

### 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	530,866 Units (29 June 2018)	Fund Size	RM585,927 (29 June 2018)
Unit NAV	RM1.1037 (29 June 2018)	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 performance (FBMSHA)	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> <li>▪ Have a moderate risk appetite</li> <li>▪ Expect incidental growth in capital</li> <li>▪ Want an investment that complies with Shariah requirements</li> </ul>	Fees	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIMAN Select Income Fund.</li> <li>▪ 1.2% pa fund management charge is applied on the target fund's NAV by Affin Hwang.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Sukuk & Islamic Money Market Instruments	Shariah-compliant Equities	Cash & Others
Min 60%; Max 99.80%	Min 0%; Max 40%	Remaining Balance

#### SECTOR ALLOCATION OF THE TARGET FUND

Sukuk	71.2%
Technology	6.0%
Financials	3.7%
Oil & Gas	3.6%
Industrials	3.5%
Basic Materials	2.6%
Consumer Goods	1.6%
Utilities	0.5%
Others	0.5%
Cash and Cash Equivalent	6.9%
Total	100.0%

#### TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
GULF Investment Corp	5.10%	20.06.22	6.9
Lebuhraya DUKE Fasa 3 Sdn Bhd	5.95%	23.08.34	5.9
MEX II Sdn Bhd	5.90%	27.04.29	5.9
Plus Bhd	4.64%	10.01.25	5.6
Konsortium Lebu Raya UT KL SB	4.75%	01.12.28	4.8

#### TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

PetroChina Company Ltd	1.5
Dialog Group Bhd	1.4
Sunway Bhd	1.2
Inari Amertron Bhd	1.2
Petronas Chemicals Group Bhd	1.2

#### PERFORMANCE RECORD

This fund feeds into Affin Hwang AIIAN 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 AIIAN Select Income Fund versus its benchmark as at 29 June 2018.

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	-2.4	-1.0	-1.6	-2.4	0.7	11.4	10.4
<b>Benchmark</b>	-1.3	0.3	-1.7	-1.3	0.9	8.2	7.6

\* 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

- Markets continued to be affected by trade tensions, MYR weakness, local headline news and lack of liquidity due to a holiday shortened month.
- Amidst continued efforts in restructuring GLCs and government agencies, the appointment of Datuk Nor Shamsiah as the new central bank governor signaled policy continuity.
- Demand for government Sukuk remained strong, while secondary trading fell in June. Trades were centered on credits in the AA and government guaranteed (GG) segment.
- Malaysian assets fell in tandem with regional markets, as the KLCI declining 2.8% in June.
- The high oil prices have given Malaysia room to manoeuvre amidst GST removal and policy changes.
- The MYR breached 4.00 again in end June due to the stronger USD following the Fed interest rate hike and amidst foreign outflows.
- The Fund recorded a slid of 1.0% lower in the month of June, while its benchmark index rose 0.3% over the same period.
- **STRATEGY:** We think that the tightening monetary policy by global central banks will continue to be gradual and data dependent.
- With lower growth and inflation expectations for 2018, we expect BNM to keep rates steady for the rest of 2018. Average growth forecast for 2018 is still healthy at 5.4%.
- Credits valuation appears expensive. Hence, we will look to buy in the primary market as well as secondary Sukuk that has been repriced.
- We remain defensive in our allocation with protection of capital taking precedence. Cash levels would be raised to around 20% and a lower equity allocation.
- We maintain a relatively short duration positioning at about 2 to 3 years.
- We still believe that economic fundamentals remain strong and will look to pick up good bottom up opportunities at more attractive levels.

Source : *Affin Hwang Asset Management Berhad*

Date : *29 June 2018*

### 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.