

### FUND OBJECTIVE

An income and absolute return focused fund that aims to provide regular income stream through investment in sukuk and Shariah-compliant equities.

### FUND DETAILS

Launch Date	13 February 2015	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	752,320 Units (30 August 2018)	Fund Size	RM845,615 (30 August 2018)
Unit NAV	RM1.1240 (30 August 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Investment Manager of the Target Fund	Affin Hwang Asset Management Berhad	Target Fund	Affin Hwang AIIMAN Select Income Fund
Benchmark	70% 12-month Maybank General Investment Account (GIA) + 30% FTSE Bursa Malaysia EMAS Shariah Index performance (FBMSHA)	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> <li>▪ Have a moderate risk appetite</li> <li>▪ Expect incidental growth in capital</li> <li>▪ Want an investment that complies with Shariah requirements</li> </ul>	Fees	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIMAN Select Income Fund.</li> <li>▪ 1.2% pa fund management charge is applied on the target fund's NAV by Affin Hwang.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Sukuk & Islamic Money Market Instruments	Shariah-compliant Equities	Cash & Others
Min 60%; Max 99.80%	Min 0%; Max 40%	Remaining Balance

#### SECTOR ALLOCATION OF THE TARGET FUND

Sukuk	66.1%
Oil & Gas	5.5%
Financials	4.8%
Technology	3.9%
Industrials	3.5%
Consumer Goods	2.7%
Telecommunications	2.2%
Others	2.2%
Basic Materials	2.1%
Cash and Cash Equivalent	7.1%
Total	100.0%

#### TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
Lebuhraya DUKE Fasa 3 Sdn Bhd	5.95%	23.08.34	6.1
MEX II Sdn Bhd	5.90%	27.04.29	6.1
Konsortium Lebuhraya UT KL SB	4.75%	01.12.28	4.9
Tanjung Bin Energy Issuer Bhd	5.30%	16.03.23	4.4
Westports Malaysia Sdn Bhd	4.53%	01.04.27	4.2

#### TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

Pentamaster International Ltd	1.6
PetroChina Company Ltd	1.5
Tenaga Nasional Bhd	1.3
Taiwan Semiconductor Manufac.	1.3
Sunway Bhd	1.2

#### PERFORMANCE RECORD

This fund feeds into Affin Hwang AII MAN Select Income Fund ("target fund") with the objective to provide investors with regular income stream through Shariah-compliant investments. The target fund will invest in a diversified portfolio of Sukuks, Shariah-compliant equities and Islamic money market instruments.

Table below shows the investment returns of Sun Life Malaysia AII MAN Select Income Fund versus its benchmark as at 30 August 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	-0.6	0.9	0.8	-0.9	0.9	15.7	12.4
<b>Benchmark</b>	1.2	0.4	2.0	-0.3	2.4	11.6	9.4

\* 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

- Markets stayed volatile in August as economic turmoil in Turkey and Argentina unfold, on top of headwinds from trades and potential strain in relationship between US and China.
- Economic growth for Malaysia in the 2Q'18 came in at 4.5%, which was below consensus estimates of 5.0% due to supply disruptions according to BNM.
- The current account surplus also narrowed sharply to RM3.9 billion in 2Q'18 from RM15 billion in the prior quarter.
- The local markets were mixed with the KLCI up by 1.98% in August, while the small cap index was down by 2.17% after a strong rebound in July.
- A tepid reporting season did little to provide an uplift for markets, with less than 10.0% of firms reporting earnings that surprised on the upside for 2Q'18.
- 10-year GII benchmark yield ended August at 4.14%. Sentiment for the corporate segment was relatively stronger, as TNB's Sukuk issuance saw healthy participation and support.
- MYR remain as one of the better performing currency as local fixed income markets see gradual return of foreign buying as well as passive reallocations after consecutive months of outflows.
- The Fund recorded a gain of 0.9% in the month of August, while its benchmark index rose 0.4% over the same period.
- **STRATEGY:** We expect volatility in the market to continue amidst the continued trade tensions and developments and renewed uncertainties from Emerging Markets.
- We're mindful of the potential foreign outflows triggered by economic turmoil in Turkey and Argentina, although the impact is likely to be limited due to small economic linkage.
- With lower growth and inflation expectations for 2018, we expect BNM to keep rates steady for the rest of 2018.
- We are seeing a more optimistic outlook for the domestic bond scene, at least for the near-term on the back of ample domestic liquidity and lack of supply.
- The absence of any growth policies suggests some more short-term pain for investors, although more clarity can be gleaned from Budget 2019 in November.
- We are seeing a more optimistic outlook for the domestic bond scene, at least for the near-term, on the back of ample domestic liquidity and lack of supply.
- We remain cautious and prudent in our stock selection given demanding valuations and high volatility, while maintain our fixed income exposure.
- The portfolio duration is kept at a moderate level between 5 to 7 years, with cash level at around 5% to 10%.

Source : Affin Hwang Asset Management Berhad

Date : 30 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.