

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	4.63 million units (30 April 2020)	Fund Size	RM5.08 million (30 April 2020)
Unit NAV	RM1.0978 (30 April 2020)	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

Real Estate	21.20%
Banks	17.50%
Industrials	10.40%
Others	9.20%
Financial Services	6.80%
Government	6.50%
Oil & Gas	3.60%
Insurance	3.40%
Utilities	3.20%
Cash & Cash Equivalents	18.20%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
China Life Insurance Co. Ltd	4.00%	03.07.75	2.1
Lafarge Cement Sdn Bhd	5.06%	08.07.22	1.5
MGS	3.50%	31.05.27	1.5
Singapore Government Bond	2.88%	01.09.30	1.5
Santos Finance Ltd	5.25%	13.03.29	1.4
Eco World Capital Assets Bhd	6.50%	12.08.22	1.3
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.2
DNB Bank ASA	4.88%	12.11.49	1.1
Geely Automobile Holdings Ltd	4.00%	09.12.49	1.1
Yinson Juniper Ltd	7.85%	05.10.49	1.1

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 April 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-0.48	2.60	-1.75	0.21	4.48	N/A	9.78
Benchmark	0.91	0.21	0.66	1.43	3.02	N/A	7.60

* 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

- The Federal Reserve has committed to unlimited government bond purchases, now also buying investment grade corporate bonds, high yield bonds, and corporate bond ETFs. This contributed to a decline in credit spreads, and kept treasury yields low.
- Asian markets continued to see an influx of new dollar issuances, most of which were well supported and subscribed. This pushes the total size of new issuances to US\$105billion on a year-to-date basis.
- The secondary bonds market saw some optimism towards the end of the month, as the HY space performed well as investors looked to go longer in duration especially for Chinese HY names.
- Local bond market turned bullish, supported by a better risk environment globally following the Fed's "circuit breaker" through massive easing. At the same time, the rally was also driven by investors' positioning, with their eyes on BNM MPC meeting in early May.
- MGS yields fell by almost 45-55bps across the curve in April. 10-year MGS yield is back to the pre-selloff yields of 2.80%-2.90% while the shorter tenor yields reached fresh lows.
- **STRATEGY:** The fund kept its relatively high level of cash (approximately 20%) to protect the portfolio against the volatility in bond markets.
- Portfolio duration was increased to the range of 4.5-4.7 years, as interest rates are expected to remain low in the near term.
- The fund also participated in some government bonds primary issuances such as MGS, Philippines and Qatar.
- The fund increased its USD open position to 18% as we see potential for the currency to further strengthen as people seek shelter towards safe haven assets.

Source : Affin Hwang Asset Management Berhad

Date : 30 April 2020

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.