

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	3.74 million units (31 January 2016)
Fund Size	RM 6.77 million (31 January 2016)
Unit NAV	RM 1.8098 (31 January 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"> 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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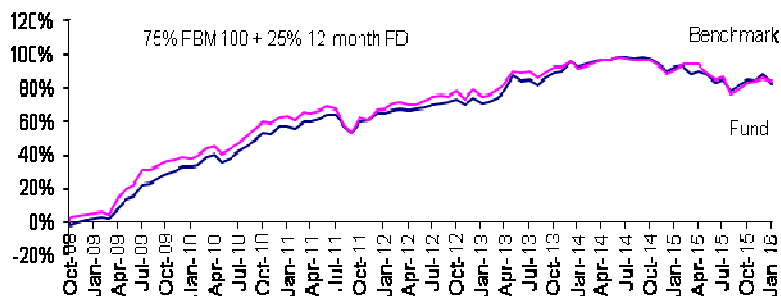
ASSET ALLOCATION

Sun Life Malaysia Growth Fund	74.83%
Sun Life Malaysia Conservative Fund	25.11%

WHERE THE FUND INVESTS

Sun Life Malaysia Growth Fund	74.83%
Sun Life Malaysia Conservative Fund	25.11%
Cash	0.06%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-3.08	-3.08	-1.02	-1.05	-5.05	7.25	82.48
Benchmark	-1.18	-1.18	0.36	-1.42	-3.55	5.09	83.60

*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 dropped by 3.08% in January 2016, whilst the benchmark fell by 1.18%. Therefore, the fund underperformed the benchmark by 1.90%.

Equities had a rocky start in 2016 as the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") shed 1.46% to close at 1,667.80. The key global events in January were: 1) Discussion about recession risk 2) Bank of Japan's negative interest rates stance 3) Oil prices dipping below < USD30/barrel 4) Russia floating proposals for joint oil production cuts with Organization of the Petroleum Exporting Countries ("OPEC") 5) US Federal Reserve interest rates path may be less steep. The question is whether markets are reverting to the asset reflationary theme, boosted by central banks' dovish stance. Locally, Malaysia announced the 2016 recalibrated budget outlining 11 measures to commit to the 3.1% fiscal deficit. The headline forecasts are: 1) Fiscal deficit target maintained at 3.1% to Gross Domestic Product ("GDP"); 2) Brent crude oil priced at USD30-35 from USD48/barrel and 3) GDP growth revised down to 4.0-4.5% from 4.0-5.0%. Key measures for fiscal consolidation include the reforming of telco spectrum and cutting employees Employees' Provident Fund ("EPF") contribution by 3% to stir private consumption. The implementation of key projects such as MRT, LRT, HSR, Pan-Borneo and RAPID will proceed. The Government stressed that they will neither impose capital control nor peg the Ringgit. During the month, the MYR strengthened 3.41% from 4.294 to 4.148.

We think that the current strength in the Ringgit is not sustainable. Hence, we continue to like Exporters, but will rotate into lower Price Earnings Ratio ("PER"), high growth names. We like Construction companies for infrastructure plays. We underweight Telcos as we expect the sector to de-rate over spectrum reforming and keen competition. We also underweight Banks as we expect slowing loans growth and weaker asset quality. For fixed income, we prefer to concentrate on selective re-priced corporate bonds from the primary and secondary market with higher yields for better yield enhancement.

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 on the underlying investment.

Any income distribution from the underlying assets of the investment-linked fund will be automatically reinvested into the respective investment-linked fund. The policy owner's total number of units will not change as a result of the reinvestment.