

## 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	4.28 million units (31 October 2014)
Fund Size	RM 6.95 million (31 October 2014)
Unit NAV	RM 1.6229 (31 October 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	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>Want a balanced portfolio between equities and bonds</li> <li>Are risk neutral between bonds and equities</li> </ul>
Fees	<ul style="list-style-type: none"> <li>Management Fee: 1.250% p.a.</li> <li>Switching Fee: 3 free fund switches per policy year</li> </ul>

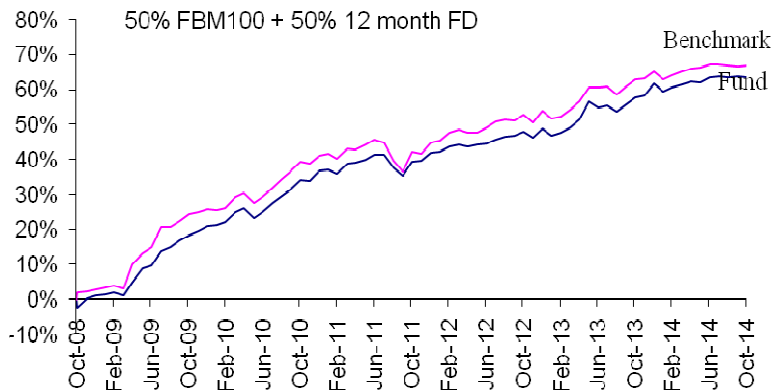
## ASSET ALLOCATION

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

## WHERE THE FUND INVESTS

Sun Life Malaysia Growth Fund	49.44%
Sun Life Malaysia Conservative Fund	49.88%
Cash	0.68%
Total	100.00%

## PERFORMANCE RECORD



## NAV TO NAV

%	MTD	YTD	1-Year	3-Year	Since Inception
<b>Fund*</b>	-0.11	1.15	3.61	17.42	63.63
<b>Benchmark</b>	0.18	1.05	2.52	17.45	66.85

\*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 Oct, the Fund fell -0.11%, under-performing the benchmark by 0.29%. Year-to-date ("YTD"), the Fund was up 1.15% while the benchmark has risen 1.05%.

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 earnings ratio ("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.