

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	1.21 million units (31 May 2019)	Fund Size	RM1.28 million (31 May 2019)
Unit NAV	RM1.0568 (31 May 2019)	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"> Have a medium to long term investment horizon Risk averse and conservative 	Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Affin Hwang Asset Management Berhad

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	25.8%
Real Estate	18.6%
Others	10.5%
Industrials	8.8%
Government	8.2%
Financial Services	5.6%
Oil & Gas	4.7%
Insurance	3.8%
Utilities	3.7%
Cash & Cash Equivalents	10.3%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
PTT Exploration & Production	4.88%	18.06.49	2.9
China Life Insurance Co. Ltd	4.00%	03.07.75	2.9
Singapore Government Bond	2.75%	01.03.46	2.7
BHP Billiton Finance USA Ltd	6.75%	19.10.75	2.0
Yinson Juniper Ltd	7.85%	05.10.49	1.7
TF Varlik Kiralama AS	6.00%	28.06.19	1.7
UBS Group AG	6.88%	16.03.49	1.5
UBS AG	7.13%	19.02.49	1.5
UBS AG	5.13%	15.05.24	1.4
DBS Group Holdings Ltd	3.60%	07.09.49	1.4

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 31 May 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	4.78	0.58	2.69	5.08	6.51	N/A	5.68
Benchmark	1.36	0.27	0.83	1.65	3.34	N/A	4.71

* 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

- US Fed vice chairman Richard Clarida hinted in a press conference that the central bank could slash rates if a further deterioration in economic outlook is seen. Based on the current pricing of Fed fund futures, markets are now expecting two rate cuts in 2019.
- Markets turned risk-off last week as sentiments were derailed by the recent trade developments. Investors broadly flocked towards safe-haven assets for refuge, which saw the 10-year treasury benchmark rallied to 2.32% while the Japanese Yen also found strength over the week. The US Dollar, though started the session well, slipped slightly amid softer data readings later in the week.
- The US treasury yield curve was also in focus, as the 3-month/10-year pair inverted yet again. While a recession is not imminent at this point, it would be a different scenario if the inversion prolongs and deepens further. In any case, caution remains a key theme in navigating the current market environment.
- Domestic bond market has seen a relatively quiet month. Nevertheless, demand remains propped by ample domestic liquidity as well as a lack of supply in the market.
- STRATEGY:** The fund added more government bonds in view of risk-off sentiment and escalation of US-China trade tensions via Singapore government bonds.
- During the month, the fund took profit on shorter-dated Indonesia government bonds and switched to longer-duration Indonesia government bonds. The fund also took profit on high-yield credits that have done well.
- The fund's portfolio duration was lengthened due to the government bonds.

Source : Affin Hwang Asset Management Berhad

Date : 31 May 2019

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.