

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	1.98 million units (31 May 2016)
Fund Size	RM 2.68 million (31 May 2016)
Unit NAV	RM 1.3518 (31 May 2016)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	25% FBM100 + 75% 12 month FD
Risk Profile	<p>Suitable for investors:</p> <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	<p>The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund which applies the following fund management charges:</p> <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

ASSET ALLOCATION

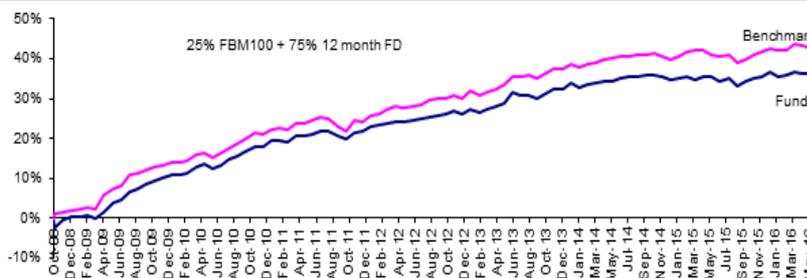
Sun Life Malaysia Conservative Fund	75.54%
Sun Life Malaysia Growth Fund	24.46%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	75.54%
Sun Life Malaysia Growth Fund	24.46%
Cash	0.00%
Total	100.00%

Source: CIMB-Principal Asset Management Bhd

PERFORMANCE RECORD



Source: CIMB-Principal Asset Management Bhd

NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-0.22	0.00	0.37	0.75	0.74	3.63	36.30
Benchmark	0.20	-0.34	0.37	0.76	1.05	5.28	42.63

Source: CIMB-Principal Asset Management Bhd

*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's performance for the month of May 2016 stayed flat. Nevertheless, the fund outperformed the benchmark by 0.34%.

In May 2016, the FTSE Bursa Malaysia Kuala Lumpur Composite Index fell 2.79% mom to 1,626.00 points, continuing its downtrend from the previous month. Year-to-date, the Index has fallen 3.93%. Key events during the month include: 1) The 1MDB bond default saga; 2) Fears of liquidity stress in Malaysian banking system as money supply slowed; 3) Sarawak elections which Barisan Nasional won, as expected; 4) MSCI rebalancing which subjected the Malaysian market to repositioning and short-selling activities, resulting in net foreign equity outflows of RM4.3bn in May; 5) Rising probability of US rate hike in the coming months; 6) Weaker than expected China PMI; 7) Oil trading above USD50/barrel; and 8) Weaker MYR despite the stronger oil price.

Given the brutal 1Q16 earnings season where consensus earnings disappointed by an average of 25% and a more subdued growth expectations in Malaysia, we continue to remain defensive and anticipate a range bound equity market. Stock picking remains the key to alpha generation and we remain selective; we continue to like high dividend yielders such as Real Estate Investment Trusts (REITs), conglomerates and utilities. We also continue to maintain our overweight in the construction sector as positive newsflow from more fiscal expansion from the government will continue this year. For fixed income, the local market continued to see upward movement in bond yields during the month of May amid lingering concerns of a possible U.S Fed rate hike in June coupled with/resulting in a weakening of the Ringgit. Currently, investors are taking a risk off approach. The FOMC meeting on the 14-15th of June and the upcoming Brexit referendum on the 23rd of June will be closely watched. We believe the market will continue to reposition and shift focus to credit market in lieu of the better yield pick-up. We will focus on both corporate bond primary and repriced secondary issuances.

Source: CIMB-Principal Asset Management Bhd

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 of the underlying investment. This material is for information purposes only and is subject to change at any time without notice. Sun Life Malaysia does not guarantee its accuracy, completeness, correctness or timeliness for any purpose or reason. This information should not be considered as advice or recommendation in relation to your account or particular investment objectives, financial situation or needs. You may not revise, transform, or build upon this material without prior written consent of Sun Life Malaysia. Before acting on any information you should seek independent financial advice.