

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	2.03 million units (30 September 2019)	Fund Size	RM2.22 million (30 September 2019)
Unit NAV	RM1.0937 (30 September 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	22.00%
Real Estate	20.30%
Industrials	15.00%
Government	9.60%
Others	9.10%
Financial Services	5.60%
CIS	3.50%
Utilities	3.40%
Insurance	3.20%
Cash & Cash Equivalents	8.40%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
WCT Holdings Bhd	5.80%	27.09.49	2.2
China Life Insurance Co. Ltd	4.00%	03.07.75	2.1
Lafarge Cement Sdn Bhd	5.06%	08.07.22	1.6
Eco World Capital Assets Bhd	6.50%	12.08.22	1.6
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.6
CIFI Holdings Group Co Ltd	6.55%	28.03.24	1.5
GII	4.47%	15.09.39	1.4
Santos Finance Ltd	5.25%	13.03.29	1.3
Yinson Juniper Ltd	7.85%	05.10.49	1.3
HSBC Holdings PLC	6.00%	22.05.49	1.3

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 September 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	8.45	0.23	2.21	4.98	8.62	N/A	9.37
Benchmark	2.40	0.25	0.77	1.58	3.26	N/A	5.79

* 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 US Federal Reserve delivered a widely expected 25 bps rate cut last week at its policy meeting which would bring down its benchmark overnight lending rate to a target range of 1.75% to 2.0%. The Fed is also expected to restart quantitative easing (QE) through bond purchases sometime this year.
- Chinese bonds remained on FTSE Russel's watchlist, failing to be included in its flagship bond index despite measures that includes scrapping foreign investment limits earlier this month.
- Local bonds saw some mild correction in September, with yields correcting around 4-12 bps across the yield curve.
- Bank Negara kept its policy rate unchanged at 3% as expected while maintaining a neutral tone, suggesting that there are no immediate plans for a policy move.
- **STRATEGY:** Duration was kept at 4.9 years as the fund explores for opportunities and ideas within the corporate segment which continues to see support from strong domestic liquidity and lack of supply.
- The emphasis remains on the quality names with robust financial position and business outlook, while keeping our fixed income portfolios diversified across countries and sectors.
- Invested levels remain between 85% and 90% throughout the month with a slight tilt towards the banking sector.

Source : Affin Hwang Asset Management Berhad

Date : 30 September 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.