

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	30.34 million units (31 December 2016)
Fund Size	RM 37.62 million (31 December 2016)
Unit NAV	RM 1.2400 (31 December 2016)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	12 month FD
Risk Profile	<p>Suitable for investors:</p> <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

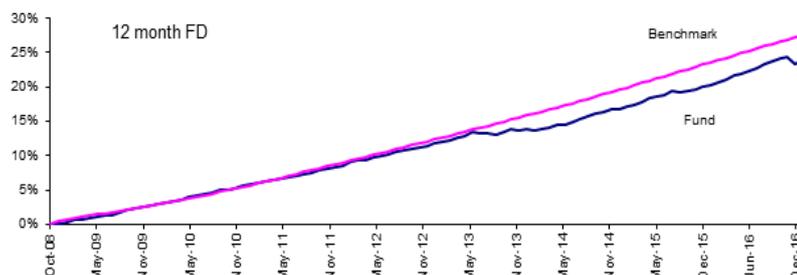
Corporate Bond	89.40%
Government Bond	3.90%
Short Term Paper	-
Cash	6.70%
Total	100.00%

TOP 10 HOLDINGS

MMC Corporation Berhad	5.950%	12/11/2027	13.88%
AMMB Hldg Bhd	4.30%	08/08/2017	13.79%
UniTapah Sdn Bhd	4.900%	12/06/2018	13.75%
Berjaya Land Bhd	4.750%	15/12/2017	13.67%
UEM Sunrise Bhd	4.6%	13/12/2018	13.65%
Malakoff Power Bhd	4.9%	17/12/2018	6.93%
Perdana Petroleum Bhd	4.450%	27/04/2018	6.75%
Tanjung Bin Power Sdn Bhd	4.66%	14/08/2020	5.46%
Temasek Eksklusif Sdn Bhd	4.620%	20/11/2019	4.04%
GII Murabahah	4.070%	30/09/2026	3.97%

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*	3.03	0.54	-0.12	1.06	3.03	8.94	24.00
Benchmark	3.21	0.25	0.75	1.53	3.21	10.11	27.55

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

For the month of December 2016, the Fund registered 0.54% return compared with its benchmark at 0.25%.

The Malaysian fixed income market was volatile in December with bond yields shifting lower across the yield curve in December. Meanwhile, trading volume for corporate bonds was RM7.5 billion, down 28.5% from RM10 billion previously. Focus remained in the AA and GG segment whereby credit spread widened for the 3 and 5 years as the levels for the government bonds traded lower. It was a mixed action for the other tenures.

We expect the fixed income market to be volatile in the near term driven by external uncertainties from US Fed tightening, political developments in Europe and future US policies under Trump.

We have a preference for sovereign MYR bonds due to the better valuations especially as corporate spreads has tightened significantly post US election. However, weak MYR, longer tenured government bond new issuance and the still high foreign ownership in MGS may prove to be a hurdle to any rallies in the MGS. In the credit segment, we continue to remain selective as downgrades and defaults on credit market may be increasing in 2017 in view of potential slower domestic growth.

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.