

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	831,111 units (28 February 2019)	Fund Size	RM855,305 (28 February 2019)
Unit NAV	RM1.0291 (28 February 2019)	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% per annum fund management charge is applied on the Target Fund's NAV by Fund Manager

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	25.7%
Real Estate	17.1%
Industrials	12.3%
Others	12.0%
Financial Services	6.7%
Basic Materials	5.4%
Insurance	4.8%
Consumer Services	4.3%
Utilities	3.9%
Cash & Cash Equivalents	7.9%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
PTT Exploration & Production	4.88%	18.06.49	3.0
China Life Insurance Co. Ltd	4.00%	03.07.75	2.9
Australia New Zealand Bank Gp	6.75%	15.06.49	2.2
Yinson TMC Sdn Bhd	7.00%	25.09.49	2.2
BHP Billiton Finance USA Ltd	6.75%	19.10.75	2.0
Yinson Juniper Ltd	7.85%	05.10.49	1.8
UBS Group AG	6.88%	16.03.49	1.5
UBS AG	7.13%	19.02.49	1.5
Longfor Group Holdings Ltd	3.88%	13.07.22	1.5
DBS Group Holdings Ltd	3.60%	07.09.49	1.5

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 28 February 2019.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	2.04	0.73	2.33	2.36	3.33	N/A	2.91
Benchmark	0.53	0.25	0.82	1.65	3.35	N/A	3.88

***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

- Global markets were generally choppy in the month of February while trading in a tight range. US treasuries held a mini rally in the early part of the month as the FOMC minutes sounded dovish and took a softer tone, suggesting that the Fed will be driven by a more data-dependent path going forward.
- All eyes will be on the upcoming US FOMC meeting in March, where market is hoping for some guidance on the interest rate movement for the year. As of end February 2019, market is expecting the federal funds rate to remain unchanged at 2.50% in the upcoming meeting.
- On the local front, while domestic demand remains strong, it is unlikely to push yields much lower. Further decline in yield curve would require strong foreign inflows. March will be an action-packed month with four government bonds scheduled auctions. The market is forecasting a total supply of RM14billion including private placements. At the same time, the issuances of government bonds have picked up in pace in February although the overall government bonds supply remains moderate.
- STRATEGY:** The fund continues to provide a broad-based diversification in sector exposure to investors. Nevertheless, the fund does have a slight tilt towards the banking sector.
- The emphasis remains on the quality names with robust financial position and business outlook, while keeping our fixed income portfolios diversified across countries and sectors.
- While the fund remains comfortable in its current fixed income position, there are intentions of exploring for opportunities and ideas within the corporate segment which continues to see support from strong domestic liquidity and lack of supply.

Source : Affin Hwang Asset Management Berhad

Date : 28 February 2019

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.