

# SUN LIFE DOLLAR ADVANTAGE FUND

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## PRODUCT DETAILS

- A fund is a pooled investment vehicle which :
  - gives investors access to the financial markets
  - pools your money with other investors
  - is managed by an Investment Manager who maintains the fund's portfolio and makes decision about what assets to buy and when to sell them
- A balanced fund is invested in a mix of equities and debt. The risk-return characteristics of this type of fund, fall between those of Equity Funds and Fixed-Income Funds.

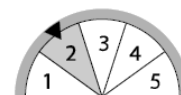
The objective of the Sun Life Dollar Advantage Fund (Fund) is to generate long-term returns consisting of current income and capital growth in US Dollars with. The Fund will invest in foreign currency denominated fixed-income investments issued by the Philippine, United States and other foreign governments governments and corporations, common stocks and related securities, such as preferred stock, convertible securities, depository receipts issued by Philippine and foreign corporations and US Dollar-denominated deposits .

- The Fund aims to perform better than the one-year US Treasury Bill.
- The Fund uses the Fair Market valuation method to value its assets / securities consistent with International Accounting Standard (IAS) 39. The Net Asset Value per Share (NAVPS) as of the close of business on any day, shall be the quotient obtained by dividing the value of the assets of the Fund less the liabilities by the total number of shares outstanding at such close. Fair Market valuation requires asset be valued on actual day-end market prices plus accrued interest. Unlike the accrual or amortised trade shares of participation in the Fund at their true current worth on the market. This enables investors to enjoy the full earnings potential of the asset class.
- The Net Asset Value per Share (NAVPS) of the Fund is net of taxes and management fees.

## BENEFITS of INVESTING in a FUND :

- **Professional Management.** The Fund is administered by a team of fund managers, who make the day-to-day investment decisions.
- **Instant Diversification.** The Fund is invested in a portfolio of securities.
- **Liquidity.** Units of participations can be bought and sold at any time, subject to the minimum holding period.
- **Affordable Investment Size.** Low minimum and incremental investment amount.

Low to Medium Risk \*



<b>Fund Manager</b>	<b>Sunlife Asset Management Company, Inc.</b>
<b>Fund Structure</b>	<b>Mutual Fund</b>
<b>Base Currency</b>	<b>US Dollar (USD)</b>
<b>Launch Date</b>	<b>01 July 2002</b>
<b>Valuation Methodology</b>	<b>Fair Market Valuation (in compliance with IAS39)</b>
<b>Minimum Holding Period</b>	<b>N.A.</b>
<b>Minimum Investor Type</b>	<b>Cautious</b>

## **RISKS INVOLVED in INVESTING in the FUND :**

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- **There is no guaranteed minimum return.** Past performance should not be taken as an indication of future results.
- **The Fund and participations in the Fund are not capital-protected.** Since this is a trust product, any loss incurred or income derived therefrom is for the account of the investor. Participations in the Fund are not obligations of HSBC and/or Sun Life Asset Management Company Inc., and are not insured by the Philippine Deposit Insurance Corporation (PDIC).
- **The Fund has no fixed maturity date.**
- **Investment in the Fund does not constitute a deposit.** It will entail a Trust relationship governed by a Trust Agreement between the bank and the client.
- If the Fund you are investing in has a higher proportion of long-term securities, during times of volatility, it will be subject to larger price movements.
- **Management Risk.** The Fund is subject to management risk because they are actively managed investment portfolios. The investment manager will apply investment techniques and risk analysis in making portfolio decisions, however, there are no guarantees that these will produce the intended results.
- **Interest Rate Risk.** Changes in market interest rates will affect the value of the underlying assets and the Fund NAVPS either positively or negatively. In general, there is an inverse relationship between interest rates and bond prices. If interest rate goes up, current outstanding bonds in the market become less attractive, causing their prices to go down and vice versa. The NAVPS is based on bond prices in the Fund. Thus if bond prices drop, the NAVPS will go down as well.
- **Market Risk.** Many other factors can affect the value of the Fund assets, including socio-economic, political and investment conditions, which can cause the NAVPS to fluctuate particularly in the short-term.
- **Inflation Risk.** The rate of inflation may be higher than the rate of return on your investment.
- **Exchange Rate Risk.** A non-USD accountholder will be subject to fluctuations in exchange rates, which could affect the non-USD accountholder's return either negatively or positively upon conversion into the investor's local currency.
- **Liquidity Risk.** There is financial risk involved should the Fund be unable to sell or convert assets into cash quickly or in instances where conversion to cash is possible but at a loss.
- **Credit Risk.** Issuers of underlying securities may default. If this happens, the price of the security will decline thus affecting the NAVPS of the Fund.

## **INVESTOR COMMITMENT**

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The Fund aims to provide moderate capital and income growth over a period of time. It is suitable for investors who:

- have an investment time horizon of around three (3) years;
- want a reduced risk profile;
- understand the risks outlined above and are willing and able to take on these risks; are comfortable with short-term fluctuations in the value of their units of participations which, upon redemption, may be worth more or worth less than the original amount invested.

## **OTHERS**

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- Financial reports are provided by HSBC Manila Trust Department on a quarterly basis.
- Publication of prices: Subscription and redemption prices are published daily in the Business World, Stock Market Section and in [www.sunlife.com.ph](http://www.sunlife.com.ph). Investors are advised that such published prices are for information only. HSBC does not accept responsibility for any error in publication or for omission of publication of price.

### **\* Product Risk Level : Low to Medium**

- The price volatility of the product is low to medium, and some market monitoring is required to control relevant risks of the product.
- This product may be suitable for investors who are happy to accept low to medium level of investment risk.

## ABOUT THE FUND MANAGER

Sun Life Asset Management Company, Inc. (SLAMC) manages and distributes the Sun Life family Prosperity Funds. SLAMC is a wholly owned subsidiary of Sun Life of Canada (Philippines) and a member of the Sun Life Financial Group. Sun Life Financial has been in the business of risk protection and wealth accumulation for over 143 years and has more than CDN\$436B in managed funds as of December 2006. Its headquarters is in Toronto, Canada but it also operates through its wholly owned subsidiaries in the United States, UK, Ireland, Bermuda, China, Indonesia, Hong Kong, India, and the Philippines. Sun Life Financial is also the parent company of MFS Investment Management Co., which established the first mutual fund and is currently one of the largest mutual fund management companies in the United States.

SLAMC is located at 15<sup>th</sup> Floor, Tower II, The Enterprise Center, 6766 Ayala Avenue, Makati City with telephone number (632) 849-9888.

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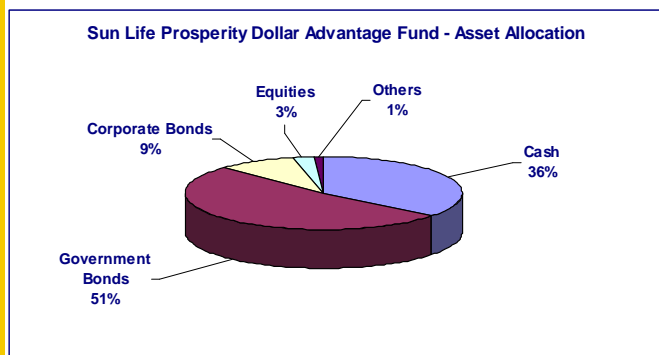
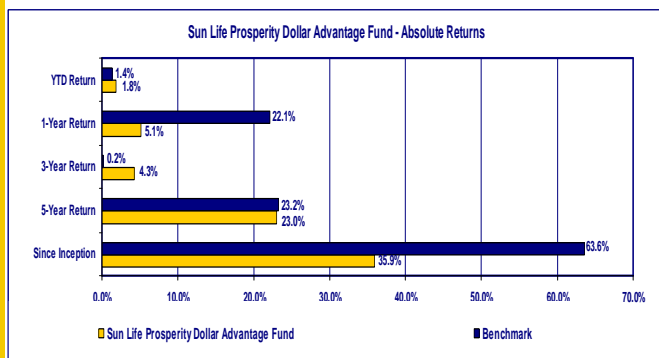
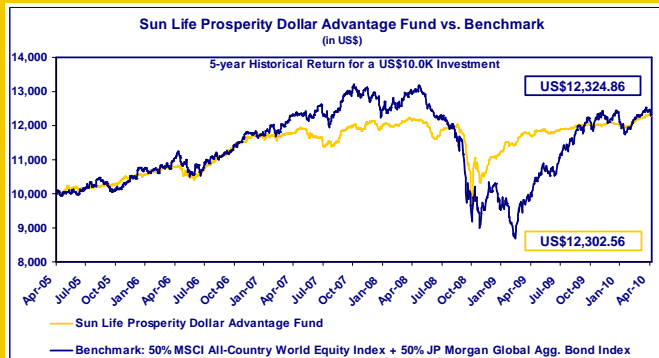
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# SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND



Investing made easy.

April 30, 2010



## Top 5 Fixed Income Holdings

Security	Maturity Date	% Total Assets
ROP14	15-Jan-14	20.5%
Special Savings Acct	11-May-10	14.1%
Special Savings Acct	4-May-10	10.6%
Special Savings Acct	13-May-10	10.0%
PLDT17	6-Mar-17	9.2%

## Fund Details

Launch Date	2-Jul-02
Fund Size	USD 19,132,126.68
Net Asset Value Per Share	USD 2.6017

## PERFORMANCE REVIEW

ROP bond prices displayed surprising resiliency for the most part of the month despite lingering concerns over the Greece bailout plan and the increasing jitteriness over the coming May polls. The market's mood was cautiously guarded even as some investors exploited tighter spreads to lighten up on holdings.

The Eurozone fiscal crisis has turned for the worse in the last month or so, as it was hit by credit downgrades on Greece, Portugal and Spain. Standard and Poor's (S&P) downgraded Greek sovereign debt by 3 notches to junk status, which fueled concerns on the country's ability to settle medium-term obligations. Portugal suffered a 2-notch rating cut while Spain incurred a single notch downgrade, though both remained investment-grade. Bond prices retreated amid reports by rating agencies that the bailout package may not be sufficient to prevent a total Greek meltdown, with possible contagion spreading to other debt-ridden Eurozone countries and to other regions directly or indirectly exposed to the European market.

## OUTLOOK

Offshore market volatility together with domestic political anxieties would weigh heavily on ROP bond performance in the coming weeks. While Asian Emerging Markets have few collective attributes with Euroland economies, debt contagion risks could dampen sentiment and appetite for risky assets in general. In particular, a Greek debt restructuring with massive haircuts for bondholders is plausible and could spark a new round of selling frenzy. In the local scene, mounting concerns over the threat of disorderly conduct of the May presidential polls could stir investors to further lighten up or stay on the sidelines, at least until the elections are over.

Invest wisely. Important information about the Sun Life Prosperity Funds is contained in their prospectuses, which may be obtained from duly authorized Sun Life Mutual Fund Distributors. Read the prospectus carefully before investing. Share values and thus yields will fluctuate. Please note that return statistics only indicate past performance over the periods indicated and not future performance.