

### 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	31.19 million units (30 April 2020)	Fund Size	RM45.71 million (30 April 2020)
Unit NAV	RM1.4656 (30 April 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"> <li>▪ Have a medium to long term investment horizon</li> <li>▪ Want a diversified portfolio of fixed interest securities</li> <li>▪ Are looking for a less volatile investment but can accept lower returns</li> </ul>	Other Charges	Inclusive of auditor fee & transaction charge

### ASSET ALLOCATION OF THE FUND

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

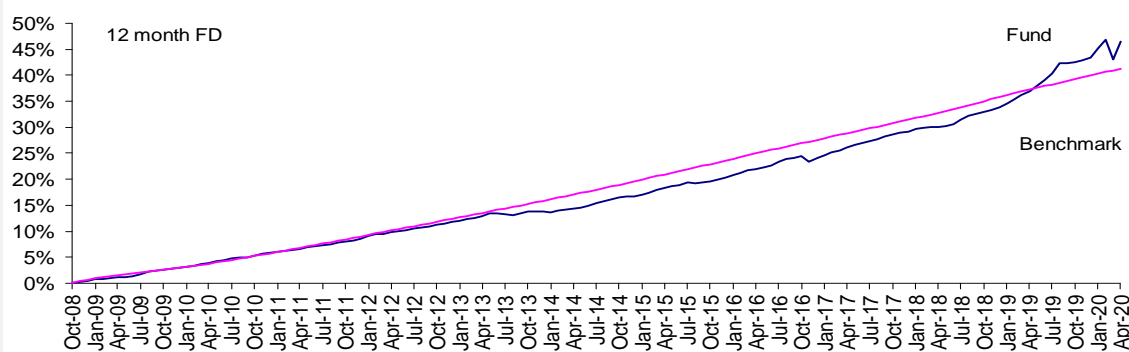
### SECTOR ALLOCATION OF THE FUND

Corporate Bond	Government Bond	Short Term Paper	Cash	Total
84.63%	5.77%	-	9.60%	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	9.19	Fortune Premiere Sdn Bhd	4.85%	7/09/2023	4.61
IJM Corp Bhd	5.05%	18/08/2028	7.16	MMC Corporation Bhd	5.95%	12/11/2027	3.69
Sarawak Energy Bhd	5.50%	04/07/2029	6.49	GII Murabahah	4.07%	30/09/2026	3.55
GENM Capital Bhd	4.98%	11/07/2023	5.81	YTL Power International Bhd	4.49%	24/03/2023	3.40
WCT Holdings Berhad	5.32%	11/05/2022	5.76	Exsim Capital Resources Bhd	5.00%	28/01/2022	3.37

## PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund*</b>	2.23	2.40	7.10	16.30	23.86	41.00	46.56
<b>Benchmark</b>	0.88	0.21	2.91	9.61	16.81	36.08	41.22

\* 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

Following the sharp selloff experienced in March-20, buying interests returned to the domestic bond markets in April, as investors anticipated further monetary easing by Bank Negara Malaysia from its 2.50% Overnight Policy Rate (OPR). In addition, the easing of the oil price war between Saudi Arabia and Russia, and the planned production cuts by OPEC+ also helped to boost sentiment during the month. As a result, the MGS yield curve experienced a rally across the yield curve, with the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS yields closing lower at 2.41% (-33bps), 2.48% (-55bps), 2.68% (-53bps), 2.90% (-51bps), 3.13% (-51bps), 3.40% (-31bps) and 3.73% (-34bps) respectively at the end of April-20.

### Outlook & Strategy

In April-20, the Government announced the third stimulus package of another RM10 billion targeted to provide financial relief to the SMEs. The additional fiscal spending is estimated to increase the fiscal deficit by 0.7% to 4.7% of GDP. In conjunction with the release of BNM's 2019 Annual Report, BNM revised the 2020 real GDP forecast to a range of -2.0% and +0.5%. BNM sees overall risks to 2020 growth tilted to the downside arising from (1) prolonged and wider spread of COVID-19, (2) larger drags to external demand from weaker global economy, (3) recurring supply disruptions in commodities and (4) tighter financial conditions. Further, the domestic economy is expected to be affected by decline in crude oil prices on the assumption 2020 oil prices averaging \$25 - \$35/bbl. Meanwhile, Fitch has reaffirmed Malaysia's rating at A-but lowered the outlook to negative from stable.

#### FUND MANAGER'S COMMENTS (CONTINUED)

For MYR fixed income strategy, we expect at least one more rate cut on the OPR by BNM in the May meeting. As such, we are looking to extend duration in the near-term, though we are in no rush to do this given the looming uncertainties on COVID-19, the potential widening of Malaysia's fiscal deficit and additional supply of government bonds. We remain cognizant that credit metrics for corporates may weaken in the near-term and we will continue our bottom-up approach on credit selection to avoid any risk on credit migration.

*Source : Principal Asset Management Bhd*  
*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.