

FUND OBJECTIVE

To achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds

FUND DETAILS

Launch Date	20 October 2008
Domicile	Malaysia
Currency	Ringgit Malaysia
Launch Price	RM1.0000
Units in Circulation	30.45 million units (28 February 2017)
Fund Size	RM 38.13 million (28 February 2017)
Unit NAV	RM 1.2522 (28 February 2017)
Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd
Benchmark	12 month FD
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> Have a medium to long-term investment horizon Want a diversified portfolio of fixed interest securities Are looking for a less volatile investment but can accept lower returns
Fees	Management Fee: 1.0% p.a.
Taxation	8% of annual investment income

ASSET ALLOCATION

Bonds/ Debentures	80% - 98%	Cash	Up to 20%
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WHERE THE FUND INVESTS

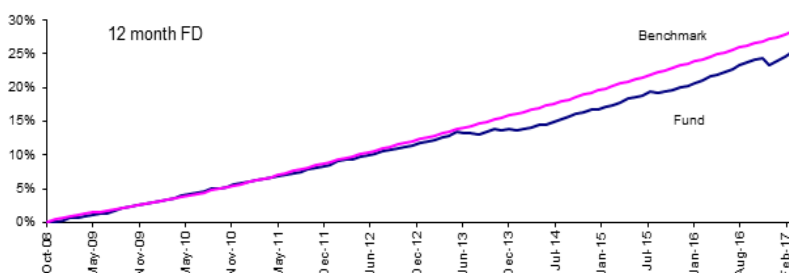
Corporate Bond	82.99%
Government Bond	6.65%
Short Term Paper	-
Cash	10.36%
Total	100.00%

TOP 10 HOLDINGS

MMC Corporation Berhad	5.950%	12/11/2027	13.76%
UMW Hldg Bhd	4.820%	4/10/2019	13.38%
UniTapah Sdn Bhd	4.900%	12/06/2018	13.36%
Berjaya Land Bhd	4.750%	15/12/2017	13.27%
UEM Sunrise Bhd	4.6%	13/12/2018	13.24%
Malakoff Power Bhd	4.9%	17/12/2018	6.68%
Tanjung Bin Power Sdn Bhd	4.66%	14/08/2020	5.30%
Gil Murabahah	4.070%	30/09/2026	4.01%
Temasek Eksklusif Sdn Bhd	4.620%	20/11/2019	4.00%
Gil Murabahah	4.045%	15.8.2024	2.64%

Source: CIMB-Principal Asset Management Bhd

PERFORMANCE RECORD



Source: CIMB-Principal Asset Management Bhd

NAV TO NAV

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	0.98	0.47	1.53	1.11	3.36	9.89	25.22
Benchmark	0.50	0.25	0.75	1.52	3.16	10.10	28.19

Source: CIMB-Principal Asset Management Bhd

*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'S MANAGER COMMENTS

For the month of February 2017, the Fund gained 0.47% outperforming the benchmark by 0.22%.

For fixed income, the Malaysia Government Securities (MGS) yield curve flattened in February as market regained its conviction to extend duration. However, the sovereign market ended the month on a softer note due to weakened sentiments ahead of Trump's first address to a joint session of Congress and heightened expectations of a possible March Fed hike. Trading volume for corporate bonds was RM11.08 billion, slightly lower than the previous month's volume of RM11.2 billion. Focus remained in the AA and GG segment. During the month, credit spreads tightened across most tenors especially for the AAA segment. The shorter 3 and 5 years paper saw the most tightening as the Government bonds there were sold off.

We expect the market to be volatile and investors to adopt a cautious stance in the near term ahead of further news on Trump's budget and tax plans, the FOMC meeting slated for mid March, as well as the sizeable MGS maturities in March. In view of the large supply of sovereign and corporate bonds in the pipeline, we will raise cash by taking profit on existing holdings and participate in new benchmark government auctions and primary corporate issuances opportunistically where we see value. In the corporate bond space, we will focus on corporate bonds from the primary and secondary market that offer better spreads. Nonetheless, we remain aware of rising risks of rating downgrades and defaults in the credit market and will overweight fundamentals in our portfolio activities.

Source: CIMB-Principal Asset Management 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.