

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	9.66 million units (30 November 2020)	Fund Size	RM11.23 million (30 November 2020)
Unit NAV	RM1.1628 (30 November 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	Suitable for investors: <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% p.a. of 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

Banks	20.80%
Real Estate	20.60%
Government	12.00%
Industrials	9.70%
Oil & Gas	5.50%
Financial Services	4.90%
Utilities	3.20%
Insurance	3.10%
Others	9.50%
Cash & Cash Equivalents	10.80%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
United States Treasury	0.63%	15.08.30	1.4
Santos Finance Ltd	5.25%	13.03.29	1.3
MGS	4.64%	07.11.33	1.2
GII	3.73%	31.03.26	1.1
Eco World Capital Assets Bhd	6.50%	12.08.22	1.1
Yinson Juniper Ltd	7.85%	05.10.49	1.1
Lafarge Cement Sdn Bhd	5.06%	08.07.22	1.1
Australia Government Bond	1.00%	21.12.30	1.0
Singapore Government Bond	2.88%	01.09.30	1.0
DNB Bank ASA	4.88%	12.11.49	0.9

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 30 November 2020:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	5.41	0.84	1.14	3.73	5.68	N/A	16.28
Benchmark	2.06	0.15	0.46	0.95	2.33	N/A	8.80

* 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

- Asian credits held firm as market sentiment were supported by positive headlines surrounding vaccine developments.
- Indonesia's central bank cut its policy rate to the lowest since it was introduced in 2016, urging banks to lend more to help drive an economic recovery. The Philippine central bank also cut its key interest rate in a surprise move after the economy contracted more than expected in the third quarter, while also implementing credit relief and other liquidity measures in response to the pandemic amid limited fiscal stimulus.
- The Bank of Thailand, signaled its focus on tackling a rally in the baht, keeping its policy rate unchanged at 0.5%. The bank's MPC expressed concerns that the rapid appreciation of the baht could affect its economic recovery.
- The Reserve Bank of Australia lowered its key interest rate, yield-curve target and bank lending facility rate to 0.10% from 0.25%. It also announced purchases of longer-dated bonds to complement its yield curve control program for shorter-length maturities as it seeks to drive a rapid economic recovery.
- The local corporate bond market was dominated by primary offerings as issuers take advantage of lower rates, while the secondary markets were flooded with offers without much bids. Foreign funds continue to be net buyer of MYR bonds, with recent inflows were concentrated on the front to mid tenure of the curve.
- STRATEGY:** Risk sentiment in the Asian credit space has returned due to the US Presidential Election results and positive vaccine developments. However, momentum tapered off amid an executive order by President Trump, barring US companies and individuals from investing in 31 identified Chinese companies. In our view, the sell-down in these companies is very much technical driven and does not reflect the actual fundamental positioning for at least some of these companies.
- We expect rates are likely to remain low given concerns on low growth and lack of inflationary pressures.
- Focus remains on credit selection while we look to government bonds to for liquidity and trading opportunities. We took some profit from government bonds for upcoming income distribution.
- Invested level is around 89% as we continue to see strong inflows. We look to gradually deploy cash by participating into primary issuances.

RISKS

All investment carries some form of risks. The potential key risks include but are not limited to the following:

Market risk	This risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the target fund's NAV.
Liquidity risk	Liquidity risk refers to two scenarios. The first is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the target fund.
Credit and default risk	Credit risk relates to the creditworthiness of the issuers of the bonds or money market instruments (the "Investment") and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the Investment and this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the Investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Investment. This could adversely affect the value of the target fund.
Interest rate risk	This risk refers to the impact of interest rate changes on the valuation of bonds or money market instruments (the "Investment"). When interest rates rise, the investment prices generally decline and this may lower the market value of the Investment. The reverse may apply when interest rates fall.
Currency risk	<p>As the investments of the target fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.</p> <p>Currency risk at the Fund level The impact of the exchange rate movement between the Base Currency of the Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the Base Currency of the Fund.</p> <p>Currency risk at the Class level. The impact of the exchange rate movement between the Base Currency of the Fund and the currency of the RM Class may result in a depreciation of your holdings as expressed in the Base Currency of the Fund.</p>

Source : Affin Hwang Asset Management Berhad

Date : 30 November 2020

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. Sun Life Malaysia may suspend the unit pricing and defer the payment of benefits, other than death and total and permanent disability benefits, subscription or redemption of units, switching of funds, under this contract for a reasonable period in exceptional circumstances, such as and including intervening events resulting in temporary closure of any stock exchange.