

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	1.85 million units (30 August 2019)	Fund Size	RM2.02 million (30 August 2019)
Unit NAV	RM1.0912 (30 August 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	21.3%
Real Estate	20.7%
Government	10.7%
Industrials	10.2%
Others	6.1%
Financial Services	5.1%
Basic Materials	3.3%
Utilities	3.3%
Insurance	3.1%
Cash & Cash Equivalents	16.2%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
China Life Insurance Co. Ltd	4.00%	03.07.75	2.3
United States Treasury N/B	2.88%	15.05.49	2.1
Lafarge Cement Sdn Bhd	5.06%	08.07.22	1.8
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.7
CIFI Holdings Group Co Ltd	6.55%	28.03.24	1.6
GII	4.47%	15.09.39	1.6
Santos Finance Ltd	5.25%	13.03.29	1.4
Yinson Juniper Ltd	7.85%	05.10.49	1.4
HSBC Holdings PLC	6.00%	22.05.49	1.4
UBS Group AG	6.88%	16.03.49	1.2

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 30 August 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	8.20	1.23	3.26	6.03	8.53	N/A	9.12
Benchmark	2.14	0.25	0.79	1.60	3.27	N/A	5.53

* 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 Asian credit and high yield space were relatively softer given the volatile environment while investment grade names and treasury bonds generally held up well.
- Several Asian central banks eased monetary policies during the month, including rate cuts from the Indian, Thai, and Philippines central bank amid a challenging macro environment.
- The local bond market tracked global movements as yields declined across the yield curve, much due to heavy foreign inflows. The local yield curve bull flattened with the 10-year MGS yield down 25 bps to end the month at 3.32% while the 3-year MGS yield were lower by 14 bps.
- The Ringgit ended the month at RM4.2055:USD1; 2% weaker against US Dollar and in line with the USD strength against most regional currencies.

FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** Duration was shortened to 4.6 years from 5 years on the back of higher cash levels (11-15%) and after taking profit on long dated bonds.
- Given the strong rally for the month, the fund reduced its exposure to Indonesian government bonds and took profit on the 30-year Singapore government bond.
- In order to minimize FX risks, IDR exposure reduced to 2.5% after selling Indonesian government bonds and increased USD exposure to 10%.

Source : *Affin Hwang Asset Management Berhad*
Date : *30 August 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.