

FUND OBJECTIVE

To achieve higher returns than the benchmark over the medium to long term while preserving capital and providing opportunity for income.

FUND DETAILS

| | |
|---------------------------------------|--|
| Launch Date | 01 December 2009 |
| Domicile | Malaysia |
| Currency | Ringgit Malaysia |
| Launch Price | RM1.0000 |
| Units in Circulation | 4.237 million units (31 March 2017) |
| Fund Size | RM 5.334 million (31 March 2017) |
| Unit NAV | RM 1.2588 (31 March 2017) |
| Dealing | Daily (as per Bursa Malaysia trading day) |
| Investment Manager of the Target Fund | Opus Asset Management Sdn Bhd |
| Target Fund | Opus Shariah Income Fund |
| Benchmark | Maybank, 12-Month Islamic Fixed Deposit Rate |
| Risk Profile | <p>Suitable for investors who:</p> <ul style="list-style-type: none"> have a medium to long term investment time frame are seeking stability in income through investment in Malaysian Shariah-compliant bonds (sukuk) are looking for a less volatile investments but can accept lower returns which may fluctuate over the short term |
| Fees | <p>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Bond Fund.</p> <p>Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Fund Manager.</p> |
| Taxation | <ul style="list-style-type: none"> 8% of annual investment income |

SECTOR ALLOCATION

| | | | |
|----------------|--------|-------------------|-------|
| Toll Road | 40.03% | Cash | 5.07% |
| Finance | 24.43% | Plantation | 4.07% |
| Power | 10.23% | Telecommunication | 0.17% |
| Government | 8.06% | - | - |
| Infrastructure | 7.93% | Total | 100% |

TOP 5 HOLDINGS OF THE TARGET FUND

| Sukuk Issuer | Coupon | Maturity Date | Rating | % |
|----------------|--------|---------------|--------|------|
| Anih | 5.70% | 27.11.26 | AA | 17.6 |
| Al-Dzahab | 5.00% | 21.06.19 | AAA | 14.0 |
| Malakoff power | 5.45% | 15.12.23 | AA- | 10.2 |
| MEX II | 5.20% | 29.04.22 | AA- | 8.4 |
| Kesturi | 4.75% | 02.12.26 | AA- | 8.2 |

CREDIT PROFILE

| | % |
|-------|--------|
| NR-GG | 15.99% |
| AAA | 16.50% |
| AA2 | 21.71% |
| AA3 | 32.79% |
| P1 | 7.94% |
| Cash | 5.07% |

PERFORMANCE RECORD

This fund feeds into Opus Shariah Income Fund ("Target Fund") with the objective to achieve higher returns than the benchmark over the medium to long term while preserving capital and providing opportunity for income.

Table below shows the investment returns of Sun Life Malaysia Islamic Bond Fund versus its benchmark as at 31 March 2017:

| % | YTD | 1M | 3M | 6M | 1-Year | 3-Year | Since Inception |
|------------------|------|-------|------|------|--------|--------|-----------------|
| Fund* | 1.06 | -0.12 | 1.06 | 0.01 | 1.72 | 8.13 | 25.88 |
| Benchmark | 0.77 | 0.26 | 0.77 | 1.62 | 3.30 | 10.03 | 24.50 |

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

Despite the softer bond market in March, we continue to expect local demand to continue to support the market. We expect foreign outflows to taper off after April/May, as most of these short term foreign investors (especially foreign banks) would have unwound their foreign exchange positions taken 6 months ago. Hence, we expect more stability in the market going forward. With the current volatility, we see opportunities to invest in higher yielding sukuks, both in government sukuks and high grade corporate sukuks. With increasing protectionism globally, there is greater downside risk to global growth. As such, we continue to expect global interest rates to be low. On the local front, growth could be slower than expected if external factors affect our exports. With weaker domestic consumption, BNM may need to cut the Overnight Policy Rate to boost domestic consumption. Therefore, our strategy is to remain with a duration of around 6 years, while keeping the portfolio invested in higher grade and more liquid papers.

Source: Opus Asset Management Sdn 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.