

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	70,406 units (30 April 2018)	Fund Size	RM70,021 (30 April 2018)
Unit NAV	RM0.9945 (30 April 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	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 30%	Remaining Balance	Min 0%; Max 30%

SECTOR ALLOCATION OF THE TARGET FUND

Banks	20.5%
Industrials	13.7%
Others	13.3%
Real Estate	11.8%
Financial Services	7.7%
Utilities	7.1%
Insurance	6.2%
Government	4.7%
Basic Materials	3.0%
Cash & Cash Equivalent	11.9%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Yinson Juniper Ltd	7.85%	05.10.49	2.2
CIMB Bank Bhd	4.80%	13.09.23	2.1
China Life Insurance Co. Ltd	4.00%	03.07.75	1.9
Heungkuk Life Insurance Co Ltd	4.48%	09.11.47	1.8
Indonesia Treasury Bond	7.00%	15.05.22	1.6
Australia New Zealand Bank Gp	6.75%	15.06.49	1.6
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.5
PTT Exploration & Production	4.88%	18.06.49	1.5
Yinson TMC Sdn Bhd	7.00%	25.09.49	1.4
Eco World Capital Assets Bhd	6.50%	12.08.22	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 April 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-0.36	-0.04	-0.36	N/A	N/A	N/A	-0.55
Benchmark	1.07	0.27	1.07	N/A	N/A	N/A	1.07

* 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

- Geopolitical risks looks to have calmed following a softening of protectionist rhetoric, ongoing trade discussions, and recent peace efforts with North Korea.
- US 10 year treasury rate hit a key 3% yield level for the first time since 2014, as Q1 GDP growth of 2.3% beat estimates while US CPI inflation picked up to 2.4% levels.
- Regional bonds held up well as reactions were muted amidst a surge in the US 10-year Treasury yield.
- China released strong economic data, recording 6.8% GDP growth for the first quarter driven by a 35.4% increase in online retail sales while the PMI index stood at the 51.4 level vs 51.5 last month.
- Asia ex Japan companies reported strong earnings growth, ranging 25% to 26%, albeit below analyst expectations.
- The Fund slid 0.04% lower in the month of April, while its benchmark index rose 0.27% over the same period.

FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** We expect financial markets to remain volatile in the near term as uncertainties prevail, despite encouraging fundamentals.
- Foreign currency exposure will be largely hedged to reduce the impact of currency movements, as we focus on quality of the underlying issuances.
- Credit fundamentals are strong and default rates low. Key risk would be a sell-off in equities which has strong correlations with HY bonds.
- With heavy supply in the primary market expected, we will be selective in our participation and will look for opportunities with attractive valuation, particularly in IG names.
- We will take a more defensive positioning with moderately high cash levels of around 7% to 10%.
- We maintain a relatively short duration positioning at about 3 to 3.5 years.

Source : Affin Hwang Asset Management Berhad

Date : 16 May 2018

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.