

## 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	30.09 million units (31 October 2016)
Fund Size	RM 37.45 million (31 October 2016)
Unit NAV	RM 1.2445 (31 October 2016)
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"> <li>Have a medium to long-term investment horizon</li> <li>Want a diversified portfolio of fixed interest securities</li> <li>Are looking for a less volatile investment but can accept lower returns</li> </ul>
Fees	<ul style="list-style-type: none"> <li>Management Fee: 1.0% p.a.</li> </ul>
Taxation	8% of annual investment income

## ASSET ALLOCATION

Bonds/ Debentures	80% - 98%	Cash	Up to 20%
-------------------	-----------	------	-----------

## WHERE THE FUND INVESTS

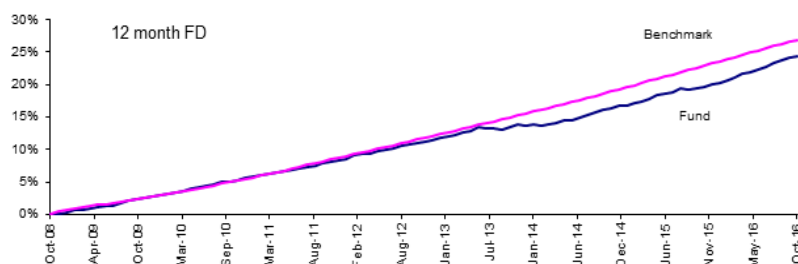
Corporate Bond	92.10%
Government Bond	4.13%
Short Term Paper	-
Cash	3.77%
Total	100.00%

## TOP 10 HOLDINGS

MMC Corporation Berhad	5.950%	12/11/2027	14.28%
UniTapah Sdn Bhd	4.900%	12/06/2018	13.78%
UEM Sunrise Bhd	4.6%	13/12/2018	13.67%
Berjaya Land Bhd	4.750%	15/12/2017	13.67%
AMMB Hldg Bhd	4.30%	08/08/2017	13.50%
Malakoff Power Bhd	4.9%	17/12/2018	6.89%
Perdana Petroleum Bhd	4.450%	27/04/2018	6.71%
Tanjung Bin Power Sdn Bhd	4.66%	14/08/2020	5.46%
Gil Murabahah	4.070%	30/09/2026	4.13%
Temasek Eksklusif Sdn Bhd	4.620%	20/11/2019	4.12%

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*	3.41	0.24	0.87	2.03	4.06	9.33	24.45
Benchmark	2.70	0.25	0.76	1.58	3.26	10.12	26.92

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 October 2016, the Fund gained 0.24% and compared with its benchmark at 0.25%.

The Malaysian Government Securities ("MGS") curve sold off in the month of October 2016 by 7-20 bps along with the Ringgit due to better than expected US third quarter GDP and hawkish FOMC minutes triggered a flight of capital as market participants increased bets that the Federal Reserve will hike the federal funds rate in its next meeting. The longer end of the MGS curve saw the brunt of the selloff. Trading volume for corporate bonds was RM14.5 billion, down 11% from RM16.5 billion previously. Focus remains in the AA and GG segment and players were seen taking profit as we move into the final quarter for the year. In October 2016, the prospect of the US Federal Reserve hiking rates and the path of the Fed Funds Rate remain as driving factors in the movement of both the ringgit and the MGS. Furthermore, the uncertainty of the expected result of the US Presidential Election will drive the volatility into the Malaysian fixed income market. The release of 3Q16 Malaysia GDP number on 11th November 2016 will be closely watched as it is one of the factors guiding BNM's Monetary Policy Committee meeting on the 23rd November 2016. If the number falls below the 4% mark, we can expect that market participants will be pricing in a higher probability of a cut in the meeting. We will focus on both corporate bond primary and repriced secondary issuances especially the AA rated issuances for yield pick up.

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.