

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	8.01 million units (28 February 2020)	Fund Size	RM9.60 million (28 February 2020)
Unit NAV	RM1.1975 (28 February 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Investment Manager of the Target Fund	Affin Hwang Asset Management Berhad	Target Fund	Affin Hwang Aiiman 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"> ▪ Have a moderate risk appetite ▪ Expect incidental growth in capital ▪ Want an investment that complies with Shariah requirements 	Fees	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIMAN Select Income Fund. ▪ 1.2% pa fund management charge is applied on the target fund's NAV by Affin Hwang Asset Management Berhad.

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	68.0
Technology	8.1
Financials	5.7
Industrials	3.5
Consumer Services	3.1
Telecommunications	2.4
Cash & Cash Equivalent	9.1
Total	100.0

TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
Lebuhraya DUKE Fasa 3 Sdn Bhd	5.95%	23.08.34	5.5
WCT Holdings Bhd	5.80%	27.09.49	4.9
MEX II Sdn Bhd	5.90%	27.04.29	4.8
YTL Power International Bhd	5.05%	03.05.27	4.0
Westports Malaysia Sdn Bhd	4.53%	01.04.27	3.9

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

Tencent Holdings Ltd	3.0
Venture Corp Ltd	2.0
Taiwan Semiconductor Manufac	1.6
MTR Corp Ltd	1.6
Alibaba Group Holding Ltd	1.6

PERFORMANCE RECORD

This fund feeds into Affin Hwang AII MAN 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 AII MAN Select Income Fund versus its benchmark as at 28 February 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	0.34	0.86	2.58	6.06	12.62	19.75	19.75
Benchmark	-1.73	-0.94	-0.86	0.84	4.25	8.20	9.08

* 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 benchmark KLCI fell by 3% in February as the country plunged into political turmoil, on top of the headwinds from the Covid-19 outbreak. The small-mid-cap space which outperformed the rest of the market last year were not spared either, with the FBM Small Cap index down 4%
- The domestic economy expanded by 3.6% year-on-year in the 4th quarter of 2019, easing from 4.4% growth from the previous quarter. The government also reduced its 2020 growth outlook to 3.2%-4.2%, from 4.8% previously.
- Malaysia's manufacturing PMI was down to 48.5 in February 2020, with export sales shrinking for the first time in three months.
- The local bond market extended its bull run in February on the back of strong buying momentum, as investors speculated on the potential for further easing, including another OPR cut by Bank Negara.
- MGS rallied across the curve following Bank Negara's dovish statement, saying it had 'ample room' to cut rates to counter the negative impact from the Covid-19 outbreak. Towards the end of the month, the bond market sold-off due to the chaotic domestic political development.
- **STRATEGY:** During the month, the fund increased its fixed income allocation, with a large portion invested in primary issuances and government sukuk. Portfolio duration was increased from below 6 years to mid-6 years.
- The fund reduced its equity levels temporarily to 25% in light of potential economic slowdown due to the Covid-19 outbreak.
- The fund remains cautious due to geopolitical fragility and the Covid-19 outbreak which raises recessionary concerns.

Source : *Affin Hwang Asset Management Berhad*
Date : *28 February 2020*

Disclaimer:

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