

FUND OBJECTIVE

To provide a mixed exposure into equities and bonds, with higher allocation into equities.

FUND DETAILS

Launch Date	20 October 2008
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	3.53 million units (31 August 2017)
Fund Size	RM7.07 million (31 August 2017)
Unit NAV	RM2.0026 (31 August 2017)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	75% FBM100 + 25% 12 month FD

Risk Profile	Suitable for investors:
	<ul style="list-style-type: none"> Want a portfolio with higher exposure in equities Preference to higher equity exposure for potentially higher capital appreciation Need to reduce risk by investing in diversified bond portfolio Prefer investing in bonds to cushion fund volatility

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
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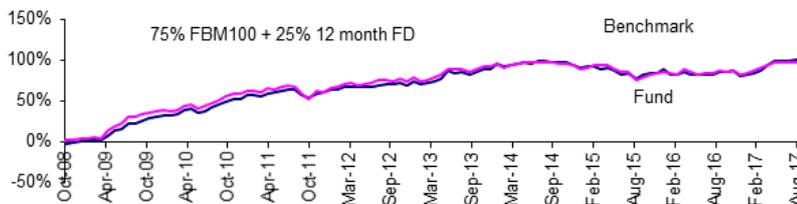
ASSET ALLOCATION

Sun Life Malaysia Growth Fund	75.14%
Sun Life Malaysia Conservative Fund	24.86%

WHERE THE FUND INVESTS

Sun Life Malaysia Growth Fund	75.14%
Sun Life Malaysia Conservative Fund	24.86%
Cash	0.00%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

	%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*		11.22	0.93	1.89	7.95	9.24	2.21	101.92
Benchmark		7.79	0.59	0.60	4.50	5.90	0.75	98.29

* 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 August, the Fund rose by 0.93%, outperforming the benchmark by 0.34%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index rose 13 points or 0.75% in August despite the geopolitical tension in Korea. Malaysia's macroeconomic fundamentals remain strong as the Gross Domestic Product (GDP) for the second quarter came in at 5.8%, following a 5.6% expansion in the first quarter. Consequently, various economists have upgraded their full year GDP forecast for Malaysia to 5.2%-5.5% (government estimate 4.3%-4.8%). Meanwhile, inflation continues to moderate to 3.2% in July after peaking at 5.1% in March. Bank Negara Malaysia is expected to keep the Overnight Policy Rate unchanged at 3.00% for the rest of 2017. Ringgit has stabilised at RM4.30 to the US Dollar despite a sizeable government bond maturity during the month.

We expect the market to trade sideways despite the external headwinds from geopolitics and central banks normalisation plans, as well as the net foreign outflows recorded for Bursa in August. Second quarter earnings were non-inspiring but we are hopeful that the second half of 2017 results will recover. Although we expect the market to trade sideways, various key themes still present good opportunities for returns. They include: 1) Infrastructure theme as momentum for job awards pick up 2) E-commerce/logistics theme as Malaysia develops into a regional logistics hub 3) Tourism theme as strong air travel demand continues, complemented by airline capacity expansion. Hence, we are overweight Construction, E-commerce/Logistics and Tourism. In addition, Banks and Government Linked Companies transformation plays remain core holdings in our portfolios.

During the month, the MGS yields traded lower across the curve with yields lower by 3 to 17bps. The latest foreign holdings data shows that July was another month of decline with net outflows of RM2.26 billion. The consecutive 2-month decline in non-resident holdings was mainly a result of uncertainties surrounding the policy decisions to be made by the major developed economies. However, early indication in August saw a reversal with foreign interest back primarily due to weaker USD. Economic data releases during the month were GDP growth for second quarter of 2017 surpassed estimates, coming in 5.8% y-o-y, headline inflation slowed further to 3.2% y-o-y in July and Malaysia's foreign reserves inched to USD99.4 billion as at 31 July. We continue to remain fully invested with focus on selective primary corporate bond issuance and exposure into the government securities when the opportunity arises.

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.