

## 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 | 2.29 million units (31 January 2014)                                                                                                                                                                                                      |
| Fund Size            | RM 3.02 million (31 January 2014)                                                                                                                                                                                                         |
| Unit NAV             | RM 1.3174 (31 January 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"> <li>Want a diversified portfolio in equities but higher exposure in bonds</li> <li>Prefer less volatile performance and want slightly higher gains than bond return</li> </ul> |
| Fees                 | <ul style="list-style-type: none"> <li>Management Fee: 1.125% p.a.</li> <li>Switching Fee: 3 free fund switches per policy year</li> </ul>                                                                                                |

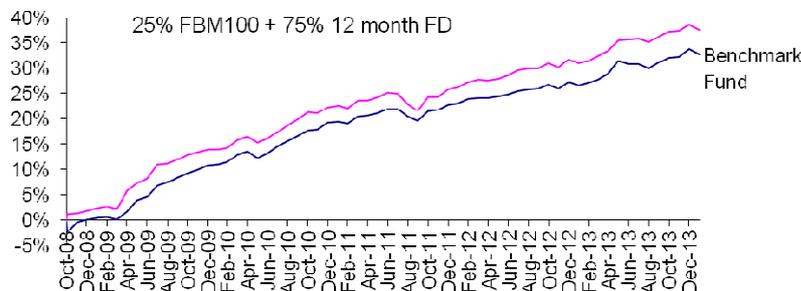
## ASSET ALLOCATION

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

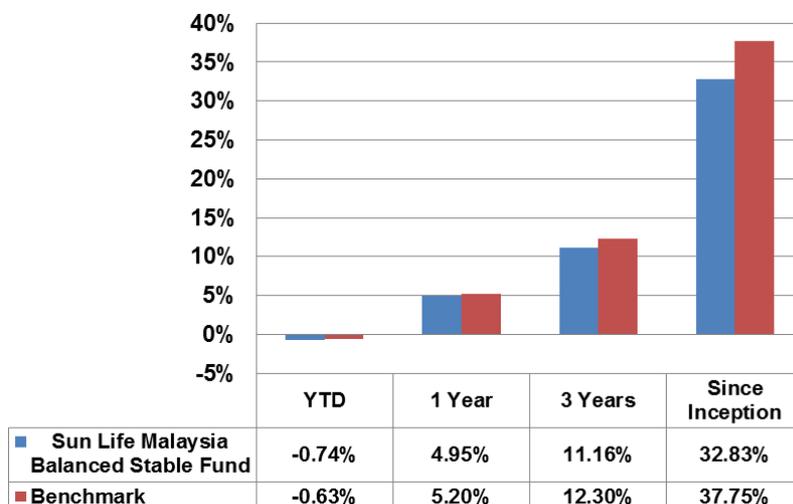
## WHERE THE FUND INVESTS

|                                     |         |
|-------------------------------------|---------|
| Sun Life Malaysia Conservative Fund | 75.08%  |
| Sun Life Malaysia Growth Fund       | 25.00%  |
| Cash                                | -0.08%  |
| Total                               | 100.00% |

## PERFORMANCE RECORD



## NAV TO NAV



## FUND MANAGER'S COMMENTS

The Fund fell 0.74% in January 2014, underperforming the benchmark by 0.11%.

The recent sell-down in Emerging Markets was initially prompted by Federal Reserve tapering of its QE program. That has, however, evolved into "growth fears" upon release of China's Manufacturing PMI which fell from 51.0 in December to 50.5 in January 2014 and the US ISM Manufacturing Index which fell from 56.5 in December to 51.3 over the same months. The FBM KLCI plunged 3.37% in January. The US PMI could have been distorted by the cold weather enveloping much of the US Mid-West and East. If so, we should see a recovery over the next few months. We maintain our view of a synchronized global recovery in 2014. US 10-year Treasury yields have fallen to 2.6% lately on a flight to safety. The risk of a MGS sell-down has abated somewhat. The market 2015 PER has fallen 14.6x in December to 14.1x, although it is still at 15.5x for 2014. (The average for the last five years is at 14.5x.) EPS growth is lower at 7.4% for 2014 (previously: 8.0%) and 9.7% for 2015 (unchanged). We look forward to an earnings upgrades in the 2nd Half of 2014. We maintain our yearend target of 1920 based on 2015 PER of 15x.

For equities, we prefer growth stocks with the potential for earnings upgrade that trade at reasonable valuations. We are overweight in the utilities, telecommunications and oil & gas sectors. For fixed income, we aim to be fully invested and prefer the short to mid duration papers and high coupon corporate bonds to cushion the impact of any rising 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.