Political uncertainty engulfed Malaysia again following the shocked resignation of Tun Dr Mahathir as prime minister after losing a majority support in the parliament. However, the uncertainty of not having a functioning federal government was short-lived as the King has appointed Tan Sri Muhyiddin Yasin as the 8th Prime Minister after determining that the latter is likely to get a majority support in the parliament. In his last act as interim prime minister, Tun Dr Mahathir unveiled a RM20bn stimulus package to mitigate the adverse economic impact from the Covid-19 outbreak. He furthered lower Malaysia GDP growth forecast in 2020 from 4.8% to 3.2-4.2% while raising the fiscal deficit target from 3.2% to 3.4%. Against the backdrop of a disappointing 4Q19 GDP growth of 3.6% (vs 4.1% street expectation) and a weaker PMI reading of 48.5 in Feb, BNM has followed through with its second interest rate cut this year as it lowers the Overnight Policy Rate (OPR) by 25 bps to 2.50% in its March's MPC meeting. The central bank continues to take pre-emptive measure to support the economic growth trajectory amid slower growth outlook due to the Covid-19 outbreak and weak commodity markets. Given the benign inflationary outlook and growth risk, we believe BNM has further headroom to ease monetary policy to support growth. With rising political risk coupled with downside risk to economic growth, market risk premium will likely increase in the near term.

#### FUND MANAGER'S COMMENTS (CONTINUED)

The world of Central Banking was filled with emergency simulative actions as panic engulfed the global economy. Domestically, Prime Minister also unveiled a budget stimulus package amounting to RM250bn (equivalent to 17% GDP) to sustain private consumption and confidence, among other things. Direct injection from the Federal Government amounted to RM25bn or 1.7% of GDP. Policymakers projected for the stimulus package to add 1.5% to GDP. The MOF highlighted that 2020 budget deficit would be capped at 4% of GDP by reallocation of budget within Ministries and higher dividends from GLCs. On monetary side, BNM also made a few announcements in March, among them the 25bps OPR cut to 2.50% citing weakening global economic conditions, 1% SRR cut to free up RM30bn banking liquidity and the 6-month loan moratorium to SMEs and consumer loans (excluding credit card balances). On the bright side, S&P has just reaffirmed the sovereign rating of Malaysia at A-/Stable. While the agency acknowledged that the fiscal deficit target may derail in the short-term, they are still comfortable with the government medium term commitment to fiscal consolidation.

Source : *Principal Asset Management Bhd*

Date : *31 March 2020*

#### 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.