

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	29.97 million units (31 July 2016)
Fund Size	RM 36.98 million (31 July 2016)
Unit NAV	RM 1.2338 (31 July 2016)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	12 month FD
Risk Profile	Suitable for investors: <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

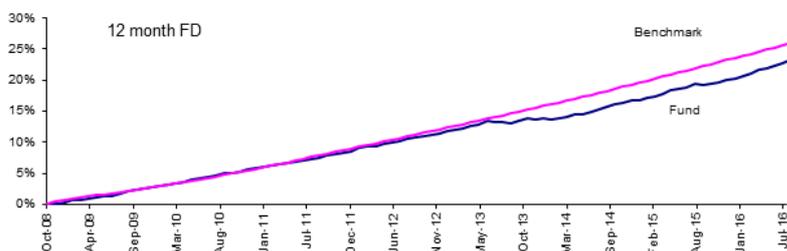
Corporate Bond	92.69%
Government Bond	4.23%
Short Term Paper	-
Cash	3.08%
Total	100.00%

TOP 9 HOLDINGS

Pengurusan Air SPV Bhd	4.63%	5/2/2026	14.34%
AMMB Hldg Bhd	4.30%	08/08/2017	13.78%
UniTapah Sdn Bhd	4.900%	12/06/2018	13.77%
UEM Sunrise Bhd	4.6%	13/12/2018	13.68%
Berjaya Land Bhd	4.750%	15/12/2017	13.67%
Malakoff Power Bhd	4.9%	17/12/2018	6.88%
Perdana Petroleum Bhd	4.450%	27/04/2018	6.86%
Tanjung Bin Power Sdn Bhd	4.66%	14/08/2020	5.58%
Gil Murabahah	4.070%	30/09/2026	4.23%
Temasek Eksklusif Sdn Bhd	4.620%	20/11/2019	4.12%

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*	2.52	0.55	1.16	2.16	3.36	9.00	23.38
Benchmark	1.92	0.26	0.81	1.64	3.33	10.12	25.96

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

The Fund's performance for the month of July 2016 was 0.55% as compared to its benchmark of 0.26%.

The Malaysian Government Securities ("MGS") rallied post-Brexit as investors continue to hunt for yield. On 13 July 2016, Bank Negara Malaysia ("BNM") cut its Overnight Policy Rate ("OPR") for the first time in 7 years by 25 basis points ("bps") to 3.0% at its bi-monthly Monetary Policy Committee ("MPC") meeting. This came as a surprise to the market as the domestic economy is on track to report stable growth in 2016. The central bank cited risks from uncertainties in the global environment on the prospects of domestic growth to be the key rationale behind the pre-emptive rate cut. BNM also lowered its inflation outlook from 2.5 - 3.5% to 2.0-3.0% for 2016. The lower inflation expectation and unexpected rate cut resulted in yields declining by 6 to 25 bps across the MGS curve. Trading volume for corporate bonds decreased by 29% in July 2016 due to the holiday shortened month with RM10.5 billion traded from RM14.8 billion in the previous month. Trades were mostly centred on GGs and AAs space. Corporate bond credit spreads widened across the curve due to strong demand for sovereign bonds.

The expected easing policy stance by the global central banks should be supportive of Malaysian sovereign yields. The corporate bond market is expected to be well supported in the near term due to the lack of supply in the primary pipeline and the ample liquidity of local institutional players. We will focus on both corporate bond primary and repriced secondary issuances especially the AA rated issuances for yield pick-up.

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.