

FUND OBJECTIVE

To provide a steady income stream over medium to long-term period by investing primarily in bonds and fixed income securities.

FUND DETAILS

Launch Date	16 January 2018	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	3.57 million units (31 January 2020)	Fund Size	RM3.99 million (31 January 2020)
Unit NAV	RM1.1173 (31 January 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Affin Hwang Asset Management Berhad	Target Fund	Affin Hwang Select Bond Fund
Benchmark	Maybank 12-Month Fixed Deposit Rate	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> Have a medium to long term investment horizon Risk averse and conservative 	Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Affin Hwang Asset Management Berhad

ASSET ALLOCATION

Bonds	Cash	Money Market Instruments/Deposits
Min 70%; Max 100%	Remaining Balance	Min 0%; Max 30%

SECTOR ALLOCATION OF THE TARGET FUND

Real Estate	21.60%
Banks	19.70%
Government	12.90%
Others	11.40%
Industrials	11.30%
Financial Services	5.60%
Utilities	3.60%
Oil & Gas	3.10%
Basic Materials	3.10%
Cash & Cash Equivalents	7.70%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
China Life Insurance Co. Ltd	4.00%	03.07.75	1.7
Santos Finance Ltd	5.25%	13.03.29	1.6
Eco World Capital Assets Bhd	6.50%	12.08.22	1.5
Lafarge Cement Sdn Bhd	5.06%	08.07.22	1.3
Australian Government	3.00%	21.03.47	1.3
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.3
CIFI Holdings Group Co Ltd	6.55%	28.03.24	1.2
GII	4.47%	15.09.39	1.2
Longfor Group Holdings Ltd	3.85%	13.01.32	1.1
HSBC Holdings PLC	6.00%	22.05.49	1.1

PERFORMANCE RECORD

This fund feeds into Affin Hwang Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over medium to long-term period by investing primarily in bonds and fixed income securities.

Table below shows the investment returns of Sun Life Malaysia Select Bond Fund versus its benchmark as at 31 January 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	1.29	1.29	1.99	3.66	9.37	N/A	11.73
Benchmark	0.25	0.25	0.77	1.55	3.17	N/A	6.87

* 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 US Federal Reserve left the target range for its federal rate funds unchanged at 1.5-1.75% on January with the explanation that current monetary policy stance is enough to sustain economic expansion. Overnight repo operations will continue at least through April 2020.
- The European Central Bank left monetary policy unchanged at a historic low of -0.5% and announced the launched of a strategic review of its monetary policy strategy to assess if its inflation target is still appropriate.
- The PBOC (People's Bank of China) reduced bank's reserve requirements by 50 basis points to help boost lending and liquidity conditions. The PBOC also kept their 3% inflation target for 2020.
- The reserve bank of India held its benchmark repo rate at 5.15% during its December meeting following 5 consecutive rate cuts amid a sharp economic slowdown.
- STRATEGY:** Portfolio duration was added to 4.95 years as the fund added Indonesia and Singapore government bonds.
- It was a very active month of primary issuances in offshore markets for the first 2 weeks and the fund deployed cash into various new issuances in the risk-on environment.
- The fund is cautious of the markets/credits impact arising from the coronavirus as the Malaysian Ringgit weakened towards the month end considering the epidemic.

Source : Affin Hwang Asset Management Berhad

Date : 31 January 2020

Disclaimer:

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