

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	690,312 units (31 January 2019)	Fund Size	RM705,247 (31 January 2019)
Unit NAV	RM1.0216 (31 January 2019)	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	Taxation	8% of annual investment income
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

ASSET ALLOCATION

Bonds	Cash	Money Market Instruments/Deposits
Min 70%; Max 100%	Remaining Balance	Min 0%; Max 30%

SECTOR ALLOCATION OF THE TARGET FUND

Banks	24.5%
Real Estate	15.7%
Industrials	13.3%
Others	11.8%
Financial Services	6.8%
Insurance	6.3%
Consumer Services	5.1%
Basic Materials	4.1%
Utilities	3.9%
Cash & Cash Equivalents	8.5%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
PTT Exploration & Production	4.88%	18.06.49	3.0
China Life Insurance Co. Ltd	4.00%	03.07.75	3.0
Heungkuk Life Insurance Co Ltd	4.48%	09.11.47	2.4
Yinson TMC Sdn Bhd	7.00%	25.09.49	2.2
Australia New Zealand Bank Gp	6.75%	15.06.49	2.2
BHP Billiton Finance USA Ltd	6.75%	19.10.75	2.1
Yinson Juniper Ltd	7.85%	05.10.49	1.8
Parkway Pantai Ltd	4.25%	27.07.49	1.8
UBS Group AG	6.88%	16.03.49	1.6
UBS AG	7.13%	19.02.49	1.5

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 31 January 2019.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	1.30	1.30	1.38	2.17	2.35	N/A	2.16
Benchmark	0.28	0.28	0.83	1.67	3.35	N/A	3.62

***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

- US Federal Reserve maintained its dovish stance after holding interest rate steady at 2.25% - 2.50% at the FOMC meeting held in January and said that it would be patient in lifting borrowing costs amid rising uncertainty about the US economic outlook.
- Overall, global government bond yields moved lower amid the Fed's dovish stance. On the domestic front, the 10-year MGS yield settled the month at 4.06%.
- Ringgit continued to strengthen against US dollar in January and ended the month at RM4.09 per US Dollar, though lagging behind some of its regional peers.
- **STRATEGY:** A pause to the Fed interest rate trajectory and targeted Chinese stimulus could lend to a reprieve in EM as US growth moderates and the US dollar strength started to wane.
- We expect that primary issuances within Asia region will remain high, which may continue to widen credit spread.
- We believe that the appropriate course of action for the near term is to keep portfolio duration around 3 to 4 years, considering that yield premium for investing into long term bonds remains low.
- Our emphasis remains on the quality names with robust financial position and business outlook, while keeping our fixed income portfolios diversified across countries and sectors.

Source : Affin Hwang Asset Management Berhad

Date : 31 January 2019

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.