

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	8.64 million units (31 March 2020)	Fund Size	RM9.79 million (31 March 2020)
Unit NAV	RM1.1330 (31 March 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	69.20%
Technology	7.00%
Financials	6.40%
Industrials	3.00%
Consumer Services	2.10%
Telecommunications	1.10%
Consumer Goods	0.50%
Cash & Cash Equivalent	10.70%
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	5.4
WCT Holdings Bhd	5.80%	27.09.49	5.0
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)

Fraser's Centrepoint Trust	2.1
Tencent Holdings Ltd	2.0
Taiwan Semiconductor Manufac	2.0
CapitaLand Mall Trust	1.4
Samsung Electronics Co Ltd – Pref Shares	1.2

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 31 March 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	-5.07	-5.39	-2.82	-0.16	5.49	13.30	13.30
Benchmark	-4.19	-2.50	-3.18	-1.79	0.42	5.29	6.36

* 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 local market saw losses with the benchmark KLCI closing 8.9% lower in March as pandemic fears gripped the country with cases continuing to rise.
- The Prime Minister announced a further RM250billion economic stimulus package to soften the economic blow due to the impact of Covid-19 with businesses shuttered due to the movement control order (MCO). This was on top of the RM20billion announced in February. Malaysia's budget deficit is expected to widen to 4.0% from 3.2% with the new stimulus package.
- The local bond market sold off in March due to the lower global oil prices coupled with the Covid-19 virus outbreak. The selloff wiped gains from the first two months of 2020, as foreign investors exited the domestic market while domestic investors face tight liquidity pressures.
- Bank Negara cut its statutory reserve ratio ("SRR") to 2.00%, releasing RM30billion into the banking system. This was the second reduction in SRR in four months, and it comes just weeks after the bank slashed its key interest rate to 2.50%.
- S&P reaffirmed Malaysia sovereign rating at A-/A-2 with a stable outlook. The rating agency expects Malaysia's strong external position, monetary flexibility and well establishes institution will remain in place over the next two years.
- **STRATEGY:** During the month, the fund's portfolio duration remained unchanged at 6 to 6.5 years. The fund's strategy going forward would be to slightly reduce duration.
- The fund further reduced its equity levels temporarily to 18% in light of the prolonged lockdown due to the Covid-19 outbreak. Some Singapore REITs were added due to its attractive yield after a sell-off in the space.
- The fund remains cautious of the markets/credits impact arising from the Covid-19 epidemic.

Source : Affin Hwang Asset Management Berhad
Date : 31 March 2020

Disclaimer:

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