

FUND OBJECTIVE

To provide a steady income stream over medium to long-term period by investing primarily in bonds and fixed income securities.

FUND DETAILS

Launch Date	16 January 2018
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	59,778 units (30 March 2018)
Fund Size	RM59,472 (30 March 2018)
Unit NAV	RM0.9949 (30 March 2018)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Affin Hwang Asset Management Berhad
Target Fund	Affin Hwang Select Bond Fund
Benchmark	Maybank 12-Month Fixed Deposit Rate
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> Have a medium to long term investment horizon Risk averse and conservative
Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Fund Manager
Taxation	8% of annual investment income

ASSET ALLOCATION

Bonds	Min 70%; Max 30%
Cash	Remaining balance
Money Market Instruments / Deposits	Min 0%; Max 30%

SECTOR ALLOCATION OF THE TARGET FUND

Banks	20.9%	Utilities	6.9%
Others	16.8%	Government	5.9%
Industrials	13.6%	Insurance	5.5%
Real Estate	11.1%	Cash & C.E.	10.5%
Financial Services	8.7%	Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Yinson Juniper Ltd	7.85%	05.10.49	2.1
CIMB Bank Bhd	4.80%	13.09.23	2.0
China Life Insurance Co. Ltd	4.00%	03.07.75	1.8
Heungkuk Life Insurance Co Ltd	4.48%	09.11.47	1.7
MGS	3.80%	17.08.23	1.7
Indonesia Treasury Bond	7.00%	15.05.22	1.6
Australia New Zealand Bank Gp	6.75%	15.06.49	1.5
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.5
PTT Exploration & Production	4.88%	18.06.49	1.4
Yinson TMC Sdn Bhd	7.00%	25.09.49	1.4

PERFORMANCE RECORD

This fund feeds into Affin Hwang Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over medium to long-term period by investing primarily in bonds and fixed income securities.

Table below shows the investment returns of Sun Life Malaysia Select Bond Fund versus its benchmark as at 30 March 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since inception
Fund*	-0.5	-0.1	-0.5	N/A	N/A	N/A	-0.5
Benchmark	0.8	0.3	0.8	N/A	N/A	N/A	0.8

* 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 US Federal Reserve's 25 bps rate hike made in March was as anticipated, and had little effect on yields having already been priced-in.
- Markets were further comforted when the Feds maintained its 3-rate hikes projection for the year.
- Yields did however slide lower thereafter when talks of a possible trade war between the US and China intensified.
- The 10-year US Treasury yields slipped 12bps lower from 2.86% to 2.74%, with a similar trend seen across the tenures.
- Investment grade issuances in Asia remained comparatively resilient, with the support of the higher yields it offers and the robust fundamentals.
- The MYR continued to steadily strengthen, ending the month at MYR3.86 to the USD, compared to MYR3.92 the previous month.
- The Fund slid 0.1% lower in the month of March, while its benchmark index rose 0.3% over the same period.
- STRATEGY:** We expect markets to remain volatile in the near-term on the back of the rising political risks, and will be maintaining a higher cash level for the Fund until markets stabilize.
- Regional markets will likely remain more defensive, though at more expensive valuations compared to EM markets. The portfolio's exposure into EM markets (i.e. India, and Indonesia) will be kept lower.
- Foreign currency exposure will also be hedged to mitigate volatile currency movements, as we focus on quality of the underlying issuances.
- Duration will be maintained relatively shorter, as we wait out for opportunities to deploy into issuances with more attractive valuations.

Source: Affin Hwang Asset Management Berhad

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.