

FUND OBJECTIVE

The objective of the fund is to provide returns in income mainly through Malaysian Shariah-compliant bonds and other Shariah-compliant fixed income securities.

FUND DETAILS

Launch Date	01 December 2009
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	4.065 million units (31 July 2016)
Fund Size	RM 5.095 million (31 July 2016)
Unit NAV	RM 1.2533 (31 July 2016)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Sun Life Malaysia Takaful Berhad
Benchmark	CIMB Islamic 1-Year Fixed Return Income Account-i (FRIA-i) at effective date
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> Have a medium to long-term investment horizon Are seeking stability in income through investment in primarily in Malaysian Shariah-compliant fixed income securities Are looking for a less volatile investment but can accept lower returns which may fluctuate over the short term
Fees	Management Fee: 1.000% p.a.

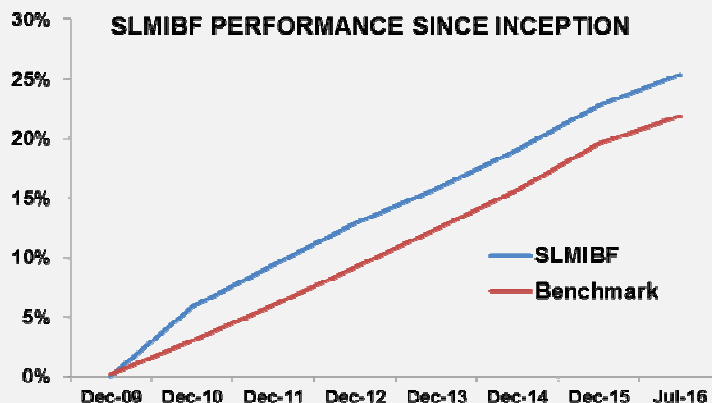
ASSET ALLOCATION

Bonds/ Debentures	80%-98%	Cash	Up to 20%
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WHERE THE FUND INVESTS

Bonds	87.5%
Cash & Others	12.5%
Total	100.00%

PERFORMANCE RECORD



NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since inception
Fund*	2.09	0.47	1.01	1.83	3.22	9.78	25.33
Benchmark	1.94	0.28	0.83	1.66	3.35	9.79	21.85

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 Fund's performance for the month of July 2016 was 0.47%, outperforming the benchmark by 19 basis points (bps).

In the month of July, key monetary policy meetings were held where further monetary easing measures were taken place. Bank of England cut its key policy by 25 bps to 0.25% and expanded its bond buying programme. The Fed left the fed fund rate unchanged; reiterating that path to interest rate normalization remains gradual. The Reserve Bank of Australia also slashed its interest rate by 25 bps to 1.50% to ensure a healthy labour market. On the local front, Bank Negara Malaysia (BNM) surprised markets with a 25 bps cut on its Overnight Policy Rate (OPR) from 3.25% to 3.00%. BNM governor cited risks from uncertainties in the global environment on the prospects of domestic growth to be the key rationale behind the pre-emptive rate cut. BNM also lowered its inflation outlook from 2.5% - 3.5% to 2.0% - 3.0% for 2016. The lower inflation expectation and unexpected rate cut resulted in yields compression across the MGS and Gil yield curve, with bond yields down 10-25 bps across benchmarks. Foreign holdings of Ringgit bonds climbed higher as offshore investors continue to hunt for yields amid benign global rates environment. Foreign holdings of MGS were at record high representing 51.9% of total MGS outstanding. Foreign holdings of Gil also gained to reach 10.6% of Gil outstanding.

Trading volume for corporate bonds decreased in July 2016 with RM10.5 billion transacted from RM14.8 billion in the previous month. Trades were skewed towards the quasi and AA space, especially along medium to longer-dated papers as investors were in search of yields after the OPR cut. The corporate bond market is expected to be well supported in the near term due to the lack of supply in the primary pipeline and the ample liquidity of local institutional players.

Given the benign global growth outlook, local bond market will continue to remain supported given the appeal of higher relative yields compared to developed economies. Demand for duration will persist and expect a flattening bias trend on the sovereign curve.

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.