

FUND OBJECTIVE

To provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

INVESTMENT STRATEGY & APPROACH

Please refer to the Master Fund Fact Sheets at <https://www.sunlifemalaysia.com/insurance-and-takaful/investment-linked-fund/yearly-fund-fact-sheet/> for more information on the Investment Strategy and Approach for the target fund.

FUND DETAILS

Launch Date	16 January 2018	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	13.71 million units (30 June 2025)	Fund Size	RM15.80 million (30 June 2025)
Unit NAV	RM1.1524 (30 June 2025)	Target Fund	AHAM Select Bond Fund
Fund Manager	AHAM Asset Management Berhad	Taxation	8% of annual investment income
Performance Benchmark	Maybank 12-Month Fixed Deposit Rate	Frequency and Basis of Unit Valuation	The unit price is determined daily based on value of the holdings in the target fund, net of expenses, divided by the total number of units in that fund
Target Market	Suitable for investors: - Have a medium to long term investment horizon - Risk averse and conservative	Fund Management Charge	Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond Fund.

ASSET ALLOCATION

Bonds	Cash
Minimum 70% of Net Asset Value (NAV)	Maximum 30% of NAV

Sun Life Malaysia Select Bond Fund

June 2025



SECTOR ALLOCATION OF THE TARGET FUND

Banks	27.30%
Insurance	13.20%
Energy	11.50%
Utilities	9.40%
Industrials	8.30%
Financial Services	8.00%
Real Estate	5.10%
Government	3.30%
Consumer Discretionary	2.60%
Consumer Staples	2.40%
Basic Materials	1.90%
Telecommunications	1.60%
CIS	1.00%
Technology	0.90%
Cash And Cash Equivalent	3.60%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Bank Negara Indonesia	4.30%	24.03.2027	2.3
Dialog Group Bhd	4.20%	16.11.2027	2.1
Dai-ichi Life Holdings Inc	6.20%	16.01.2035	1.9
HDFC Bank Ltd	3.70%	25.08.2026	1.8
Macquarie Bank Ltd	6.10%	08.03.2027	1.7
Aldar Properties PJSC	6.60%	15.04.2055	1.6
Meiji Yasuda Life Insurance Co	5.80%	11.09.2054	1.5
Dah Sing Bank Ltd	7.40%	15.11.2033	1.4
Yinson Production Offshore Pte	9.60%	03.05.2029	1.4
IOI Investment L Bhd	3.40%	02.11.2031	1.3

PERFORMANCE RECORD

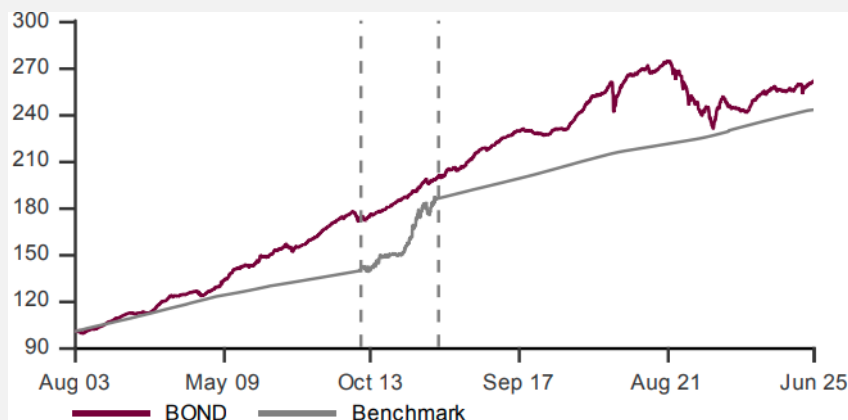
This fund feeds into AHAM Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

Table below shows the investment returns of Sun Life Malaysia Select Bond Fund versus its benchmark as at 30 June 2025:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	2.28	0.79	2.28	2.15	8.58	1.75	15.24
Benchmark	1.22	0.20	1.22	2.51	8.21	12.30	21.24

* Calculation of past performance is based on NAV-to-NAV

Graph Below shows the historical performance of the underlying collective investment schemes (CIS) for calendar year returns:



Source: www.morningstar.com

Sun Life Malaysia Assurance Berhad 199001005930 (197499-U)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur

Telephone (603) 2612 3600 Client Careline 1300-88-5055 wecare@sunlifemalaysia.com sunlifemalaysia.com

FUND MANAGER'S COMMENTS

- In June 2025, UST 10Y yield swung from a peak of around 4.51% (June 6) down to about 4.23% by June 30, as investors navigated fiscal policy uncertainties, Fed rate-cut expectations, and softening economic data. As of month end, UST 2-year, 10-year and 30-year ended at 3.72% (-18bps), 4.23% (-17bps) and 4.77% (-16bps) respectively. At June's FOMC meeting, the Fed kept the Fed funds rate at 4.25-4.50% and made no major changes to the statement, as expected. The Committee viewed the unemployment rate as low and inflation somewhat elevated, supporting the case for maintaining a restrictive monetary policy stance. In the Summary of Economic Projections (SEP), both inflation and unemployment forecasts were revised higher by 0.1-0.3ppt, while growth was revised lower by 0.2-0.3ppt. The new dot plot continues to suggest two cuts (c.50bp) for 2025, in line with expectation. Recent US economic data have been mixed. The 4-week moving average of initial jobless claims rose to almost 2-year high and continuing claims increased to the highest level since 2021, while ADP private payrolls weakened notably.
- On the domestic front, the yield curve bull-steepened in Apr-May on expectations of a BNM rate cut and the 100bps SRR reduction in May. Yields briefly rose in early June (bear-steepening) before softening again as weak May exports (-1.1%) and slower inflation (1.2%) revived market expectations of a rate cut in July. The 3-year, 10-year and 30-year MGS ended the month of June at 3.14% (m/m: -2bps), 3.49% (m/m: -4bps) and 4.00% (m/m: -3bps), respectively. Malaysia's headline inflation slowed to 1.2% YoY in May, the lowest since Feb 2021, with core inflation also moderating to 1.8%. Overall, inflation remains subdued amid modest cost conditions and lack of demand-driven pressures. BNM projects (2024 inflation at 1.8%), a full-year inflation rate of 2.0%–3.5% in 2025. Subsidy rationalization for RON95, expected in 2H25, is unlikely to significantly impact inflation amid narrow target group and lower commodity prices.
- There is a high possibility that the BNM may cut the overnight policy rate (OPR) in 3Q2025 amid rising trade tensions and external growth risks. Meanwhile, the fiscal deficit narrowed by 27% YoY to RM33.8bn in 5M25, supported by a 5.3% rise in government revenues and a 3.6% drop in expenditures. Upcoming revenue drivers include the Sales and Service Tax (SST) expansion effective 1 July (expected to add ~RM10bn annually) and fiscal savings from lower oil prices and a stronger MYR. With these, the government is on track to meet the 2025 deficit target of RM80bn or 3.8% of GDP.

STRATEGY:

- The portfolio remains diversified, with ongoing efforts to increase foreign bond allocations. In June, credit markets performed well, supported by positive risk sentiment and a broad-based decline in global rates. US and Asia IG credit spreads tightened marginally, while government bond yields fell as markets began to price in the likelihood of a US Federal Reserve rate cut as early as July, although this was later tempered by comments from Fed Chair Powell and stronger-than-expected labor market data.
- The portfolio yield is around mid-5% after hedging, sitting on approximately 3% cash and portfolio duration was shortened to 4.6years as the portfolio took profits on some longer dated papers. Moving into July, the USD open FX exposure is at 5.5% while AUD open FX position is at 2%. On positioning front, the portfolio continued in reducing MYR allocation which is currently at 16% (from peak around 30%) while increasing foreign bonds for additional yields. The portfolio continues to like AUD bonds as it remains one of the markets outside USD where valuation is compelling and AU rates have outperformed US. The portfolio currently has around 17% in AUD bonds. With uncertainty on US term premium and fiscal sustainability, the Manager continues to look to diversify by increasing allocation in AUD and EUR, also actively participating in primary issuances in markets such as SGD which is more expensive but continue to do well.

RISKS

All investment carries some form of risks. The potential key risks include but are not limited to the following:

Market risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the target fund's NAV.
Liquidity risk	Liquidity risk refers to two scenarios. The first scenario is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the target fund.
Credit and default risk	Credit risk relates to the credit worthiness of the issuers of the bonds or money market instruments ("Investment") and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the Investment. In the case of rated investment, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the Investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Investment. This could adversely affect the value of the target fund.
Interest rate risk	This risk refers to the impact of interest rate changes on the valuation of bonds or money market instruments ("Investment"). When interest rates rise, the investment prices generally decline and this may lower the market value of the Investment. The reverse may apply when interest rates fall.
Currency risk	As the Investments of the target fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. <u>Currency risk at the target fund level</u> The impact of the exchange rate movement between the base currency of the target fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the base currency of the target fund.

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Structured products risk

The NAV of the target fund will be impacted by the valuation of the structured product. Factors that may impact the valuation of the structured products will include, but not be limited to movement of the underlying assets, volatility of the underlying assets, interest rate levels, the correlation of the underlying assets and other such factors. Any change in the aforesaid factors would either positively or negatively impact the valuation of the structured products, hence impacting the NAV of the target fund. As such, the target fund's NAV will be exposed to potential price volatility, which will be dependent on the valuation of the structured products that the target fund invested in.

Country risk

Investments of the target fund in any country may be affected by changes in economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the target fund invests. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the target fund in those affected countries. This in turn may cause the NAV of the target fund or prices of units to fall.

Regulatory risk

The investments of the target fund would be exposed to changes in the laws and regulations in the countries the target fund is invested in. These regulatory changes pose a risk to the target fund as it may materially impact the investments of the target fund. In an effort to manage and mitigate such risk, the fund manager seeks to continuously keep abreast of regulatory developments (for example, by closely monitoring announcements on regulators' website and mainstream media) in that country. The fund manager may dispose its investments in that particular country should the regulatory changes adversely impact the investors' interest or diminish returns to the target fund.

Source : AHAM Asset Management Berhad
Date : 30 June 2025

Disclaimer:

This is strictly the performance of the investment fund, and not the returns earned on the actual premiums paid of the investment-linked product. Past performance of the fund is not an indication of its future performance. 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. Sun Life Malaysia may suspend the unit pricing and defer the payment of benefits, other than death and total and permanent disability benefits, subscription or redemption of units, switching of funds, under this contract for a reasonable period in exceptional circumstances, such as and including intervening events resulting in temporary closure of any stock exchange.