

FUND OBJECTIVE

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

FUND DETAILS

Launch Date	20 October 2008
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	2.34 million units (31 October 2014)
Fund Size	RM 3.15 million (31 October 2014)
Unit NAV	RM 1.3486 (31 October 2014)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	25% FBM100 + 75% 12 month FD
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> Want a diversified portfolio in equities but higher exposure in bonds Prefer less volatile performance and want slightly higher gains than bond return
Fees	<ul style="list-style-type: none"> Management Fee: 1.125% p.a. Switching Fee: 3 free fund switches per policy year

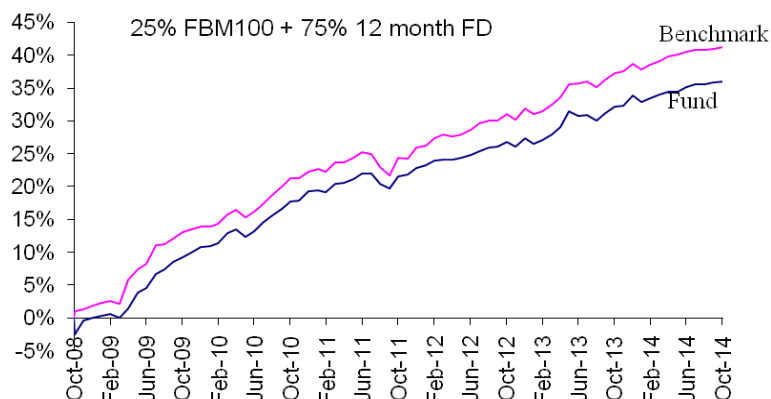
ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	75%
Sun Life Malaysia Growth Fund	25%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	75.81%
Sun Life Malaysia Growth Fund	24.19%
Cash	-
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

%	MTD	YTD	1-Year	3-Year	Since Inception
Fund*	0.07	1.61	2.84	11.92	35.97
Benchmark	0.22	1.85	0.35	13.54	41.18

*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

In October, the Fund held up well (+0.07%) but it under-performed the benchmark by 0.15%. Year-to-date ("YTD"), the Fund was up 1.61% while the benchmark has risen 1.85%.

In this era of quantitative easing ("QE"), stock prices are being driven more by the fall in the risk premium rather than valuations and earnings growth. After the announcement of the Japanese QE, the CBOE Volatility index ("VIX Index") has fallen back to 14.3. In Malaysia, the situation is further amplified by the dominating presence of government funds. The market has recovered most of the losses and the market price earning share ("PER") is now back at an elevated 16.5 times compared to a more reasonable 15.0 times at the low. Earnings per share ("EPS") growth for 2014 and 2015 are at 0.0% and 9.0% respectively. We maintain our December 2014 and 2015 target of 1920 and 2050 respectively - both based on 15.5 times target PER.

In terms of strategy, we intend to stay fairly invested. We continue to take profit on mid-small cap stocks and shift to blue-chips and defensive sectors. We remain overweight F&B and retail. We are increasing weights in construction and plantations. For fixed income, we continue to concentrate mainly on corporate bonds. We aim to be fully invested but remain cautious as increased supply of corporate bonds may push yields higher. We also prefer higher coupon bonds to cushion the impact of increasing yields.

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.