

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	532,728 Units (31 May 2018)	Fund Size	RM594,157 (31 May 2018)
Unit NAV	RM1.1153 (31 May 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"> ▪ Have a moderate risk appetite ▪ Expect incidental growth in capital ▪ Want an investment that complies with Shariah requirements 	Fees	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIMAN Select Income Fund. ▪ 1.2% pa fund management charge is applied on the target fund's NAV by Affin Hwang.

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	70.0%
Technology	8.7%
Oil & Gas	6.5%
Industrials	4.8%
Financials	2.7%
Consumer Goods	2.7%
Basic Materials	2.0%
Consumer Services	1.2%
Others	1.0%
Cash and Cash Equivalent	0.3%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
GULF Investment Corp	5.10%	20.06.22	6.8
Lebuhraya DUKE Fasa 3 Sdn Bhd	5.95%	23.08.34	5.8
MEX II Sdn Bhd	5.90%	27.04.29	5.8
Plus Bhd	4.64%	10.01.25	5.5
Konsortium Lebu Raya UT KL SB	4.75%	01.12.28	4.7

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

PetroChina Company Ltd	1.8
Wafer Works Corp	1.7
China Mengniu Dairy Co Ltd	1.6
Globalwafers Co. Ltd	1.5
Dialog Group Bhd	1.5

PERFORMANCE RECORD

This fund feeds into Affin Hwang AIIAN 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 AIIAN Select Income Fund versus its benchmark as at 31 May 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-1.4	-0.3	-1.7	-1.0	2.7	11.5	11.5
Benchmark	-1.6	-2.1	-2.2	-0.5	0.9	7.2	7.3

* 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

- Yields shifted lower across the board end of the month, as the 10-year Treasury benchmark rallied by 14bps to 2.93%.
- Meanwhile in Europe, the 10-year German Bund as well as the 10-year UK Government Bond both rallied by about 12bps (to 0.40%) and 18bps (to 1.32%) respectively.
- In Italy, the parliamentary overhang continues to inflict woes on markets after nearly 3 months since its general election on 4 March 2018.
- The US Fed struck a more dovish tone by indicating to allow inflation to run above its 2.00% as the economy continues to expand.
- On the Asia front, regional bond prices remained relatively flat despite the dip in treasury yields.
- The Fund recorded a slid of 0.3% lower in the month of May, while its benchmark index slid 2.1% over the same period.
- **STRATEGY:** We will likely maintain equities at 30% of Fund. As market conditions are weak, we are cautious on the EM space if USD rebounds and further geopolitical tensions arising.
- We will be looking to position in regional oil & gas, Tech and dividend centric stocks.
- We are looking for opportunities and ideas for countries such as Taiwan, China and Indonesia.
- On the fixed income portion, we are planning to maintain our duration between 5-6 years.
- We are looking towards underweighting government bonds and instead overweight corporate bonds.
- Currently prefer primary offerings of corporate bonds for better yield pickup.

Source : Affin Hwang Asset Management Berhad

Date : 13 June 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.