

## 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	3.65 million units (30 September 2016)
Fund Size	RM 6.70 million (30 September 2016)
Unit NAV	RM 1.8343 (30 September 2016)
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"> <li>Want a portfolio with higher exposure in equities</li> <li>Preference to higher equity exposure for potentially higher capital appreciation</li> <li>Need to reduce risk by investing in diversified bond portfolio</li> <li>Prefer investing in bonds to cushion fund volatility</li> </ul>

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"> <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>

Taxation	8% of annual investment income
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## ASSET ALLOCATION

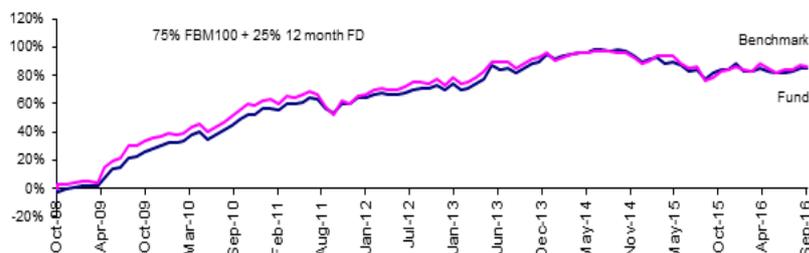
Sun Life Malaysia Growth Fund	74.75%
Sun Life Malaysia Conservative Fund	25.25%

## WHERE THE FUND INVESTS

Sun Life Malaysia Growth Fund	74.75%
Sun Life Malaysia Conservative Fund	25.25%
Cash	0.00%
Total	100.00%

Source: CIMB-Principal Asset Management Bhd

## PERFORMANCE RECORD



Source: CIMB-Principal Asset Management Bhd

## NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-1.77	0.06	1.48	0.05	1.94	-0.12	84.95
Benchmark	0.09	-0.65	1.19	-1.09	4.06	-1.51	86.01

Source: CIMB-Principal Asset Management Bhd

\*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 September 2016, the Fund gained 0.06% and outperformed the benchmark by 0.71%.

September was another volatile month for Malaysia as the FBM Kuala Lumpur Composite Index (FBMKLCI) rose on the back of some stability returning to regional markets and Wall Street, before reversing all gains due to concerns over the health of Deutsche Bank, Germany's largest bank. A divided US Federal Reserve left its policy interest rate unchanged at the September FOMC meeting to await more evidence of progress towards its goals. Meanwhile, the Bank of Japan shifted the focus of its monetary policy to controlling bond yields. For the month, the FBKLCI fell 25.5 points or 1.52% to close at 1,652.55 points.

We continue to be bullish on the market given that: 1) downgrades in earnings appear to have stabilized; 2) there are expectations of more government stimulus to support growth especially in the upcoming Budget 2017; 3) valuations remain supportive at 1.8 times price/book vs. 10 year averages of 2.0 times and 4) Malaysia remains defensive from a regional perspective and could continue to benefit from more foreign inflows. We make no change to our portfolio strategy. We are 85-95% invested and continue to be on a net buy basis. We continue to overweight construction and selective services companies, and underweight banks. We have been adding more into GLC companies in the services, plantations and property companies that fit into our ongoing Malaysian GLC restructuring theme. Our latest addition to our portfolios has been property companies that benefit from selling affordable housing.

For fixed income, the Malaysian Government Securities (MGS) Malaysian Government Securities (MGS) yields movements were mixed in September. Investors were generally risk-averse during the month due to the prospect of an interest rate hike by the US Federal Reserve (US Fed). Total trading volume for corporate bonds increased by 3.2% month-on-month (m-o-m). The trades were mostly centred on quasi-government bonds as well as corporate bonds rated AAA and AA. The release of Malaysia 3Q2016 real GDP growth on 11 November will be closely watch as it could be one of the factors guiding Bank Negara Malaysia's (BNM) OPR decision in its Monetary Policy Committee (MPC) meeting to be held on 23 November. Nevertheless, we believe BNM will also need to take into cognizant of the potential rate increase by the US Fed which could have a major impact on the Ringgit. The domestic bond market is expected to stay range bound ahead of the MPC meeting in November. The expectation of a rate cut by BNM will be supportive of the bond market and the lack of primary issuances combined with ample liquidity in the market have pushed bond yields lower. We will focus on both corporate bond primary and repriced secondary issuances especially the AA rated issuances for yield pick up.

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.