

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	3.093 million Units (31 December 2018)	Fund Size	RM3.448 million (31 December 2018)
Unit NAV	RM1.1148 (31 December 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"> ▪ Have a moderate risk appetite ▪ Expect 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% pa 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 100%	Min 0%; Max 40%	Remaining Balance

SECTOR ALLOCATION OF THE TARGET FUND

Sukuk	66.7%
Financials	7.1%
Industrials	3.2%
Utilities	2.2%
Technologies	1.9%
Oil & Gas	1.4%
Basic Materials	1.1%
Consumer Goods	1.0%
Others	0.9%
Cash & Cash Equivalent	14.3%
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	5.9
MEX II Sdn Bhd	5.90%	27.04.29	5.9
Konsortium Lebu Raya UT KL SB	4.75%	01.12.28	4.8
Tanjung Bin Energy Issuer Bhd	5.30%	16.03.23	4.2
Westports Malaysia Sdn Bhd	4.53%	01.04.27	4.1

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

KLCCP Stapled Group	1.4
Scientex Bhd	1.3
CK Infrastructure Holdings Ltd	1.2
UOA Development Bhd	1.1
Sunway Berhad	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 December 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-1.40%	0.20%	-1.00%	1.00%	-1.40%	11.70%	11.50%
Benchmark	-1.74%	-0.11%	-2.22%	-0.18%	-1.74%	4.66%	7.0%

***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

- US Federal Reserve raised interest rates for the fourth time in the year in December FOMC meeting despite pressure from US president Donald Trump, albeit tilted towards a more dovish tone.
- Local government sukuk were flat in December, with 10-Year Government Investment Issue (GII) yield ended the month at 4.23%.
- Corporate sukuks continued its upward trend amid a shortage of supply through primary issuances, with domestic sukuk index rose by almost 1%.
- Domestic stock markets were mixed amid sell offs in US stock markets, with FBM Emas Shariah Index down 1.1% over the month.
- Foreign fund outflows continued in December amid a lack of growth policies, with foreign ownership of Malaysia Government Bond dipped below the 40% mark.
- Malaysian Ringgit climbed against USD despite fund outflows, weak oil prices and crude palm oil prices, closing the month against the greenback at 4.13.
- Malaysia's November export growth slowed to 1.6% yoy, indicating a spillover effect of US-China trade conflicts combined with China's slowdown in growth.
- **STRATEGY:** Despite a warmer relationship between US and China, still uncertain geopolitical environment, corporate restructuring and a lack of growth policies continue to form the domestic landscape.
- Downward pressure on corporate earnings may persist in the following months to reflect the challenging environment.
- A lukewarm environment featured with slowdown in corporate activities and economic growth could be positive for domestic fixed income market.
- Shortage in sukuk issuances to fund large infrastructure projects combined with generally low corporate sukuk issuance may continue to provide support to local bonds.
- Valuations in the credit market has been less attractive compared to government sukuks as credit spreads remain relatively tight.
- Selling pressure on Malaysian Ringgit may ease as foreign investors have largely exited the market, though it could persist should oil prices and crude palm oil prices continue to stay weak.
- The fund continues to be highly invested with a moderate portfolio duration, with an emphasis on primary issuances and government sukuks for the fixed income portion.
- Equity exposure of the fund remains close to the lower end of the spectrum as we await for more policy clarity.

Source : Affin Hwang Asset Management Berhad

Date : 31 December 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.