

### 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	78,339 units (29 June 2018)	Fund Size	RM77,906 (29 June 2018)
Unit NAV	RM0.9945 (29 June 2018)	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 Fund Manager</li> </ul>

### ASSET ALLOCATION

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

### SECTOR ALLOCATION OF THE TARGET FUND

Banks	21.7%
Industrials	13.9%
Others	13.5%
Real Estate	12.0%
Financial Services	9.7%
Utilities	7.1%
Insurance	6.0%
Basic Materials	3.7%
Government	3.6%
Cash & Cash Equivalent	8.8%
Total	100.0%

### TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Yinson Juniper Ltd	7.85%	05.10.49	2.5
China Life Insurance Co. Ltd	4.00%	03.07.75	2.5
CIMB Bank Bhd	4.80%	13.09.23	2.3
Heungkuk Life Insurance Co Ltd	4.48%	09.11.47	1.9
Australia New Zealand Bank Gp	6.75%	15.06.49	1.7
PTT Exploration & Production	4.88%	18.06.49	1.7
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.7
Yinson TMC Sdn Bhd	7.00%	25.09.49	1.6
Eco World Capital Assets Bhd	6.50%	12.08.22	1.6
GENM Capital Bhd	4.78%	31.03.22	1.5

## 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 June 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	-0.78	0.23	-0.37	N/A	N/A	N/A	-0.55
<b>Benchmark</b>	1.64	0.28	0.84	N/A	N/A	N/A	8.39

\* 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

- Markets continued to be affected by trade tensions as the US announced a wide range of tariffs on major economies, with retaliatory actions also seen.
- The US Federal Reserves hiked rates by another 25bps in a widely expected move, and also signaled a possible faster pace of rate increase.
- Benchmark 10 year US Treasury yields ended the month unchanged at 2.86%.
- A monetary policy divergence was noted as major central banks left their interest rates unchanged, although the ECB announced the start of its QE tapering while the PBoC cut its Reserve Requirement Ratio.
- In Asia, Bank Indonesia's 50bps rate increase, its third in just 6 weeks, and the Philippine Central Bank's second consecutive rate hike failed to curb fund outflows.
- The sell-down of EM assets continued in June with EM currencies weakening further.

#### FUND MANAGER'S COMMENTS (CONTINUED)

- The Fund recorded a gain of 0.23% in the month of June, while its benchmark index rose 0.28% over the same period.
- **STRATEGY:** We think that the tightening monetary policy by global central banks will continue to be gradual and data dependent.
- We remain defensive in our allocation with protection of capital taking precedence. Cash levels would be raised to around 10%.
- We kept our short duration positioning while adding exposure to investments less prone to credit risks, such as going long US Treasuries.
- We are also opening up our USD exposure amid the current strengthening bias of the greenback.
- Although the correction has brought forth more attractive valuations, we still refrain from heavily entering the market due to expectations of further upside expectations of bond yields. Focus will be on IG and shorter dated issuances.

*Source : Affin Hwang Asset Management Berhad*

*Date : 29 June 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.