

FUND OBJECTIVE

To achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds

FUND DETAILS

| | |
|----------------------|---|
| Launch Date | 20 October 2008 |
| Domicile | Malaysia |
| Currency | Ringgit Malaysia |
| Launch Price | RM1.0000 |
| Units in Circulation | 30.10 million units (31 May 2015) |
| Fund Size | RM 35.73 million (31 May 2015) |
| Unit NAV | RM 1.1870 (31 May 2015) |
| Dealing | Daily (as per Bursa Malaysia trading day) |
| Fund Manager | CIMB-Principal Asset Management Bhd |
| Benchmark | 12 month FD |
| Risk Profile | Suitable for investors: <ul style="list-style-type: none"> Have a medium to long-term investment horizon Want a diversified portfolio of fixed interest securities Are looking for a less volatile investment but can accept lower returns |
| Fees | <ul style="list-style-type: none"> Management Fee: 1.0% p.a. |
| Taxation | 8% of annual investment income |

ASSET ALLOCATION

| | | | |
|-------------------|-----------|------|-----------|
| Bonds/ Debentures | 80% - 98% | Cash | Up to 20% |
|-------------------|-----------|------|-----------|

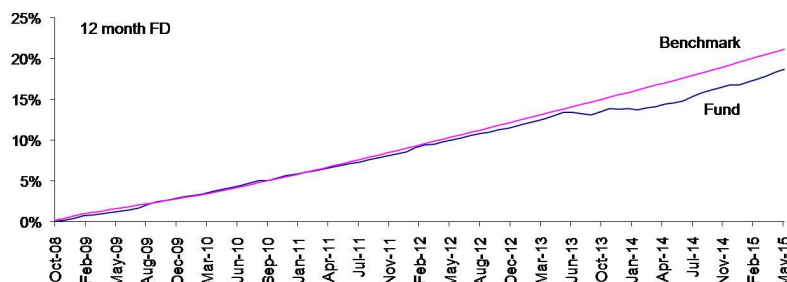
WHERE THE FUND INVESTS

| | |
|------------------|---------|
| Corporate Bond | 96.83% |
| Government Bond | - |
| Short Term Paper | - |
| Cash | 3.17% |
| Total | 100.00% |

TOP 10 HOLDINGS

| | | | |
|---------------------------|--------|------------|--------|
| Berjaya Land Bhd | 4.750% | 15/12/2017 | 14.30% |
| AMMB Hldg Bhd | 4.30% | 08/08/2017 | 14.08% |
| Prominic Bhd | 5.05% | 05/05/2061 | 8.64% |
| UEM Sunrise Bhd | 4.6% | 13/12/2018 | 8.58% |
| UniTapah Sdn Bhd | 4.900% | 12/06/2018 | 5.76% |
| Hong Leong Bank Bhd | 4.35% | 05/05/2021 | 5.72% |
| Teknologi Tenaga Perlis | 4.51% | 31/01/202 | 5.72% |
| First Resources Ltd | 4.30% | 08/12/2017 | 5.68% |
| Tanjung Bin Power Sdn Bhd | 4.66% | 14/08/2020 | 5.67% |
| Amlslamic Bank Bhd | 4.40% | 30/09/2021 | 5.64% |

PERFORMANCE RECORD



NAV TO NAV

| % | YTD | 1M | 3M | 6M | 1-Year | 3-Year | Since Inception |
|------------------|------|------|------|------|--------|--------|-----------------|
| Fund* | 1.66 | 0.31 | 1.04 | 1.68 | 3.61 | 7.87 | 18.70 |
| Benchmark | 1.34 | 0.27 | 0.80 | 1.61 | 3.26 | 9.75 | 21.15 |

*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'S MANAGER COMMENTS

The Fund's performance for the month of May 2015 was 0.31% as compared to its benchmark of 0.27%.

Malaysia sovereign bonds experienced some minor correction following the global bond rout in May, resulting in marginally steeper curve. Despite the correction in MGS and GII, credit spreads have continued to tighten in May, due to strong domestic buying driven by strong liquidity and a lack of bond supply.

Meanwhile, trading volume for corporate bonds in May stood at lower than the previous month's transactions. Focus continues to be centred on the Government guaranteed ("GG") and Financial segments. In May, credit spreads tightened by 2-13 basis points ("bps") for both short-end and long-end across all segments, except for the 1-year tenure where spreads widened by 4-6bps for all segments.

In the latest Monetary Policy Committee meeting, Bank Negara Malaysia ("BNM") decided to keep rates at 3.25% while maintaining a neutral stance in acknowledging the downside risk to the global economic outlook, as well as the weakening growth momentum. Despite this, BNM emphasized that there has been no disruption to the local financial intermediation. Inflation is expected to be higher after the first quarter of 2015 ("1Q15") but will remain below the historical average. We expect BNM to keep its OPR unchanged for now.

Currently, the domestic market players appear to be cautious amid the volatility in sovereign market. We will look to increase our holdings of sovereign bonds as we view that any further correction in the sovereign market is an opportunity to buy. We aim to be fully invested with concentration on selective 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.