

## 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	30.44 million units (30 April 2018)	Fund Size	RM39.60 million (30 April 2018)
Unit NAV	RM1.3008 (30 April 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd	Benchmark	12 month FD
Taxation	8% of annual investment income	Fees	Management Fee: 1.0% p.a.
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>Have a medium to long term investment horizon</li> <li>Want a diversified portfolio of fixed interest securities</li> <li>Are looking for a less volatile investment but can accept lower returns</li> </ul>		

## ASSET ALLOCATION OF THE FUND

Bonds/Debentures	Cash
80% - 98%	Up to 20%

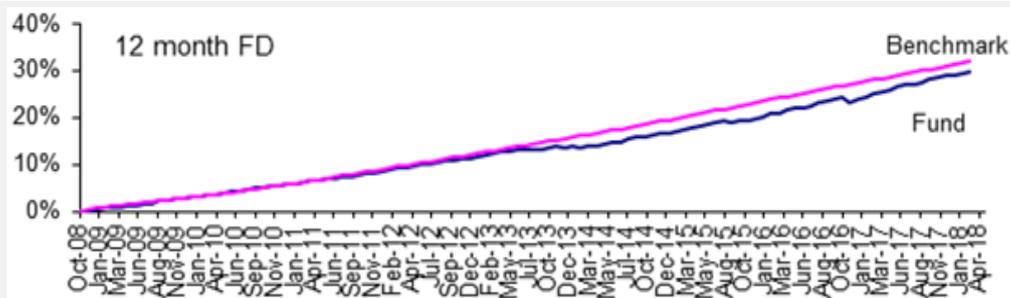
## SECTOR ALLOCATION OF THE FUND

Corporate Bond	Government Bond	Short Term Paper	Cash	Total
91.21%	6.31%	-	2.48%	100.00%

## TOP HOLDINGS OF THE FUND

Bond Issuer	Coupon	Maturity Date	%	Bond Issuer	Coupon	Maturity Date	%
Jimah Energy Ventures	9.30%	11/21/2021	15.13	WCT Hldgs Bhd	5.55%	03/01/2025	6.45
MMC Corporation Berhad	5.95%	12/11/2027	13.20	Sabah Development Bank MTN 1826D		27/04/2023 – Tranche 17	6.37
Mumtaz Rakyat Sukuk Bhd	4.95%	18/06/2021	12.91	WCT Hldgs Bhd	5.65%	20/04/2026	6.32
Fortune Premiere Sdn Bhd IMTN	4.65%	21/12/2022	12.74	YTL Power International Bhd	5.05%	03/05/2027	5.21
WCT Hldgs Bhd	5.32%	11/05/2022	6.52	GII Murabahah	4.07%	30/09/2026	3.76

## PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	0.67	0.05	0.37	1.17	3.22	9.93	30.08
<b>Benchmark</b>	1.07	0.27	0.81	1.57	3.11	9.87	32.84

\* 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 Fund's performance for the month of April 2018 was 0.05%, compared to the benchmark return of 0.27%.

In April 2018, Malaysia Government Securities ("MGS") yields widened with the benchmark 3-, 5-, and 15-year MGS impacted most, risen by 22, 17 and 23bps respectively. The backdrop of the selloff was largely technical driven, with 10-year US Treasury ("UST") breaching 3% momentarily and a high government bond supply quarter which discouraged demand. In terms of MGS valuation, the selloff has cheapened the MGS curve particularly the 3-year MGS which is trading close to 3.70%. However, term structure spreads above 3-year were still trading below long-term averages, and seems rich relative to the 3-year curve.

Corporate bond trading volume dropped to RM10.3bil in April 2018, compared with RM13.9bil in March 2018. Higher MGS yield also impacted demand for credit, with most of the April 2018 trades concentrated in AAA corporate and Government Guaranteed only. While credit spreads compressed across tenor due to higher government bond yield, a strong primary pipeline is expected to re-price spreads wider in the short-to-medium term.

On the Fund's strategy and outlook, we still think credit segment will provide bulk of the total return for the Fund for 2018. However, certain part of the MGS yield curve does look attractive now and may have room for short-term capital gain, should our expectation on no further Overnight Policy Rate ("OPR") hike pans out true. Overall, we still neutral weight on duration and focus more on the AA-rated credit for total return.

Source : CIMB-Principal Asset Management Bhd

Date : 21 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.