

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	4.231 million units (30 December 2016)
Fund Size	RM 5.270 million (30 December 2016)
Unit NAV	RM 1.2456 (30 December 2016)
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
Risk Profile	<p>Suitable for investors who:</p> <ul style="list-style-type: none"> have a medium to long term investment time frame are seeking stability in income through investment in Malaysian Shariah-compliant bonds (sukuk) are looking for a less volatile investments but can accept lower returns which may fluctuate over the short term
Fees	<p>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Bond Fund.</p> <p>Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Fund Manager.</p>
Taxation	<ul style="list-style-type: none"> 8% of annual investment income

SECTOR ALLOCATION

Toll Road	58.86%	Cash	3.83%
Power	11.20%	Finance	2.82%
Government	8.91%	Construction	0.92%
Infrastructure	8.78%	Telecommunication	0.19%
Plantation	4.48%	Total	100%

TOP 5 HOLDINGS OF THE TARGET FUND

Sukuk Issuer	Coupon	Maturity Date	Rating	%
Anih	5.70%	27.11.26	AA	19.5
Malakoff power	5.45%	15.12.23	AA-	11.2
EKVE (BG)	5.55%	29.01.29	AAA	9.8
MEX II	5.20%	29.04.22	AA-	9.2
KESTURI	4.75%	02.12.26	AA-	9.0

CREDIT PROFILE

	%
NR-GG	17.69%
AAA	12.62%
AA2	24.86%
AA3	40.99%
Cash	3.83%

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 30 December 2016:

	%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*		1.47	1.00	-1.04	-0.14	1.47	7.60	24.56
Benchmark		3.35	0.28	0.83	1.66	3.35	9.97	23.54

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

Despite the recovery in the MGS market where yields came down by 20 – 30 bps in December, we still see value as yields are still very much higher compared to pre-November levels. With increasing protectionism globally, there is greater downside risk to global growth. As such, we continue to expect global interest rates to be low. We also feel that the US market may be overly optimistic on expectation of what Trump policies may be to bolster growth. On the local front, 2017 will be a challenging year both on external and domestic side. Despite continued weakness in Ringgit, we still expect Bank Negara to cut Overnight Policy Rate by the first half of next year to boost domestic consumption. Therefore, our strategy is to remain with duration of around 6 years, while keeping the portfolio invested in higher grade and more liquid papers. We also note that credit conditions could deteriorate in a prolonged slow growth environment, which is why we prefer higher grade rated bonds/sukuk that have stronger financial standing.

Source: Opus Asset Management Sdn Bhd

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.