

FUND OBJECTIVE

To provide a steady income stream over medium to long-term period by investing primarily in bonds and fixed income securities.

FUND DETAILS

Launch Date	16 January 2018	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	1.13 million units (30 April 2019)	Fund Size	RM1.19 million (30 April 2019)
Unit NAV	RM1.0507 (30 April 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Affin Hwang Asset Management Berhad	Target Fund	Affin Hwang Select Bond Fund
Benchmark	Maybank 12-Month Fixed Deposit Rate	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> Have a medium to long term investment horizon Risk averse and conservative 	Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Affin Hwang Asset Management Berhad

ASSET ALLOCATION

Bonds	Cash	Money Market Instruments/Deposits
Min 70%; Max 100%	Remaining Balance	Min 0%; Max 30%

SECTOR ALLOCATION OF THE TARGET FUND

Banks	26.0%
Real Estate	18.8%
Others	11.4%
Industrials	9.5%
Financial Services	5.4%
Government	5.4%
Oil & Gas	4.4%
Basic Materials	4.2%
Insurance	3.9%
Cash & Cash Equivalents	10.9%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
PTT Exploration & Production	4.88%	18.06.49	2.9
China Life Insurance Co. Ltd	4.00%	03.07.75	2.9
Australia New Zealand Bank Gp	6.75%	15.06.49	2.2
BHP Billiton Finance USA Ltd	6.75%	19.10.75	2.1
TF Varlik Kiralama AS	6.00%	28.06.19	1.8
Yinson Juniper Ltd	7.85%	05.10.49	1.8
UBS Group AG	6.88%	16.03.49	1.5
UBS AG	7.13%	19.02.49	1.5
UBS AG	5.13%	15.05.24	1.5
DBS Group Holdings Ltd	3.60%	07.09.49	1.5

PERFORMANCE RECORD

This fund feeds into Affin Hwang Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over medium to long-term period by investing primarily in bonds and fixed income securities.

Table below shows the investment returns of Sun Life Malaysia Select Bond Fund versus its benchmark as at 30 April 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	4.18	0.85	2.85	4.27	5.65	N/A	5.07
Benchmark	1.10	0.30	0.81	1.65	3.30	N/A	4.43

* 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

- The US Federal Reserve (the Fed) followed the dovish script at its recent April/May meeting, as officials voted to keep interest rates unchanged amid concerns on slowing growth as well as inflation. Inflation reading for the coming months will be the key determinants of what the Fed will do next. Most recently, US-China trade talks are back in the news.
- A major index provider announced that it is considering excluding Malaysia from its global bond index, while Norway's sovereign wealth fund also announced it will cut Emerging Market debt exposure, including Malaysia. These announcements led to a sell-off of Malaysian fixed income, with the 10-year MGS spiking up to 3.95% from 3.78% following the news. The market, however, quickly rebounded supported by local investors. The 10-year GII yield was up by 6 bps, ending the month with yields at 3.87%.
- BNM decided to trim the overnight policy rate (OPR) by 25 bps to 3.00% at its Monetary Policy Committee (MPC) on 7 May 2019, which was in line with market expectations. The rate cut was delivered due to downside growth risks in the global and Malaysian economy. Following the rate cut, Malaysian government bonds yields edged lower by 1-2 bps.
- Malaysia's inflation rose 0.2% in March after decreasing 0.4% in the previous month and 0.7% in January, as fuel prices recorded a smaller decline. Thus far, the headline inflation rate had declined 0.3% year-on-year in 1Q 2019. The domestic bond market remains well-supported by ample liquidity and the lack of supply; especially in corporate bonds.
- **STRATEGY:** The fund took profit on bonds, such as Longfor and Prasarana, that have rallied given the strong performance of bonds over the month.
- The fund participated in several primary issuances such as Tencent and has reduced its duration to slightly below 4 years.
- The fund remains highly invested with an exposure of above 90% on the back of US Fed's no-more-rate-hike announcement as well as strong participation and demand in the primary market.

Source : Affin Hwang Asset Management Berhad

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.