

FUND OBJECTIVE

An income and absolute return focused fund that aims to provide regular income stream through investment in sukuk and Shariah-compliant equities.

FUND DETAILS

Launch Date	13 February 2015
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	450,223 Units (30 March 2018)
Fund Size	RM504,771 (30 March 2018)
Unit NAV	RM1.1212 (30 March 2018)
Dealing	Daily (as per Bursa Malaysia trading day)
Investment Manager of the Target Fund	Affin Hwang Asset Management Berhad
Target Fund	Affin Hwang AIIAMAN Select Income Fund
Benchmark	70% 12-month Maybank General Investment Account (GIA) + 30% FTSE Bursa Malaysia EMAS Shariah Index performance (FBMSHA)
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> Have a moderate risk appetite Expect incidental growth in capital Want an investment that complies with Shariah requirements
Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIAMAN Select Income Fund. 1.2% pa fund management charge is applied on the target fund's NAV by Affin Hwang.
Taxation	8% of annual investment income

ASSET ALLOCATION

Sukuk & Islamic money market instruments	Min - 60% Max - 99.80%
Shariah-compliant equity	Max - 40%
Cash & others	Remaining Balance

WHERE THE TARGET FUND INVESTS

Sukuk	64.5%	Basic Material	2.4%
Industrials	10.1%	Financials	2.0%
Oil & Gas	6.5%	Utilities & Others	1.8%
Technology	4.8%	Cash & C.E.	5.1%
Consumer Goods	2.8%	Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Sukuk Issuer	Coupon	Maturity Date	% NAV
GULF Investment Corp	5.10%	20.06.22	6.0%
Lebuhraya DUKE Fasa 3	5.95%	23.08.34	5.2%
MEX II Sdn Bhd	5.90%	27.04.29	5.1%
Plus Bhd	4.64%	10.01.25	4.9%
Konsortium Lebu Raya UT KL SB	4.75%	01.12.28	4.2%
Equities			
Venture Corp Ltd			2.2%
Petronas Chemicals Group Bhd			1.5%
Scientex Bhd			1.4%
Tencent Hldgs Ltd			1.3%
Thai Vegetable Oil PCL			1.2%

PERFORMANCE RECORD

This fund feeds into Affin Hwang AIIAMAN Select Income Fund ("target fund") with the objective to provide investors with regular income stream through Shariah-compliant investments. The target fund will invest in a diversified portfolio of Sukuks, Shariah-compliant equities and Islamic money market instruments.

Table below shows the investment returns of Sun Life Malaysia AIIAMAN Select Income Fund versus its benchmark as at 30 March 2018:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
Fund*	-0.9	-1.2	-0.9	0.4	4.4	12.1	12.1
Benchmark	0.4	-0.2	0.4	2.2	3.4	8.4	9.5

* 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

- Global equities correction continued into March as protectionist rhetoric in major economies stoked fears of a trade war.
- Uncertainties pushed volatility to take centre stage despite encouraging economic data being released.
- Regional markets held up better against its global peers with the support of the Taiwan and Korea exchange.
- Taiwan listed TSMC – the world's largest chip maker, which continued to see strong momentum in its stock price helped prop up the market.
- Stronger performance from selected component names within the KLCI also led to the Malaysian equity market ending marginally higher.
- The US Feds raised its interest rates by a further 25bps in March, much to the anticipation of the market. Markets remained calm after the Feds maintained its 3-hike projection for 2018.
- Investment grade issuances within the Asian region remained comparatively resilient, with robust corporate fundamentals and attractive yields keeping demand elevated.
- Likewise, MYR Sukuk held up, with the 10 year GII yields closing 8bps lower for the month at 4.15%, supported by MYR strength and strong local demand.
- The MYR continued to steadily strengthen, ending the month at MYR3.86 to the USD, compared to MYR3.92 the previous month.
- The Fund recorded a slid of 1.2% lower in the month of March, while its benchmark index slid 0.2% lower over the same period.
- STRATEGY:** We expect global financial markets to remain volatile in the near term as uncertainties prevail, despite the encouraging fundamentals.
- The equity portfolio will be more defensive, holding on to higher cash levels, taking profit on resilient names and switching to beaten up stocks.
- We expect BNM to keep rates steady for 2018 with the MYR strength, strong economy and subdued inflation providing support.
- For Sukuk, we are cautious on government issues due to large incoming supply, while favoring the AA rated corporates space for yield and supportive technicals.

Source: Affin Hwang Asset Management Berhad

Disclaimer:

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