

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	1 February 2015	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	1.365 million Units (31 October 2018)	Fund Size	RM1.514 million (31 October 2018)
Unit NAV	RM1.1094 (31 October 2018)	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 performance (FBMSHA)	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> ▪ Expect to receive regular income distribution ▪ Have a moderate risk appetite ▪ Have 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% p.a. fund management charge is applied on the target fund's NAV by Affin Hwang.

ASSET ALLOCATION OF THE TARGET FUND

Sukuk & Islamic Money Market Instruments	Shariah-compliant Equities	Cash & Others
Min 60%; Max 99.80%	Min 0%; Max 40%	Remaining Balance

SECTOR ALLOCATION OF THE TARGET FUND

Sukuk	69.9%
Financials	5.0%
Oil & Gas	2.7%
Technology	2.5%
Utilities	2.5%
Basic Materials	2.1%
Industrials	1.8%
Telecommunications	0.7%
Others	0.5%
Cash & Cash Equivalent	12.3%
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	6.2
MEX II Sdn Bhd	5.90%	27.04.29	6.1
Konsortium Lebu Raya UT KL SB	4.75%	01.12.28	5.0
Tanjung Bin Energy Issuer Bhd	5.30%	16.03.23	4.4
Westports Malaysia Sdn Bhd	4.53%	01.04.27	4.3

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

KLCCP Stapled Group	1.3%
Scientex Bhd	1.3%
Tenaga Nasional Berhad	1.2%
Dialog Group Bhd	1.1%
ATA IMS Bhd	1.1%

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 October 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-1.9	-1.4	- 0.4	-0.8	-1.6	11.5	10.9
Benchmark	-1.5	-2.0	-1.9	-2.0	-0.6	6.4	7.3

* 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

- Local markets were softer in October, in line with regional markets, dragged by a rout in US stocks, a stronger USD, a spike in US Treasury yields, and the lingering US-China disputes.
- Malaysia's total exports fell 0.3% y-o-y in August 2018, hit by declining shipments of palm oil and LNG. This led to a narrower trade surplus of RM1.6bil; near a 4-year low.
- During an investor conference, the government raised the possibility of new taxes and sales of GLC assets to cover the revenue shortfall from the scrapping of GST.
- Local government bonds remained stable, with 10-year yields around the 4.12-4.15% range while the credit market remained strong buoyed by a lack of supply against strong domestic demand.
- The local stock market saw a broad-based sell off during the month, with the FBM Emas Shariah Index down by 7.2%.
- The Ringgit was relatively stable in October despite the volatility in both local and regional markets.
- **STRATEGY:** Investors will be closely monitoring the upcoming 2019 budget tabling for clues on the current governments economic and fiscal policy.
- With foreign investors having largely exited the market, there could be limited downside with less selling pressure exerted on the local bourse.
- Cash level of the fund is kept at moderate levels of around 10% while duration of the fixed income portion is also kept moderate at 6.2 years.
- We hold a cautious view of the local fixed income market, and shall look to gradually take profit as we head towards year end.
- The soft performance of the FBM Emas Shariah Index YTD is pricing in a slower growth environment. We do not expect 2019 earnings to be great.
- For equities, we remain cautious and prudent in our stock selection amidst the volatility.
- We will be closely monitoring the outcome of the 2019 budget in November for clues on investment opportunities going into 2019.

Source : Affin Hwang Asset Management Berhad

Date : 31 October 2018

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.