

FUND OBJECTIVE

An income and absolute return focused fund that aims to provide regular income stream through investment in sukuk and Shariah-compliant equities.

FUND DETAILS

| | | | |
|---------------------------------------|--|--------------|--|
| Launch Date | 13 February 2015 | Domicile | Malaysia |
| Currency | Ringgit Malaysia | Launch Price | RM1.0000 |
| Units in Circulation | 8.72 million units (29 May 2020) | Fund Size | RM10.23 million (29 May 2020) |
| Unit NAV | RM1.1731 (29 May 2020) | Dealing | Daily (as per Bursa Malaysia trading day) |
| Investment Manager of the Target Fund | Affin Hwang Asset Management Berhad | Target Fund | Affin Hwang Aiiman Select Income Fund |
| Benchmark | 70% 12-month Maybank General Investment Account (GIA) + 30% FTSE Bursa Malaysia EMAS Shariah Index (FBMSHA) | Taxation | 8% of annual investment income |
| Risk Profile | Suitable for investors: <ul style="list-style-type: none"> ▪ Have a moderate risk appetite ▪ Expect incidental growth in capital ▪ Want an investment that complies with Shariah requirements | Fees | <ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIMAN Select Income Fund. ▪ 1.2% pa fund management charge is applied on the target fund's NAV by Affin Hwang Asset Management Berhad. |

ASSET ALLOCATION OF THE TARGET FUND

| Sukuk & Islamic Money Market Instruments | Shariah-compliant Equities | Cash & Others |
|--|----------------------------|-------------------|
| Min 60%; Max 100% | Min 0%; Max 40% | Remaining Balance |

SECTOR ALLOCATION OF THE TARGET FUND

| | |
|------------------------|--------|
| Sukuk | 68.40% |
| Financials | 9.60% |
| Consumer Services | 6.40% |
| Technology | 4.80% |
| Telecommunications | 3.20% |
| Industrials | 2.10% |
| Consumer Goods | 1.50% |
| Health Care | 1.20% |
| Cash & Cash Equivalent | 3.00% |
| Total | 100.0% |

TOP HOLDINGS OF THE TARGET FUND (SUKUK)

| Bonds Issuer | Coupon | Maturity Date | % |
|-------------------------------|--------|---------------|-----|
| Lebuhraya DUKE Fasa 3 Sdn Bhd | 5.95% | 23.08.34 | 5.4 |
| WCT Holdings Bhd | 5.80% | 27.09.49 | 4.9 |
| MEX II Sdn Bhd | 5.90% | 27.04.29 | 4.7 |
| YTL Power International Bhd | 5.05% | 03.05.27 | 3.9 |
| Westports Malaysia Sdn Bhd | 4.53% | 01.04.27 | 3.9 |

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

| | |
|----------------------------|------|
| Alibaba Group Holding Ltd | 3.4% |
| Tencent Holdings Ltd | 2.1% |
| Singapore Telecom Ltd | 1.8% |
| Fraser's Centrepoint Trust | 1.7% |
| Keppel DC REIT | 1.7% |

PERFORMANCE RECORD

This fund feeds into Affin Hwang AII MAN Select Income Fund ("target fund") with the objective to provide investors with regular income stream through Shariah-compliant investments. The target fund will invest in a diversified portfolio of Sukuks, Shariah-compliant equities and Islamic money market instruments.

Table below shows the investment returns of Sun Life Malaysia AII MAN Select Income Fund versus its benchmark as at 29 May 2020:

| % | YTD | 1M | 6M | 1-Year | 3-Year | 5-Year | Since Inception |
|------------------|-------|-------|------|--------|--------|--------|-----------------|
| Fund* | -1.71 | -0.09 | 0.62 | 2.53 | 7.99 | 17.31 | 17.31 |
| Benchmark | 1.31 | 3.20 | 2.44 | 3.13 | 5.78 | 12.32 | 12.47 |

* 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

- In Asia, the broader MSCI Asia ex-Japan index closed 1.4% lower, whilst the Hong Kong Hang Seng index fell 6.8% in May amidst protests in Hong Kong and increased tensions between the US and China.
- Tensions between US and China escalated following a move by Beijing to implement new national security legislation for Hong Kong, raising questions over its semiautonomous status. This could lead to US revoking Hong Kong's preferential trade and travel privileges. Despite the rhetoric, market impact to were largely muted as US actions proved to be not as drastic as initially feared, stopping short of a full escalation tensions that could put the phase one deal at risk.
- BNM cut 50bps in its recent May meeting, bringing OPR to 2% as market had expected. Market reaction was relatively muted as had been priced in, with slight profit taking seen among locals investors.
- Market saw improved bids for short to mid tenure bonds towards month end driven by foreign flows with yields declining. However, long tenure bonds continued to be sold off.
- SRR was kept unchanged at 2% to assist in liquidity. BNM announced that MGS and GII can be used by banking institutions to fully meet the SRR compliance effective, available until May 2021. This is expected to release approximately MYR 16bil into the banking system.
- **STRATEGY:** During the month, the fund's exposure remained unchanged. The fund's strategy going forward would be keeping the duration at around 6.5 years.
- The fund tactically increased its equity exposure to 28% on improving consumer recovery globally.
- The fund is cautious of the markets/credits impact arising from the Covid-19 epidemic.

Source : Affin Hwang Asset Management Berhad
Date : 29 May 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.