

### 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	1.48 million units (28 June 2019)	Fund Size	RM1.58 million (28 June 2019)
Unit NAV	RM1.0700 (28 June 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"> <li>Have a medium to long term investment horizon</li> <li>Risk averse and conservative</li> </ul>	Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund</li> <li>Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Affin Hwang Asset Management Berhad</li> </ul>

### 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	24.5%
Real Estate	20.8%
Government	10.5%
Industrials	9.7%
Others	7.5%
Financial Services	5.4%
Basic Materials	3.8%
Insurance	3.7%
Utilities	3.3%
Cash & Cash Equivalents	11.0%
Total	100.0%

### TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
China Life Insurance Co. Ltd	4.00%	03.07.75	2.7
Singapore Government Bond	2.75%	01.03.46	2.6
BHP Billiton Finance USA Ltd	6.75%	19.10.75	2.0
Yinson Juniper Ltd	7.85%	05.10.49	1.6
HSBC Holdings PLC	6.00%	22.05.49	1.6
Australian Government	3.00%	21.03.47	1.5
Yuzhou Properties Co Ltd	8.50%	26.02.24	1.5
HSBC Holdings PLC	6.50%	23.03.49	1.4
UBS Group AG	6.88%	16.03.49	1.4
UBS AG	7.13%	19.02.49	1.4

## 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 28 June 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	6.10	1.25	2.71	6.10	7.59	N/A	7.00
<b>Benchmark</b>	1.60	0.23	0.78	1.60	3.30	N/A	4.99

\* 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 new 20-year MGS issuance up for tender in June 2019 saw robust subscription, raising RM4billion in size and a record high bid-to-cover ratio of 4.28. This suggests there's ample liquidity in the market; especially amongst local players who are looking for longer-tenure placements.
- Yields are expected to remain low in the medium- to longer-term given: (i) loosening monetary policies globally; (ii) persistent softness in economic data, as well as (iii) the treasury yield-curve inversion between the 3-month/10-year pair. Ending the month, the 10-year Treasury benchmark yield sat at 2.00%.
- The ECB is currently floating the possibility of extending its Quantitative Easing ("QE") program. If pushed through, this would come along with the introduction of a new mechanism – which would effectively allow the central bank to increase the limit of their bond purchases.
- STRATEGY:** The fund remained invested during the month as global bond yields continue to rally in June on the back of dovish central banks and uncertainty regarding the US-China trade war concerns as well as strong demand for Asian credits evidenced by the strong inflows into Asian bond funds.
- The fund added duration through investments in government bonds such as Indonesia government bonds, Malaysia Government Securities as well as corporate bonds, such as HSBC.
- The fund's portfolio duration was maintained at slightly above 4 years.

Source : Affin Hwang Asset Management Berhad

Date : 28 June 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.