

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	460,865 units (31 October 2018)	Fund Size	RM464,429 (31 October 2018)
Unit NAV	RM1.0077 (31 October 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	26.7%
Industrials	14.9%
Others	13.5%
Real Estate	12.4%
Insurance	7.3%
Financial Services	5.9%
Utilities	5.4%
Basic Materials	4.8%
Consumer Services	3.9%
Cash & Cash Equivalent	5.3%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
China Life Insurance Co. Ltd	4.00%	03.07.75	2.9
Heungkuk Life Insurance Co Ltd	4.48%	09.11.47	2.4
Australia New Zealand Bank Gp	6.75%	15.06.49	2.1
PTT Exploration & Production	4.88%	18.06.49	2.1
BHP Billiton Finance USA Ltd	6.75%	19.10.75	2.0
Yinson TMC Sdn Bhd	7.00%	25.09.49	1.9
GENM Capital Bhd	4.78%	12.08.22	1.8
Yinson Juniper Ltd	7.85%	31.03.22	1.8
Parkway Pantai Ltd	4.25%	27.07.49	1.8
Tewoo Group Finance No 2 Ltd	4.50%	16.12.19	1.6

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 October 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	0.77	0.08	0.78	1.33	N/A	N/A	0.77
Benchmark	2.75	0.26	0.81	1.66	N/A	N/A	9.57

* 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

- A general risk off sentiment was seen in October, as the on-going US-China disputes and rising US interest caused nervousness on the prospect of global growth.
- Impacts from the US-China tariff implementation had begun to show, as Chinese imports to the US fell by 31%.
- A slew of positive economic data from the US was released, showing stronger GDP growth, inflation and labor market conditions.
- The 10-Year US Treasury yield climbed to the 3.14% level, amidst the global sell-off which also affected Asian markets.
- Chinese high yield property bonds bore the brunt of the sell-off, partially contributed by a default event in China. A widening of credit spreads were also seen in secondary markets.
- The CNY rose to its highest level against the USD year to date at 6.97 despite commentary from the China's central bank relating to speculation of the currency.

FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** Global developments will continue to drive market volatility, amidst US-China trade tensions, geopolitical risks, rising US rates. EM contagion and further monetary normalization by major central banks.
- Expectations are for this to continue into the final months of 2018.
- Positive data from the US will likely spur the Fed to deliver a widely expected 25 bps rate hike this year.
- We expect to see more new issuances from China. We will refrain from redeploying heavily at this point, and will look to gradually enter on dips, particularly for short dated papers and high yield names.
- Our cautious stance remains in the near term, as we hold on to moderate levels of cash and a focus on IG names, keeping short portfolio duration of around 4 years.

*Source : Affin Hwang Asset Management Berhad
Date : 31 October 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.