

### FUND OBJECTIVE

An income and absolute return focused fund that aims to provide regular income stream through investment in sukuk and Shariah-compliant equities.

### FUND DETAILS

|                                       |  |              |   |
|---------------------------------------|--|--------------|---|
| Launch Date                           | 13 February 2015   | Domicile     | Malaysia  |
| Currency                              | Ringgit Malaysia   | Launch Price | RM1.0000  |
| Units in Circulation                  | 5.59 million Units<br>(28 June 2019)   | Fund Size    | RM6.51 million<br>(28 June 2019)  |
| Unit NAV                              | RM1.1644<br>(28 June 2019)   | Dealing      | Daily<br>(as per Bursa Malaysia trading day)  |
| Investment Manager of the Target Fund | Affin Hwang Asset Management Berhad  | Target Fund  | Affin Hwang AIIAMAN Select Income Fund  |
| Benchmark                             | 70% 12-month Maybank General Investment Account (GIA) + 30% FTSE Bursa Malaysia EMAS Shariah Index (FBMSHA)  | Taxation     | 8% of annual investment income  |
| Risk Profile                          | Suitable for investors: <ul style="list-style-type: none"> <li>▪ Have a moderate risk appetite</li> <li>▪ Expect incidental growth in capital</li> <li>▪ Want an investment that complies with Shariah requirements</li> </ul> | Fees         | <ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIAMAN Select Income Fund.</li> <li>▪ 1.2% pa fund management charge is applied on the target fund's NAV by Affin Hwang Asset Management Berhad.</li> </ul> |

### ASSET ALLOCATION OF THE TARGET FUND

| Sukuk & Islamic Money Market Instruments | Shariah-compliant Equities | Cash & Others     |
|--|----------------------------|-------------------|
| Min 60%; Max 100%                        | Min 0%; Max 40%            | Remaining Balance |

#### SECTOR ALLOCATION OF THE TARGET FUND

|                        |         |
|------------------------|---------|
| Sukuk                  | 61.40%  |
| Financials             | 11.10%  |
| Industrials            | 4.60%   |
| Telecommunications     | 3.70%   |
| Oil & Gas              | 3.30%   |
| Technology             | 2.60%   |
| Utilities              | 2.10%   |
| Basic Materials        | 0.90%   |
| Cash & Cash Equivalent | 10.30%  |
| Total                  | 100.00% |

#### TOP HOLDINGS OF THE TARGET FUND (SUKUK)

| Bonds Issuer                  | Coupon | Maturity Date | %   |
|-------------------------------|--------|---------------|-----|
| Lebuhraya DUKE Fasa 3 Sdn Bhd | 5.95%  | 23.08.34      | 5.9 |
| MEX II Sdn Bhd                | 5.90%  | 27.04.29      | 5.7 |
| Tanjung Bin Energy Issuer Bhd | 5.30%  | 16.03.23      | 4.1 |
| Westports Malaysia Sdn Bhd    | 4.53%  | 01.04.27      | 4.0 |
| Besraya Malaysia Sdn Bhd      | 5.28%  | 28.07.27      | 2.7 |

#### TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

|                              |     |
|------------------------------|-----|
| Telekomunikasi Indonesia     | 2.1 |
| China Overseas Land & Invest | 1.6 |
| Singapore Telecom Ltd        | 1.6 |
| Tencent Holdings Ltd         | 1.6 |
| My EG Services Bhd           | 1.6 |

#### PERFORMANCE RECORD

This fund feeds into Affin Hwang AIIAN Select Income Fund ("target fund") with the objective to provide investors with regular income stream through Shariah-compliant investments. The target fund will invest in a diversified portfolio of Sukuks, Shariah-compliant equities and Islamic money market instruments.

Table below shows the investment returns of Sun Life Malaysia AIIAN Select Income Fund versus its benchmark as at 28 June 2019:

| %                | YTD  | 1M   | 3M   | 6M   | 1-Year | 3-Year | Since Inception |
|------------------|------|------|------|------|--------|--------|-----------------|
| <b>Fund*</b>     | 4.45 | 1.77 | 2.61 | 4.45 | 5.50   | 13.89  | 16.44           |
| <b>Benchmark</b> | 2.88 | 1.03 | 1.75 | 2.88 | 2.70   | 7.89   | 10.18           |

\* 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

- Local market trended lower in line with regional losses as sentiment took a hit following the escalation of US-China trade tension. Ending May, the FBM KLCI registered a year-to-date loss of 2.4%. In the longer term, Malaysia, along with other countries in the region, could stand to benefit from trade diversion as supply chains are redirected.
- Malaysia was placed under the US watchlist for claims of currency manipulation which has since been refuted by Bank Negara. Market impact was muted though should Malaysia be labelled as a currency manipulator, it could face penalties from the US such as trade sanctions if these concerns are not addressed in the long term.
- There is ample domestic liquidity in the market that would be supportive of a recovery as large cash-piles build up within pension funds, insurance firms and GLCs who have not been deploying money into the local market this year.
- There could be room for surprise on the upside with policy changes as Malaysia's government switches tone and re-engineer growth. Concentration of performance had largely resided within the construction and small-cap space which came from deeply undersold positions last year.
- 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.
- STRATEGY:** During the month, the fund's fixed income portion continues to be highly invested with an emphasis on primary issuances and government sukuk. Portfolio duration is now at 5 years.
- As for the fund's equity exposure, the fund is maintaining a position in high-yielding and stable stocks.
- A cautious stance remains as markets could experience heightened volatility in the near term amid the current US-China trade tension.

Source : Affin Hwang Asset Management Berhad

Date : 28 June 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.