

FUND OBJECTIVE

To achieve medium to long term capital appreciation through investments primarily in Malaysian bonds.

FUND DETAILS

Launch Date	20 October 2008
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	30.65 million units (31 December 2017)
Fund Size	RM39.60 million (31 December 2017)
Unit NAV	RM1.2921 (31 December 2017)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	12 month FD
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> Have a medium to long term investment horizon Want a diversified portfolio of fixed interest securities Are looking for a less volatile investment but can accept lower returns
Fees	Management Fee: 1.0% p.a.
Taxation	8% of annual investment income

ASSET ALLOCATION

Bonds/Debentures	80% - 98%	Cash	Up to 20%
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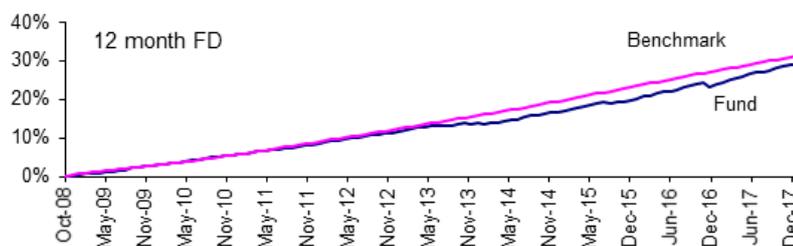
WHERE THE FUND INVESTS

Corporate Bond	89.56%
Government Bond	6.36%
Short Term Paper	-
Cash	4.08%
Total	100.00%

TOP 10 HOLDINGS

Jimah Energy Ventures	9.30% Due 11/12/2021 MN12	14.95%
MMC Corporation Berhad	5.950% 12/11/2027	13.29%
UMW Hldg Bhd	4.820% 4/10/2019	12.86%
UEM Sunrise Bhd	4.800% 08/04/2022	12.73%
Fortune Premiere Sdn Bhd IMTN	4.650% 21/12/2022	12.65%
WCT Hldgs Bhd	5.32% 11/5/2022	6.41%
YTL Power International Bhd	5.05% 3/5/2027	5.15%
GII Murabahah	4.070% 30/09/2026	3.80%
UEM Edgenta Bhd	4.85% 26/4/2022	2.57%
RHB Islamic Bank Bhd	4.88% 27/4/2027	2.56%

PERFORMANCE RECORD



NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	4.20	0.21	0.80	1.76	4.20	10.66	29.21
Benchmark	3.04	0.25	0.75	1.51	3.04	9.92	31.43

* 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'S MANAGER COMMENTS

The Fund's performance for the month of Dec 2017 was 0.21%, compared to the benchmark return of 0.25%.

Following a strong showing in November, Malaysian Government Securities ("MGS") rallied further in December supported by the Ringgit strength, rebound in exports and steady improvement in current account surplus. The World Bank has upgraded its forecast for Malaysia's 2017 GDP from 5.2% to 5.8% following strong economic performance. The stronger-than-expected growth was said to be fuelled by robust domestic demand, improving labour market conditions and strengthened external demand for Malaysia's manufactured goods and commodities. The World Bank expects Malaysia to continue showing robust GDP growth at above 5% in 2018 and 2019.

2017 saw one of the largest corporate issuances as companies took opportunity to lock in their borrowing cost before global monetary policy tightening begins in a pronounced manner. We expect to see equally strong pipeline for government guaranteed debts in 2018, especially for infrastructure projects.

We will continue to favour corporate bond relative to sovereign for better yield pickup. We expect secondary demand to remain relatively robust, especially in the lower rated credits, as there would be lower net issuances in this space. We will monitor and increase exposure into the government securities when the opportunity arises.

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.