

#### 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	391,178 Units (28 February 2018)
Fund Size	RM443,812 (28 February 2018)
Unit NAV	RM1.1346 (28 February 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"> <li>Have a moderate risk appetite</li> <li>Expect incidental growth in capital</li> <li>Want an investment that complies with Shariah requirements</li> </ul>
Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIAMAN Select Income Fund.</li> <li>1.2% pa fund management charge is applied on the target fund's NAV by Affin Hwang.</li> </ul>
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	61.0%	Basic Material	3.5%
Industrials	10.3%	Utilities	1.3%
Oil & Gas	5.0%	Consumer Goods	0.5%
Technology	4.9%	Cash	8.8%
Financials	4.8%	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	4.8%
Konsortium Lebu Raya UT KL SB	4.75%	01.12.28	4.1%
Equities			
Venture Corp Ltd			2.1%
Scientex Bhd			1.5%
Kelington Group Bhd			1.4%
Tenaga Nasional Bhd			1.3%
Keppel Corporation Ltd			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 28 February 2018:

%	YTD	1M	3M	6M	1-Year	3-year	Since Inception
<b>Fund*</b>	0.3	0.0	0.7	1.8	6.7	13.5	13.5
<b>Benchmark</b>	0.7	-0.3	1.7	2.8	4.9	8.8	9.7

\* 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 financial markets took a breather in February, ending its winning streak.
- The stronger US wage inflation data triggered concerns on a possibility for more rapid hikes from the US Feds.
- Market weakness triggered a spike in the volatility index, leading to leverage short volatility strategies closing their position and leaving markets to be dragged lower.
- The domestic market also suffered from the weaker sentiment despite encouraging economic data. GDP reading was recorded at a 3-year high of 5.9% in 2017.
- On the regional front, news of China's President Xi's intention to remove the 2-term limit in the constitution aroused concerns and left the domestic Shanghai Composite tumbling more than 6% lower in local currency terms.
- Malaysia's foreign reserves rose further to USD 103.7 bil in Jan from USD 102.4 bil the previous month.
- A total of MYR 4.5 bil flowed into the domestic bond market by foreigners in January, pushing the total foreign holdings in MGS from 45.1% to 45.7%.
- Yields for MGS papers rose alongside its US counterparts, with the 10-year issuances rising from 3.95% to 4.01%, whilst the 5-year and 3-year closed at 3.62% and 3.40% respectively.
- The Fund recorded a slid of 0.00% lower in the month of February, while its benchmark index slid 0.3% lower over the same period.
- STRATEGY:** We expect market volatility to continue in the near-term as global financial markets find their footing.
- We do, however, believe the equity markets will be well supported from the encouraging fundamentals and the anticipated stronger corporate earnings.
- The Fund will be maintaining a moderately higher exposure for the Fund, taking the opportunity to add exposure into names that have been under price pressure.
- Duration on its Sukuk portfolio will be kept lower as we await more interest rate hikes in the US.
- In the near term, we do not see any signals from BNM suggesting another OPR hike is on the cards.

Source: Affin Hwang Asset Management Berhad

#### 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.