

### 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	30.61 million units (28 February 2019)	Fund Size	RM41.38 million (28 February 2019)
Unit NAV	RM 1.3521 (28 February 2019)	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	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>		

### ASSET ALLOCATION OF THE FUND

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

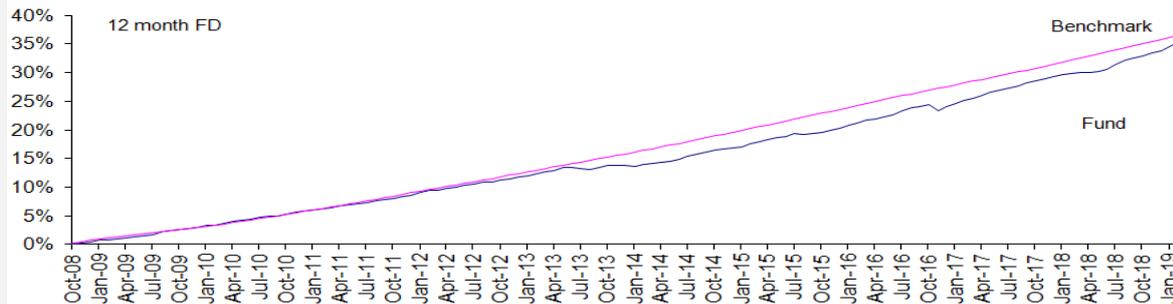
### SECTOR ALLOCATION OF THE FUND

Corporate Bond	Government Bond	Short Term Paper	Cash	Total
88.71%	6.03%	-	5.26%	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	12.68%	Sabah Development Bank MTN 1826D	5.30%	27/04/2023	6.21%
Mumtaz Rakyat Sukuk Berhad	4.95%	18/06/2021	12.31%	GENM Capital Bhd MTN 1826D	4.98%	11/07/2023	6.19%
Fortune Premiere Sdn Bhd IMTN	4.65%	21/12/2022	12.26%	Jimah East Power Sdn Bhd	5.77%	04/12/2029	5.34%
Sarawak Energy Bhd	5.50%	04/07/2029	6.57%	Fortune Premiere Sdn Bhd IMTN	4.85%	07/09/2023	5.00%
WCT Holdings Berhad	5.32%	11/05/2022	6.21%	Serba Dinamik Holdings Berhad	4.95%	02/10/2023	3.71%

## PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	1.02	0.53	1.39	2.25	4.08	11.61	35.21
<b>Benchmark</b>	0.54	0.27	0.81	1.64	3.30	9.83	36.48

\* 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 bull flattened with yields dropping the most in the 10-year segment. The 10-year moved below 4% to end the month at 3.88%. The 3-, 5-, 10, 15-, 20- and 30-year MGS yields traded lower at 3.60% (-2bps), 3.76% (-4bps), 3.88 (-22bps), 4.32% (-11 bps), 4.51% (-8bps) and 4.73% (-6bps) respectively at end of February.

### Outlook & Strategy

On the local economy front, the latest exports and imports for Jan 2019 grew 3.1% YoY and 0.0% YoY respectively. Headline inflation declined -0.7% YoY in Jan 2019 mainly due to the drop in transport costs following lower retail fuel prices amid lower global crude oil prices. For 2018 as a whole, headline inflation averaged at 1% compared with 3.7% seen in 2017. BNM maintained the overnight policy rate ("OPR") at 3.25% on 24 January. In its latest statement, the central bank painted a more negative outlook highlighting the moderating global growth momentum. BNM also mentioned that they expect inflation to 'average moderately higher' in 2019. In terms of growth, the release of Q42018 GDP numbers saw the domestic economy expanded by 4.7% yoy in 4Q18 which was better than consensus expectations of 4.5%. For full year, the economy expanded by 4.7% slowing from 5.9% in 2017. Private consumption was the primary driver of growth in 2018. BNM forecast growth of 4.9% in 2019 was projected taking into consideration the initial US-China tariffs announced.

On Fixed Income strategy, with slower growth and negative CPI in January, market is starting to price-in a potential OPR cut in 2019. However, our view is that BNM is unlikely to take hasty action until clear evidence of trade disruption in the region. Negative CPI seems to be just one data observation as GST refund beginning in March-19 is likely to see inflation pick-up again. Nevertheless, the risk of overweighting portfolio duration is rather benign now and certain part of the yield curve especially the belly is still steep and offers decent roll-down return. On Credit, weak corporate results are dominating headlines and we are very selective when it comes to adding exposure in both primary and secondary market.

Source : CIMB-Principal Asset Management Bhd

Date : 28 February 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.