

### 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	30.98 million units (31 August 2018)	Fund Size	RM40.97 million (31 August 2018)
Unit NAV	RM1.3224 (31 August 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd	Benchmark	12 month FD
Taxation	8% of annual investment income	Fees	Management Fee: 1.0% p.a.
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>Have a medium to long term investment horizon</li> <li>Want a diversified portfolio of fixed interest securities</li> <li>Are looking for a less volatile investment but can accept lower returns</li> </ul>		

### ASSET ALLOCATION OF THE FUND

Bonds/Debentures	Cash
80% - 98%	Up to 20%

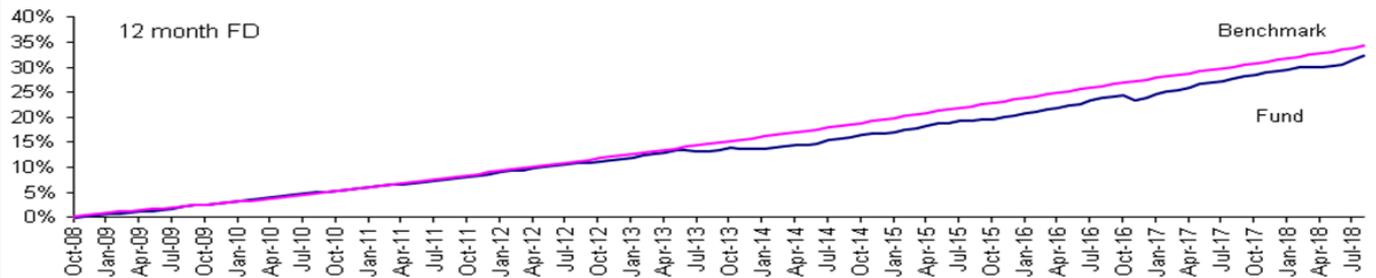
### SECTOR ALLOCATION OF THE FUND

Corporate Bond	Government Bond	Short Term Paper	Cash	Total
86.58%	6.16%	-	7.26%	100.00%

### TOP HOLDINGS OF THE FUND

Bond Issuer	Coupon	Maturity Date	%	Bond Issuer	Coupon	Maturity Date	%
Jimah Energy Ventures	9.30%	11/21/2021	14.30	Sabah Development Bank MTN 1826D	5.30%	27/04/2023 – Tranche 17	6.31
MMC Corporation Berhad	5.95%	12/11/2027	12.74	WCT Hldgs Bhd	5.32%	11/05/2022	6.26
Mumtaz Rakyat Sukuk Berhad	4.95%	18/06/2021	12.41	GENM Capital Bhd	4.98%	11/07/2023	6.17
Fortune Premiere Sdn Bhd IMTN	4.65%	21/12/2022	12.28	YTL Power International Bhd	5.05%	03/05/2027	5.04
Tenaga Nasional Bhd	4.98%	27/08/2038	9.80	GII Murabahah	4.07%	30/09/2026	3.71

## PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	2.35	0.58	1.60	1.79	3.51	10.95	32.34
<b>Benchmark</b>	2.17	0.27	0.81	1.64	3.19	9.86	34.28

\* 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

### Market review:

In August 2018, the Malaysia Government Securities ("MGS") yield curve traded marginally lower across all tenures (between 1-9 bps) with the 20-year MGS yields shifting the most (-9bps) to close at 4.70% from 4.79% previously. As at end August 2018, the 3-, 5-, 10- and 15-year MGS yields ended lower to close at 3.46% (-6bps), 3.76% (-3bps), 4.05% (-1bps) and 4.47%(-5bps) while the 30-year MGS stay unchanged at 4.91%.

For corporate bond/Sukuk, trading volume continued to increase in August with RM13.5bn traded versus RM11.1 in July, an increase of 21.53%. The pickup in trading volume has been seen since July (+104.89% m-o-m) after the relatively quiet 2 months post-GE14. Most of the trades were on quasi-sovereign, AAA-rated and AA-rated papers. Credit spreads tightened across almost the entire credit curve versus the MGS in the month of August between 1-12bps with the 5 to 10 year AA-rated tightening the most between 8 to 12 bps.

Domestically, The Malaysian economy expanded at a slower pace of 4.5% in 2Q2018 (1Q2018: +5.4%). Growth was slower on account of supply disruptions in the mining sector and lower agriculture production. On the demand side, growth was dampened by lower public investment and net export growth. Following the release of 2Q GDP numbers, BNM cut their forecast for Malaysia's GDP growth this year to 5% from their earlier forecast of 5.5-6.0%. Headline inflation inched higher to 0.9% YoY from 0.8% seen in June mainly due to a pick-up in education, housing & utilities and transport costs – amid the zero-rating of GST. Core inflation however declined by 0.2% YoY signaling subdued demand.

### Portfolio strategy:

On fund strategy, the portfolio will continue to (moderately) overweight duration against benchmark as we view the near term risk on policy rate hike is relatively remote. On asset allocation, the fund will tactical switch into government bonds as well as into selective AA-rated names from GGs and AAA-rated issues, which are relatively rich.

Source : CIMB-Principal Asset Management Bhd

Date : 31 August 2018

### 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.