

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	30.72 million units (31 May 2017)
Fund Size	RM38.90 million (31 May 2017)
Unit NAV	RM1.2662 (31 May 2017)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	12 month FD
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> Have a medium to long-term investment horizon Want a diversified portfolio of fixed interest securities Are looking for a less volatile investment but can accept lower returns
Fees	Management Fee: 1.0% p.a.
Taxation	8% of annual investment income

ASSET ALLOCATION

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

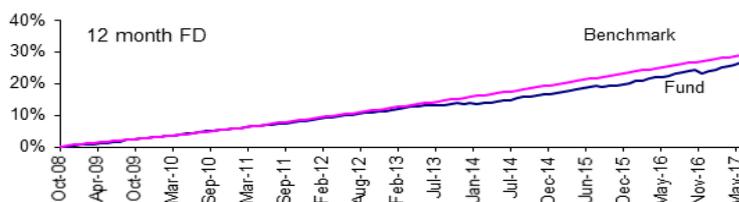
WHERE THE FUND INVESTS

Corporate Bond	90.52%
Government Bond	6.53%
Short Term Paper	-
Cash	2.95%
Total	100.00%

TOP 10 HOLDINGS

MMC Corporation Berhad	5.950% 12/11/2027	13.37%
UniTapah Sdn Bhd	4.900% 12/06/2018	13.23%
Berjaya Land Bhd	4.750% 15/12/2017	13.16%
UEM Sunrise Bhd	4.6% 13/12/2018	13.15%
UMW Hldg Bhd	4.820% 4/10/2019	13.01%
YTL Power International Bhd	5.05% 3/5/2027	6.49%
WCT Hldgs Bhd	5.32% 11/5/2022	6.47%
Perbadanan Kemajuan N.Selangor	4.85% 29/5/2020	6.44%
GII Murabahah	4.070% 30/09/2026	3.91%
GII Murabahah	4.045% 15/8/2024	2.62%

PERFORMANCE RECORD



NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	2.11	0.48	1.12	2.67	3.57	10.53	26.62
Benchmark	1.26	0.25	0.75	1.51	3.08	10.08	29.16

*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'S MANAGER COMMENTS

For the month of May 2017, the Fund gained 0.48% outperforming the benchmark by 0.23%.

For fixed income, the Malaysia Government Securities ("MGS") yield curve in general moved lower across the curve by -1 to 21 bps except for the 3-year MGS which moved slightly higher by 1 bps. Market participants noted that there was some foreign participation in the buying of MGS that pushed the MGS yield curve lower. Bank traders opine that the foreign investors wanted exposure to the undervalued ringgit and had purchased MGS to gain that exposure. Trading volume for corporate bonds increased to MYR8.7 billion in May from MYR6.1 billion in April. Credit spreads generally widened across the curve except for the 3-year part of the curve where credit spreads tightened. The general tightening of spreads were due to the massive rally seen in the MGS space.

Foreign sentiment has improved as a result of new regulations announced by BNM which has resulted in the strengthening of the MYR. The current MGS rally have widened the corporate private debt securities ("PDS") spreads further, although we think that the spreads still remains expensive as compared to its long-term averages, there are some spots on the curve where spreads have begun to look more constructive. We continue to overweight PDS and have a tactical position in government bonds depending on valuations. We will also look for opportunistic switching from current on-the-run government bonds to future on-the-run government bonds and participate in new corporate bond issuances with better yield pick-up.

Source: CIMB-Principal Asset Management Bhd

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.