

FUND OBJECTIVE

To achieve medium to long term capital appreciation through investments primarily in Malaysian bonds.

FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	30.65 million units (31 March 2020)	Fund Size	RM43.87 million (31 March 2020)
Unit NAV	RM1.4313 (31 March 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	12 month FD
Taxation	8% of annual investment income	Fees	Management Fee: 1.0% p.a.
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> ▪ Have a medium to long term investment horizon ▪ Want a diversified portfolio of fixed interest securities ▪ Are looking for a less volatile investment but can accept lower returns 	Other Charges	Inclusive of auditor fee & transaction charge

ASSET ALLOCATION OF THE FUND

Bonds/Debentures	Cash
80% - 98%	Up to 20%

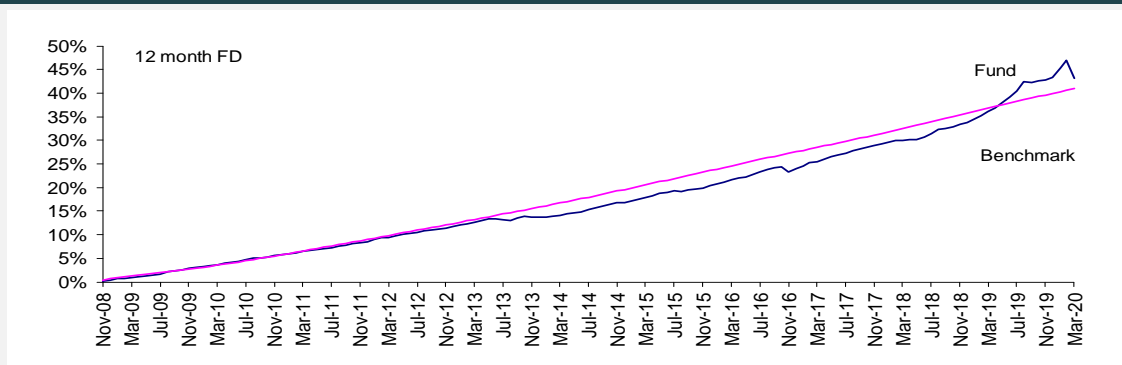
SECTOR ALLOCATION OF THE FUND

Corporate Bond	Government Bond	Short Term Paper	Cash	Total
88.60%	5.25%	-	6.15%	100.00%

TOP HOLDINGS OF THE FUND

Bond Issuer	Coupon	Maturity Date	%	Bond Issuer	Coupon	Maturity Date	%
Fortune Premiere Sdn Bhd	4.65%	21/12/2022	9.47	WCT Holdings Bhd	5.32%	11/05/2022	5.94
MMC Corporation Bhd	5.95%	12/11/2027	8.59	Fortune Premiere Sdn Bhd	4.85%	7/09/2023	4.73
IJM Corp Bhd	5.05%	18/08/2028	7.14	GII Murabahah	4.07%	30/09/2026	3.58
Sarawak Energy Bhd	5.50%	04/07/2029	6.45	Exsim Capital Resources Bhd	5.00%	28/01/2022	3.49
GENM Capital Bhd	4.98%	11/07/2023	5.96	YTL Power International Bhd	4.49%	24/03/2023	3.49

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund*	-0.17	-2.56	5.12	14.01	21.43	38.06	43.13
Benchmark	0.67	0.21	2.98	9.66	16.88	36.10	40.92

* 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

Market Review

During the month, the overall MGS yield curve bearish steepened as risk-off sentiment continue to weigh on MYR assets. The 10- and 15-year MGS had the highest adjustment with yields up by circa 56bps, compared to last month. Despite with 50bps OPR cut YTD, the long-end yield curve have adjusted higher compared to beginning of the year. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS yields closed at 2.74% (+14bps), 3.03% (+37bps), 3.21% (+47bps), 3.41% (+57bps), 3.64% (+56bps), 3.71% (+48bps) and 4.07% (+41bps) respectively at the end of March-2020.

Outlook & Strategy

The world of Central Banking was filled with emergency simulative actions as panic engulfed the global economy. Domestically, Prime Minister also unveiled a budget stimulus package amounting to RM250bn (equivalent to 17% GDP) to sustain private consumption and confidence, among other things. Direct injection from the Federal Government amounted to RM25bn or 1.7% of GDP. Policymakers projected for the stimulus package to add 1.5% to GDP. The MoF highlighted that 2020 budget deficit would be capped at 4% of GDP by reallocation of budget within Ministries and higher dividends from GLCs. On monetary side, BNM also made a few announcements in March, among them the 25bps OPR cut to 2.50% citing weakening global economic conditions, 1% SRR cut to free up RM30bn banking liquidity and the 6-month loan moratorium to SMEs and consumer loans (excluding credit card balances). On the bright side, S&P has just reaffirmed the sovereign rating of Malaysia at A-/Stable. While the agency acknowledged that the fiscal deficit target may derail in the short-term, they are still comfortable with the government medium term commitment to fiscal consolidation.

FUND MANAGER'S COMMENTS (CONTINUED)

For MYR fixed income strategy, we expect at least another 25bps of OPR cut in May-2020 and government yield curve up to 5-year has a chance to trade lower. Absence of flows into Emerging Market, long-end bond yields will continue to face liquidity issue. We are not looking to pick-up long duration bond at this juncture. Credit selection remains key for portfolio returns and we will prefer issuers with stronger and more resilient credit metrics in this economic condition.

Source : Principal Asset Management Bhd
Date : 31 March 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.