

FUND OBJECTIVE

To provide a steady income stream over medium to long-term period by investing primarily in bonds and fixed income securities.

FUND DETAILS

Launch Date	16 January 2018	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	4.34 million units (31 March 2020)	Fund Size	RM4.64 million (31 March 2020)
Unit NAV	RM1.0700 (31 March 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Affin Hwang Asset Management Berhad	Target Fund	Affin Hwang Select Bond Fund
Benchmark	Maybank 12-Month Fixed Deposit Rate	Taxation	8% of annual investment income
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> Have a medium to long term investment horizon Risk averse and conservative 	Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund Up to 1.0% per annum fund management charge is applied on the Target Fund's NAV by Affin Hwang Asset Management Berhad

ASSET ALLOCATION

Bonds	Cash	Money Market Instruments/Deposits
Min 70%; Max 100%	Remaining Balance	Min 0%; Max 30%

SECTOR ALLOCATION OF THE TARGET FUND

Real Estate	21.20%
Banks	16.80%
Industrials	11.20%
Others	8.90%
Financial Services	6.80%
Government	3.50%
Insurance	3.40%
Utilities	3.30%
Basic Materials	3.00%
Cash & Cash Equivalents	22.10%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
China Life Insurance Co. Ltd	4.00%	03.07.75	2.2
Lafarge Cement Sdn Bhd	5.06%	08.07.22	1.6
Singapore Government Bond	2.88%	01.09.30	1.5
Santos Finance Ltd	5.25%	13.03.29	1.4
Eco World Capital Assets Bhd	6.50%	12.08.22	1.3
BHP Billiton Finance USA Ltd	6.75%	19.10.75	1.2
Yinson Juniper Ltd	7.85%	05.10.49	1.1
Geely Automobile Holdings Ltd	4.00%	09.12.49	1.0
Westpac Banking Corp	2.89%	04.02.30	1.0
Shimao Property Holdings Ltd	6.38%	15.10.21	1.0

PERFORMANCE RECORD

This fund feeds into Affin Hwang Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over medium to long-term period by investing primarily in bonds and fixed income securities.

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

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-3.00	-4.96	-3.00	-2.17	2.71	N/A	7.00
Benchmark	0.70	0.22	0.70	1.48	3.08	N/A	7.38

* 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

- US 10Y Treasury bills declined in March to a low of 0.34% early March before rising back to 1.26%. However, it closed 48bps lower at 0.67% for the month of March. US treasuries yields have been volatile despite the Fed cutting its interest rate to a near zero percent.
- Asian central banks moved aggressively to ease monetary policy by pumping liquidity into the financial system. The People's Bank of China (PBoC) injected US\$79bil into the economy through a reduction in reserve ratios for banks.
- The Asian high yield segment – which mainly comprises of Chinese property names, saw a sell-off by some 1,000bps since the start of the correction, though some support were seen towards the end of the month amid improving sentiments in the country.
- The Bank of Korea slashed its policy rate to a record low of 0.75% in an emergency move to boost its economy while the Bank of Japan offered to provide as much as 2.2 trillion yen of liquidity in three different operations.
- **STRATEGY:** The fund took a temporary defensive position by raising cash throughout the month to protect the portfolio against sharp sell-offs in bond markets.
- Portfolio duration was reduced to the range of 3.8-4 years, as the fund reduced its high yield exposures. Current yield for bonds is around 6%.
- The fund also took profits on government bonds such as MGS and US10Y Treasuries, as well as completely selling off Indonesia government bonds.
- The fund increased its USD open position to 15% as we see potential for the currency to further strengthen as people seek shelter towards safe-haven assets.

Source : Affin Hwang Asset Management Berhad

Date : 31 March 2020

Disclaimer:

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