

### 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	31.03 million units (30 April 2019)	Fund Size	RM42.46 million (30 April 2019)
Unit NAV	RM1.3684 (30 April 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	12 month FD
Taxation	8% of annual investment income	Fees	Management Fee: 1.0% p.a.
Risk Profile	Suitable for investors: <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>	Other Charges	Inclusive of auditor fee & transaction charge

### ASSET ALLOCATION OF THE FUND

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

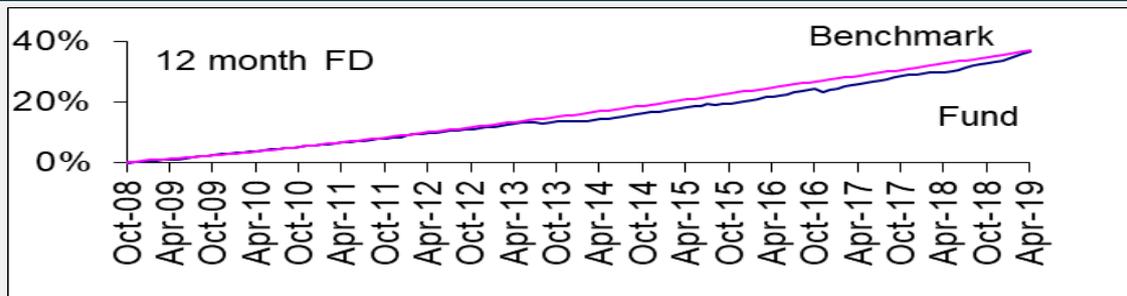
### SECTOR ALLOCATION OF THE FUND

Corporate Bond	Government Bond	Short Term Paper	Cash	Total
90.61%	3.60%	-	5.79%	100.00%

### TOP HOLDINGS OF THE FUND

Bond Issuer	Coupon	Maturity Date	%	Bond Issuer	Coupon	Maturity Date	%
MMC Corporation Berhad	5.95%	12/11/2027	12.55	WCT Holdings Berhad	5.32%	11/05/2022	6.08
IJM Corp Bhd IMTN	5.05%	18/08/2028	12.26	Sabah Development Bank	5.30%	27/04/2023	6.01
Fortune Premiere Sdn Bhd IMTN	4.65%	21/12/2022	12.10	Jimah East Power Sdn Bhd	5.77%	04/12/2029	5.32
Sarawak Energy Bhd	5.50%	04/07/2029	6.57	Fortune Premiere Sdn Bhd IMTN	4.85%	07/09/2023	4.83
GENM Capital Bhd MTN 1826D	4.98%	11/07/2023	6.11	GII Murabahah	4.07%	30/09/2026	3.60

## PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	2.23	0.50	1.74	2.95	5.20	12.19	36.84
<b>Benchmark</b>	1.09	0.27	0.81	1.64	3.30	9.82	37.28

\* 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:

During the month, Malaysia Government Securities ("MGS") yield curve traded higher across tenures (between 2-6bps) with the 10-year MGS closed higher by 2bps to 3.78% following reports of purported bond allocation changes by the Norwegian sovereign wealth fund and FTSE-Russell Index. At close, the The 3-, 5-, 10-, 15-, 20- and 30- year MGS yields traded higher to close at 3.43% (+4bps), 3.65% (+6bps), 3.78%(+2bps), 4.17% (+4bps), 4.38% (+6bps) and 4.65% (+4bps) respectively at the end of April.

### Outlook & Strategy:

Globally, Fed Fund Target Rate was kept on hold at 2.5% at the FOMC meeting held on 30 April. Outlook for monetary policy remained unchanged with Fed's patience stance and data dependence approach considering global economic developments and muted inflation pressures. Fed Chair Jerome Powell added that there is no strong case to shift interest rate and that the weakness in inflation is "transitory". Locally, Mar-19 inflation returned to positive after two months of declines at 0.2% yoy (February: -0.4%), versus consensus expectation of 0.3%. The rebound was mainly lifted by smaller contraction in transport prices and slightly quicker gain in food prices. The purported reductions by the Norwegian Sovereign Fund of its EM fixed income weightings and the potential exclusion of Malaysia from FTSE-Russell Index's WGBI Index saw some selling in the market. Contrary to this, we saw Malaysia weightage in JP Morgan GMI-EM index increased marginally to 5.99%.

On Fixed Income strategy, we continue to expect BNM to deliver 25bps of OPR cut on 7<sup>th</sup> May. The fund will continue to overweight duration as we see 3.00% OPR to stay for a considerable period, barring no positive surprise on growth. Some part of the government yield curve is already traded on the back of rate cut, hence we think further upside is limited. The Fund will continue overweight credit especially in the AA-rated category to deliver better return prospect.

Source : Principal Asset Management Bhd

Date : 30 April 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.