

#### 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	45,124 units (28 February 2018)
Fund Size	RM44,940 (28 February 2018)
Unit NAV	RM0.9959 (28 February 2018)
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
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> <li>Have a medium to long term investment horizon</li> <li>Risk averse and conservative</li> </ul>
Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund</li> <li>Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Fund Manager</li> </ul>
Taxation	8% of annual investment income

#### ASSET ALLOCATION

Bonds	Min of 70%	Liquid Assets	Max of 30%
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#### SECTOR ALLOCATION OF THE TARGET FUND

Banks	20.5%	Utilities	7.0%
Others	16.7%	Insurance	6.4%
Industrials	13.9%	Government	6.1%
Real Estate	12.8%	Cash	7.2%
Financial Services	9.5%	Total	100.0%

#### TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Yinson Juniper Ltd	7.85%	05.10.49	2.0
CIMB Bank Bhd	4.80%	13.09.23	2.0
China Life Insurance Co. Ltd	4.00%	03.07.75	1.8
Heungkuk Life Insurance Co Ltd	4.48%	09.11.47	1.7
MGS	3.80%	17.08.23	1.6
Indonesia Treasury Bond	7.00%	15.05.22	1.6
Australia New Zealand Bank Gp	6.75%	15.06.49	1.5
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.5
PTT Exploration & Production	4.88%	18.06.49	1.4
Yinson TMC Sdn Bhd	7.00%	25.09.49	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 28 February 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since inception
<b>Fund*</b>	-0.2	-0.2	N/A	N/A	N/A	N/A	-0.2
<b>Benchmark</b>	0.5	0.3	N/A	N/A	N/A	N/A	0.5

\* 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 stronger US wage inflation data triggered concerns on a possibility for more rapid hikes from the US Feds, sending US Treasury yields higher.
- The US 10-year treasuries saw its yields spike 16 basis points to close the month at 2.86%, with similar trends for the 5-year, and 3-year issuances.
- Jay Powell addressed congress for the 1st time as the US Fed's chairperson and made a relatively bullish statement on the economy.
- Markets were quick to price in a faster pace of rate hike for 2018 post the comments.
- On the domestic front, a total of MYR 4.5 bil flowed into the domestic bond market by foreigners in January, pushing the total foreign holdings in MGS from 45.1% to 45.7%.
- Yields for MGS papers rose alongside its US counterparts, with the 10-year issuances rising from 3.95% to 4.01%, whilst the 5-year and 3-year closed at 3.62% and 3.40% respectively.
- Ringgit had remained relatively stable in February, ending at MYR3.92 to the USD, from MYR3.90 the previous month.
- The Fund slid 0.22% lower in the month of February, while its benchmark index rose 0.30% over the same period.
- STRATEGY: We anticipate global financial markets to remain volatile in the near term, with increased confidence in global growth outlook driving yields higher.
- Given the current risk / reward environment, we are inclined to maintain a shorter duration for the Fund.
- Cash for the portfolio will be kept at moderate levels as we wait for opportunities to participate in new primary issuances that are able to provide more attractive valuations and yields.

Source: Affin Hwang Asset Management Berhad

#### 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.