

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	3.88 million units (31 March 2014)
Fund Size	RM 7.50 million (31 March 2014)
Unit NAV	RM 1.9366 (31 March 2014)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	75% FBM100 + 25% 12 month FD
Risk Profile	<p>Suitable for investors:</p> <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	<ul style="list-style-type: none"> Management Fee: - 1.375 % p.a. Switching Fee: 3 free fund switches per policy year

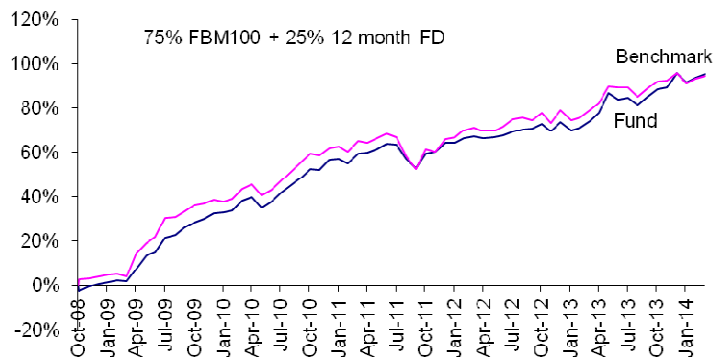
ASSET ALLOCATION

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

WHERE THE FUND INVESTS

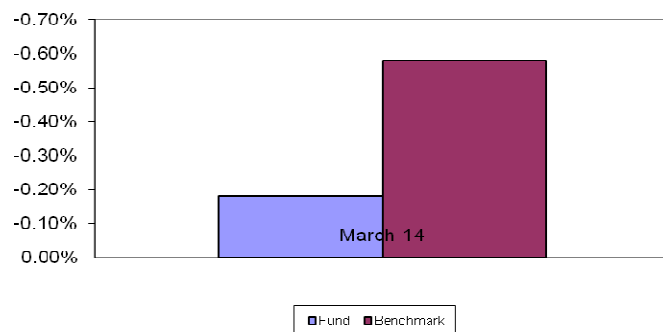
Sun Life Malaysia Growth Fund	75.68%
Sun Life Malaysia Conservative Fund	24.96%
Cash	-0.64%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

Performance YTD



FUND MANAGER'S COMMENTS

The Fund gained 0.75% in March 2014, outperforming the benchmark by 0.08%. On a YTD basis, the Fund has outperformed the benchmark by 0.40%.

Federal Reserve Chairperson, Janet Yellen has taken pains to reassure markets that interest rates will remain low even as QE is being withdrawn. But the increase in the fed funds rate 6-months after the end of QE, will raise the cost of funds at the short end resulting in a flattening of the yield curve. It has negative implications on bank margins globally. In Malaysia, in 2013, the banking system loan growth was 10.6% while deposit growth was 8.5%. It caused the loan to deposit ratio to rise from 82.1% (Dec 2012) to 84.6% (Dec 2013). In February 2014, loan growth rebounded to 9.5% from -0.1% the previous month. But it continues to exceed deposit growth of 7.0% for the same month. Expectations are for the loan to deposit ratio, currently at 85.5%, to rise further leading to higher cost of funds.

For equities, the portfolio remains at 90.0 – 95.0% as we continue to accumulate stocks in the Oil & Gas sector. Apart from Oil & Gas, we remain overweighted in Telecommunications and Utilities. The Banks and Plantation sectors remain underweight. For fixed income, our strategy remains unchanged and we continue a trading stance on the sovereign bonds. For corporate bonds, we concentrate mainly on primary issues that have already priced in the risks going forward such as potential OPR hike and the alignment of sovereign yields. 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.