

### FUND OBJECTIVE

To achieve higher returns than the benchmark over the medium to long term while preserving capital and providing opportunity for income.

### FUND DETAILS

Launch Date	01 December 2009	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	8.00 million units (31 March 2020)	Fund Size	RM11.77 million (31 March 2020)
Unit NAV	RM1.4699 (31 March 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Investment Manager of the Target Fund	Opus Asset Management Sdn Bhd	Target Fund	Opus Shariah Income Fund
Benchmark	Maybank, 12-Month Islamic Fixed Deposit Rate	Taxation	8% of annual investment income
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>▪ Have a medium to long term investment time frame</li> <li>▪ Are seeking stability in income through investment in Malaysian Shariah-compliant bonds (sukuk)</li> <li>▪ Are looking for a less volatile investments but can accept lower returns which may fluctuate over the short term</li> </ul>	Fees	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Bond Fund.</li> <li>▪ Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Opus Asset Management Sdn Bhd</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Sukuk, Islamic Money Market Instruments & Islamic Placement of Deposits	Other Permitted Investment
Minimum 70% of NAV	Maximum 30% of NAV

#### SECTOR ALLOCATION OF THE TARGET FUND

Bank	19.23%
Power	18.74%
Government	14.76%
Finance	8.85%
Toll Road	8.51%
Telecommunication	8.03%
Infrastructure	4.27%
Investment Holding	2.51%
Health Care	1.89%
Property	0.93%
Cash	12.27%
Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Sukuk Issuer	Coupon	Maturity Date	Rating	%
GII	4.12%	30.11.34	NR-GOVT	9.7
Malakoff Power	5.55%	17.12.24	AA-	8.0
YTL Pwr	5.05%	03.05.27	AA1	6.9
AmBank Islamic B3 T2	4.88%	18.10.28	AA3	6.5
BGSM MGMT	7.10%	28.12.22	AA3	5.3
Credit Profile				%
AA3				39.40
NR-GOVT				14.76
AAA				12.34
AA1				11.23
NR-GG				6.21
AA2				1.89
A2				1.89
Cash				12.27

#### PERFORMANCE RECORD

This fund feeds into Opus Shariah Income Fund ("Target Fund") with the objective to achieve higher returns than the benchmark over the medium to long term while preserving capital and providing opportunity for income.

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

%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund*</b>	-0.51	-2.83	5.79	16.77	22.39	46.68	46.99
<b>Benchmark</b>	0.70	0.22	3.07	9.87	17.30	35.69	36.80

\* 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

With global growth expected to be severely impacted by the Covid-19 pandemic, we expect Malaysia's GDP growth for 2020 to slow further to 0% - 2%. Hence, we are expecting at least another 50bps cut in the OPR and will not be surprised if the move comes before the next Monetary Policy Meeting in May. While we believe that interest rates will continue to be low for longer, we expect that there will be continued volatility in the short term as we may see further foreign outflows. However, we expect the bond market to reflect the economic fundamental of lower growth in the longer term. We believe that the local institutions have sufficient liquidity to absorb any foreign selling as well as the higher MGS supply in the market, which is evidenced by the strong demand from each government bond tenders with bid-to-cover averaging 2.45x so far this year. Hence, we see opportunities to buy when there is foreign selling. Our strategy is to maintain a high-level of liquidity by holding more cash and liquid bonds such as government, government-guaranteed and AAA-rated bonds. At the same time, we may sell corporate bonds if we feel that the credit spreads are too tight and also to reduce credit risk. Meanwhile, we will maintain our duration between 5 to 6 years.

*Source : Opus Asset Management Berhad  
Date : 31 March 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.