

### 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	13 February 2015	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	1.245 million Units (28 September 2018)	Fund Size	RM1.401 million (28 September 2018)
Unit NAV	RM1.1256 (28 September 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"> <li>▪ Expect to receive regular income distribution</li> <li>▪ Have a moderate risk appetite</li> <li>▪ Have incidental growth in capital</li> <li>▪ Want an investment that complies with Shariah requirements</li> </ul>	Fees	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIMAN Select Income Fund.</li> <li>▪ 1.2% p.a. fund management charge is applied on the target fund's NAV by Affin Hwang.</li> </ul>

### 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	67.2%
Oil & Gas	5.5%
Financials	5.0%
Industrials	3.5%
Technology	3.4%
Basic Materials	2.1%
Utilities	1.8%
Telecommunications	1.4%
Others	1.1%
Cash and Cash Equivalent	8.8%
<b>Total</b>	<b>100.0%</b>

#### TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
Lebuhraya DUKE Fasa 3 Sdn Bhd	5.95%	23.08.34	6.1
MEX II Sdn Bhd	5.90%	27.04.29	6.0
Konsortium Lebu Raya UT KL SB	4.75%	01.12.28	4.9
Tanjung Bin Energy Issuer Bhd	5.30%	16.03.23	4.3
Westports Malaysia Sdn Bhd	4.53%	01.04.27	4.2

#### TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

Pentamaster International Ltd	1.5
CNOOC Ltd	1.3
Scientex Bhd	1.3
Tenaga Nasional Bhd	1.3
UOA Development Bhd	1.3

#### 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 28 September 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	-0.5	0.1	2.0	0.4	0.8	14.4	12.6
<b>Benchmark</b>	0.9	-0.3	1.6	-0.2	1.9	9.8	9.3

\* 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

- Markets were mixed in September as a somewhat positive outcome than market expectation on tariff rates were countered by political and financial uncertainties across Europe and Asia.
- Bank Negara has kept the overnight policy rate (OPR) unchanged at 3.25%, with intention to maintain the country's benchmark interest rates at the current level through the end of the 2018.
- Malaysian bond space has stayed largely resilient albeit the soft patch witnessed in early September, as a stable ringgit have also translated to better support for local bond market in the month of September, with 10-year GII benchmark yield ended the month at 4.14%
- Local stock markets declined in the month with KLCI down by 1.58% and FBM Small Cap Index down by 0.60% amid ongoing corporate restructuring.
- A slew of leadership changes were announced by the Prime Minister's Office, including the chairman position of Perbadanan PR1MA Malaysia and Social Security Organisation ("SOCSO").
- MYR remain as one of the better performing currency as local fixed income markets see gradual return of foreign buying as well as passive reallocations after consecutive months of outflows.
- The Fund recorded a gain of 0.1% in the month of September, while its benchmark index fell to -0.3% over the same period.
- **STRATEGY:** We expect markets to stay volatile as binary outcomes concerning trade and diverging economic strength with a tightening rate cycle embarked by the US Federal Reserve and broad dollar strength that will continue put pressure on Emerging Markets.
- With lower growth and inflation expectations for 2018, we expect BNM to keep rates steady for the rest of 2018.
- On the domestic corporate segment, valuations are leaning towards higher end of the spectrum, through local credits may remain supported due to the lack of supply in the market.
- We are seeing more optimistic outlook for the domestic bond scene, at least for the near-term on the back of ample domestic liquidity and lack of supply.
- With foreign investors having largely exited the market, there could be limited downside with less selling pressure exerted on the local bourse.
- However, we see a growing disconnect between the strong broad market outperformance and individual fundamentals that has deteriorated.
- We remain cautious and prudent in our stock selection given demanding valuations and high volatility.
- On the fixed income portion, we will be maintaining our cautious stance and shall look to gradually trim down holdings in lock-in gains, with fund's duration at moderate levels of about 6 to 7 years.

Source : Affin Hwang Asset Management Berhad

Date : 28 September 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.