

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	1.012 million units (29 March 2019)	Fund Size	RM 1.054 million (29 March 2019)
Unit NAV	RM1.0418 (29 March 2019)	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 Fund Manager

ASSET ALLOCATION

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

SECTOR ALLOCATION OF THE TARGET FUND

Banks	25.1%
Real Estate	19.6%
Industrials	11.0%
Others	10.8%
Financial Services	6.7%
Government	5.4%
Oil & Gas	4.8%
Basic Materials	4.6%
Consumer Services	4.2%
Cash & Cash Equivalents	7.7%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
PTT Exploration & Production	4.88%	18.06.49	2.9
China Life Insurance Co. Ltd	4.00%	03.07.75	2.9
Australia New Zealand Bank Gp	6.75%	15.06.49	2.2
BHP Billiton Finance USA Ltd	6.75%	19.10.75	2.0
Yinson Juniper Ltd	7.85%	05.10.49	1.8
UBS Group AG	6.88%	16.03.49	1.5
Longfor Group Holdings Ltd	3.88%	13.07.22	1.5
UBS AG	7.13%	19.02.49	1.5
DBS Group Holdings Ltd	3.60%	07.09.49	1.5
Vanke Real Estate HK Co Ltd	5.35%	11.03.24	1.4

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 29 March 2019.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	3.30	1.23	3.30	3.47	4.72	N/A	4.18
Benchmark	0.80	0.26	0.80	1.64	3.33	N/A	4.16

***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

- Global sovereign bond yields saw a rally in March. Growth fears, a lack of meaningful progress from US-China trade negotiations and dovish rhetoric from major central banks led the rally. Together with the global bond market, MGS also saw a decent rally in March.
- In BNM's annual report released in March 2019, Malaysia's GDP forecast was lowered to 4.3%-4.8% from the 4.9% previously projected – in which the central bank attributed the revision to softer global demand, volatile commodity prices, as well as waning construction activities for the revision. Despite a challenging macro outlook, they expect inflation to remain healthy at above 1%.
- BNM kept its OPR unchanged at 3.25% at its MPC meeting in March 2019 although a different outcome could arise in BNM's next meeting as early as May 2019.
- In the March 2019 FOMC meeting, the US Fed delivered a significantly more dovish outcome than what markets were expecting – effectively signalling an end to its rate hiking plans for 2019. The central bank kept interest rates unchanged at 2.25-2.50% – a move that was widely expected – but also scaled back on its initial guidance of 2 rate hikes for the year down to nil; which goes beyond the one-hike forecast that was expected by consensus. This recent development now sees the Fed joining other G3 central banks who won't be raising rates this year, including ECB and BOJ.
- STRATEGY:** During the month, the fund remained highly invested with an exposure of 93%-97% on the back of US Fed's no-more-rate-hike announcement as well as strong participation and demand in the primary market.
- The fund added Indonesia Government Bonds and the long-dated Australian Commonwealth Government Bonds on the view of potential rate cuts by the respective country's central banks.
- The fund participated in several primary issuances such as IJM Land, Bank Rakyat Indonesia, Mercedes Benz and maintains its portfolio duration at around 4 years.

Source : Affin Hwang Asset Management Berhad

Date : 29 March 2019

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.