

FUND OBJECTIVE

To maximize capital growth over the medium to long-term through the stock market.

FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	22.04 million units (31 December 2018)	Fund Size	RM53.84 million (31 December 2018)
Unit NAV	RM2.4431 (31 December 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd	Benchmark	FBM100
Taxation	8% of annual investment income	Fees	Management Fee: 1.5% p.a.
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> ▪ With a medium to long-term investment horizon ▪ Seek maximum capital appreciation ▪ Do not require regular income ▪ Comfortable with higher volatility ▪ Willing to take higher risk for potential higher gains 		

ASSET ALLOCATION OF THE FUND

Equities	Cash
Minimum 80% - 98%	Up to 20%

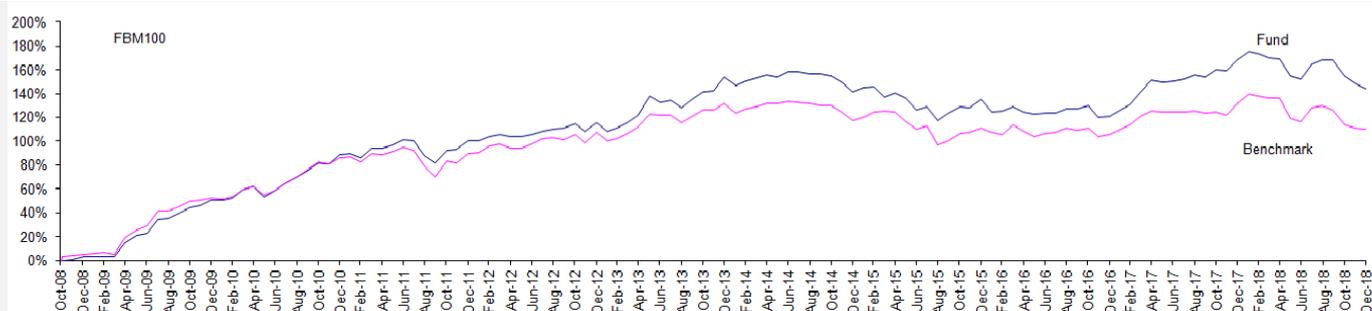
SECTOR ALLOCATION OF THE FUND

Financial Services	21.76%
Industrial Products & Services	11.24%
Consumer Products & Services	10.22%
Utilities	9.94%
Transportation & Logistics	8.54%
Telecommunications & Media	5.63%
Energy	5.56%
REIT	4.15%
Technology	3.00%
Health Care	1.00%
Plantation	0.49%
Cash	18.47%
Total	100.0%

TOP HOLDINGS OF THE FUND (EQUITIES)

Tenaga Nasional Bhd	7.51%
Petronas Chemicals Group Bhd	7.46%
Public Bank Bhd - Local	7.31%
Malayan Banking Bhd	5.59%
Malaysia Airports Hldg Bhd	4.54%
Axiata Group Bhd	3.58%
Dialog Group Bhd	3.34%
MISC Bhd - Local	2.99%
Hong Leong Bank Bhd	2.75%
Genting Bhd	2.66%

PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-8.77	-1.74	-8.73	-3.15	-8.77	3.74	144.31
Benchmark	-9.28	-0.32	-7.24	-2.67	-9.28	-0.24	110.20

* 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

Market Review

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) ended December marginally higher by 0.64% to close at 1,690.58 pts. For 2018, the FBMKLCI is lower by 5.91%. During the month, the Ringgit strengthened to MYR4.133/USD from MYR4.184 in the previous month. Brent crude oil slumped to USD53.80 per barrel, down by 8.36% M-o-M. We expect Malaysia's GDP growth to moderate in 2019 on softening external demand and government's austerity measure. The Street expects the budget deficit to narrow from 3.7% in 2018 to 3.4% in 2019 as the government draws on Petronas' financial resources with a RM30bn special dividend. However, recent oil price weakness has dampened the government's finances as Budget 2019 was prepared based on average Brent crude oil price assumption of USD70/bbl vs less than USD60/bbl now. Should the current oil price weakness persist, the federal government will need to re-calibrate its budget to avoid further widening its budget deficit. If this materialises, GDP growth will face downside risk as the government's further cost rationalisation will be a dampener on the economy.

December saw foreign institutional investors net selling RM1.0bil versus RM0.7bil in the previous month. Total outflow for 2018 amounted to RM11.6bil vs. net inflow of RM10.8b in 2017.

Portfolio Strategy

We continue to reiterate our cautious stance on the domestic market for 2019 given moderating GDP growth, tepid corporate earnings growth and regulatory uncertainty. We deemed the trade war truce between US and China following the G20 meeting as a short-term reprieve for the market while additional time is sought to resolve the trade dispute between the two nations. Risk of further escalation cannot be ruled out which will exacerbate the risk to moderating global economic growth amid tightening monetary conditions. On the back of all these uncertainties, we reiterate our capital preservation investment strategy with preference on big cap GLCs and companies with strong fundamentals and solid cash flow and dividends in sectors such as Utilities & Renewable Energy, REITs, Consumer Staples and Industrials.

Source : CIMB-Principal Asset Management Bhd

Date : 31 December 2018

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.