Sun Life Malaysia Balanced Moderate Fund

September 2014

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	3.70 million units (30 September 2014)
Fund Size	RM 6.02 million (30 September 2014)
Unit NAV	RM 1.6247 (30 September 2014)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	50% FBM100 + 50% 12 month FD
Risk Profile	Suitable for investors: ▪ Want a balanced portfolio between equities and bonds ▪ Are risk neutral between bonds and equities
Fees	▪ Management Fee: 1.250% p.a. ▪ Switching Fee: 3 free fund switches per policy year

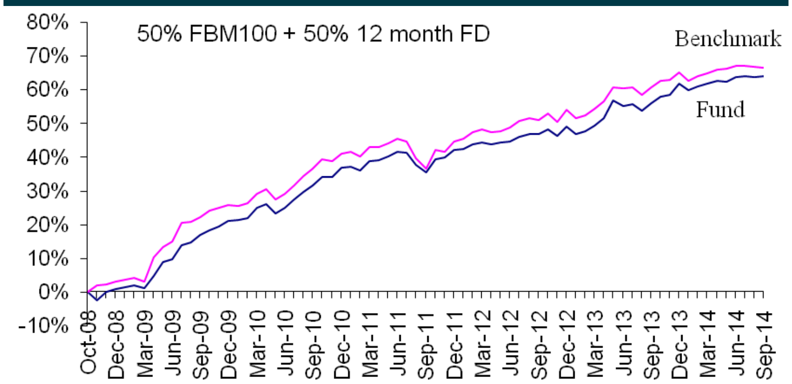
ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	50%
Sun Life Malaysia Growth Fund	50%

WHERE THE FUND INVESTS

Sun Life Malaysia Growth Fund	49.99%
Sun Life Malaysia Conservative Fund	49.90%
Cash	0.11%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

%	MTD	YTD	1-Year	3-Year	Since Inception
Fund*	0.17	1.27	5.10	20.95	63.81
Benchmark	-0.17	0.86	3.60	22.04	66.55

**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

The Fund gained 0.17% in September 2014, outperforming the benchmark by 0.34%. On a year-to-date ("YTD") basis, the Fund has outperformed the benchmark by 0.41%.

There is a sense of uneasiness in global markets as investors fret about slowing economic growth. In the United States, the Manufacturing Index has dipped to 56.6 in September from a peak of 59 the previous month. The Eurozone Markit Manufacturing Purchasing Managers Index ("PMI") is hovering at 50.3, just above 50, below which would indicate contraction in activity. It is the same in China (at 50.2) and Japan (51.7). Meanwhile, the price of West Texas Intermediate ("WTI") Crude (USD90.73) is at a 9-month low possibly portending a slowdown. However, this is to be expected under a "new normal" slow growth scenario. It also implies that Central Banks will remain supportive. Interest rates will rise very slowly and only when economic growth enters a sustainable phase.

For equities, consensus 2014 earnings per share ("EPS") growth have been downgraded to 0.5% growth. And 2015 earnings growth is now at 8.8%, down from 10.3% at the end of August. As a result, price earnings ratios ("PER") for 2014 and 2015 are at 16.6 and 15.2 respectively. The market remains overvalued for 2014. But we still expect the market to inch up towards our end 2014 target of 1920 as the year-end approaches on window dressing activities. We maintain our equity allocation band at 85-95% and continue to prefer stocks with high earnings growth but selling at reasonable valuations. We will take the opportunity afforded by this correction to add to our exposure in selected stocks including small caps. For fixed income, we continue to concentrate mainly on corporate bonds. We prefer primary and secondary issues that have already priced in the risks going forward such as potential overnight policy rate ("OPR") hike and the alignment of sovereign yields. We also prefer higher coupon bonds to cushion the impact of increasing yields.

Sun Life Malaysia Assurance Berhad (197499-U)
Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur
Telephone (603) 2612 3600 Facsimile (603) 2698 7035 Customer Careline 1300-88-5055 sunlifemalaysia.com