

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	30.06 million units (30 September 2016)
Fund Size	RM 37.31 million (30 September 2016)
Unit NAV	RM 1.2415 (30 September 2016)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	12 month FD
Risk Profile	Suitable for investors: <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	<ul style="list-style-type: none"> 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

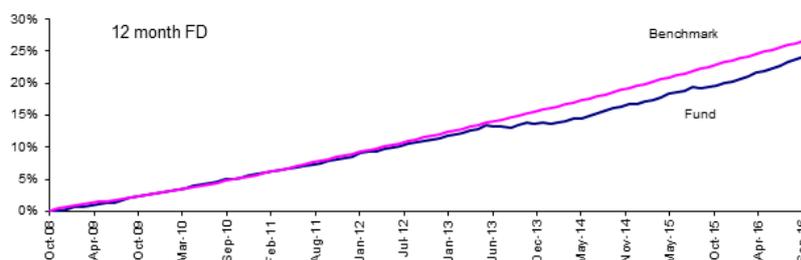
Corporate Bond	92.21%
Government Bond	4.18%
Short Term Paper	-
Cash	3.61%
Total	100.00%

TOP 10 HOLDINGS

MMC Corporation Berhad	5.950%	12/11/2027	14.25%
UniTapah Sdn Bhd	4.30%	08/08/2017	13.77%
UEM Sunrise Bhd	4.900%	12/06/2018	13.68%
Berjaya Land Bhd	4.6%	13/12/2018	13.67%
AMMB Hldg Bhd	4.750%	15/12/2017	13.50%
Malakoff Power Bhd	4.9%	17/12/2018	6.89%
Perdana Petroleum Bhd	4.450%	27/04/2018	6.86%
Tanjung Bin Power Sdn Bhd	4.66%	14/08/2020	5.47%
Gil Murabahah	4.070%	30/09/2026	4.18%
Temasek Eksklusif Sdn Bhd	4.620%	20/11/2019	4.12%

Source: CIMB-Principal Asset Management Bhd

PERFORMANCE RECORD



Source: CIMB-Principal Asset Management Bhd

NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	3.16	0.25	1.18	2.04	3.93	9.40	24.15
Benchmark	2.44	0.25	0.77	1.60	3.29	10.12	26.60

Source: CIMB-Principal Asset Management Bhd

*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 September was 0.25% similar to its benchmark of 0.25%.

Malaysian Government Securities (MGS) yields movements were mixed in September with yields for the 3-, 10- and 15-year traded lower by 2, 4 and 2 bps to close at 2.94%, 3.55% and 3.92% respectively. The 5- and 30-year yields however closed higher by 6 and 2 bps at 3.22% and 4.48% respectively. Investors were generally risk-averse during the month due to the prospect of an interest rate hike by the US Federal Reserve (US Fed).

Total trading volume for corporate bonds increased by 3.2% month-on-month (m-o-m) in the month of September with RM16.5 billion traded as compared to RM16.0 billion in August. The trades were mostly centred on quasi-government bonds as well as corporate bonds rated AAA and AA. AA rated corporate bond credit spreads tightened across the curve due to strong demand and from lack of supply.

The release of Malaysia 3Q2016 real GDP growth on 11 November will be closely watch as it could be one of the factors guiding Bank Negara Malaysia's (BNM) OPR decision in its Monetary Policy Committee (MPC) meeting to be held on 23 November. Nevertheless, we believe BNM will also need to take into cognizant of the potential rate increase by the US Fed which could have a major impact on the Ringgit. The eagerly awaited Budget 2017 to be tabled to the parliament on 21 October will also be monitored closely.

The domestic bond market is expected to stay range bound ahead of the MPC meeting in November. The expectation of a rate cut by BNM will be supportive of the bond market and the lack of primary issuances combined with ample liquidity in the market have pushed bond yields lower. We will focus on both corporate bond primary and repriced secondary issuances especially the AA rated issuances for yield pick up.

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.