

FUND OBJECTIVE

To achieve higher returns than the benchmark over the medium to long term while preserving capital and providing opportunity for income.

FUND DETAILS

Launch Date	01 December 2009
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	4.190 million units (31 October 2016)
Fund Size	RM5.293 million (31 October 2016)
Unit NAV	RM1.2632 (31 October 2016)
Dealing	Daily (as per Bursa Malaysia trading day)
Investment Manager of the Target Fund	Opus Asset Management Sdn Bhd
Target Fund	Opus Shariah Income Fund
Benchmark	Maybank, 12-Month Islamic Fixed Deposit Rate
Risk Profile	<p>Suitable for investors who:</p> <ul style="list-style-type: none"> have a medium to long term investment time frame are seeking stability in income through investment in Malaysian Shariah-compliant bonds (sukuk) are looking for a less volatile investments but can accept lower returns which may fluctuate over the short term
Fees	<p>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Bond Fund.</p> <p>Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Fund Manager.</p>
Taxation	<ul style="list-style-type: none"> 8% of annual investment income

SECTOR ALLOCATION

Toll Road	59.57%	Finance	2.71%
Power	11.44%	Cash	2.56%
Government	9.17%	Construction	0.95%
Infrastructure	8.89%	Telecommunication	0.19%
Plantation	4.52%	Total	100%

TOP 5 HOLDINGS OF THE TARGET FUND

Sukuk Issuer	Coupon	Maturity Date	Rating	%
Anih	5.70%	27.11.26	AA	20.0
Malakoff power	5.45%	15.12.23	AA-	11.4
EKVE (BG)	5.55%	29.01.29	AAA	9.8
KESTURI	4.75%	01.12.26	AA-	9.2
GII	4.07%	30.09.26	NR-GG	9.2

CREDIT PROFILE

	%
NR-GG	18.06%
AAA	12.54%
AA2	25.43%
AA3	41.41%
Cash	2.56%

PERFORMANCE RECORD

This fund feeds into Opus Shariah Income Fund ("Target Fund") with the objective to achieve higher returns than the benchmark over the medium to long term while preserving capital and providing opportunity for income.

Table below shows the investment returns of Sun Life Malaysia Islamic Bond Fund versus its benchmark as at 31 October 2016:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	2.90	0.36	0.79	1.81	3.44	9.74	26.32
Benchmark	2.78	0.28	0.83	1.66	3.35	9.90	22.86

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

Despite the short term volatility in global bond yields, we think that there will be continued support for low bond yields owing to monetary policy that will still be accommodative. The US is unlikely to resort to aggressive normalisation, and other developed market central banks are willing to let inflation overshoot their respective targets to foster stronger recoveries in growth. Malaysia's export sector is likely to exhibit continued weakness as external demand sluggishly recovers, while domestic growth is still facing hurdles. Bank Negara may chime in by cutting the OPR to boost domestic demand should growth disappoint on the downside. With lower growth and looming expectations of a rate cut, we foresee Malaysian Government Securities yields remaining low. Consequently, our strategy is to remain with a duration of around 6 years. We do not discount the possibility of higher volatility in the Malaysian bond markets in the short term owing to the Ringgit's high correlation with oil prices and increasingly high foreign ownership of MGS. In light of this, we aim to keep the portfolio invested in more liquid and higher grade papers which allow us to 1) nimbly take trading opportunities, should they arise in this volatile environment; 2) mitigate exposure to the weakening credit environment.

Source: Opus Asset Management Sdn 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.