Sun Life Malaysia Select Bond Fund

August 2026

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	22.04 million units	Fund Size	RM26.37 million
Unit NAV	RM1.1962	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

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SECTOR ALLOCATION OF THE TARGET FUND

Banks	21.60%
Industrials	12.80%
Insurance	10.30%
Consumer Discretionary	8.70%
Financial Services	8.20%
Energy	6.70%
Real Estate	6.30%
Telecommunications	5.70%
Basic Materials	4.70%
Others	2.80%
Utilities	2.70%
Technology	2.30%
Government	1.70%
Cash And Cash Equivalent	5.50%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Mitsubishi UFJ Fin Group Inc	6.35%	15.01.2049	2.2
GC Treasury Center Co	6.50%	10.09.2049	2.1
Melco Resorts Finance Ltd	5.75%	21.07.2028	2.1
Aldar Properties PJSC	6.62%	15.04.2055	2.0
Sumitomo Mitsui Financial Gp	6.45%	05.06.2049	1.8
Yinson Production Offshore Pte	9.63%	03.05.2029	1.8
Thaioil Treasury Center Co Ltd	6.10%	15.01.2049	1.7
Zurich Finance Ireland	3.00%	19.04.2051	1.7
Ma'aden Sukuk Ltd	5.25%	29.01.2036	1.7
Celestial Dynasty Ltd	6.38%	22.08.2028	1.7

PERFORMANCE RECORD

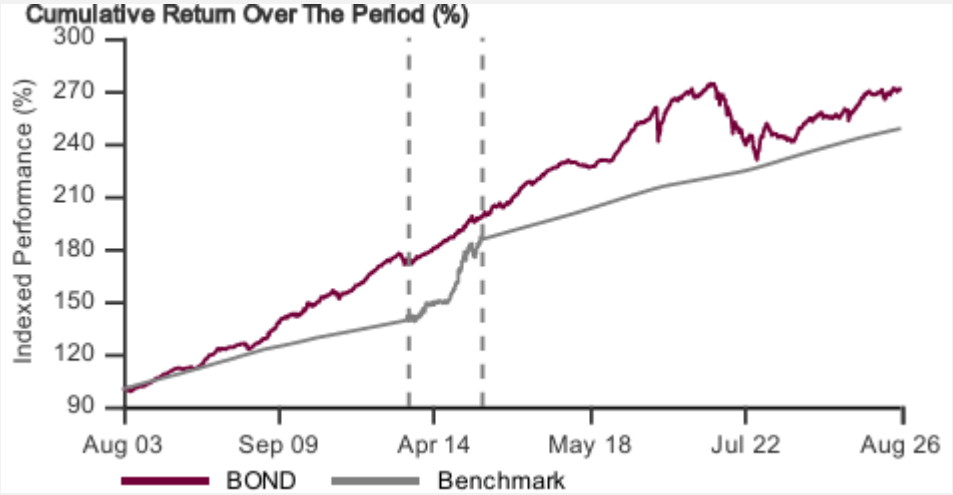
This fund feeds into AHAM Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

Table below shows the investment returns of Sun Life Malaysia Select Bond Fund versus its benchmark:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	1.13	0.25	0.24	1.85	12.05	0.66	19.62
Benchmark	1.30	0.14	0.97	2.00	7.33	12.53	24.09

** 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

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FUND MANAGER'S COMMENTS

- Middle East tensions remained through August with continuous shipping disruptions during mid-month. Brent rose from July's close of $85 to $90/bbl by month-end (+7% m/m) and has continued to rise at the time of writing.

- Key event during the month was Chair Warsh's Jackson Hole address on 28 Aug, where he said inflation's progress toward the 2% target has been "insufficient", which was perceived to be hawkish by market. July core PCE printed at 3.7% y/y, reinforcing the case. Markets moved September hike odds to roughly 60% by month-end.

- The 10-year Treasury yield closed August at 4.75%, essentially flat to marginally higher than July's close as the Jackson Hole tone and oil-driven inflation fears compounded. Net move was smaller than July's +30bp, though the path remains volatile.

- Credit stayed resilient through the volatility alongside risk assets, with Asia IG spread was flat around 56bps and HY around 320bps (-20bps).

STRATEGY:

- Our core allocation to short-mid duration, high-quality Asia investment grade bonds continued to generate solid carry with a running yield of 5-6%. The broad selloff in US Treasury yield (10 year +60bps YTD) weighed on price performance but largely offset by defensive duration positioning and good carry, delivering a net return of 0.97% as of end Aug.

- Duration was trimmed to 4.45 years during the month, reflecting a more defensive near term stance given the hawkish tilt and oil driven inflation risk. We are waiting for clarity from the September CPI print and FOMC decision to further calibrate our duration view.

- FX exposure remained actively managed, with currency exposure held within 10% of Fund size. Fund retained its partial long AUD position, supported by our range view on AUDMYR.

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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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Embedded derivatives risk	The NAV of the target fund will be impacted by the valuation of the embedded derivatives. Factors that may impact the valuation of the embedded derivatives 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 embedded derivatives 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 embedded derivatives 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

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.