

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	3.36 million units (31 December 2019)	Fund Size	RM3.71 million (31 December 2019)
Unit NAV	RM1.1031 (31 December 2019)	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 Affin Hwang Asset Management Berhad

ASSET ALLOCATION

Bonds	Cash	Money Market Instruments/Deposits
Min 70%; Max 100%	Remaining Balance	Min 0%; Max 30%

SECTOR ALLOCATION OF THE TARGET FUND

Banks	19.90%
Real Estate	19.80%
Industrials	11.60%
Government	11.20%
Others	10.80%
Financial Services	4.50%
Utilities	3.80%
Oil & Gas	3.20%
CIS	3.10%
Cash & Cash Equivalents	12.20%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
China Life Insurance Co. Ltd	4.00%	03.07.75	1.8
Eco World Capital Assets Bhd	6.50%	12.08.22	1.6
Santos Finance Ltd	5.25%	13.03.29	1.6
Lafarge Cement Sdn Bhd	5.06%	08.07.22	1.4
Australian Government	3.00%	21.03.47	1.4
BHP Billion Finance USA Ltd	6.75%	19.10.75	1.3
CIFI Holdings Group Co Ltd	6.55%	28.03.24	1.3
GII	4.47%	15.09.39	1.2
HSBC Holdings PLC	6.00%	22.05.49	1.1
Yinson Juniper Ltd	7.85%	05.10.49	1.1

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 December 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	9.38	0.25	0.86	3.09	9.38	N/A	10.31
Benchmark	3.20	0.26	0.77	1.55	3.20	N/A	6.61

* 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 People's Bank of China implemented a new key loan prime rate which is aimed at a more effective regulation and to lower borrowing cost. The PBoC priced the Loan Prime at 4.15% and the 5 year was priced at 4.8%. In addition, the central bank continues to inject liquidity into money markets in December.
- The central bank of Japan held its Key Policy rate at -0.1% during its December meeting. The target for the 10 – year Japanese government bond yield was also kept at 0%. Policymakers are positive on the upbeat of the economy, despite an implementation of a tax hike on Consumption in October.
- The Bank of Thailand maintained its Repo rate at 1.25% during the December meeting. The decision was in line with market expectation following two cuts this year to the lowest since 2009 to sustainably support economic growth, financial stability and inflation.
- Indonesian inflation rates rose 2.7% higher than the same month last year, though slower than November's 3.0%. This marks the lowest annual end year inflation rate in 20 years.
- STRATEGY:** Duration was kept between 4.5 and 4.7 years as the fund took profits on its UST position and added Australian government bonds during the month.
- The fund reduced its USD open position from 10% to 5% in view that Ringgit would strengthen in the near term.
- The fund participated in a few Ringgit primary issuances as offshore credit markets were quiet.

Source : Affin Hwang Asset Management Berhad

Date : 31 December 2019

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.