

### 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	4.24 million units (28 February 2020)	Fund Size	RM4.78 million (28 February 2020)
Unit NAV	RM1.1259 (28 February 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"> <li>Have a medium to long term investment horizon</li> <li>Risk averse and conservative</li> </ul>	Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund</li> <li>Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Affin Hwang Asset Management Berhad</li> </ul>

### 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	22.10%
Banks	18.40%
Government	14.10%
Industrials	11.50%
Others	8.80%
Financial Services	7.10%
Utilities	3.20%
Basic Materials	3.20%
Consumer Goods	3.10%
Cash & Cash Equivalents	8.60%
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
Lafarge Cement Sdn Bhd	5.06%	08.07.22	1.5
Santos Finance Ltd	5.25%	13.03.29	1.5
Singapore Government Bond	2.88%	01.09.30	1.4
Geely Automobile Holdings Ltd	4.00%	09.12.49	1.4
Eco World Capital Assets Bhd	6.50%	12.08.22	1.3
MGS	4.92%	06.07.48	1.2
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.2
CIFI Holdings Group Co Ltd	6.55%	28.03.24	1.2
GII	4.47%	15.09.39	1.2

## 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 28 February 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	2.07	0.77	2.33	3.18	9.41	N/A	12.59
<b>Benchmark</b>	0.48	0.22	0.74	1.51	3.14	N/A	7.14

\* 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

- Central banks are adopting a wait-and-see approach with the market pricing in expectations of interest rates cut to boost liquidity into the market.
- US 10Y Treasury bills set an all-time low of 1.15% following the massive sell-off towards the end of the month while the yield on the two-year note remained even lower. Virus and growth fears also resulted in widening credit spreads in the Investment Grade bond market.
- China's central bank followed its early February cut in interbank rates with further cuts to key rates. The medium-term lending rate was cut to the lowest level since 2017, while the PBOC also injected RMB100 billion of liquidity into money markets.
- The Bank of South Korea unexpectedly left rates unchanged at 1.25%, defying market expectations of a 25bps cut amidst rising concerns of the Covid-19 outbreak to the economy.
- STRATEGY:** Portfolio duration was remained in the range of 4.8-5 years, as the fund added Malaysia and Singapore bonds, US Treasuries to protect against credit spread widening.
- There were strong inflows into the fund at the start of the month and we were net buyers as we deployed our cash. However, as market turned bearish towards month end, we decided to raise our cash levels.
- 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:

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.