

### 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	518,582 units (30 November 2018)	Fund Size	RM521,538 (30 November 2018)
Unit NAV	RM1.0057 (30 November 2018)	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"> <li>Have a medium to long term investment horizon</li> <li>Risk averse and conservative</li> </ul>	Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund</li> <li>Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Fund Manager</li> </ul>

### 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	24.8%
Industrials	14.5%
Real Estate	12.7%
Others	11.8%
Insurance	7.3%
Consumer Services	6.8%
Cash & Cash Equivalents	6.8%
Financial Services	5.9%
Basic Materials	4.8%
Utilities	4.5%
Total	100.0%

### TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
China Life Insurance Co. Ltd	4.00%	03.07.75	2.9
PTT Exploration & Production	4.88%	18.06.49	2.5
Heungkuk Life Insurance Co Ltd	4.48%	09.11.47	2.4
Australia New Zealand Bank Gp	6.75%	15.06.49	2.1
BHP Billiton Finance USA Ltd	6.75%	19.10.75	2.0
Yinson TMC Sdn Bhd	7.00%	25.09.49	1.9
GENM Capital Bhd	4.78%	31.03.22	1.8
Yinson Juniper Ltd	7.85%	05.10.49	1.8
Parkway Pantai Ltd	4.25%	27.07.49	1.8
Eco World Capital Assets Bhd	6.50%	12.08.22	1.6

## 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 November 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	0.57%	-0.20%	0.03%	1.36%	N/A	N/A	0.57%
<b>Benchmark</b>	3.04%	0.27%	0.82%	1.67%	N/A	N/A	9.87%

**\*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

- Regional markets pared some losses from the previous month ahead of trade talks between the US and China, lower oil prices, and increased fiscal and monetary stimulus in China.
- Crude oil prices saw a sharp decline in November due to supply side pressures, with Brent prices falling close to the USD50 level towards month end.
- Q3 GDP saw a growth of 4.4%, lower than market expectations. The disappointment was largely due to oil production disruptions in Sabah, which drastically reduced output. Private sector activity continued to be the primary driver of growth.
- 10-Year US Treasuries rallied, ending the month with yields just below the 3.00% level as the Federal reserves stayed pat on interest rates while investors perceived a subsequent statement by the Fed Chairman as dovish.
- Regional markets saw a heavy influx of new bond issuances. While demand remains soft, new high yield papers saw some interest, including issuances from Chinese property firms.
- Positive headlines coming from the G20 summit at the end of the month and a slowing USD strengthening trend renewed sentiment for the Asian fixed income space, with regional currencies also moving in tandem.

#### FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** An absence of further trade noise in the coming months, a potentially softer USD and further loosening measures in China could provide stability for regional markets over the next few months.
- However, we are still mindful of lingering risks, including the continued earnings downgrades, potentially temporary US-China trade truce, and slower growth expectations for 2019.
- As the energy sector makes up around 34% of EM bonds, there could be further widening pressure on regional credit spreads if oil prices continue to be volatile.
- The US Federal Reserve remain on course for a December rate hike, though the market is currently pricing in less increases in 2019 than what had been guided by the Fed.
- Still high valuations, a market still adjusting to shrinking liquidity and an expected heavy upcoming supply of new issuances remain a challenge in regional fixed income markets.
- Our cautious stance remains in the near term, as we slightly reduce some USD exposure in light of recent softness. Duration will be kept relatively short at around 3 years.

*Source : Affin Hwang Asset Management Berhad  
Date : 30 November 2018*

**Disclaimer:**

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