

### 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	7.89 million units (31 December 2019)	Fund Size	RM14.17 million (31 December 2019)
Unit NAV	RM1.7955 (31 December 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	<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>

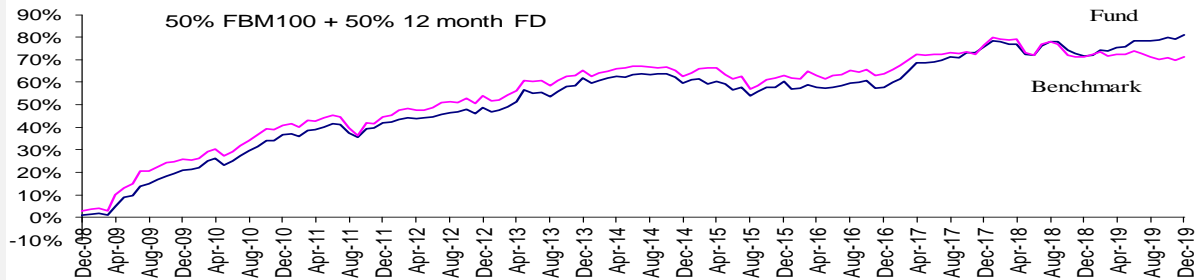
### ASSET ALLOCATION

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
50.07%	49.87%	0.06%	100.00%

## PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund*</b>	5.54	1.15	5.54	14.66	13.35	49.60	81.03
<b>Benchmark</b>	0.12	1.07	0.12	4.69	5.44	36.24	71.43

\* 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 December 2019, the Fund's performance increased by 1.15%, outperforming the benchmark by 0.08%.

KLCI ended the year as the worst performing Asian market with a loss of 6% in 2019. In Dec, KLCI gained 1.7% as the continued surge in crude palm oil (CPO) prices led to a 9.4% surge in the plantation index. Besides this, market sentiment was also buoyed by the phase 1 trade deal between US and China. Top three contributors towards the KLCI's gains were Sime Plantation (+9.4%), Petronas Gas (+8.5%) and IOI (+6.0%). Despite on-going trade tension, we expect growth to be sustained at a moderate rate going into 2020. This will be underpinned by more growth-oriented Budget 2020 (higher fiscal deficit, resumption of mega infrastructure projects) and accommodative monetary policy. Externally, the rebound in PMI to 50 in Dec 19 after hitting a low of 46.8 in Dec 18 bodes well for exports outlook particularly in the electronics and electrical (E&E) segment. Furthermore, the plantation sector will also be boosted by improving supply and demand dynamics which have led to CPO prices surging past RM3,000 per MT. Given a modest consensus earnings growth expectation of 7.3% in 2020, we believe earnings upside risks outweigh downside risks.

In the last FOMC meeting of 2019, Federal Reserve kept rate at 1.75% with officials agreed that the current interest rate stance is likely to remain unchanged for a period of time, despite raising concerns that low interest rates could exacerbate imbalances in the financial sector. Policymakers also pledged to discuss changes to the way the central bank manages liquidity in financial markets at future meetings, including the potential role of a standing repo facility, the setting of administered rates, and the composition of the Fed's holdings of Treasury securities over the longer run. Multiple US media outlets reported that US and China have reached consensus on the terms of a "phase one" trade deal despite no official confirmation from both sides of the government. Consensus is already expecting a trade truce to be officially signed in January-20. Domestic macro data is scant in December with only the release of MGS/MGII auction calendar for 2020. With a fiscal target of 3.2% of GDP in 2020 (gross supply of RM117.5bn by our estimation), we think the supply profile is manageable.

Source : Principal Asset Management Bhd

Date : 31 December 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.